

Edgar Filing: Rockwood Holdings, Inc. - Form 425

Rockwood Holdings, Inc.

Form 425

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Pursuant to Rule 425 of the Securities Act of 1933

Subject Company: Rockwood Holdings, Inc.

(Commission File No: 1-32609)

Albemarle Corporation

Investor Presentation

October 2014

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Forward Looking Statements

Some of the information presented in this document and discussions that follow, including, without limitation, statements with respect to the transaction and the anticipated consequences and benefits of the transaction, the targeted close date for the transaction, product development, changes in productivity, market trends, price, expected growth and earnings, cash flow generation, costs and cost synergies, portfolio diversification, economic trends, outlook and all other information relating to matters that are not historical facts may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There can be no assurance that actual results will not differ materially. Factors that could cause actual results to differ materially include, without limitation: the receipt and timing of necessary regulatory approvals; the ability to finance the transaction; the ability to successfully operate and integrate Rockwood's operations and realize estimated synergies; changes in economic and business conditions; changes in financial and operating performance of our major customers and industries and markets served by us; the timing of orders received from customers; the gain or loss of significant customers; competition from other manufacturers; changes in the demand for our products; limitations or prohibitions on the manufacture and sale of our products; availability of raw materials; changes in the cost of raw materials and energy; changes in our markets in general; changes in laws and government regulation impacting our operations or our products; the occurrence of claims or litigation; the occurrence of natural disasters; political unrest affecting the global economy; political instability affecting our manufacturing operations or joint ventures; changes in accounting standards; changes in the jurisdictional mix of our earnings and changes in tax laws and rates; volatility and substantial uncertainties in the debt and equity markets; technology or intellectual property infringement; decisions we may make in the future; and the other factors detailed from time to time in the reports we file with the SEC, including those described under "Risk Factors" in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this communication. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Information with respect to Rockwood, including non-GAAP information is taken or derived from Rockwood's public filings and management estimates and we take no responsibility for the accuracy or completeness of such information. It should be noted that this presentation contains certain financial measures, including Net Sales, and Segment Income, that are not required by, or presented in accordance with, accounting principles generally accepted

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in the United States, or GAAP. These measures are presented here to provide additional useful measurements to review our operations, provide transparency to investors and enable period-to-period comparability of financial performance. A description of non-GAAP financial measures that we use to evaluate our operations and financial performance, and reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found in the Investors section of our website at [www.albemarle.com](http://www.albemarle.com), under "Non-GAAP Reconciliations" under "Financials."

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Albemarle Acquisition of Rockwood: A Compelling Transaction

- o Creates a premier specialty chemicals company with leading positions in attractive end markets around the world
- o Accelerates Albemarle's strategy of bringing lithium and bromine together
- o Strengthens growth potential across four, high-margin businesses - lithium, catalysts, bromine and surface treatment
- o Differentiated, performance-based, technologies driving innovative solutions
- o Capacity in place to serve future growth to drive improved profitability
- o Outstanding cash generation capacity supports rapid deleveraging, ongoing dividend and investments to drive future growth

Enhanced growth, expanded margins and improved cash flow drive shareholder value

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Summary

Strategic Rationale

- o Combined company will be a leading specialty chemical company with industry-leading growth and EBITDA margins
- o Accelerates Albemarle's growth and enhances its margin profile
- o Creates the potential for more consistent and predictable earnings growth for ALB shareholders
- o Creates a leader in four attractive growth markets
- o ROC acquisition enables ALB to accelerate its strategy of bringing lithium and bromine businesses together and leverage technology to exploit its brine resources
- o Lithium and Bromine are a natural fit in several ways
- o Both leverage chemistry to derivatize key molecules
- o Similarity in extraction processes
- o Presence in Fine Chemistry (Agriculture / Pharmaceuticals) and Polymers (Plastics / Synthetic Rubbers)
- o Common end markets and cross-selling opportunities
- o ALB has long been aware of the complementary fit and has been pursuing an expansion into lithium
- o In 2011, announced plans to extract lithium from its Arkansas brine - key challenge was to extract at competitive costs
- o Evaluated acquisition opportunities even before discussions with ROC had begun

Anticipated Financial Benefits

- o Accretive to cash EPS in year one, adjusted EPS in year two and substantially accretive to EPS thereafter
- o Estimated \$100 million in cost synergies across both companies to be realized in first 2 years
- o Capital cost avoidance and improved market access for Albemarle's lithium development
- o Exceptional cash flow generation (\$500 million every year) enables rapid deleveraging
- o Continued investment grade rating to ensure low funding costs

Valuation and Stock Price Performance

- o The purchase premium of 13.7% to the prior close and 4.8% to the 52-week high at signing compares favorably to premiums paid on precedent transactions
- o Implied EV/EBITDA 2014E multiple of 14.1x (1) and with synergies 11.3x (1); compares favorably with other high growth, specialty chemical deals
- o The transaction value was within BofAML's DCF valuation before synergies, and below DCF valuation with synergies
- o Fixed share exchange ratio set at signing is not impacted by subsequent share price movements

(1) 2014E EBITDA pro forma for Talison acquisition; Assumes synergies of \$100M



Both Boards Long Recognized The Value of a Combination

- o Discussions between Albemarle and Rockwood regarding a possible transaction date back to May 2012
- o Initial discussions involved purchase of lithium, potential sale of Albemarle or merger of equals
- o In the spring of 2014, Rockwood received interest from multiple parties, including Albemarle, to acquire all or part of the company
- o Indications of interest were received for Rockwood's surface treatment business and for the company as a whole
- o Albemarle's board, together with management and outside advisors, regularly reviews alternatives to deliver shareholder value and determined the acquisition of Rockwood to be in the best interests of Albemarle shareholders
- o Albemarle's offer to acquire Rockwood for \$50.65 in cash and 0.4803 in Albemarle shares was the most favorable received by Rockwood

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Leadership Across Highly Attractive Growth Segments

Lithium

Performance Chemicals (2)

Catalysts (2)

Surface Treatment

Characteristics

- o Mineral extraction and processing businesses
- o Low cost position on global cost curve
- o Vertically integrated
- o High demand growth
  
- o Technology driven
- o Critical customer service
- o Ability to differentiate offering
- o Strong free cash flow

Global Ranking

#1

#1/2

#1/2

#2

2013A

Revenue

EBITDA (1)

% Margin (1)

\$479

\$182

38%

\$1,392

\$361

26%

\$1,002

\$267

27%

\$770

\$174

23%

Growth

2.0x - 3.0x GDP

1.0x - 1.5x GDP

1.0x - 2.0x GDP

1.0x - 2.0x GDP

Growth Drivers

- o Energy storage
- o Life Sciences
- o Polymers



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- o Digital technology
- o Offshore drilling
- o Mercury control
- o Asset utilization
  
- o Clean air mandates
- o Fuel consumption
- o Complex crude slates
- o Asset utilization
  
- o Differentiated service and innovation
- o Automotive, aerospace and general industry

### Key Competitors

Source: Company information

Note: USD in millions

- (1) EBITDA and EBITDA margin calculated before corporate overhead expenses
  
- (2) Excludes the impact of the divestiture of Albemarle's antioxidant, ibuprofen and propofol businesses and assets (closed August 31, 2014)

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Attractive Growth Opportunities Across Businesses

- o Lithium - Efficient Energy Storage
  - Consumer electronics
  - Automotive, including electric vehicles
  - Stationary batteries, including grid storage
- o Performance Chemicals - Leveraging New Bromine Applications
  - Digital technology
  - Offshore deep water drilling
  - Mercury control emission reduction
- o Catalysts - Energy Demand and Improving Environmental Standards
  - Fuel consumption in developing economies
  - Clean air/clean fuel mandates
  - Increasingly complex crude slates
- o Surface Treatment - Differentiated Customer Service and Innovation
  - Automotive and components
  - Aerospace industries
  - General industry

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ALB's Lithium Strategy

- o ALB has closely evaluated the lithium opportunity and found it to be attractive
- o Technological synergies between bromine and lithium
- o Attractive end market growth
- o Lithium reserves in Arkansas have been known for a long period of time and recently have been able to extract
- o Pursued a combination of both organic and inorganic strategies to enter the lithium market

Organic Growth

- o In 2011, ALB publicly announced plans to extract lithium from Arkansas brine
- o ALB undertook a market study and a technical study before such announcement
- o Challenge was to extract lithium at a competitive cost
- o Continued to work on the pilot plant until ROC deal announcement

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Inorganic Growth

- o ALB evaluated M and A opportunities in 2012 and 2013 before ROC approached ALB in September 2013
- o ALB and ROC have recognized the strategic fit and value of the combination

Significant benefits from two complementary platforms and accelerates development of Arkansas lithium reserves

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Complementary Fit - Especially Between Lithium and Bromine

Low Cost Sourcing and Processing

- o Best sourcing and most diverse locations in the world due to long term reserves and highest concentration levels
- o Chile, Australia, Nevada and Arkansas for lithium
- o Arkansas and the Dead Sea for Bromine
- o Chile, Nevada, Arkansas and the Dead Sea all extracted from brine

Value-Added Derivatization

- o Lithium converted into products used in electronic chemicals, pharma, energy storage, plastics, rubber, etc.
- o Bromine converted into products used in electronics, automotive, oilfield, mercury control, agriculture, pharma, etc.
- o Process and product technology leadership with in-house R and D

Global End Market Overlap

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End Market Overlap

Consumer Electronics

- o Flame Retardants
- o Custom Organic Chemicals
- o High Purity Metal Organics for LED applications
- o Batteries
- o High Purity Metal Organics
- o Organometallics

Automotive

Flame Retardants  
Batteries  
Lubricants  
Greases  
Metal Treatment

Polymers

Polyolefins and Synthetic Elastomers  
Bromobutyl rubber for use in tires  
Synthetic Elastomers  
Polyolefins

Agriculture, Pharma

Custom and Generic Active and intermediate Pharmaceutical and Ag Ingredients  
Custom manufacturing  
Lithium Active Ingredient in Pharma  
Organo lithium in pharma and Ag

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Rockwood Lithium Is Positioned to Benefit From Growth

NET SALES

\$357	\$397	\$457	\$474	\$479	\$468
2009	2010	2011	2012	2013	LTM 6/30/2014

ADJUSTED EBITDA

39.5%	36.4%	37.3%	38.3%	37.9%	36.7%
\$141	\$144	\$170	\$182	\$182	\$172
2009	2010	2011	2012	2013	LTM 6/30/2014

COMMENTARY

Similar extraction process as Bromine

Global # 1 Lithium company covering entire value chain; both upstream and downstream from mining to suppliers and OEMs

Independent from raw material supply changes and price variations

Low-cost diversified lithium raw materials sources in Chile, USA and Australia

Long term reserves with high lithium concentration

Volume growth in product groups and markets result in increasing margins due to production cost leadership

Battery grade growing at 20%+ annually

Broadest portfolio of Lithium specialty compounds worldwide based on technological leadership

Backward integration secures strongest strategic raw material position combined with R and D and production sites worldwide

Potash is a limited portion of the go-forward sales outlook but has potential to recover

Source: Company information

Note: Historical Adj. EBITDA excludes 49% of Talison Lithium EBITDA

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Potential Lithium Demand Delivers Significant Upside

Lithium Carbonate Equivalent in Metric tons

350,000	300,000	250,000	200,000	150,000	100,000	50,000	0
2012	2013	2014	2015	2016	2017	2018	2019 2020

Application	Lithium Carbonate Content
Cell Phone	3 grams ~ 0.1 oz
Notebook	30 grams ~ 1.0 oz
Power Tool	30-40 grams ~ 1.0-1.4 oz
Hybrid (HEV) 3kWh	3.5 lbs
Plug-in Hybrid (PHEV) 15 kWh	26 lbs
Electrical Vehicle (BEV) 25 kWh	44 lbs
Tesla 85 kWh	112 lbs

Grid Storage: Potential Demand Could Exceed Electric Vehicle

Automotive High  
 Automotive Low  
 Automotive Average

Portable Batteries  
 Other Applications  
 Lubricating Greases  
 Glass and Ceramics

Rockwood expects to capture 50% of Lithium growth

Source: Rockwood Lithium estimates and market surveys from  
 BCG, Bloomberg, Avicenne, Roland Berger, Pike Research,  
 Fraunhofer IST, Deutsche Bank Research, McKinsey, CTI,  
 Anderman, JD Powers

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Rockwood Surface Treatment Grows With Innovation, Service and Global Reach

NET SALES

\$639	\$766	\$882	\$836	\$885	\$929
2009	2010	2011	2012	1013	LTM 6/30/2014

ADJUSTED EBITDA

16.4%	\$105				
19.7%	\$151				
20.3%	\$179				
21.2%	\$177				
22.4%	\$198				
23.0%	\$213				
2009	2010	2011	2012	1013	LTM 6/30/2014

Adj. EBITDA            % Margin

COMMENTARY

Similar surface chemistry characteristics as catalysts

#2 provider globally of surface treatment products and services with margin leadership in its industry

Favorable industry structure

Strong free cash flow generation and return on capital due to low CapEx requirement

High sales growth trajectory in conjunction with margin expansion

Growth driven by product innovation, geographic expansion, market share gains and synergistic bolt-on acquisitions

Supplies more than 5,000 different products, based on proprietary formulations and extensive application know-how

Leading reputation for top customer service, technology know-how and product innovation

Diversified customer base (over 50,000) across geographies and end-markets

Source: Company information

Note: The Surface Treatment results have been recast to include the metal sulfides business for all periods presented

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Meaningful, Highly Executable Synergies

Cost synergies of ~\$100 million to be fully realized in 2016

Go to market strategies and resources (e.g. Sales, R and D, Marketing) do not change

Eliminate redundant corporate overhead costs

Transition back office services to low cost shared service centers

Improve sourcing costs based on increased scale

Leverage expertise to drive production efficiency in extracting Bromine and Lithium

High throughput experimentation capabilities in surface treatment and catalysts businesses to innovate more rapidly

Day 1 synergies of \$30 million+

Ahead of Plan

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Integration Update

Three months in on detailed integration planning

Established joint integration teams with dedicated members from both companies

Functional - real estate, logistics, supply chain, finance, shared services, tax, IT, legal, manufacturing

Cross-functional - Day 1 readiness, communications, organizational design

Engaged one of the top integration consulting teams to assist with integration planning and execution

Building on best practices from both companies

Team is dedicated to identify, quantify and execute synergies in the following areas:

Reduce Costs - corporate costs, operational process, real estate footprint, non-raw material sourcing, shared services centers

Accelerate Growth - leverage R and D capabilities, new product development, cross-selling opportunities

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Benefits of Using Albemarle Stock in Transaction

Allows Albemarle to maintain its investment grade ratings and optimize capital structure

All-cash deal would have resulted in substantially higher leverage resulting in non-investment grade rating and significantly higher financing costs

Levered capital structure would have limited financial flexibility and ability of management to capitalize on growth opportunities

Fixed exchange ratio of 0.4803x implies that Albemarle is issuing shares to Rockwood shareholders at attractive trading level

Exchange ratio was agreed upon at an Albemarle share price of \$71.52 locking in the number of shares Albemarle would issue to Rockwood shareholders

Current share price performance has no impact on EPS accretion

Enables Rockwood shareholders to participate in the upside of the combination (growth and synergies)

Use of our cash / debt capacity to acquire Rockwood delivers higher long term value to our shareholders than short term stock buy-backs

Our past stock buybacks reflected best use of our cash at that point; value-accretive transforming acquisition opportunities such as Rockwood were not available then

BofA Merrill Lynch Valuation Analyses

Discounted Cash Flow Analysis

\$110.00

\$100.00

\$90.00

\$80.00

\$70.00

Mixed Consideration Implied Premiums Analysis (1)

\$110.00

\$100.00

\$90.00

\$80.00

\$70.00

The purchase premium of 13.7% to the prior close and 4.8% to the 52-week high at signing compares favorably to premiums paid on precedent transactions

ROC shares traded at ~12x 2014E EBITDA prior to transaction announcement of 14x 2014E EBITDA

The transaction is expected to be accretive to cash EPS in year one, adjusted EPS in year two and substantially accretive to EPS thereafter

The Albemarle Board of Directors reviewed financial analyses and received a fairness opinion from BofA Merrill Lynch

Source: S-4 Filing

Note. USD per share

(1) Premiums offered for selected mixed cash and stock consideration transactions in the United States completed or pending since January 1, 2010 with transaction values over \$1.0 billion

(2) Represented a 13.7% premium to Rockwood closing price on July 10, 2014 and a 4.8% premium to Rockwood 52-week high

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ALB Share Price Performance in line With Market

Ph-1: Initial reaction to the deal

Ph-2: Initial fall triggered by earnings then stock performs in line with peers

Ph-3: Broad market selloff

1 2 3

120%

110%

100%

90%

Dow Jones US Specialty  
Chemicals Index

LTM	6-M onth	2-Month	Post Announcement		
5%	(3%)	(7%)	Phase 1	Phase 2	Phase 3
			(0%)	0%	(8%)

Catalysts Index (7%) (13%) (13%) (2%)

2% (12%) Bromine Index (14%) (17%) (13%)

(1%) (5%) (12%) Albemarle (16%) (18%)

(12%) (6%) (8%) (15%)

80%

10/15/13 01/14/14 04/15/14 07/15/14

10/15/14

(1) (2)

Albemarle Catalysts Index Bromine Index Dow Jones Specialty  
Chemicals Index

Source: FactSet as of October 15, 2014

Note: Phase 1 reflects stock price performance from 7/14/2014 to 7/23/2014, Phase 2 from 7/23/2014 to 9/22/2014 and Phase 3 from 9/22/2014 to 10/15/2014

(1) Catalysts Index includes W.R. Grace

(2) Bromine Index Includes Chemtura and ICL

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Positive Reactions From The Street to Proposed Transaction

Increases Growth Profile

"[W]e believe base ALB remains on track to generate 9% EPS recovery this year, and the potential new ALB with ROC boosts its growth potential longer term." - KeyBanc, 7/31/2014

"We believe ALB is well positioned for growth as it continues to invest in R and D for new products in its Performance Chemicals unit and should enter the lithium market through the acquisition of ROC." - RW Baird, 9/26/2014

"Albemarle's proposed \$6B acquisition of Rockwood adds high growth, high margin and high multiple Lithium and Surface Treatment businesses while diluting the bromine business, itself a deterrent to some investors." - Deutsche, 8/1/2014

Creates Market Leader in Attractive Industries

"[S]ubsequent completion of the proposed ROC acquisition would create a solid asset base of high-margin businesses with strong leadership positions in concentrated industries: lithium, bromine, catalysts and surface treatment." - GS, 8/11/2014

"On balance, we think the deal would create a premier producer of specialty chemicals, second only to DuPont among diversified specialty names, i.e. ex industrial gases and coatings pure-plays." - BofA Merrill Lynch, 7/16/2014

"We are upgrading our rating on ALB to Buy from Hold, on favorable portfolio implications associated with the proposed Rockwood acquisition, a perceived positive inflection in bromine, the potential for several positive catalysts near-term, and an anticipated valuation re-rating for the new post-merger Albemarle." - Topeka, 7/29/2014

"The acquisition gives Albemarle more direct leverage to electric vehicles and diversifies the portfolio away from bromine (in transition between growth cycles, at best) and catalysts (very lumpy order patterns)." - Jefferies, 7/15/2014

"ALB will possess a collection of high-margin specialty chemical businesses with leadership positions in industries with attractive, concentrated markets." - GS, 8/11/2014

"The weak performance in 2014 is a timely demonstration of ALB's need for portfolio diversification into businesses with a higher growth profile. The ROC acquisition is just what the doctor ordered." - SunTrust, 7/31/2014

Provides Compelling Synergy Opportunity

"[T]argeted synergies of \$100m are 7% of ROC's sales, which

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seems achievable to us since the average targeted synergies in a specialty chemical transaction has been 7% historically with most actual achieved synergies coming in higher than the initial estimate." - GS, 7/15/2014

"In particular, we are more comfortable with the \$100 million in potential synergies from corporate costs, shared services, raw material purchasing, and asset base optimization. We note ALB's internal synergy target is higher than \$100 million." - First Analysis, 8/5/2014

"For additional perspective, the \$100mm synergy number represents well under 3% of the combined Company's pro forma annualized revenue run-rate, which implies the target could prove conservative, in our view. [ ... ] We also believe synergies extracted from the ALB/ROC combination will improve the combined firm's financial profile and return metrics." - Topeka, 7/29/2014

Source: Wall Street Research as of October 15, 2014

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Significant Financial Benefits

Improved Revenue Growth

Consistent, predictable growth significantly above GDP

Industry- leading Margins

Pro-forma EBITDA margins of 25%+

Earnings Accretive

Accretive to cash EPS in year one and adjusted EPS in year two

Substantially accretive thereafter

Strong Free Cash Flow

Focus on rapid deleveraging in near term before share repurchases

Expect to grow current annualized dividend of \$1.10 per share

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Strong Free Cash Flow Allows De-leveraging

Free Cash Flow

\$1,000

800

600

400

200

0

FCF Yield

10.0%

9.0%

8.0%

7.0%

6.0%

5.0%

4.0%

3.0%

\$275

\$365

\$500

\$600 - \$900

2013A(1)

2014PF(1)

2015PF (2)

3 - 5 years (2)

Net-Debt-to-EBITDA

Available for dividend increases, investments and share repurchases

ALB Target leverage 2.0 - 2.5x

FCF growth driven by earnings growth and low CAPEX requirements

\$500M+ annual free cash flow before one time tax payment in 2015 to repatriate ~\$4B in existing and future cash

NPV of tax benefit of cash repatriation strategy is greater than \$750M

Focus on rapidly reducing leverage achieving target by 2017

CAPEX in the range of 4-6% of revenue

Remain committed to previously announced working capital reduction of \$100M by 2015

Expect to maintain current annualized dividend of \$1.10 per share and annual increases

(1) 2013A and 2014PF FCF excludes the impact of rare earth

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and the divestiture of antioxidant, ibuprofen and propofol  
businesses and assets (closed August 31, 2014)

(2) 2015PF and Next 3-5 years FCF yield calculated using  
pro-forma market capitalization post Rockwood acquisition

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Albemarle Acquisition of Rockwood: A Compelling Transaction

Creates a premier specialty chemicals company with leading positions in attractive end markets around the world

Accelerates Albemarle's strategy of bringing lithium and bromine together

Strengthens growth potential across four, high-margin businesses - lithium, catalysts, bromine and surface treatment

Differentiated, performance-based, technologies driving innovative solutions

Capacity in place to serve future growth to drive improved profitability

Outstanding cash generation capacity supports rapid deleveraging, ongoing dividend and investments to drive future growth

Enhanced growth, expanded margins and improved cash flow drive shareholder value

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Appendix

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Background to Merger:

Date Event

2012

May 22 Mr. Ghasemi, Mr. Riordan and Mr. Kissam meet to explore sale of ROC Lithium business and other strategic opportunities.

2013

August 13 Mr. Ghasemi and Mr. Kissam meet to explore strategic opportunities.

September 22 ROC Board meeting held to discuss possible acquisition of ALB

30 Mr. Ghasemi meets with Mr. Kissam to express interest in acquisition of ALB for \$72 per share

October 7 ALB Board meets to discuss proposed acquisition by ROC

11 ALB informs ROC of Board's decision that ALB is not for sale and has no interest in pursuing ROC proposal

2014

February 12 Mr. Ghasemi calls Mr. Kissam to inquire if ALB would be interested in merger of equals

20 ROC management meets with Lazard to discuss potential combination with ALB and other specialty chemical companies that Lazard believed could be attractive business combination partners

26 Mr. Ghasemi and Mr. Kissam meet to discuss the exploration of a merger of equals transaction. Shortly thereafter, ALB informs

ROC that they are not interested in a merger of equals

May - Throughout May, Lazard contacts and meets with ALB and 6 other specialty chemical companies to explore a possible transaction with ROC

June 5 ROC receives letter from Co. G submitting an indication of interest to acquire ROC's surface treatment business at EV 11x EBITDA

13 At Mr. Kissam's request, Mr. Ghasemi meets with Mr. Kissam and advisors to discuss pursuing a possible transaction. Following the meeting ROC receives a letter from ALB expressing interest in exploring a combination

13 ROC receives indication of interest from Co. A to acquire surface treatment business for a price between \$2.25 - \$2.5



billion

15 ROC Board and advisors meet to discuss strategic transactions; Lazard informs ROC Board that ALB, Co. B and Co. C expressed interest in a potential transaction, Cos. A and D were not interested in ROC as a whole and Cos. E and F had no interest at all

18 Mr. Kissam calls Mr. Ghasemi to suggest a meeting between representatives of the two companies to discuss a potential

transaction. Mr. Ghasemi indicates that ROC shareholders would need to receive a premium in any transaction

20 Mr. Ghasemi, Mr. Kissam and advisors meet to discuss possible transaction. ALB proposes transaction for ROC at \$82 per share. Mr. Ghasemi expresses unwillingness to pursue transaction at \$82 valuation. Mr. Kissam indicates he intends to recommend \$85 valuation to his Board

23-24 ALB Board meets and approves proposed transaction terms. ALB notifies ROC Board of desire to pursue a transaction at \$85 per share

- Throughout June and into July, Lazard continues negotiations with Cos. A, B, C and D; Co. B informs ROC that they are not interested in a transaction for ROC as a whole at this time; no offers above \$85 emerge

July 1 ALB and ROC begin due diligence

8 Co. C submits non-binding indication of interest to acquire ROC for \$80 per share; Co. C is notified of higher existing offer; no revised offer is submitted

13 Mr. Kissam calls Mr. Ghasemi to discuss exchange ratio price, termination fee and combined Board composition; later that day ALB Board meets to discuss status of discussions with ROC. ROC Board and advisors meet to review status of negotiations with ALB and Cos. A, B, C, D, E, F and G. The following day the Board meets again and approves merger with ALB for \$85 per share

14 ALB Board, along with advisors, meet and approve merger with ROC for \$85 per share Rockwood Lithium - Significant Recent Investments Have Positioned The Business for Growth

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Rockwood Lithium - Significant Recent Investments Have Positioned The Business for Growth

CAPEX

\$24

\$30

\$76

\$98

\$145

\$148

COMMENTARY

Well invested global business

Access to the highest quality and lowest cost Lithium raw materials (Brine in Chile and the U.S. and spodumene in Australia)

Infrastructure supports growth in China market

In 2011 and 2012, Rockwood Lithium invested approximately \$50M in its high-purity lithium hydroxide plant at Kings Mountain, North Carolina for advanced batteries

In 2012 and 2013, Rockwood Lithium invested \$140M in its new 20,000 metric ton lithium carbonate plant at its La Negra, Chile facility

Closed geologic basins resulting in some of the highest lithium concentrations globally

In 2014, Rockwood acquired a 49% interest in Talison Lithium

Talison owns the largest spodumene mine worldwide with 61.5 Mt of proven and probable mineral reserves at 2.8% LI2O with current mine life of 40 years

Lowest cost producer of technical and chemical grade lithium concentrates

Source: Company information

Note: USD in millions

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Rockwood Lithium - Diversified End-Markets and  
Geographic Exposure with Broad Product Offering

### 2013 SALES BY END MARKET

Other  
32%

Pharma and Agriculture

32%

South

America

11%

Asia  
31%

North  
America  
19%

Batteries  
12%

Chemicals  
and Plastics  
24%

EMEA  
39%

### 2013 SALES BY PRODUCT

Special  
Salts

14%

Lithium Salts (Lithium Carbonate, Lithium Hydroxide, Potash)  
39%

Organomet  
-allics and Lithium Metal  
47%

Source: Company information



Rockwood Lithium - Low-Cost Lithium Brine Sources

Resources in Chile and USA

Desert environment to evaporate water and  
concentrate lithium salts enabling use of solar  
evaporation Closed geologic basins resulting in  
some of the highest lithium concentrations globally  
Good chemistry to allow further concentration and  
processing at low cost

Atacama, CHILE            Silver Peak, NEVADA

Source: Company information

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Rockwood Lithium - Low-Cost Lithium Brine Sources (Cont'd)

Mineral

Rights

Right to extract lithium brine pursuant to a long-term contract with the Chilean government Contract will remain in effect until the date on which Rockwood Lithium has produced and sold 200,000 metric tons of lithium in any of its forms As of December 31, 2013, the remaining amount of lithium Rockwood was permitted to sell under the contract equaled approximately 125,000 metric tons of total lithium

Mineral

Reserves

Rockwood estimates the reserves covered by their claims at the Salar de Atacama would be approximately 1.2 million metric tons of lithium This reserve number is significantly in excess of approximately 125,000 metric tons of lithium that Rockwood is permitted to extract at the Salar de Atacama

Right to extract lithium brine pursuant to a settlement agreement with the U.S. government Pursuant to the agreement, Rockwood Lithium has the rights to all of the lithium that the company can remove economically

Rockwood estimates their reserve at Silver Peak to amount to approximately 35,000 metric tons of lithium

Source: Company information

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Rockwood Lithium - Lowest-Cost Lithium Spodumene Resources

In 2014, Rockwood acquired a 49% interest in Talison Lithium. Talison produces lithium-bearing mineral spodumene and produces lithium concentrate at Greenbushes, Australia. Talison owns the largest spodumene mine worldwide with 61.5 Mt of proven and probable mineral reserves at 2.8% LI<sub>2</sub>O with current

mine life of 40 years.

Lowest cost producer of technical and chemical grade lithium concentrates. Talison supplies the majority of China's lithium concentrate needs.

Source: Company information.

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Focused Approach has Enabled ROC Surface Treatment to Gain  
Market Share

Estimated Market Share

2007

2013

Market Share by Segment

Estimated

#2 provider globally of surface treatment

Sales

Estimated

	Total Market	Chemetall Net
Automotive	\$ 800 million	\$ 136 million
Auto Components	\$ 250 million	\$ 69 million
Wheels	\$ 85 million	\$ 20 million
Can	\$ 85 million	\$ 2 million
Metal Working	\$ 650 million	\$ 58 million
Aluminum Finishing	\$ 250 million	\$ 17 million

The only global supplier of surface treatment  
solutions with 100% focus  
Favorable industry structure  
Market leading positions in niche markets  
Diversified portfolio for a variety of markets

Source: Company 2013 estimates

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Surface Treatment Markets

Automotive OEM

Globally harmonized technologies available for NDT products, inhibitors, conversion coatings, cleaners, coolants, activating and passivating agents and maintenance chemicals. Aerospace

Sealants and sealant removers, NDT products and equipment, corrosion protection, cleaners, pretreatment and paint strippers for airframe, aircraft operation and aero-engine applications. Automotive Components

Broad portfolio of technologies from cleaners to conversion coatings for all kinds of components and substrates, such as steel or aluminium wheels, bumpers or diesel injection systems. Coil

A variety of technologies for coil coating and galvanizing processes. Prepainted and passivated metal sheets are used in automotive, building, electrical and packaging industries. Metal (Cold) Forming

Tube industry (from the blank tube to the precision tube), wire industry (from cold heading to spring steel wire) and cold extrusion (complex geometries extruded net shape).

General Industry

Broad portfolio of metal pretreatment technologies for all kinds of applications such as furniture, garden fences, trains, electrical cabins and many more. Heavy Equipment

Eco-friendly and efficient technologies ensure an excellent and long-term surface quality for off-road vehicles, construction equipment, industrial machines and agricultural vehicles.

Appliances, HVAC

Broad portfolio eco-friendly, nickel-free and chrome-free processes - from cleaners, conversion coatings, paint detackification to maintenance chemicals.

Metal Packaging

High efficient cleaners, conversion treatments and mobility enhancers for the aluminium beverage can manufacturing.

Aluminium Finishing

Pretreatment technologies, anodizing processes and service products ensure an excellent surface in the architectural and construction industry.



Surface Treatment - Net Sales

ROC Net Sales by End-Market

Aluminium

Finishing

2%

Cold Forming

7%

Competitors

Henkel AG and Co. KGaA Nihon Parkerizing Co., Ltd. PPG Industries, Inc. Nippon Paint Co., Ltd.

Coi

10%

Automotive

11%

Aerospace

15%

General

Industry

37%

Automotive

OEM

17%

Major Customers Daimler AG ArcelorMittal Volkswagen AG

European Aeronautic Defense and Space Company (EADS) N.V.

Ford

Renault-Nissan

Source: Company 2013 estimates

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Performance Chemicals Overview  
By Business

By Region

Fire Safety  
Solutions  
Specialty  
Chemicals  
Fine Chemistry  
Services

Growth Drivers

Energy demand and increased deep water drilling driving completion fluids Clean air regulations bolstering mercury control Demand for process R and D and rapid commercialization services Surging data traffic requiring high-end servers Automotive electronics driving growth Prospect of fire safety standards in BRICs

Americas

EUMEI

Asia Pacific

2013 Financial Summary\* Sales: \$1.4B

EBITDA: \$0.36B

EBITDA Margin: 26%

Customers

Drilling and oil service, agriculture, pharmaceutical and water treatment companies Engineering plastics and resin manufactures and plastic compounders, and suppliers and distributors

Principal Competitors

FRs and Br Derivatives: ICL and Chemtura

Mineral FRs: Nabaltec, J.M. Huber, Kyowa Chemical Fine

Chemistry Services: Sigma Aldrich, Lonza, BASF, Clariant

Curatives: Lonza and Johnson Fine Chemicals

\* EBITDA and EBITDA margin calculated before corporate overhead expenses \* Excludes the impact of the recently announced proposed divestiture of Albemarle's antioxidant,

ibuprofen and propofol businesses and assets

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Bromine is Essential to Performance Chemicals  
Pharma/ Ag

Mobile Computing and Data Processing

Consumer  
Electronics

Strong Barriers to  
Entry for Bromine  
Recovery is both capital and  
energy intensive

Difficult and expensive to transport

Additional technology and capital needed to derivatize

Product stewardship and Health, Safety and Environmental  
expertise crucial

Mercury  
Abatement

Food  
Safety  
Oil Drilling

Water  
Treatment

Transportation  
Albemarle delivers value from bromine  
uses across multiple end markets

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Leading Bromine Sourcing Position

Dead Sea Concentrate  
Dead Sea

ALB and ICL

2014 Global Capacity

Competitive  
Noncompetitive

Arkansas  
Michigan

ALB and CHMT  
Closed in 2006

20%  
India Concentrate  
China

80%

Seawater

UK plant in 2003. France plant in 2005.

0 2000 4000 6000 8000 10000 12000 (ppm)

Competitive Noncompetitive

Only producer with access to the two best sources  
of bromine

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Market Trends: Brominated  
Flame Retardants

Key Drivers

Servers

Key Drivers

Automobiles

Continued digitalization (i.e. increase in mobile data traffic and increase in cloud/big data storage) Servers have overtaken PCs as key to BFR consumption in

Printed Circuit Boards  
Estimated Circuit Board FR Consumption  
(Consumption/device x unit sales)

Stricter fuel economy and emissions mandates  
Requirements for advanced safety systems

Consumer demand for greater infotainment capabilities  
Consumer demand for luxury vehicles and convenience features  
Growth of hybrid and electric vehicles

Hybrid vehicle worldwide market projected to grow 200%  
from 2014 to 2017

Semiconductor Opportunity by Category  
(Sales)  
\$4.4B

Server Desktop Laptop  
Tablet +  
Mobile Phone

Powertrain  
Safety Body Infotainment

\$3.5B

\$5.1B

\$5.2B

\$5.2B

\$7.8B

\$8.9B

\$8.2B

Source: Management estimates  
2010 2015

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Source: Infineon; BofA Merrill Lynch Global Research estimates; World Bank; IHS; KPMG; Management estimates  
Best product portfolio for widest range of electrical and electronic applications

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Key Drivers

Market Trends: Non-FR Bromine Trends  
 Oilfield Chemicals Bromobutyl Rubber  
 Key Drivers

160

140

Offshore Gulf of Mexico rig count forecasted to rise from 43 to near 50 by end of 2014, and 60 by end of 2015

International CAPEX growth driven by Middle East (14%), Latin America (13%) and Russia/FSU (11%)\* Global Completion and Production Services

7% CAGR  
 (2011-2016)

Recovery in car markets in developed world

Higher rates of car ownership in developing world (India,

China, etc.)

Additional "radialisation" of the tire market in developing world, especially in commercial vehicles China Tire Market Segmentation on the Basis of Radial and Non-Radial Tire Production (2012)

Revenue in billions

120

100

80

60

28.6%

71.4%

Radial

Non-Radial

40

20

0

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016  
 North America South and Central America

Europe Middle East and Africa

Asia Pacific

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India Tire Market Segmentation on the Basis of  
Level of Radialisation (2012)

100%  
80%  
60%  
40%  
20%  
0%

Source: GBI Research; JP Morgan

\* Reflects 2014 forecasted CAPEX growth vs. 2013

Passenger Cars Commercial  
Vehicles

Source: Primary Research and Industry Sources;  
Ken Research; Morgan Stanley Research

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Market Trend: Mercury Control

Key Drivers

EPA MATS standard (2Q 2015) will drive NA growth

China is a major long-term opportunity

Europe, industrial boilers, cement

kilns are add-on opportunities

Albemarle's Offerings in Mercury Control:

Section 45 - Calcium Bromide

Pre-combustion - Calcium Bromide

Brominated PAC - Bromine

Flue Gas - Bromine

NA Bromine

Demand in

Mercury

Control

NA Coal Power Plant - MATS Compliance

Strategy

40,000

35,000

30,000

25,000

MT

20,000

15,000

10,000

5,000

-

Plan to

Retire

Capital

Plans Unknown

8%

16%

76%

Capital Spent/ Being spent to comply with MATS

2012 2013 2014 2015 2016 2017

Source: Albemarle estimates; US Energy Information

Administration Leveraging strength in bromine derivatives

to address more stringent industry standards



Global Catalyst Market - Our View  
Albemarle Segment (RCS) Albemarle Segment (PCS)

\$5.6B  
\$0.7B

FCC- VGO

Hydrotreating

FCC- max C3=

AlkyClean  
Hydrocracking

SSC PP SSC PE

Non-Albemarle Segment  
Total

\$17.5B  
\$23.8B

FCC- Resid (including mild hydrocracking) Resid Hydrotreating  
Isomerization

Degree of Competitive Advantage

Reforming

Ziegler Natta PP

Ziegler Natta PE

Aromatics Oxidation

Organic

Synthesis

Dehydrogenation  
Other Stationary  
Power

Syngas  
Hydrogenation

Chromium

Automotive (other)

Automotive (med/hv)

Peroxides

Automotive (light/med)

Market Attractiveness

We provide refinery and polymer catalyst solutions  
where we are competitively advantaged  
based on our technology or cost position

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Catalyst Solutions Overview  
 Refinery Catalyst Solutions (RCS)

Heavy Oil Upgrading (HOU)

FCC catalysts for resid

FCC catalysts for max propylene

FCC catalysts for vacuum gas oil

Clean Fuels Technologies (CFT)

Hydroprocessing catalysts

Isomerization

Technology licensing

Performance Catalyst Solutions (PCS)

Polyolefin catalysts and components

Organometallics and co-catalysts

Electronic materials - high purity metal organics

(\$ in millions)

\$1,200

\$1,000

\$800

\$600

\$400

\$200

\$-

Net Sales\*

2010	2011	2012	2013
------	------	------	------

By Business

Net Sales Distribution\*

By Region

(\$ in millions)

\$300

\$250

Segment Income\*

Segment Income

Segment Margin

35%

30%

76%

24%

PCS RCS

21%  
35%

44%

Americas

EUMEI

Asia Pacific

\$200  
\$150  
\$100  
\$50

25%

20%

15%

10%

5%

2013 Net

Sales:

\$1B

\$- 0%

2010 2011 2012 2013

\*Financial data for 2010 - 2013 excludes the impact of rare earth and the recently announced proposed divestiture of Albemarle's antioxidant, ibuprofen and propofol businesses and assets

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Market Position

Core Strengths

Deep customer understanding

Heavy investment in R and D

Global footprint

Unparalleled network of partnerships and alliances

Breadth and depth of talent

Segment

Market

Position

Heavy Oil

Upgrading

FCC Catalysts

2

Max Propylene

1

Resid

2

Clean Fuels

Technologies

Distillates

1

Vacuum Gas Oil

2

Reactivation Technology

1

Performance Catalyst Solutions

Organometallics

1

MAO

1

Custom Single Site

Catalysts/Metallocenes

1

We are leaders in our core segments

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Integrated Global Network

U.S. - Pasadena, TX  
World class aluminum alkyls facility  
U.S. - Bayport, TX  
World-class facility for refinery catalysts  
EureCat JV with IFP for  
REACTM technology  
FCC capacity expansion  
High throughput testing  
(HTT)  
U.S. - Baton Rouge, LA  
High throughput experimentation (HTE) facility and polymer lab  
Manufacturing facility for

Amsterdam  
Refinery catalyst manufacturing  
HTE and pilot plant capabilities  
HTT capabilities

. i , i

i,  
Saudi Arabia

Korea

Japan  
Nippon Ketjen JV  
with Sumitomo  
Nippon Aluminum  
Alkyls JV with Mitsui

Ziegler Natta, MAO, SSC and ActivCat(R)  
U.S. - Mobile, AL  
Stannica JV with PMC

SOCC - aluminum  
alkyls JV with SABIC

Catalyst R and D and manufacturing facility for PureGrowthTM,  
MAO, SSC and ActivCat(R)

Global Headquarters Regional/Sales Office Manufacturing  
Joint Venture

R and D

Shared Services  
Center

Brazil  
FCCSA JV with  
Petrobras (FCC)

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Strategically positioned to deliver value to  
customers globally

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Additional Information

Important Information for Stockholders and Investors Nothing in this document or the discussions that follow shall constitute a solicitation to buy or subscribe for or an offer to sell any securities of Albemarle or Rockwood or a solicitation of any vote or approval. In connection with the proposed transaction, Albemarle filed with the SEC a Registration Statement on Form S-4 (the "Registration Statement") on August 27, 2014, which includes the preliminary joint proxy statement of Albemarle and Rockwood and which also constitutes a preliminary prospectus of Albemarle. The definitive joint proxy statement/prospectus has been mailed to stockholders of Albemarle and Rockwood. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the Registration Statement and joint proxy statement/prospectus, as well as other documents filed by Albemarle and Rockwood, at the SEC's website ([www.sec.gov](http://www.sec.gov)). Copies of the Registration Statement and joint proxy statement/prospectus and the SEC filings that are be incorporated by reference therein may also be obtained for free by directing a request to either: Albemarle Corporation, 451 Florida Street, Baton Rouge, Louisiana 70801, USA, Attention: Investor Relations, Telephone: +1 (225) 388-7322, or to Rockwood Holdings, Inc., 100 Overlook Center, Princeton, New Jersey 08540, USA, Attn: Investor Relations, Telephone +1 (609) 524-1101.

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