

ALBEMARLE CORP  
Form S-4/A  
September 23, 2014  
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As filed with the Securities and Exchange Commission on September 23, 2014

Registration No. 333-198415

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Amendment No. 1  
to  
FORM S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

Albemarle Corporation  
(Exact name of Registrant as specified in its charter)

<b>Virginia</b> (State or other jurisdiction of incorporation or organization)	<b>2821</b> (Primary Standard Industrial Classification Code Number) 451 Florida Street	<b>54-1692118</b> (I.R.S. Employer Identification Number)
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**Baton Rouge, Louisiana 70801**

**225-388-8011**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Karen G. Narwold, Esq.**

**Senior Vice President, General Counsel and Corporate Secretary**

**Albemarle Corporation**

**451 Florida Street**

**Baton Rouge, Louisiana 70801**

**225-388-8011**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*with copies to:*

<b>John A. Marzulli, Jr., Esq.</b> <b>Shearman &amp; Sterling LLP</b> <b>599 Lexington Avenue</b> <b>New York, New York 10022</b> <b>212-848-4000</b>	<b>Thomas J. Riordan, Esq.</b> <b>Executive Vice President &amp;</b> <b>Chief Administrative Officer</b> <b>Rockwood Holdings, Inc.</b> <b>100 Overlook Center</b> <b>Princeton, New Jersey 08540</b>	<b>Brian M. Stadler, Esq.</b> <b>Roxane F. Reardon, Esq.</b> <b>Simpson Thacher &amp; Bartlett LLP</b> <b>425 Lexington Avenue</b> <b>New York, New York 10017</b> <b>212-455-2000</b>
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609-514-0300

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable following the effectiveness of this Registration Statement and the completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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  (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this document is not complete and may be changed. Albemarle Corporation may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and Albemarle Corporation is not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED SEPTEMBER 23, 2014**

**JOINT PROXY STATEMENT/PROSPECTUS**

Dear Shareholders:

We are pleased to report that Albemarle Corporation (which we refer to as Albemarle) and Rockwood Holdings, Inc. (which we refer to as Rockwood) have entered into an agreement and plan of merger (which we refer to as the merger agreement) pursuant to which Albemarle Holdings Corporation, a wholly-owned subsidiary of Albemarle (which we refer to as Merger Sub), will merge with and into Rockwood and Rockwood will become a wholly-owned subsidiary of Albemarle (which we refer to as the merger).

In the merger, each outstanding share of Rockwood common stock (other than shares owned, directly or indirectly, by Albemarle, Merger Sub or Rockwood and shares with respect to which appraisal rights are properly exercised and not withdrawn) will be converted into the right to receive the following (which we refer to collectively as the merger consideration):

\$50.65 in cash, without interest; and

0.4803 of a share of Albemarle common stock.

Albemarle intends to apply to list the shares of Albemarle common stock to be issued in the merger on the New York Stock Exchange where, subject to official notice of issuance, they will trade under the symbol ALB, under which existing shares of Albemarle common stock already trade. Based on the number of shares of Rockwood common stock outstanding and the number of shares of Rockwood common stock issuable pursuant to outstanding Rockwood stock options and restricted stock units, in each case as of September 22, 2014, the total number of shares of Albemarle common stock expected to be issued in connection with the merger is approximately 34.8 million.

Before the merger can be completed, the shareholders of Albemarle must vote to approve the issuance of shares of Albemarle common stock to shareholders of Rockwood on the terms and conditions set out in the merger agreement and the shareholders of Rockwood must vote to adopt the merger agreement. Albemarle and Rockwood are sending you this joint proxy statement/prospectus to ask you to vote in favor of these matters.

Albemarle will hold a special meeting of its shareholders on Friday, November 14, 2014, at the time and place indicated in the enclosed notice of special meeting to Albemarle shareholders to consider and vote on (i) the issuance of the shares of Albemarle common stock and (ii) a proposal to adjourn the Albemarle special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the meeting to approve the issuance of the shares of Albemarle common stock.

Rockwood will hold a special meeting of its shareholders on Friday, November 14, 2014, at the time and place indicated in the enclosed notice of special meeting to Rockwood shareholders to consider and vote on (i) the adoption of the merger agreement, (ii) a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Rockwood's named executive officers in connection with the merger and (iii) a proposal to adjourn the Rockwood special meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes at the time of the meeting to adopt the merger agreement.

The receipt of the merger consideration in exchange for Rockwood common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state, local and non-U.S. income and other tax laws. We encourage shareholders of Rockwood to read the discussion of the material U.S. tax considerations of the merger in this joint proxy statement/prospectus under the caption *The Merger Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 81.

**YOUR VOTE IS VERY IMPORTANT.** We cannot complete the merger unless both (i) Albemarle shareholders approve the issuance of the shares of Albemarle common stock and (ii) Rockwood shareholders adopt the merger agreement. Whether or not you plan to attend your special meeting, please take the time to submit your proxy by completing, signing, dating and returning the accompanying proxy card or by appointing your proxy by telephone or via the Internet as soon as possible. If you hold your shares in street name, you should instruct your bank, broker or other nominee how to vote in accordance with the voting instruction form you receive from your bank, broker or other nominee. Returning the proxy card does NOT deprive you of your right to attend your special meeting and to vote your shares in person.

This joint proxy statement/prospectus provides detailed information concerning the merger, the merger agreement and the proposals to be considered at the special meetings. Additional information regarding Albemarle and Rockwood has been filed with the Securities and Exchange Commission and is publicly available. **We encourage you to read carefully this entire joint proxy statement/prospectus, including all of its annexes, the section entitled Risk Factors beginning on page 23 and the documents incorporated by reference herein.**

We enthusiastically support the proposed combination of Albemarle and Rockwood. The Albemarle board of directors unanimously (excluding one director who recused herself) approved the merger agreement and the issuance of shares of Albemarle common stock and declared their advisability and recommends that Albemarle shareholders vote **FOR** the issuance of the shares of Albemarle common stock. The Rockwood board of directors unanimously approved the merger agreement and the consummation of the merger and declared the merger agreement advisable and recommends that Rockwood shareholders vote **FOR** the adoption of the merger agreement.

Luther C. Kissam IV  
*President and Chief Executive Officer*

Robert J. Zatta  
*Acting Chief Executive Officer*

*Albemarle Corporation*

*and Chief Financial Officer*

*Rockwood Holdings, Inc.*

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved any of the transactions described in this joint proxy statement/prospectus or the shares of Albemarle common stock to be issued by Albemarle under this document or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.**

*This joint proxy statement/prospectus is dated [DATE] and is first being mailed to*

*Albemarle shareholders and Rockwood shareholders on or about [DATE].*

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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about Albemarle and Rockwood from documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Albemarle Corporation  
451 Florida Street  
Baton Rouge, Louisiana 70801  
Attention: Investor Relations  
Telephone: 225-388-7322

Rockwood Holdings, Inc.  
100 Overlook Center  
Princeton, New Jersey 08540  
Attention: Investor Relations  
Telephone: 609-524-1101

*If you would like to request documents, please do so by Thursday, November 6, 2014, in order to receive them before the Albemarle special meeting or Rockwood special meeting, as applicable.*

For more information, see *Where You Can Find More Information* beginning on page 148.

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [DATE]. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than such date. You should also not assume that the information incorporated by reference in this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to Albemarle shareholders or Rockwood shareholders nor the issuance of shares of Albemarle common stock in connection with the merger will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.**

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON NOVEMBER 14, 2014**

[DATE]

To the shareholders of Albemarle Corporation:

NOTICE IS HEREBY GIVEN of a special meeting of the shareholders of Albemarle Corporation (which we refer to as Albemarle) to be held on Friday, November 14, 2014, at 8:00 a.m., local time, at Albemarle's offices located at 451 Florida Street, Baton Rouge, Louisiana 70801, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Albemarle common stock (which we refer to as the Albemarle share issuance) to shareholders of Rockwood Holdings, Inc. (which we refer to as Rockwood) on the terms and conditions set out in an agreement and plan of merger dated as of July 15, 2014, as it may be amended from time to time (which we refer to as the merger agreement), among Albemarle, Albemarle Holdings Corporation and Rockwood.
2. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Albemarle special meeting to approve the Albemarle share issuance (which we refer to as the Albemarle adjournment proposal).

The close of business on Tuesday, September 30, 2014, is the record date for determining which shareholders are entitled to notice of, and to vote at, the special meeting and at any subsequent adjournments or postponements thereof.

We cannot complete the merger unless the Albemarle share issuance is approved by a majority of the votes cast on the Albemarle share issuance at the Albemarle special meeting (assuming a quorum is present). The joint proxy statement/prospectus accompanying this notice explains the merger, the merger agreement and the proposals to be considered at the special meeting. Please review the joint proxy statement/prospectus carefully.

**The Albemarle board of directors unanimously (excluding one director who recused herself) approved the merger agreement and the Albemarle share issuance and declared their advisability and recommends that Albemarle shareholders vote FOR the Albemarle share issuance.**

**Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and mail the enclosed proxy card in the postage-paid envelope provided at your earliest convenience. You may also submit a proxy by telephone or via the Internet by following the instructions printed on your proxy card. If you hold your shares through a bank, broker or other nominee, you should direct the vote of your shares in accordance with the voting instruction form received from your bank, broker or other nominee.**

**If you have any questions or need assistance with voting, please contact our proxy solicitor, Georgeson, toll-free at 888-505-6583.**



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If you plan to attend the special meeting, you will be required to bring certain documents with you to be admitted to the meeting. Please read carefully the sections in the joint proxy statement/prospectus regarding attending and voting at the special meeting to ensure that you comply with these requirements.

By Order of the Board of Directors,

Karen G. Narwold  
*Secretary*

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON NOVEMBER 14, 2014**

[DATE]

To the shareholders of Rockwood Holdings, Inc.:

NOTICE IS HEREBY GIVEN of a special meeting of the shareholders of Rockwood Holdings, Inc. (which we refer to as Rockwood) to be held on Friday, November 14, 2014, at 9:00 a.m., local time, at Rockwood's offices located at 100 Overlook Center, Princeton, New Jersey 08540, for the following purposes:

1. To consider and vote upon a proposal to adopt an agreement and plan of merger dated as of July 15, 2014, as it may be amended from time to time (which we refer to as the merger agreement), among Albemarle Corporation (which we refer to as Albemarle), Albemarle Holdings Corporation, a wholly-owned subsidiary of Albemarle (which we refer to as Merger Sub), and Rockwood, pursuant to which, among other things, Merger Sub will merge with and into Rockwood, Rockwood will become a wholly-owned subsidiary of Albemarle, and each outstanding share of Rockwood common stock (other than shares owned directly or indirectly by Albemarle, Merger Sub or Rockwood and shares with respect to which appraisal rights are properly exercised and not withdrawn) will be converted into the right to receive the following (which we refer to collectively as the merger consideration): (a) \$50.65 in cash, without interest; and (b) 0.4803 of a share of Albemarle common stock.
2. To consider and vote upon a proposal to approve, on an advisory non-binding basis, the compensation that may be paid or become payable to Rockwood's named executive officers in connection with the merger (which we refer to as the Rockwood merger-related compensation proposal).
3. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement (which we refer to as the Rockwood adjournment proposal).

The close of business on Tuesday, September 30, 2014, is the record date for determining which shareholders are entitled to notice of, and to vote at, the special meeting and at any subsequent adjournments or postponements thereof.

We cannot complete the merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the shares of Rockwood common stock outstanding on the record date for the special meeting and entitled to vote thereon. The joint proxy statement/prospectus accompanying this notice explains the merger, the merger agreement and the proposals to be considered at the special meeting. Please review the joint proxy statement/prospectus carefully.

**The Rockwood board of directors unanimously approved the merger agreement and the consummation of the merger and declared the merger agreement advisable and recommends that Rockwood shareholders vote FOR the adoption of the merger agreement.**

**Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and mail the enclosed proxy card in the postage-paid envelope provided at your earliest convenience. You may also submit a proxy by telephone or via the Internet by following the instructions printed on your proxy card. If you hold your shares through a bank, broker or other nominee, you should direct the vote of your shares in accordance with the voting instruction form received from your bank, broker or other nominee.**

**If you have any questions or need assistance with voting, please contact our proxy solicitor, Innisfree M&A Incorporated, toll-free at 877-750-9498 (banks and brokers may call collect at 212-750-5833).**

**Please do not send any stock certificates at this time.**

If you plan to attend the special meeting, you will be required to bring certain documents with you to be admitted to the meeting. Please read carefully the sections in the joint proxy statement/prospectus regarding attending and voting at the special meeting to ensure that you comply with these requirements.

By Order of the Board of Directors,

Thomas J. Riordan  
*Executive Vice President and*

*Chief Administrative Officer and*

*Corporate Secretary*

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS**

*The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the special meetings. These questions and answers only highlight some of the information contained in this joint proxy statement/prospectus and may not contain all the information that is important to you. You should read carefully this entire joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference into this joint proxy statement/prospectus, to understand fully the proposed merger and the voting procedures for the special meetings. See *Where You Can Find More Information* beginning on page 148.*

***Q1: Why am I receiving this joint proxy statement/prospectus?***

A: You are receiving this joint proxy statement/prospectus in connection with the proposed acquisition of Rockwood Holdings, Inc. (which we refer to in this joint proxy statement/prospectus as Rockwood) by Albemarle Corporation (which we refer to in this joint proxy statement/prospectus as Albemarle). The proposed acquisition is contemplated by an agreement and plan of merger dated as of July 15, 2014, as it may be amended from time to time (which we refer to in this joint proxy statement/prospectus as the merger agreement), entered into among Albemarle, Albemarle Holdings Corporation (which we refer to in this joint proxy statement/prospectus as Merger Sub) and Rockwood.

In order to complete the transactions contemplated by the merger agreement, the shareholders of Albemarle must approve the issuance of shares of Albemarle common stock as part of the merger consideration paid to shareholders of Rockwood pursuant to the merger agreement (which we refer to in this joint proxy statement/prospectus as the Albemarle share issuance) and the shareholders of Rockwood must adopt the merger agreement. Albemarle and Rockwood will hold separate special meetings of their shareholders to obtain the required approvals, and you are receiving this joint proxy statement/prospectus in connection with those special meetings. For a summary of certain provisions of the merger agreement, see the section entitled *The Merger Agreement* beginning on page 95. In addition, a copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. We urge you to read carefully this joint proxy statement/prospectus and the merger agreement in their entirety.

***Q2: What are Albemarle shareholders being asked to vote on and how many votes are required?***

A: Albemarle shareholders are being asked to vote to:

approve the Albemarle share issuance, which requires approval by a majority of the votes of shares of common stock, par value \$0.01 per share, of Albemarle (which we refer to in this joint proxy statement/prospectus as Albemarle common stock) cast (in person or by proxy) on the Albemarle share issuance at the Albemarle special meeting (assuming a quorum is present); and

approve the Albemarle adjournment proposal, if necessary or appropriate, which requires that the votes cast favoring the Albemarle adjournment proposal exceed the votes cast opposing the Albemarle adjournment proposal at the Albemarle special meeting (whether or not a quorum is present).



***Q3: What are Rockwood shareholders being asked to vote on and how many votes are required?***

A: Rockwood shareholders are being asked to vote to:

adopt the merger agreement, which requires the affirmative vote of the holders of a majority of the shares of common stock, par value \$0.01 per share, of Rockwood (which we refer to in this joint proxy statement/prospectus as Rockwood common stock) that are outstanding as of the record date for the Rockwood special meeting and entitled to vote on the adoption of the merger agreement (whether or not present) at the Rockwood special meeting;

approve, on an advisory non-binding basis, the Rockwood merger-related compensation proposal, which requires the affirmative vote of holders of a majority of the shares of Rockwood common stock present (in person or by proxy) and entitled to vote on the proposal at the Rockwood special meeting (assuming a quorum is present); and

approve the Rockwood adjournment proposal, if necessary or appropriate, which requires the affirmative vote of holders of a majority of the shares of Rockwood common stock present (in person or by proxy) and entitled to vote on the proposal at the Rockwood special meeting (assuming a quorum is present).

***Q4: What will Rockwood shareholders receive in the merger?***

A: At the effective time of the merger, each share of Rockwood common stock (other than Rockwood excluded shares, as described below) will be converted into the right to receive the following (which we collectively refer to in this joint proxy statement/prospectus as the merger consideration):

\$50.65 in cash, without interest; and

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0.4803 of a share of Albemarle common stock (which we refer to in this joint proxy statement/prospectus as the exchange ratio).

Shares of Rockwood common stock owned by Rockwood as treasury stock or that are owned, directly or indirectly, by Albemarle, Merger Sub or Rockwood (other than shares held by any wholly-owned subsidiary of Rockwood), which will automatically be canceled in the merger, shares of Rockwood common stock held by any wholly-owned subsidiary of Rockwood, which will remain outstanding as shares of Rockwood as the surviving corporation, and shares of Rockwood common stock with respect to which appraisal rights are properly exercised and not withdrawn (which we collectively refer to in this joint proxy statement/prospectus as the Rockwood excluded shares) will not be converted into the right to receive the merger consideration.

***Q5: Does the Albemarle board of directors support the merger and the Albemarle share issuance?***

A: Yes. The Albemarle board of directors unanimously (excluding one director who recused herself) approved the merger agreement and the Albemarle share issuance, declared their advisability and recommends that Albemarle shareholders vote **FOR** the Albemarle share issuance.

The Albemarle board of directors also unanimously (excluding one director who recused herself) recommends that Albemarle shareholders vote **FOR** the Albemarle adjournment proposal.

***Q6: Does the Rockwood board of directors support the merger and the Rockwood merger-related compensation proposal?***

A: Yes. The Rockwood board of directors unanimously approved the merger agreement and the consummation of the merger, declared the merger agreement advisable and recommends that Rockwood shareholders vote **FOR** the adoption of the merger agreement.

The Rockwood board of directors also unanimously recommends that Rockwood shareholders vote **FOR** the Rockwood merger-related compensation proposal and **FOR** the Rockwood adjournment proposal.

***Q7: Are there risks involved in undertaking the merger?***

A: Yes. In evaluating the merger contemplated by the merger agreement, you should carefully consider the factors discussed in the section of this joint proxy statement/prospectus entitled *Risk Factors* beginning on page 23, as well as the other information about Albemarle and Rockwood contained or included in the documents incorporated by reference in this joint proxy statement/prospectus.

***Q8: When and where is the Albemarle special meeting?***

A:

The Albemarle special meeting will be held on Friday, November 14, 2014, at 8:00 a.m., local time, at Albemarle's offices located at 451 Florida Street, Baton Rouge, Louisiana 70801. Albemarle shareholders may attend the Albemarle special meeting and vote their shares in person, or may appoint a proxy by completing, signing, dating and returning the enclosed proxy card. Albemarle shareholders may also follow the instructions on the proxy card or voting instruction form to appoint a proxy by telephone or via the Internet.

***Q9: When and where is the Rockwood special meeting?***

A: The Rockwood special meeting will be held on Friday, November 14, 2014, at 9:00 a.m., local time, at Rockwood's offices located at 100 Overlook Center, Princeton, New Jersey 08540. Rockwood shareholders may attend the Rockwood special meeting and vote their shares in person, or may appoint a proxy by completing, signing, dating and returning the enclosed proxy card. Rockwood shareholders may also follow the instructions on the proxy card or voting instruction form to appoint a proxy by telephone or via the Internet.

***Q10: Who can vote at the Albemarle special meeting?***

A: You can vote at the Albemarle special meeting if you were the record holder of shares of Albemarle common stock as of the close of business on Tuesday, September 30, 2014 (which we refer to in this joint proxy statement/prospectus as the Albemarle record date). As of the Albemarle record date, there were [ ] shares of Albemarle common stock outstanding.

***Q11: Who can vote at the Rockwood special meeting?***

A: You can vote at the Rockwood special meeting if you were the record holder of shares of Rockwood common stock as of the close of business on Tuesday, September 30, 2014 (which we refer to in this joint proxy statement/prospectus as the Rockwood record date). As of the Rockwood record date, there were [ ] shares of Rockwood common stock outstanding.

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***Q12: What is the quorum requirement for the Albemarle special meeting?***

A: A majority of the shares of Albemarle common stock entitled to vote, represented in person or by proxy, will constitute a quorum for the transaction of business at the Albemarle special meeting. Abstentions will be treated as present at the Albemarle special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. Because there can be no broker non-votes at the Albemarle special meeting, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present at the meeting.

***Q13: What is the quorum requirement for the Rockwood special meeting?***

A: Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock on the Rockwood record date must be present in person or represented by proxy to constitute a quorum for voting on the proposal to adopt the merger agreement. Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock entitled to vote on each other matter at the Rockwood special meeting must be present in person or represented by proxy to constitute a quorum for voting on the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal at the Rockwood special meeting. Abstentions will be treated as present at the Rockwood special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. Because there can be no broker non-votes at the Rockwood special meeting, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present at the meeting.

***Q14: What do Albemarle shareholders need to do now?***

A: After carefully reading and considering the information contained, or incorporated by reference, in this joint proxy statement/prospectus, please complete, sign and date your proxy card and return it in the enclosed postage-paid return envelope or appoint your proxy by telephone or via the Internet as soon as possible, so that your shares may be represented at the Albemarle special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Albemarle special meeting described in this joint proxy statement/prospectus, as recommended by the Albemarle board of directors.

***Q15: What are the consequences of not voting or abstaining from voting at the Albemarle special meeting?***

A: Because the vote required to approve the Albemarle share issuance is based on a majority of the shares of Albemarle common stock that are cast on the Albemarle share issuance at the Albemarle special meeting (assuming a quorum is present) and because under the rules of the New York Stock Exchange (which we refer to in this joint proxy statement/prospectus as the NYSE), abstentions are counted as votes cast, abstentions will have the same effect as a vote **AGAINST** the Albemarle share issuance, while shares not present at the Albemarle special meeting will have no effect on the vote to approve the Albemarle share issuance.

Because approval of the Albemarle adjournment proposal requires that the votes cast favoring the Albemarle adjournment proposal exceed the votes cast opposing the Albemarle adjournment proposal at the Albemarle special meeting (whether or not a quorum is present), abstentions and shares not present at the Albemarle special meeting will have no effect on the outcome of the vote on the Albemarle adjournment proposal.

***Q16: What do Rockwood shareholders need to do now?***

A: After carefully reading and considering the information contained, or incorporated by reference, in this joint proxy statement/prospectus, please complete, sign and date your proxy card and return it in the enclosed postage-paid return envelope or appoint your proxy by telephone or via the Internet as soon as possible, so that your shares may be represented at the Rockwood special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Rockwood special meeting described in this joint proxy statement/prospectus, as recommended by the Rockwood board of directors.

***Q17: What are the consequences of not voting or abstaining from voting at the Rockwood special meeting?***

A: Because the vote required to adopt the merger agreement is based on a majority of the shares of Rockwood common stock outstanding as of the Rockwood record date and entitled to vote on the adoption of the merger agreement at such meeting, abstentions and shares not present at the Rockwood special meeting will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

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Because approval of each of the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal requires the affirmative vote of holders of a majority of the shares of Rockwood common stock that are entitled to vote on such proposals and are present, in person or by proxy, at the Rockwood special meeting, abstentions will have the same effect as votes AGAINST the proposals, while shares not present at the Rockwood special meeting will have no effect on the outcome of any vote on the Rockwood merger-related compensation proposal or the Rockwood adjournment proposal (in each case, assuming a quorum is present).

***Q18: If my shares are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee vote my shares for me?***

A: Your bank, broker or other nominee will not vote your shares and your shares will not be present at a meeting unless you provide instructions on how to vote. There will be no broker non-votes because the only proposals to be voted on at the special meetings are non-routine under NYSE Rule 452. Shares for which no instructions have been given will be treated as not present at the respective special meetings. You should follow the directions and instructions provided by your bank, broker or other nominee regarding how to instruct your bank, broker or other nominee to vote your shares.

***Q19: What happens to Rockwood stock options and other equity-based awards at the effective time of the merger?***

A: Each outstanding and unexercised Rockwood stock option will be converted into an option to acquire a number of shares of Albemarle common stock determined by multiplying the number of shares underlying such Rockwood stock option by the sum of (x) the exchange ratio (0.4803) plus (y) the quotient obtained by dividing the cash portion of the merger consideration (\$50.65) by the volume weighted average price of a share of Albemarle common stock over the five trading days prior to the merger, subject to the same terms and conditions of the Rockwood stock option as in effect prior to the merger. The applicable exercise price will also be appropriately adjusted in a manner designed to maintain the intrinsic value of the Rockwood stock option. All outstanding Rockwood stock options have fully vested and are exercisable under the terms of their respective stock option plans and award agreements.

Each outstanding performance-based restricted stock unit in respect of Rockwood common stock will, upon the effective time of the merger, be converted into the right to receive a cash payment calculated based on the achievement of performance conditions as of the effective time of the merger, which payment will vest and become payable on the payment date set out in the applicable award agreement or, if earlier, upon a qualifying termination of employment. Achievement of performance conditions under performance-based restricted stock unit awards will be determined based on the total shareholder return (in the case of performance-based restricted stock units) or stock price multiple (in the case of performance-based market stock units) based on either Rockwood's total shareholder return compared against a specified peer group or the increase in Rockwood's stock price, respectively, in each case, as determined at the beginning of the performance period, compared to the CIC Per Share Price. The CIC Per Share Price will equal the sum of (x) the cash portion of the merger consideration (\$50.65) plus (y) the product of the exchange ratio (0.4803) and the volume weighted average price of a share of Albemarle common stock over the five trading days prior to the merger. In addition, following the merger and until the payment date, the amount payable to award recipients will accrue interest annually at LIBOR plus 2.0%.

***Q20: What if I hold shares in both Albemarle and Rockwood?***

A: You will receive separate proxy or voting instruction cards for each company and must complete, sign and date each proxy or voting instruction card and return each proxy or voting instruction card in the appropriate postage-paid envelope or, if available, by submitting a proxy or voting instructions by telephone or via the Internet for each company.

***Q21: What happens if I sell my shares of Albemarle common stock before the Albemarle special meeting?***

A: The record date for the Albemarle special meeting is earlier than the date of the Albemarle special meeting and the date that the merger contemplated by the merger agreement is expected to be completed. If you transfer your shares of Albemarle common stock after the Albemarle record date, but before the Albemarle special meeting, then, unless the transferee requests a proxy, you will retain your right to vote at the Albemarle special meeting.

***Q22: What happens if I sell my shares of Rockwood common stock before the Rockwood special meeting?***

A: The record date for the Rockwood special meeting is earlier than the date of the Rockwood special meeting and the date that the merger contemplated by the merger agreement is expected to be completed. If you transfer your shares of Rockwood common stock after the Rockwood record date, but before the Rockwood special meeting, then, unless the transferee requests a proxy, you will retain your right to vote at the Rockwood special meeting but will have transferred any right to receive the merger consideration applicable to such shares if the merger is completed. In order to receive the merger consideration applicable to your shares of Rockwood common stock as set out in the merger agreement, you must hold your shares through the completion of the merger.

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***Q23: What happens if I sell my shares of Rockwood common stock after the Rockwood special meeting, but before the completion of the merger?***

A: If you transfer your shares of Rockwood common stock after the Rockwood special meeting, but before the completion of the merger, you will have transferred any right to receive the merger consideration applicable to such shares if the merger is completed. In order to receive the merger consideration for your shares of Rockwood common stock as set out in the merger agreement, you must hold your shares through the completion of the merger.

***Q24: Do Albemarle shareholders have to vote on the Albemarle share issuance at the Albemarle special meeting if the Albemarle board of directors has changed its recommendation of such proposal?***

A: Yes. Unless the merger agreement is terminated before the Albemarle special meeting, Albemarle will notify Albemarle shareholders before the Albemarle special meeting if the Albemarle board of directors has changed its recommendation with respect to the Albemarle share issuance. However, Albemarle shareholders will be asked to vote on the Albemarle share issuance even if the Albemarle board of directors has so changed its recommendation.

***Q25: Do Rockwood shareholders have to vote on the adoption of the merger agreement at the Rockwood special meeting if the Rockwood board of directors has changed its recommendation of such proposal?***

A: Yes. Unless the merger agreement is terminated before the Rockwood special meeting, Rockwood will notify Rockwood shareholders before the Rockwood special meeting if the Rockwood board of directors has changed its recommendation with respect to the adoption of the merger agreement. However, Rockwood shareholders will be asked to vote on such adoption even if the Rockwood board of directors has so changed its recommendation. Under certain circumstances specified in the merger agreement, the Rockwood board of directors may terminate the merger agreement in lieu of changing its recommendation, in which case Rockwood shareholders would not have to vote on the adoption of the merger agreement. You should read *The Merger Agreement Termination of the Merger Agreement* beginning on page 101 for a more complete discussion of the rights of Rockwood and Albemarle to terminate the merger agreement.

***Q26: If I am an Albemarle shareholder, can I revoke my proxy after I have mailed my signed proxy?***

A: Yes. You can revoke your proxy before your proxy is voted at the Albemarle special meeting, including in the event that the Albemarle board of directors has changed its recommendation. You can revoke your proxy in one of three ways:

you can send a written notice stating that you would like to revoke your proxy;



you can complete and submit a new valid proxy bearing a later date by mail, telephone or via the Internet; or

you can attend the Albemarle special meeting and vote in person.

Attendance at the Albemarle special meeting will not, in and of itself, constitute revocation of a proxy; you must also vote by ballot at the Albemarle special meeting.

If you are an Albemarle shareholder and you choose to send a written notice of revocation or to mail a new proxy, you must submit your notice of revocation or your new proxy to Albemarle Corporation, Attention: Corporate Secretary, 451 Florida Street, Baton Rouge, Louisiana 70801, and it must be received at or before the start of the Albemarle special meeting. Any proxy that you submitted via the Internet or by telephone may be revoked by submitting a new proxy via the Internet or by telephone, not later than 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, or by voting in person at the meeting. If your shares are held in the name of a bank, broker or other nominee, you should contact them to change your vote.

***Q27: If I am a Rockwood shareholder, can I revoke my proxy after I have mailed my signed proxy?***

A: Yes. You can revoke your proxy at any time before the vote is taken at the Rockwood special meeting, including in the event that the Rockwood board of directors has changed its recommendation. You can revoke your proxy in one of three ways:

you can file an instrument in writing revoking the proxy with Rockwood's Corporate Secretary;

you can file another duly executed proxy bearing a later date with Rockwood's Corporate Secretary;

you can complete and submit a new valid proxy bearing a later date by telephone or via the Internet; or

you can attend the Rockwood special meeting and vote in person.

Attendance at the Rockwood special meeting will not, in and of itself, constitute revocation of a proxy; you must also vote by ballot at the Rockwood special meeting.

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If you are a Rockwood shareholder and you choose to send a written notice or to mail a new proxy, you must submit your notice of revocation or your new proxy to Rockwood Holdings, Inc., Attention: Corporate Secretary, 100 Overlook Center, Princeton, New Jersey 08540, and it must be received at any time before the vote is taken at the Rockwood special meeting. Any proxy that you submitted may also be revoked by submitting a new proxy via the Internet or by telephone, not later than 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, or by voting in person at the meeting. If your shares are held in the name of a bank, broker or other nominee, you should contact them to change your vote.

***Q28: Where can I find the results of the Albemarle special meeting or the Rockwood special meeting?***

A: Each company intends to announce preliminary voting results at the applicable special meeting and publish final results through a Current Report on Form 8-K that will be filed with the Securities and Exchange Commission within four business days of the applicable special meeting.

***Q29: If I am a Rockwood shareholder and my shares are represented by physical stock certificates, should I send in my stock certificates now?***

A: No. After the merger is completed, you will receive a transmittal form with instructions for the surrender of your Rockwood common stock certificates. Please do not send in your stock certificates with your proxy card.

***Q30: Is the merger expected to be taxable to Rockwood shareholders?***

A: Yes. The receipt of the merger consideration in exchange for Rockwood common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state, local and non-U.S. income and other tax laws. For U.S. federal income tax purposes, if you held Rockwood common stock as a capital asset you will generally recognize capital gain or loss as a result of the merger measured by the difference, if any, between (1) the sum of (a) the amount of cash you receive in the merger including amounts, if any, withheld from the merger consideration otherwise payable to you and paid to taxing authorities by Albemarle or other applicable withholding agents and (b) the fair market value, at the effective time of the merger, of the shares of Albemarle common stock you receive in the merger, and (2) the adjusted tax basis in your shares of Rockwood common stock immediately prior to the effective time of the merger. You should read *The Merger Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 81 for a more complete discussion of the material U.S. federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. **We urge you to consult your tax advisor to determine the tax consequences of the merger to you.**

***Q31: When do you expect the merger to be completed?***

A:

Albemarle and Rockwood are working to complete the merger as quickly as possible. Subject to obtaining the approvals of our shareholders at our respective special meetings, and satisfaction of the other conditions set out in the merger agreement, Albemarle and Rockwood currently expect that the merger will be completed during the first quarter of 2015. However, it is possible that the merger could be completed earlier or that factors outside of our control could require us to complete the merger at a later time or not complete it at all. Either party may terminate the merger agreement if the merger is not completed by May 15, 2015, unless the failure of the merger to have been completed by such date was primarily caused by the failure of the party seeking to terminate the merger agreement to have performed in all material respects its obligations under the merger agreement.

For a description of certain matters that could delay or prevent the completion of the merger, please refer to *Risk Factors* beginning on page 23.

***Q32: What are the conditions to the completion of the merger?***

A: In addition to the approval of the Albemarle share issuance by Albemarle shareholders and the adoption of the merger agreement by Rockwood shareholders, the completion of the merger is subject to the satisfaction of a number of other conditions, including certain regulatory clearances. For additional information on the regulatory clearances required to complete the merger, please see the section titled *The Merger Regulatory Matters* beginning on page 86. For further information on the conditions to the completion of the merger, please see the section titled *The Merger Agreement Conditions to the Completion of the Merger* beginning on page 97.

***Q33: Will I still be paid dividends prior to the merger?***

A: Albemarle and Rockwood have each historically paid quarterly cash dividends to their respective shareholders. Under the merger agreement, Albemarle and Rockwood may continue to make their regular quarterly cash dividends consistent

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with past practice over the twelve months preceding the date of the merger agreement (including, in the case of Albemarle, a regular annual increase of its dividend after December 31, 2014 to no more than \$0.30 per share) without the other party's consent. Albemarle and Rockwood expect to make additional public announcements from time to time prior to the completion of the merger with respect to the timing of the declaration and payment of dividends to their respective shareholders.

***Q34: Can I seek appraisal of my shares of Rockwood common stock?***

A: Under Delaware law, holders of Rockwood common stock who do not vote in favor of adoption of the merger agreement are entitled to demand appraisal of their shares of Rockwood common stock in accordance with the applicable provisions of Delaware law, and, if such rights are properly demanded and perfected and are not withdrawn or otherwise lost and the merger is completed, such shareholders will be entitled to obtain payment of the judicially determined fair value of such shareholders' shares of Rockwood common stock instead of receiving the merger consideration for their shares. To exercise such rights, Rockwood shareholders must strictly follow the procedures prescribed by Delaware law. The failure to strictly follow such procedures can result in the loss of such rights. These procedures are summarized under the section entitled *The Merger Appraisal Rights* beginning on page 97. In addition, the text of the applicable appraisal rights provisions of Delaware law is included as Annex E to this joint proxy statement/prospectus, and you are encouraged to read those provisions carefully. It is possible that the fair value of shares of Rockwood common stock as determined by the Delaware Court of Chancery may be more or less than, or the same as, the merger consideration.

***Q35: Where can I find more information about the companies?***

A: You can obtain more information about Albemarle and Rockwood from the various sources described under *Where You Can Find More Information* beginning on page 148.

***Q36: Who can help answer my questions?***

A: If you have any questions about the merger or if you need additional copies of this joint proxy statement/prospectus or the relevant proxy card, you should contact:

**For Albemarle:**

**GEORGESON**  
**Shareholders Call Toll Free: 888-505-6583**

**For Rockwood:**

**INNISFREE M&A INCORPORATED**  
**Shareholders Call Toll Free: 877-750-9498**  
**Banks and Brokers Call Collect: 212-750-5833**

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**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. For a more detailed description of the merger and the legal terms of the merger agreement, you should carefully read this entire joint proxy statement/prospectus and the other documents to which we refer you, including in particular the copy of the merger agreement that is attached as Annex A to this joint proxy statement/prospectus and as Exhibit 2.1 to the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, filed by Albemarle with the Securities and Exchange Commission (which we refer to in this joint proxy statement/prospectus as the SEC). See also *Where You Can Find More Information* beginning on page 148. We have included page references parenthetically to direct you to a more detailed description of the topics presented in this summary.*

**General**

**The Merger (page 41)**

On July 15, 2014, Albemarle, Merger Sub and Rockwood entered into the merger agreement, which is the agreement governing the merger. On the terms and subject to the conditions set out in the merger agreement, Merger Sub, a wholly-owned subsidiary of Albemarle, will merge with and into Rockwood (which we refer to in this joint proxy statement/prospectus as the merger), with Rockwood as the surviving corporation in the merger. Following the completion of the merger, Rockwood will be a wholly-owned subsidiary of Albemarle and Rockwood common stock will no longer be publicly traded.

**The Companies (page 40)**

Albemarle is a leading global developer, manufacturer and marketer of highly-engineered specialty chemicals that meet customer needs across a diverse range of end markets, including the petroleum refining, consumer electronics, plastics/packaging, construction, automotive, lubricants, pharmaceuticals, crop protection, food safety and custom chemistry services markets. Albemarle employs approximately 3,900 people and serves customers in approximately 100 countries. Albemarle was incorporated in Virginia in 1993. Albemarle's principal executive offices are located at 451 Florida Street, Baton Rouge, Louisiana 70801, and its telephone number at that address is 225-388-8011. Albemarle's website is [www.albemarle.com](http://www.albemarle.com).

Rockwood is a leading global developer, manufacturer and marketer of technologically advanced and high value-added specialty chemicals used for industrial and commercial purposes. Rockwood is a leading integrated and low cost global producer of lithium and lithium compounds for use in things such as lithium ion batteries for hybrid and electric vehicles and electronic devices, as well as pharmaceutical applications, among other things, and is also the second largest global producer of surface treatment products and services for metal processing, including for use in the automotive and aerospace industries. Rockwood employs approximately 3,500 people and serves customers in more than 60 countries. Rockwood was incorporated in Delaware in September 2000. Rockwood's principal executive offices are located at 100 Overlook Center, Princeton, New Jersey 08540, and its telephone number at that address is 609-514-0300. Rockwood's website is [www.rocksp.com](http://www.rocksp.com).

Merger Sub, a Delaware corporation and a wholly-owned subsidiary of Albemarle, was formed on July 11, 2014, solely for the purpose of effecting the merger. To date, Merger Sub has not conducted any activities other than those in connection with its formation and in connection with the transactions contemplated by the merger agreement. Merger Sub's principal executive offices are located at 451 Florida Street, Baton Rouge, Louisiana 70801, and the telephone number at that address is 225-388-8011.

**Merger Consideration to be Received by Rockwood Shareholders (page 80)**

At the effective time of the merger, each share of Rockwood common stock (other than Rockwood excluded shares) will be converted into the right to receive (a) \$50.65 in cash, without interest; and (b) 0.4803 of a share of Albemarle common stock.

**Treatment of Rockwood Stock Options and Other Equity-Based Awards (page 95)**

Each outstanding and unexercised Rockwood stock option will be converted into an option to acquire a number of shares of Albemarle common stock determined by multiplying the number of shares underlying such Rockwood stock option by the sum of (x) the exchange ratio (0.4803) plus (y) the quotient obtained by dividing the cash portion of the merger consideration (\$50.65) by the volume weighted average price of a share of Albemarle common stock over the five trading

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days prior to the merger, subject to the same terms and conditions of the Rockwood stock option as in effect prior to the merger. The applicable exercise price will also be appropriately adjusted in a manner designed to maintain the intrinsic value of the Rockwood stock option. All outstanding Rockwood stock options have fully vested and are exercisable under the terms of their respective stock option plans and award agreements.

Each outstanding performance-based restricted stock unit in respect of Rockwood common stock will, upon the effective time of the merger, be converted into the right to receive a cash payment calculated based on the achievement of performance conditions as of the effective time of the merger, which payment will vest and become payable on the payment date set out in the applicable award agreement or, if earlier, upon a qualifying termination of employment. Achievement of performance conditions under performance-based restricted stock unit awards will be determined based on the total shareholder return (in the case of performance-based restricted stock units) or stock price multiple (in the case of performance-based market stock units) based on either Rockwood's total shareholder return compared against a specified peer group or the increase in Rockwood's stock price, respectively, in each case, as determined at the beginning of the performance period, compared to the CIC Per Share Price. The CIC Per Share Price will equal the sum of (x) the cash portion of the merger consideration (\$50.65) plus (y) the product of the exchange ratio (0.4803) and the volume weighted average price of a share of Albemarle common stock over the five trading days prior to the merger. In addition, following the merger and until the payment date, the amount payable to award recipients will accrue interest annually at LIBOR plus 2.0%.

**Appraisal Rights (page 97)**

Under Delaware law, holders of Rockwood common stock who do not vote in favor of adoption of the merger agreement are entitled to demand appraisal of their shares of Rockwood common stock in accordance with the applicable provisions of Delaware law, and, if such rights are properly demanded and perfected and are not withdrawn or otherwise lost and the merger is completed, such shareholders will be entitled to obtain payment of the judicially determined fair value of such shareholders' shares of Rockwood common stock instead of receiving the merger consideration. To exercise such rights, Rockwood shareholders must strictly follow the procedures prescribed by Delaware law. The failure to strictly follow such procedures can result in the loss of such rights. It is possible that the fair value of shares of Rockwood common stock as determined by the Delaware Court of Chancery may be more or less than, or the same as, the merger consideration.

Under Virginia law, Albemarle shareholders are not entitled to appraisal rights in connection with the merger.

**Material U.S. Federal Income Tax Consequences of the Merger (page 81)**

The receipt of the merger consideration in exchange for Rockwood common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state, local and non-U.S. income and other tax laws. For U.S. federal income tax purposes, if you held Rockwood common stock as a capital asset you will generally recognize capital gain or loss as a result of the merger measured by the difference, if any, between (1) the sum of (a) the amount of cash you receive in the merger including amounts, if any, withheld from the merger consideration otherwise payable to you and paid to taxing authorities by Albemarle or other applicable withholding agents and (b) the fair market value, at the effective time of the merger, of the shares of Albemarle common stock you receive in the merger and (2) the adjusted tax basis in your shares of Rockwood common stock immediately prior to the effective time of the merger. You should read *The Merger Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 81 for a more complete discussion of the material U.S. federal income tax consequences of the merger. Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. **We urge you to consult your tax advisor to determine the tax consequences of the merger to you.**

**Recommendation of the Albemarle Board of Directors (page 51)**

The Albemarle board of directors unanimously (excluding one director who recused herself) (i) approved the execution, delivery and performance of the merger agreement and the Albemarle share issuance and the other transactions contemplated by the merger agreement, (ii) declared the merger agreement and the Albemarle share issuance advisable and (iii) recommends that Albemarle shareholders vote **FOR** the Albemarle share issuance and **FOR** the Albemarle adjournment proposal.

To review the background of, and Albemarle's reasons for, the merger, as well as certain risks related to the merger, see *The Merger Background to the Merger* beginning on page 41, *The Merger Albemarle's Reasons for the Merger and Recommendation of the Albemarle Board of Directors* beginning on page 51 and *Risk Factors* beginning on page 23, respectively.



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### **Recommendation of the Rockwood Board of Directors (page 54)**

The Rockwood board of directors unanimously (i) approved the execution, delivery and performance of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement, (ii) declared the merger agreement advisable and (iii) recommends that Rockwood shareholders vote **FOR** the adoption of the merger agreement, **FOR** the Rockwood merger-related compensation proposal and **FOR** the Rockwood adjournment proposal.

To review the background of, and Rockwood's reasons for, the merger, as well as certain risks related to the merger, see *The Merger Background to the Merger* beginning on page 41, *The Merger Rockwood's Reasons for the Merger and Recommendation of the Rockwood Board of Directors* beginning on page 54 and *Risk Factors* beginning on page 23, respectively.

### **Opinion of Albemarle's Financial Advisor (page 57)**

In connection with the merger, Albemarle's financial advisor, Merrill Lynch, Pierce, Fenner & Smith Incorporated (which we refer to in this joint proxy statement/prospectus as BofA Merrill Lynch), delivered to the Albemarle board of directors an oral opinion confirmed by a written opinion dated July 14, 2014, to the effect that, as of that date and based upon and subject to various assumptions and limitations described in the opinion, the merger consideration to be paid by Albemarle to the holders of shares of Rockwood common stock (other than Rockwood excluded shares) in the transaction was fair, from a financial point of view, to Albemarle. The full text of BofA Merrill Lynch's written opinion, dated July 14, 2014, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety, and sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by BofA Merrill Lynch in rendering its opinion.

**BofA Merrill Lynch delivered its opinion to the Albemarle board of directors for the benefit and use of the Albemarle board of directors (in its capacity as such) in connection with and for purposes of its evaluation of the transaction. BofA Merrill Lynch's opinion did not address any aspect of the transaction other than the merger consideration. BofA Merrill Lynch expressed no opinion or view as to the relative merits of the transaction in comparison to other strategies or transactions that might be available to Albemarle or in which Albemarle might engage or as to the underlying business decision of Albemarle to proceed with or effect the transaction. BofA Merrill Lynch also expressed no opinion as to what the value of the Albemarle common stock actually will be when issued or the prices at which Albemarle common stock or Rockwood common stock will trade at any time, including following announcement or consummation of the transaction. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any shareholder should vote or act in connection with the transaction or any related matter.**

For a more complete description, please see the section of this joint proxy statement/prospectus entitled *The Merger Opinion of Albemarle's Financial Advisor* beginning on page 57. Please also see Annex B to this joint proxy statement/prospectus.

### **Opinions of Rockwood's Financial Advisors (page 63)**

Each of Lazard Frères & Co. LLC (which we refer to in this joint proxy statement/prospectus as Lazard) and Citigroup Global Markets Inc. (which we refer to in this joint proxy statement/prospectus as Citi), rendered its opinion to the Rockwood board of directors that, as of July 14, 2014 and based upon and subject to the assumptions, matters considered, procedures, factors, qualifications and limitations set forth in their respective written opinions, the merger consideration to be received by holders of Rockwood common stock (other than holders of Rockwood excluded

shares) was fair, from a financial point of view, to such holders.

The full text of the written opinions of Lazard and Citi, both dated July 14, 2014, which set forth the assumptions made, matters and factors considered, procedures followed and qualifications and limitations on the review undertaken in connection with each opinion, are included in this joint proxy statement/prospectus as Annex C and Annex D, respectively. Lazard and Citi provided their respective opinions for the benefit and information of the Rockwood board of directors for purposes of its evaluation of the transactions contemplated by the merger agreement. Neither Lazard's opinion nor Citi's opinion constitutes a recommendation to any holder of Rockwood common stock as to how any such shareholder should vote or act with respect to the merger or any matter relating thereto. In addition, neither Lazard nor Citi was requested to opine as to, and neither opinion in any manner addresses, Rockwood's underlying business decision to proceed with or effect the merger.

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**Interests of Rockwood Directors and Executive Officers in the Merger (page 73)**

In considering the recommendation of the Rockwood board of directors that Rockwood shareholders vote to adopt the merger agreement, shareholders should be aware that certain of Rockwood's directors and executive officers have interests in the merger that differ from, or are in addition to, the interests of Rockwood shareholders generally. The members of the Rockwood board of directors were aware of these interests at the time they approved the merger. These interests are summarized below.

***Employee Benefits Matters***

***Indemnification***

Rockwood's executive officers and directors will have the right to indemnification and advancement of expenses for events occurring prior to the time of the transaction and continued coverage under directors' and officers' liability insurance policies by the surviving corporation following the merger.

***Annual Bonus Plans***

Rockwood's 2014 annual bonus plan, established prior to the execution of the merger agreement, will be continued. Under the terms of the merger agreement, if the merger is completed prior to December 31, 2014, bonus amounts will be calculated based on target level of performance in respect of fiscal year 2014 and the surviving corporation will pay the 2014 bonuses in the ordinary course before March 15, 2015. If the merger is completed after December 31, 2014, bonus amounts will be calculated based on actual results and performance achieved in respect of fiscal year 2014 and the surviving corporation will pay the 2014 bonuses in the ordinary course before March 15, 2015.

With respect to 2015 annual bonuses, if the merger is completed during fiscal year 2015, Rockwood will set the fiscal year targets and budget in consultation with Albemarle and the surviving corporation will pay bonuses thereunder in the ordinary course in 2016, subject to the employee's continued employment through the payment date. Pursuant to the merger agreement, the aggregate target bonus amounts in respect of Rockwood's 2015 annual bonus plan may not exceed 110% of the aggregate Rockwood 2014 target bonus amounts.

***Employment Agreements***

Rockwood maintains employment agreements with its named executive officers. If the applicable named executive officer's employment with Rockwood terminates under certain circumstances, including in connection with a change in control, the executive will be entitled to severance benefits as set forth in the executive's employment agreement.

***Severance and Retention Arrangements***

Certain of Rockwood's executive officers and other employees have severance agreements that provide for the payment of retention and/or increased severance amounts in connection with the transactions contemplated by the merger agreement.

***Treatment of Equity-Based Awards***

Rockwood equity awards held by executive officers and directors of Rockwood that are outstanding immediately prior to the effective time of the merger will be subject to the following treatment upon the effective time of the merger:

***Options***

Outstanding and unexercised Rockwood stock options will be converted into options to acquire a number of shares of Albemarle common stock determined by multiplying the number of shares underlying each Rockwood stock option by the sum of (x) 0.4803 plus (y) the quotient obtained by dividing the cash portion of the merger consideration (\$50.65) by the volume weighted average price of a share of Albemarle common stock over the five trading days prior to the merger, subject to the same terms and conditions of the Rockwood options as in effect prior to the merger. All outstanding stock options have fully vested and are exercisable under the terms of their respective stock option plans and award agreements.

***Performance-Based Restricted Stock Units***

Albemarle will honor the original vesting terms under all outstanding awards of performance-based restricted stock units, if the applicable participant remains employed through the original vesting dates, and the double trigger vesting of the awards, if the applicable participant incurs a qualifying termination of employment following the merger. In accordance

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with the terms of the awards, at the effective time of the merger, each award of performance-based restricted stock units will be converted into the right to receive a cash payment calculated under the applicable award agreement, which payment will vest and become payable on the payment date set out in the applicable award agreement or, if earlier, upon a qualifying termination of employment.

### ***Continuing Directors***

The Albemarle board of directors has approved an amendment of Albemarle's bylaws, to be effective as of the effective time of the merger, to increase the number of directors that constitute the Albemarle board of directors from ten to eleven. Prior to the effective time of the merger, Albemarle will secure the resignation of two members of the Albemarle board of directors effective as of the effective time of the merger. Albemarle will appoint to the Albemarle board of directors, effective as of the effective time of the merger, three individuals designated by the Rockwood board of directors. If a designee was not a member of the Rockwood board of directors as of the date of the merger agreement, such designee must be reasonably acceptable to the Nominating & Governance Committee of the Albemarle board of directors.

The Rockwood designees will serve on the Albemarle board of directors until the next annual meeting of Albemarle shareholders and will be nominated for election at such next annual meeting to serve until the next subsequent annual meeting of Albemarle shareholders and until their respective successors are duly elected and qualified.

### **Comparison of Shareholders' Rights (page 134)**

Rockwood shareholders, whose rights are currently governed by Rockwood's amended and restated certificate of incorporation and fourth amended and restated bylaws and Delaware law, will, upon the completion of the merger, become shareholders of Albemarle and their rights will be governed by Albemarle's amended and restated articles of incorporation and amended and restated bylaws and Virginia law. Some of the rights associated with Rockwood common stock are different from the rights associated with Albemarle common stock.

### **The Albemarle Special Meeting**

The Albemarle special meeting will be held on Friday, November 14, 2014, at 8:00 a.m., local time, at Albemarle's offices located at 451 Florida Street, Baton Rouge, Louisiana 70801. At the Albemarle special meeting, Albemarle shareholders will be asked to consider and vote upon the following proposals:

approval of the Albemarle share issuance; and

approval of the Albemarle adjournment proposal.

Only business that is stated in the Notice of Special Meeting of Shareholders may be conducted at the Albemarle special meeting. Any action may be taken on the items of business described above at the Albemarle special meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the special meeting may be adjourned.

### **Record Date; Shares Entitled to Vote; Quorum (page 33)**

The Albemarle board of directors has fixed the close of business on Tuesday, September 30, 2014, as the record date for the Albemarle special meeting.

Each share of Albemarle common stock is entitled to one vote.

A majority of the shares of Albemarle common stock entitled to vote, represented in person or by proxy, will constitute a quorum for the transaction of business at the Albemarle special meeting. As of the Albemarle record date, [ ] shares of Albemarle common stock were outstanding and entitled to vote at the Albemarle special meeting.

**Vote Required (page 33)**

Approval of the Albemarle share issuance requires approval by a majority of the votes cast on the Albemarle share issuance at the Albemarle special meeting. Under NYSE rules, abstentions will have the same effect as votes AGAINST the Albemarle share issuance. Shares not present at the Albemarle special meeting will have no effect on the outcome of the vote on the Albemarle share issuance (assuming a quorum is present).

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Approval of the Albemarle adjournment proposal requires that the votes cast favoring the Albemarle adjournment proposal exceed the votes cast opposing the Albemarle adjournment proposal at the Albemarle special meeting. Abstentions and shares not present at the Albemarle special meeting will have no effect on the outcome of the vote on the Albemarle adjournment proposal (whether or not a quorum is present).

### **Shares Owned by Albemarle Directors and Executive Officers (page 33)**

As of the Albemarle record date, directors and executive officers of Albemarle beneficially owned and were entitled to vote [ ] shares of Albemarle common stock, which represented [ ]% of the outstanding shares of Albemarle common stock entitled to vote at the Albemarle special meeting on such date. Each of the directors and executive officers of Albemarle has advised Albemarle that, as of the date hereof, he or she currently expects to vote his or her shares, or cause his or her shares to be voted, **FOR** the Albemarle share issuance and **FOR** the Albemarle adjournment proposal.

### **The Rockwood Special Meeting**

The Rockwood special meeting will be held on Friday, November 14, 2014, at 9:00 a.m., local time, at Rockwood's offices located at 100 Overlook Center, Princeton, New Jersey 08540. At the Rockwood special meeting, Rockwood shareholders will be asked to consider and vote upon the following proposals:

adoption of the merger agreement;

approval, on an advisory, non-binding basis, of the Rockwood merger-related compensation proposal; and

approval of the Rockwood adjournment proposal.

Rockwood is not aware of any other business to be acted upon at the Rockwood special meeting. If, however, other matters are properly brought before the Rockwood special meeting, the persons named in the proxy card will have the discretion to vote or act on those matters according to their best judgment and they intend to vote the shares as the Rockwood board of directors may recommend.

### **Record Date; Shares Entitled to Vote; Quorum (page 37)**

The Rockwood board of directors has fixed the close of business on Tuesday, September 30, 2014, as the record date for the Rockwood special meeting.

Each share of Rockwood common stock is entitled to one vote.

Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock on the record date must be present in person or represented by proxy to constitute a quorum for voting on the proposal to adopt the merger agreement. Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock entitled to vote on each other matter at the Rockwood special meeting must be present in person or represented by proxy to constitute a quorum for voting on the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal at the Rockwood special meeting. As of the Rockwood record date, [ ] shares of Rockwood common stock were outstanding.

**Vote Required (page 38)**

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Rockwood common stock entitled to vote thereon. Abstentions and shares not present at the Rockwood special meeting will have the same effect as votes **AGAINST** the adoption of the merger agreement.

Approval of the Rockwood merger-related compensation proposal requires the affirmative vote of holders of a majority of the shares of Rockwood common stock that are entitled to vote on the proposal and are present, in person or by proxy, at the Rockwood special meeting. Abstentions will have the same effect as votes **AGAINST** the Rockwood merger-related compensation proposal. Shares not present at the Rockwood special meeting will have no effect on the outcome of the vote on the Rockwood merger-related compensation proposal (assuming a quorum is present).

Approval of the Rockwood adjournment proposal requires the affirmative vote of holders of a majority of the shares of Rockwood common stock that are entitled to vote on the proposal and are present, in person or by proxy, at the Rockwood special meeting. Abstentions will have the same effect as votes **AGAINST** the Rockwood adjournment proposal. Shares not present at the Rockwood special meeting will have no effect on the outcome of the vote on the Rockwood adjournment proposal (whether or not a quorum is present).



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**Shares Owned by Rockwood Directors and Executive Officers (page 38)**

On the Rockwood record date, directors and executive officers of Rockwood beneficially owned and were entitled to vote [ ] shares of Rockwood common stock, which represented [ ]% of the outstanding shares of Rockwood common stock entitled to vote at the Rockwood special meeting on such date. Each of the directors and executive officers of Rockwood has advised Rockwood that, as of the date hereof, he or she currently expects to vote his or her shares, or cause his or her shares to be voted, **FOR** the adoption of the merger agreement, **FOR** the Rockwood merger-related compensation proposal and **FOR** the Rockwood adjournment proposal.

**The Merger Agreement**

The following is a summary of material provisions of the merger agreement. The following summary of the merger agreement does not purport to be complete and may not contain all of the information about the merger agreement that is important to you. The summary of the material terms of the merger agreement below and elsewhere in this joint proxy statement/prospectus is subject to, and qualified in its entirety by, reference to the full text of the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus and is incorporated herein by reference. You should read the entire merger agreement carefully and in its entirety because it, and not the description below or elsewhere in this joint proxy statement/prospectus, is the legal document that governs the merger.

**Conditions to the Completion of the Merger (page 97)**

Albemarle, Rockwood and Merger Sub are obligated to complete the merger subject to the satisfaction, or, to the extent permitted by applicable law, waiver, of several conditions, including the following:

the adoption of the merger agreement by the holders of a majority of the outstanding shares of Rockwood common stock at the Rockwood special meeting;

the approval of the Albemarle share issuance by a majority of votes cast by the holders of Albemarle common stock at the Albemarle special meeting;

the shares of Albemarle common stock to be issued to Rockwood shareholders pursuant to the merger agreement and any such other shares of Albemarle common stock to be reserved for issuance in connection with the merger have been approved for listing on NYSE, subject to official notice of issuance;

the absence of any law, constitution, treaty, convention, ordinance, code, rule, statute, regulation or other similar requirement, or any temporary, preliminary or permanent order, writ, injunction, decree, judgment, award, settlement or stipulation promulgated, enacted, rendered, adopted or issued by any governmental entity of competent jurisdiction that prohibits or makes illegal the completion of the merger;

the effectiveness of the registration statement for the shares of Albemarle common stock being issued in the merger, the absence of any stop order suspending such effectiveness and no proceeding seeking a stop order being pending before the SEC; and

the expiration or termination of the waiting period (and any extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which we refer to in this joint proxy statement/prospectus as the HSR Act) applicable to the merger in the United States and the grant of the decisions, orders, consents or expiration of any waiting periods required to consummate the merger under the competition laws of certain other jurisdictions agreed by the parties.

Albemarle and Merger Sub's obligation to consummate the merger is further subject to satisfaction or waiver (by Albemarle or Merger Sub) of the following additional conditions:

Rockwood's representations and warranties being true and correct as of the date of the merger agreement and the closing date, subject to certain materiality or material adverse effect qualifications described in the merger agreement, and the receipt by Albemarle of a certificate from a senior executive officer of Rockwood to that effect; and

Rockwood having performed or complied in all material respects with all obligations required to be performed or complied with by it under the merger agreement prior to the completion of the merger, and the receipt by Albemarle of a certificate from a senior executive officer of Rockwood to that effect.

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Rockwood's obligation to consummate the merger is further subject to satisfaction or waiver (by Rockwood) of the following additional conditions:

the representations and warranties of Albemarle and Merger Sub being true and correct as of the date of the merger agreement and as of the closing date, subject to certain materiality and material adverse effect qualifications described in the merger agreement, and the receipt by Rockwood of a certificate from a senior executive officer of Albemarle to that effect; and

Albemarle and Merger Sub having performed or complied in all material respects with all obligations required to be performed or complied with by each of them under the merger agreement prior to the completion of the merger, and the receipt by Rockwood of a certificate from a senior executive officer of Albemarle to that effect.

### **Termination of the Merger Agreement; Termination Fees (pages 101 and 102)**

The merger agreement contains provisions addressing the circumstances under which Albemarle or Rockwood may terminate the merger agreement. In certain circumstances, upon termination of the merger agreement, Albemarle or Rockwood will be required to pay a termination fee of \$300 million or \$180 million, respectively, to the other party and/or either party may be required to reimburse the other party for its transaction-related expenses, subject to a \$25 million limit. The amount of any expenses paid by either Albemarle or Rockwood to the other party will be credited against any termination fee to be paid by such party if the termination fee subsequently becomes payable.

### **Regulatory Matters (page 86)**

Albemarle and Rockwood have agreed to use their reasonable best efforts to take, or cause to be taken, all actions that are necessary, proper or advisable to consummate the merger and the other transactions contemplated by the merger agreement as promptly as practicable, including using reasonable best efforts to obtain (and cooperating with the other party to obtain) all regulatory approvals required to complete the transactions contemplated by the merger agreement. However, neither Albemarle nor Rockwood is required to take any action that would reasonably be expected to have a material adverse effect on the business of Albemarle or Rockwood as the surviving corporation in the merger.

Under the HSR Act, and the rules promulgated thereunder by the Federal Trade Commission (which we refer to in this joint proxy statement/prospectus as the FTC), the merger may not be completed until notification and report forms have been filed with the FTC and the Antitrust Division of the Department of Justice (which we refer to in this joint proxy statement/prospectus as the DOJ) and the applicable waiting period has expired or been terminated. Albemarle and Rockwood filed notification and report forms under the HSR Act with the FTC and the Antitrust Division of the DOJ on August 8, 2014, and the waiting period expired on September 8, 2014.

Additionally, the parties agreed to make, or cause to be made, antitrust filings in the European Union, People's Republic of China and certain other foreign jurisdictions. The parties have started the notification process with most of the relevant competition authorities. As is customary with regulatory notifications filed with the European Commission and the Ministry of Commerce of the People's Republic of China (which we refer to in this joint proxy statement/prospectus as MOFCOM), the European Commission and MOFCOM are reviewing the parties' notifications to determine whether they will formally accept the notifications. The European Commission has already sought, and MOFCOM will likely seek, clarifications or supplemental information from the parties before formally accepting the notifications, which is also customary. After the European Commission and MOFCOM formally accept the filings,

both authorities will begin the formal review phase of the mergers. The parties do not anticipate any substantive antitrust problem to arise during the review. The parties currently estimate that they will receive European Commission clearance for the merger in the fourth quarter of 2014 and MOFCOM clearance during the first quarter of 2015.

**No Solicitation of Transactions (page 99)**

The merger agreement contains restrictions on each of Rockwood's and Albemarle's ability to solicit or engage in discussions or negotiations with a third party regarding specified transactions involving each company or their respective subsidiaries. Notwithstanding these restrictions, under certain circumstances and subject to certain conditions, each of Rockwood's and Albemarle's board of directors may respond to an unsolicited written acquisition proposal or, in the case of Rockwood, may terminate the merger agreement if at any time prior to the adoption of the merger agreement by the shareholders of Rockwood, the Rockwood board of directors determines to enter into a binding agreement that provides for a superior proposal for Rockwood.

**Table of Contents****Accounting Treatment of the Merger (page 114)**

The merger will be accounted for using the acquisition method of accounting with Albemarle being considered the acquirer of Rockwood for accounting purposes.

**Selected Historical Consolidated Financial Data of Albemarle**

The selected historical consolidated financial data of Albemarle presented for the years ended December 31, 2013, 2012 and 2011 and as of December 31, 2013 and 2012 has been derived from Albemarle's audited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Albemarle presented for each of the years ended December 31, 2010 and 2009 and as of December 31, 2011, 2010 and 2009 has been derived from Albemarle's audited consolidated financial statements not incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of Albemarle presented for the six months ended June 30, 2014 and 2013 and as of June 30, 2014 has been derived from Albemarle's unaudited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus and has been prepared on the same basis as Albemarle's audited financial statements and, in Albemarle management's opinion, includes all normal and recurring adjustments that Albemarle considers necessary for a fair presentation of Albemarle's financial position and results of operations for such periods and as of such date.

Albemarle's historical results are not necessarily indicative of future results of operations of Albemarle or the combined company following completion of the merger, and you should read the following information together with Albemarle's consolidated financial statements and the related notes incorporated by reference into this joint proxy statement/prospectus, as well as other information that has been filed by Albemarle with the SEC. See *Where You Can Find More Information* beginning on page 148 for information on where you can obtain copies of this information.

(thousands, except per share amounts)	Year ended December 31,					Six months ended	
	2013	2012	2011	2010	2009	2014	2013
<b>Results of Operations</b>							
Sales	\$ 2,394,270	\$ 2,519,154	\$ 2,651,667	\$ 2,170,500	\$ 1,843,878	\$ 1,204,564	\$ 1,163,878
Costs and expenses	1,817,595	2,119,371	2,131,919	1,779,266	1,700,344	1,016,401	942,878
Operating profit	576,675	399,783	519,748	391,234	143,534	188,163	220,999
Interest and financing expenses	(31,559)	(32,800)	(37,574)	(25,533)	(24,584)	(17,506)	(12,500)
Income (expenses) income, net	(6,674)	1,229	357	2,788	(1,423)	164	(5,000)
Income from continuing operations before income taxes and equity in net income of consolidated investments	538,442	368,212	482,531	368,489	117,527	170,821	202,499
Income tax expense (benefit)	134,445	80,433	104,471	84,183	(21,364)	34,963	45,000
Income from continuing operations before income taxes and equity in net income of unconsolidated investments	403,997	287,779	378,060	284,306	138,891	135,858	156,499

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Change in net income of unconsolidated subsidiaries (net of tax)	31,729	38,067	43,754	37,975	22,322	19,550	19,550
Income from continuing operations	435,726	325,846	421,814	322,281	161,213	155,408	176,213
Income (loss) from discontinued operations (net of tax)	4,108	4,281	(1,617)	7,136	8,812	(61,794)	4,108
Income	439,834	330,127	420,197	329,417	170,025	93,614	180,321
Income attributable to noncontrolling interests	(26,663)	(18,591)	(28,083)	(13,639)	(11,255)	(14,584)	(13,639)
Income attributable to Albemarle Corporation	\$ 413,171	\$ 311,536	\$ 392,114	\$ 315,778	\$ 158,770	\$ 79,030	\$ 166,682

**Financial Position and Other Data**

Assets	\$ 3,584,797	\$ 3,437,291	\$ 3,203,824	\$ 3,068,081	\$ 2,771,557	\$ 3,454,532	\$ 3,335,000
Liabilities:							
Working capital	\$ 1,046,552	\$ 1,022,304	\$ 954,442	\$ 984,021	\$ 678,823	\$ 709,969	\$ 906,000
Debt ratio	3.40	3.66	3.38	3.70	2.92	1.87	3.00
Depreciation and amortization	\$ 107,370	\$ 99,020	\$ 96,753	\$ 95,578	\$ 100,513	\$ 52,714	\$ 51,000
Capital expenditures	\$ 155,346	\$ 280,873	\$ 190,574	\$ 75,478	\$ 100,786	\$ 46,670	\$ 103,000
Investments in joint ventures	\$	\$	\$ 10,868	\$ 1,333	\$	\$	\$
Acquisitions, net of cash acquired	\$ 2,565	\$ 3,360	\$ 13,164	\$ 11,978	\$ 4,017	\$	\$
Research and development expenses	\$ 82,246	\$ 78,919	\$ 77,083	\$ 58,394	\$ 60,918	\$ 44,509	\$ 41,000
Operating profit as a % of net sales	35.5	35.7	35.9	33.5	24.8	33.5	33.5
Long-term debt	\$ 1,078,864	\$ 699,288	\$ 763,673	\$ 860,910	\$ 812,713	\$ 1,063,366	\$ 1,077,000
Equity (1)	\$ 1,742,776	\$ 1,932,008	\$ 1,678,827	\$ 1,475,746	\$ 1,253,318	\$ 1,625,090	\$ 1,465,000
Long-term debt as a % of total capitalization	38.2	26.6	31.3	36.8	39.3	39.6	40.0
Debt as a % of total capitalization (2)	25.2	9.6	13.9	17.1	27.6	25.0	25.0

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(\$ in thousands, except per share amounts)	Year ended December 31,					Six months ended	
	2013	2012	2011	2010	2009	June 30, 2014	2013
<b>Common Stock</b>							
Basic earnings (loss) per share							
Continuing operations	\$ 4.88	\$ 3.44	\$ 4.35	\$ 3.38	\$ 1.64	\$ 1.78	\$ 1.88
Discontinued operations	\$ 0.05	\$ 0.05	\$ (0.02)	\$ 0.08	\$ 0.09	\$ (0.78)	\$ 0.05
Shares used to compute basic earnings per share	83,839	89,189	90,522	91,393	91,512	79,199	86,374
Diluted earnings (loss) per share							
Continuing operations	\$ 4.85	\$ 3.42	\$ 4.30	\$ 3.35	\$ 1.63	\$ 1.77	\$ 1.87
Discontinued operations	\$ 0.05	\$ 0.05	\$ (0.02)	\$ 0.08	\$ 0.09	\$ (0.78)	\$ 0.05
Shares used to compute diluted earnings per share	84,322	89,884	91,522	92,184	92,046	79,602	86,862
Cash dividends declared per share	\$ 0.96	\$ 0.80	\$ 0.67	\$ 0.56	\$ 0.50	\$ 0.55	\$ 0.48
Total equity per share (1)	\$ 21.77	\$ 21.73	\$ 18.90	\$ 16.11	\$ 13.70	\$ 20.77	\$ 18.01
Return on average total equity	22.5%	17.3%	24.9%	23.1%	13.4%	4.7%	9.8%

(1) Equity reflects repurchase of common shares amounting to: 2013 9,198,056; 2012 1,092,767; 2011 3,000,000; 2010 400,356 and 2009 174,900.

(2) Albemarle defines net debt as total debt plus the portion of outstanding joint venture indebtedness guaranteed by Albemarle (or less the portion of outstanding joint venture indebtedness consolidated but not guaranteed by Albemarle), less cash and cash equivalents.

#### **Selected Historical Consolidated Financial Data of Rockwood**

The selected historical consolidated financial data of Rockwood presented for the years ended December 31, 2013, 2012 and 2011 and as of December 31, 2013 and 2012 has been derived from Rockwood's audited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated financial data of Rockwood presented for each of the years ended December 31, 2010 and 2009 and as of December 31, 2011, 2010 and 2009 has been derived from Item 6. Selected Financial Data, in Rockwood's 2013 Annual Report on Form 10-K incorporated by reference into this joint proxy statement/prospectus.

The selected historical consolidated financial data of Rockwood presented for the six months ended June 30, 2014 and 2013 and as of June 30, 2014 has been derived from Rockwood's unaudited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus and has been prepared on the same basis as our audited financial statements and, in Rockwood management's opinion, includes all normal and recurring adjustments that Rockwood considers necessary for a fair presentation of Rockwood's financial position and results of operations for such periods and as of such date.

All periods presented have been reclassified to account for the sale of the plastic compounding business in 2011, the sale of the advanced ceramics and clay-based additives businesses in 2013, and the sale of the titanium dioxide pigments, color pigments and services, timber treatment chemicals, rubber/thermoplastics compounding and water chemistry businesses that is expected to close in October 2014, as discontinued operations. In addition, all prior periods presented have been reclassified to account for the impact of the accounting records that were falsified at a single location within the color pigments and services business of Rockwood's former performance additives segment. For the years ended December 31, 2012, 2011 and 2010, net income and earnings per share on a diluted basis was

reduced by \$4.3 million (\$0.05 per share), \$11.9 million (\$0.15 per share) and \$8.0 million (\$0.10 per share), respectively. For the year ended December 31, 2009, net income was increased by \$0.2 million. The effect of these adjustments was a cumulative reduction in total equity of \$34.0 million, \$29.0 million, \$18.6 million and \$11.2 million as of December 31, 2012, 2011, 2010 and 2009, respectively. For the six months ended June 30, 2013, net income and earnings per share on a diluted basis were reduced by \$2.3 million and \$0.03 per share, respectively.



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Rockwood's historical results are not necessarily indicative of future results of operations of Rockwood or the combined company following completion of the merger, and you should read the following information together with Rockwood's consolidated financial statements and the related notes incorporated by reference into this joint proxy statement/prospectus, as well as other information that has been filed by Rockwood with the SEC. See *Where You Can Find More Information* beginning on page 148 for information on where you can obtain copies of this information.

in millions, except per share data; shares in thousands)	Year ended December 31,					Six months ended	
	2013	2012	2011	2010	2009	2014	2013
<b>Statement of operations data:</b>							
Sales	\$ 1,377.8	\$ 1,323.8	\$ 1,354.1	\$ 1,178.5	\$ 1,011.2	\$ 716.8	\$ 688.8
Gross profit	618.0	586.7	581.3	513.1	428.3	324.9	311.1
Operating income	210.6	194.9	181.8	136.0	123.6	102.9	99.1
Accounts attributable to Rockwood Holdings, Inc. shareholders:							
Income (loss) from continuing operations	\$ 55.4	\$ 232.9	\$ 70.2	\$ 86.4	\$ (44.5)	\$ 55.8	\$ 31.1
Income (loss) from discontinued operations	1,604.5	146.3	329.2	145.0	65.8	(29.9)	168.0
Income	\$ 1,659.9	\$ 379.2	\$ 399.4	\$ 231.4	\$ 21.3	\$ 25.9	\$ 499.1
Basic earnings (loss) per share attributable to Rockwood Holdings, Inc. shareholders:							
Earnings (loss) from continuing operations	\$ 0.73	\$ 3.00	\$ 0.92	\$ 0.81	\$ (0.60)	\$ 0.76	\$ 0.31
Earnings (loss) from discontinued operations, net of tax	21.17	1.88	4.30	2.28	0.89	(0.41)	0.97
Basic earnings per share	\$ 21.90	\$ 4.88	\$ 5.22	\$ 3.09	\$ 0.29	\$ 0.35	\$ 0.28
Diluted earnings (loss) per share attributable to Rockwood Holdings, Inc. shareholders:							
Earnings (loss) from continuing operations	\$ 0.72	\$ 2.91	\$ 0.88	\$ 0.78	\$ (0.60)	\$ 0.75	\$ 0.30
Earnings (loss) from discontinued operations, net of tax	20.73	1.83	4.12	2.18	0.89	(0.40)	0.97
Diluted earnings per share	\$ 21.45	\$ 4.74	\$ 5.00	\$ 2.96	\$ 0.29	\$ 0.35	\$ 0.28
Dividends declared per share of common stock	\$ 1.70	\$ 1.05	\$	\$	\$	\$ 0.90	\$ 0.90
<b>Other data:</b>							
Capital expenditures (1)	\$ 172.3	\$ 140.8	\$ 112.0	\$ 46.7	\$ 49.0	\$ 88.6	\$ 88.6
Adjusted EBITDA from continuing operations (2)	323.3	321.1	284.0	234.9	224.0	169.5	168.0

(1) Net of government grants of \$2.2 million, \$9.4 million and \$16.0 million for the years ended December 31, 2013, 2012 and 2011, respectively.

(2)

Consolidated EBITDA as adjusted (which we refer to in this joint proxy statement/prospectus as Adjusted EBITDA) is used in Rockwood's debt agreements to determine compliance with financial covenants and Rockwood's ability to engage in certain activities, such as incurring additional debt and making certain payments. In addition to covenant compliance, Rockwood's management also uses Adjusted EBITDA to assess its operating performance and to calculate performance-based cash bonuses and determine whether certain performance-based restricted stock units vest, as both such bonuses and restricted stock units are tied to Adjusted EBITDA targets. Adjusted EBITDA contains other charges and gains for which Rockwood believes adjustment is permitted under its former senior secured credit agreement.

Adjusted EBITDA has limitations as an analytical tool, and should not be viewed in isolation and is not a substitute for U.S. generally accepted accounting principles (which we refer to in this joint proxy statement/prospectus as GAAP) measures of earnings and cash flows. Material limitations associated with making the adjustments to Rockwood's earnings and cash flows to calculate Adjusted EBITDA, and using this non-GAAP financial measure as compared to the most directly comparable GAAP financial measures, include:

the cash portion of interest expense, net, income tax provision (benefit), and restructuring as well as charges related to securities issuance, acquisition and disposition activities, and systems/organization establishment, generally represent charges (gains) which may significantly affect funds available to use in our operating, investing and financing activities;

non-operating foreign exchange gains (losses), although not immediately affecting cash used in investing activities, may affect the amount of funds needed to service Rockwood's debt if those currency impacts remain in place as Rockwood meets its future principal repayment obligations; and

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depreciation, amortization, non-cash (gains) charges and impairment charges, though not directly affecting Rockwood's current cash position, represent the wear and tear and/or reduction in value of the plant, equipment and intangible assets which permit Rockwood to manufacture and/or market its products; these items may be indicative of future needs for capital expenditures, for development or acquisition of intangible assets or relevant trends causing asset value changes.

A Rockwood shareholder or a potential Rockwood shareholder may find any one or all of these items important in evaluating Rockwood's performance, results of operations, financial position and liquidity. Rockwood's management compensates for the limitations of using non-GAAP financial measures by using them only to supplement Rockwood's GAAP results to provide a more complete understanding of the factors and trends affecting Rockwood's business. Adjusted EBITDA is not an alternative to net income (loss) or income (loss) from continuing operations before taxes or operating income or cash flows from operating activities as calculated and presented in accordance with GAAP. You should not rely on Adjusted EBITDA as a substitute for any such GAAP financial measures. You are urged to review the reconciliations of Adjusted EBITDA to GAAP financial measures and other financial information, in each case included or incorporated by reference into this joint proxy statement/prospectus. You are also urged not to rely on any single financial measure to evaluate Rockwood's business. Rockwood's measure of Adjusted EBITDA may not be comparable to those of other companies.

The following table sets forth a reconciliation of net income attributable to Rockwood to Adjusted EBITDA from continuing operations for the periods indicated:

(\$ in millions)	Year ended December 31,					Six months ended	
	2013	2012	2011	2010	2009	June 30, 2014	2013
Net income attributable to Rockwood Holdings, Inc. shareholders	\$ 1,659.9	\$ 379.2	\$ 399.4	\$ 231.4	\$ 21.3	\$ 25.9	\$ 48.9
Net income (loss) attributable to noncontrolling interest discontinued operations	1.0	14.7	40.6	9.1	(3.8)	2.9	(0.9)
Net income	1,660.9	393.9	440.0	240.5	17.5	28.8	48.0
Income tax (benefit) provision	(10.0)	(124.8)	15.3	(88.0)	5.0	25.1	9.8
Loss (income) from discontinued operations, net of tax	65.0	(161.0)	(250.5)	(154.1)	(62.0)	29.1	(15.8)
Gain on sale of discontinued operations, net of tax	(1,670.5)		(119.3)			(2.1)	
Income (loss) from continuing operations before taxes	45.4	108.1	85.5	(1.6)	(39.5)	80.9	42.0
Interest expense, net	82.3	64.5	83.1	135.2	152.4	27.8	46.7
Depreciation and amortization	93.5	89.3	88.0	85.4	87.2	51.1	45.2
Restructuring and other severance costs	17.5	35.3	11.4	2.7	6.9	5.6	8.6
Equity investment adjustments						5.2	
Systems/organization establishment expenses	2.2	2.0	0.8	1.0	0.8	1.4	1.2
Acquisition and disposal costs	8.9	(2.1)	0.3	1.1	0.2	1.6	3.5

Loss on early extinguishment/modification of debt	15.5	12.0	16.6	1.6	26.6		
Asset write-downs and other	4.1	0.3	0.9	8.4	2.1	1.7	4.7
Gain on previously held equity interest	(16.0)						
Foreign exchange loss (gain) on financing activities, net	67.1	10.3	(3.2)	1.3	(15.5)	(5.8)	10.5
Other	2.8	1.4	0.6	(0.2)	2.8		1.1
Total Adjusted EBITDA from continuing operations	\$ 323.3	\$ 321.1	\$ 284.0	\$ 234.9	\$ 224.0	\$ 169.5	\$ 163.5

(\$ in millions)	As of December 31,					As of
	2013	2012	2011	2010	2009	June 30, 2014
<b>Balance sheet data:</b>						
Cash and cash equivalents	\$ 1,522.8	\$ 1,266.1	\$ 315.2	\$ 316.1	\$ 264.0	\$ 696.3
Property, plant and equipment, net	842.8	719.6	655.5	607.4	630.7	884.4
Total assets	5,532.3	6,013.6	4,580.8	4,723.4	4,793.0	5,257.6
Total long-term debt, including current portion	1,295.4	2,219.8	1,410.8	1,839.9	2,116.3	1,292.3
Total equity	3,049.2	1,875.7	1,629.4	1,322.7	1,129.5	2,805.3

**Table of Contents****Selected Unaudited Pro Forma Condensed Combined Financial Data of Albemarle and Rockwood**

The following unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the merger. The unaudited pro forma condensed combined balance sheet is based on the individual historical consolidated balance sheets of Albemarle and Rockwood as of June 30, 2014, and has been prepared to reflect the merger as if it occurred on June 30, 2014. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2013 and the six months ended June 30, 2014 combines the historical results of operations of Albemarle and Rockwood, giving effect to the merger as if it occurred on January 1, 2013.

These unaudited pro forma condensed combined financial statements are for informational purposes only. They do not purport to indicate the results that would actually have been obtained had the merger been completed on the assumed date or for the periods presented, or which may be realized in the future. A final determination of the fair value of Rockwood's assets and liabilities will be based on the actual net tangible and intangible assets and liabilities of Rockwood that exist as of the date of completion of the merger and, therefore, cannot be made prior to that date. Additionally, the value of the portion of the merger consideration to be paid in shares of Albemarle common stock will be determined based on the trading price of Albemarle common stock at the time of the completion of the merger. Accordingly, the accompanying unaudited pro forma purchase price allocation is preliminary and is subject to further adjustments as additional information becomes available and as additional analyses are performed. The preliminary unaudited pro forma purchase price allocation has been made solely for the purpose of preparing the accompanying unaudited pro forma condensed combined financial statements. There can be no assurance that such finalization will not result in material changes from the preliminary purchase price allocation included in the accompanying unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements should be read in conjunction with: (1) the accompanying notes to the unaudited pro forma condensed combined financial statements beginning on page 115; (2) Albemarle's audited consolidated financial statements and related notes thereto contained in its Current Report on Form 8-K which was filed on August 8, 2014, to recast certain portions of Albemarle's Annual Report on Form 10-K for the year ended December 31, 2013 to reflect the antioxidant, ibuprofen and propofol businesses as discontinued operations and to reflect a change in reportable segments which became effective on January 1, 2014, and Albemarle's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014; and (3) Rockwood's audited consolidated financial statements and related notes thereto contained in its Annual Report on Form 10-K for the year ended December 31, 2013 and Rockwood's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014.

	<b>Six Months Ended June 30, 2014</b>	<b>Year Ended December 31, 2013</b>
<b>(\$ in millions, except per share data)</b>		
Net sales	\$ 1,921.4	\$ 3,772.1
Operating income	\$ 250.0	\$ 714.3
Net income from continuing operations	\$ 172.6	\$ 420.5
Earnings per share, Basic	\$ 1.51	\$ 3.50
Earnings per share, Diluted	\$ 1.50	\$ 3.46
<b>(\$ in millions)</b>		<b>June 30, 2014</b>
Total Current Assets		\$ 1,759.2

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Property, plant and equipment, net	\$	2,813.1
Goodwill	\$	2,659.5
Total Assets	\$	10,131.3
Long-term debt, including current portion	\$	3,960.4
Total equity	\$	3,807.8

**Table of Contents****Unaudited Comparative Per Share Data**

Presented below are Albemarle's and Rockwood's historical per share data for the six months ended June 30, 2014 and the year ended December 31, 2013 and unaudited pro forma combined per share data for the six months ended June 30, 2014 and the year ended December 31, 2013. This information should be read together with the consolidated financial statements and related notes of Albemarle and Rockwood that are incorporated by reference in this joint proxy statement/prospectus and with the unaudited pro forma combined condensed financial information included under *Unaudited Pro Forma Condensed Combined Financial Statements* beginning on page 115. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. The historical book value per share is computed by dividing total shareholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma income per share of the combined company is computed by dividing the pro forma income by the pro forma weighted average number of shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma shareholders' equity by the pro forma number of shares of common stock outstanding at the end of the period. The Rockwood unaudited pro forma equivalent per share financial information is computed by multiplying the Albemarle unaudited pro forma combined per share amounts by the exchange ratio (0.4803 of a share of Albemarle common stock for each share of Rockwood common stock). The Rockwood pro forma equivalent per share amounts assume each Rockwood shareholder receives the merger consideration only in the form of Albemarle common stock. This presentation portrays the equivalent pro forma earnings, dividends and book value per share for one share of Rockwood common stock, and does not take into account the \$50.65 cash payment by Albemarle for each share of Rockwood common stock at the time of the merger. Book value per share amounts are not calculated for December 31, 2013 on a pro forma basis as purchase accounting adjustments in the unaudited pro forma statements have been estimated only as of June 30, 2014.

	<b>Six Months Ended Year Ended</b>	
	<b>June 30,</b>	<b>December 31,</b>
<b>Albemarle Pro Forma</b>	<b>2014</b>	<b>2013</b>
Net income from continuing operations (\$ millions)	\$ 172.6	\$ 420.5
Basic income from continuing operations per share	\$ 1.51	\$ 3.50
Diluted income from continuing operations per share	\$ 1.50	\$ 3.46
Book value per share as of June 30, 2014	\$ 32.78	N/A
Dividends declared per share of common stock	\$ 0.55	\$ 0.96
	<b>Six Months</b>	
	<b>Ended</b>	<b>Year Ended</b>
	<b>June 30,</b>	<b>December 31, 2013</b>
<b>Albemarle Historical</b>	<b>2014</b>	<b>December 31, 2013</b>
Net income from continuing operations (\$ millions)	\$ 155.4	\$ 435.7
Basic income from continuing operations per share	\$ 1.96	\$ 5.20
Diluted income from continuing operations per share	\$ 1.95	\$ 5.17
Book value per share as of June 30, 2014	\$ 19.21	\$ 20.33
Dividends declared per share of common stock	\$ 0.55	\$ 0.96
	<b>Six Months</b>	
	<b>Ended</b>	<b>Year Ended</b>

<b>Rockwood Historical</b>	<b>June 30, 2014</b>	<b>December 31, 2013</b>
Net income from continuing operations (\$ millions)	\$ 55.8	\$ 55.4
Basic income from continuing operations per share	\$ 0.76	\$ 0.73
Diluted income from continuing operations per share	\$ 0.75	\$ 0.72
Book value per share as of June 30, 2014	\$ 37.20	\$ 39.19
Dividends declared per share of common stock	\$ 0.90	\$ 1.70

  

	<b>Six Months Ended June 30, 2014</b>	<b>Year Ended December 31, 2013</b>
<b>Rockwood Equivalent Pro Forma</b>		
Net income from continuing operations (\$ millions)	N/A	N/A
Basic income from continuing operations per share	\$ 0.72	\$ 1.68
Diluted income from continuing operations per share	\$ 0.72	\$ 1.66
Book value per share as of June 30, 2014	\$ 15.74	\$ N/A
Dividends declared per share of common stock	\$ 0.26	\$ 0.46

#### **Market Prices and Dividend Information**

Albemarle common stock is listed for trading on the NYSE under the symbol ALB and Rockwood common stock is listed for trading on the NYSE under the symbol ROC.

The following table presents the closing prices of shares of Albemarle common stock and shares of Rockwood common stock, as reported on the NYSE on:

July 14, 2014, the last full trading day prior to the public announcement of the merger agreement; and

September 22, 2014, the latest practicable date prior to mailing this joint proxy statement/prospectus;



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the table also presents the equivalent value of the merger consideration per share of Rockwood common stock on those dates:

	<b>Albemarle Common Stock</b>	<b>Rockwood Common Stock</b>	<b>Equivalent Price Per Share of Rockwood Common Stock (1)</b>
July 14, 2014	\$ 72.62	\$ 75.70	\$ 85.53
September 22, 2014	\$ 63.26	\$ 80.43	\$ 81.03

- (1) Reflects the market value of the merger consideration per share of Rockwood common stock, calculated by adding (a) the cash portion of the consideration, or \$50.65, plus (b) the closing price of Albemarle common stock as of the specified date multiplied by the exchange ratio of 0.4803.

**The market prices of Albemarle common stock and Rockwood common stock will fluctuate prior to the completion of the merger. You should obtain current market quotations for the shares.**

Albemarle has paid regular quarterly cash dividends on its common stock since March 1994. Since 2012, Albemarle's dividend has increased from \$0.20 per share to \$0.275 per share. Rockwood has paid regular quarterly cash dividends on its common stock since June 2012, increasing during that time period from \$0.35 per share to \$0.45 per share. Under the terms of the merger agreement, during the period before the completion of the merger, Albemarle and Rockwood are prohibited from paying any dividends other than regular quarterly cash dividends paid in accordance with the companies' historical practice over the past twelve months. Any such quarterly dividend to be paid by Albemarle may not exceed \$0.275 per share, in the case of any dividend with a record date on or prior to December 31, 2014, and \$0.30 per share, in the case of any dividend with a record date on or after January 1, 2015. Any quarterly dividend to be paid by Rockwood may not exceed \$0.45 per share.

### **Financing**

The obligations of Albemarle and Merger Sub under the merger agreement are not subject to any conditions regarding their ability to finance, or obtain financing for, the transactions contemplated by the merger agreement, and they are obligated under the merger agreement to have sufficient funds available to satisfy their obligations under the merger agreement. Albemarle has obtained financing commitments for financing in order to pay (i) the cash consideration payable in connection with the merger and (ii) related fees and expenses.

Albemarle's financing commitments consist of the following:

Up to \$1.15 billion in commitments for a senior unsecured 60-day cash bridge facility; and

Up to \$2.7 billion in commitments for a senior unsecured 364-day bridge facility, to be provided if, prior to the completion date of the merger, (i) credit documentation with respect to a \$1.0 billion senior unsecured term loan does not become effective or (ii) Albemarle has not received gross proceeds of up to \$1.7 billion from the issuance and sale of new senior unsecured notes.

Albemarle intends to enter into definitive documentation for the financing on or prior to the completion of the merger. On August 15, 2014, Albemarle entered into a term loan credit agreement providing for a tranche of senior unsecured

term loans in an aggregate amount of \$1.0 billion in connection with the merger, and amended its existing five-year, revolving, unsecured credit facility to, among other things, increase the maximum leverage ratio that the Albemarle is permitted to maintain to 4.50 times consolidated EBITDA (calculated to include cost synergies related to the merger reasonably expected to be realized within 12 months of the completion of the merger up to 5% of consolidated EBITDA) for the first four quarters following the completion of the merger, stepping down by 0.25 on a quarterly basis thereafter until reaching 3.50 times consolidated EBITDA.

In addition, prior to the completion of the merger, if requested by Albemarle, Rockwood may solicit the consents of holders of Rockwood's existing senior notes, which are expected to remain outstanding following the merger, to effect certain amendments to the indenture governing the notes.

For more information, see *Financing relating to the Merger* beginning on page 91.

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**RISK FACTORS**

*In addition to the other information included and incorporated by reference in this joint proxy statement/prospectus, Albemarle shareholders and Rockwood shareholders should consider carefully the matters described below in determining whether to approve the Albemarle share issuance or to adopt the merger agreement, as applicable, and the other related matters described in this joint proxy statement/prospectus.*

**Risks Related to the Merger**

***We cannot provide any assurance that the merger will be completed.***

The completion of the merger is subject to customary closing conditions described in the merger agreement, including, among others, (i) adoption by Rockwood shareholders of the merger agreement, (ii) approval by Albemarle shareholders of the Albemarle share issuance, (iii) obtaining antitrust and other regulatory approval in the United States and certain other jurisdictions and (iv) the absence of any event, change, condition, occurrence or effect that, individually or in the aggregate, has or would reasonably be expected to have, a material adverse effect on Rockwood's or Albemarle's business. See *The Merger Agreement - Conditions to the Completion of the Merger* beginning on page 97.

Although each of Rockwood and Albemarle has agreed in the merger agreement to use its reasonable best efforts to take, or cause to be taken, all actions necessary, proper or advisable to comply promptly with all legal requirements which may be imposed on such party or its subsidiaries with respect to the merger, these and other conditions to the merger may not be satisfied. In addition, satisfying the conditions to the merger may take longer than, and could cost more than, Albemarle and Rockwood expect. Any delay in completing the merger may adversely affect the benefits that Rockwood and Albemarle expect to achieve from the merger and the integration of their businesses.

***The exchange ratio is fixed and will not be adjusted for changes affecting the market price of either Albemarle common stock or Rockwood common stock. Because the market value of Albemarle common stock may fluctuate, Rockwood shareholders cannot be sure of the market value of the stock portion of the merger consideration they will receive in the merger.***

The stock portion of the merger consideration that Rockwood shareholders will receive is a fixed number of shares of Albemarle common stock; it is not a number of shares with a particular fixed market value. See *The Merger - Merger Consideration* beginning on page 86. The market value of Albemarle common stock and Rockwood common stock at the effective time of the merger may vary significantly from their respective values on the date the merger agreement was executed or at other later dates, including the date on which Rockwood shareholders vote on the adoption of the merger agreement. Because the exchange ratio relating to the stock portion of the merger consideration will not be adjusted to reflect any changes in the market value of Albemarle common stock or Rockwood common stock, the market value of the Albemarle common stock issued in connection with the merger and the Rockwood common stock converted in connection with the merger may be higher or lower than the values of those shares on earlier dates. Stock price changes may result from a variety of factors, including changes in the business, operations or prospects of Albemarle or Rockwood, regulatory considerations, and general business, market, industry or economic conditions.

Neither Albemarle nor Rockwood is permitted to terminate the merger agreement solely because of changes in the market price of either party's respective common stock. However, each of the Albemarle board of directors and the Rockwood board of directors may withdraw its recommendation to their respective shareholders that they approve the Albemarle share issuance or adopt the merger agreement, as applicable, if such board of directors determines in good faith, after consultation with its outside legal counsel, that the failure to take such action could reasonably be expected

to be inconsistent with its fiduciary duties under applicable law. See *The Merger Agreement No Solicitation Board Recommendation Change* beginning on page 100.

***The merger is subject to the receipt of consents and clearances from regulatory authorities that may impose conditions that could have an adverse effect on Albemarle, Rockwood or the combined company following the merger or, if not obtained, could prevent the completion of the merger.***

Before the merger may be completed, applicable waiting periods must expire or terminate under antitrust and competition laws and clearances or approvals must be obtained from various regulatory entities. In deciding whether to grant antitrust or regulatory clearances, the relevant governmental entities will consider the effect of the merger on competition within their relevant jurisdiction. The terms and conditions of the approvals that are granted may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business. Despite the parties' commitments to use their reasonable best effort to comply with conditions imposed by regulatory entities, under the terms of the merger agreement, Albemarle and Rockwood will not be required to take actions that would reasonably be expected to

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have a material adverse effect on the business of Albemarle or Rockwood as the surviving corporation after the merger. See *The Merger Agreement Additional Terms Reasonable Best Efforts* beginning on page 108. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying the completion of the merger, imposing additional material costs on or materially limiting the revenues of the combined company following the merger or otherwise reduce the anticipated benefits of the merger if the merger were consummated successfully within the expected timeframe. In addition, neither Albemarle nor Rockwood can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. Additionally, the completion of the merger is conditioned on the absence of certain restraining orders or injunctions by judgment, court order or law that would prohibit the completion of the merger. For a more detailed description of the regulatory review process, please see the section titled *The Merger Regulatory Matters* beginning on page 86.

***Albemarle's inability to satisfy and comply with conditions under its existing financing arrangements or raise additional or replacement financing could delay or prevent the completion of the merger.***

The obligations of Albemarle and Merger Sub under the merger agreement are not subject to any conditions regarding their ability to finance, or obtain financing for, the transactions contemplated by the merger agreement, and they are obligated under the merger agreement to have sufficient funds available to satisfy their obligations under the merger agreement. If Albemarle is unable to satisfy the conditions required under its financing commitments or any definitive financing documentation, Albemarle may not have available the funds necessary to fund the cash portion of the merger consideration. In addition, one or more financing sources under the financing commitments may default on its obligation to provide the financing and that the commitments of any such defaulting financing source may not be replaced on a timely basis. Any such failure to have available the necessary funds to fund the cash portion of the merger consideration could delay or prevent the completion of the merger. See *The Merger Agreement Financing* beginning on page 110.

***Albemarle and Rockwood will incur transaction and integration costs in connection with the merger.***

Albemarle and Rockwood expect that they will incur significant, non-recurring costs in connection with consummating the merger. In addition, Albemarle will incur integration and restructuring costs following the completion of the merger as Albemarle integrates the businesses of the two companies. There can be no assurances that the expected benefits and efficiencies related to the integration of the businesses will be realized to offset these transaction, integration and restructuring costs over time. Albemarle and Rockwood may also incur additional costs to maintain employee morale and to retain key employees. Albemarle will also incur significant fees and expenses relating to the financing arrangements in connection with the merger. Albemarle and Rockwood will also incur significant legal, financial advisor, accounting, banking and consulting fees, fees relating to regulatory filings and notices, SEC filing fees, printing and mailing fees and other costs associated with the merger. Some of these costs are payable regardless of whether the merger is completed. See *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102.

***Rockwood may not be able to complete its divestiture of the Rockwood pigments business prior to the completion of the merger or at all, and, if so, Albemarle may not be able to use the proceeds of the divestiture to repay a portion of its financing for the merger.***

Rockwood may not be able to complete the divestiture of its titanium dioxide pigments, color pigments and services, timber treatment chemicals, rubber/thermoplastics compounding and water chemistry businesses (which we refer to in this joint proxy statement/prospectus as the Rockwood pigments business) prior to the completion of the merger or at all. Rockwood entered into a definitive agreement (which we refer to in this joint proxy statement/prospectus as the

pigments business disposition agreement) to sell the Rockwood pigments business, which it considers a non-core business, in September 2013. The completion of this disposition is subject to, among other things, the approval by the European Commission. The transaction is currently in phase II review by the European Commission. The transaction has not yet closed and there can be no assurance whether approval of the antitrust authorities will be obtained.

The obligations of Albemarle and Merger Sub under the merger agreement are not subject to any conditions regarding the closing of the divestiture of the Rockwood pigments business. Albemarle anticipates using the proceeds of the divestiture of the Rockwood pigments business to repay a portion of its financing for the merger. If the Rockwood pigments business is not divested prior to the completion of the merger, Albemarle expects to continue seeking to divest the Rockwood pigments business following the merger to repay the financing. However, if the Rockwood pigments business is not divested pursuant to the pigments business disposition agreement, no assurances can be given that Albemarle will be able to negotiate a divestiture transaction with another party on terms comparable to the terms of the pigments business disposition agreement.

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***The merger agreement restricts Albemarle's and Rockwood's conduct of business prior to the completion of the merger and limits both parties' ability to pursue an alternative acquisition proposal to the merger.***

Under the merger agreement, Albemarle and Rockwood are subject to certain restrictions on the conduct of their respective businesses prior to completing the merger, which restrictions may adversely affect Albemarle's and Rockwood's ability to exercise certain of their respective business strategies. See *The Merger Agreement Conduct of Business Pending the Merger* beginning on page 103. These restrictions may prevent Albemarle and Rockwood from pursuing otherwise attractive business opportunities and making other changes to their respective businesses prior to the completion of the merger or termination of the merger agreement.

In addition, the merger agreement prohibits Albemarle and Rockwood from (A) soliciting or, subject to certain exceptions set forth in the merger agreement, knowingly facilitating or encouraging any inquiry or proposal relating to alternative business combination transactions, or (B) subject to certain exceptions set forth in the merger agreement, engaging in discussions or negotiations regarding, or providing any nonpublic information in connection with, proposals relating to alternative business combination transactions. See *The Merger Agreement No Solicitation* beginning on page 99. In certain circumstances, upon termination of the merger agreement, Albemarle or Rockwood will be required to pay a termination fee of \$300 million or \$180 million, respectively, to the other party and/or to reimburse the other party for its transaction-related expenses, subject to a \$25 million limit, if the merger is not consummated (provided that the amount of any expenses paid by either Albemarle or Rockwood to the other party will be credited against any termination fee to be paid by such party if the termination fee subsequently becomes payable). See *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102. These provisions, while reasonable in light of comparable transactions and the overall terms of the merger agreement, may limit Albemarle's and Rockwood's respective ability to pursue offers from third parties that could result in greater value to their respective shareholders than the value resulting from the merger. The termination fee may also discourage third parties from pursuing an alternative acquisition proposal with respect to Albemarle or Rockwood, or might result in third parties proposing to pay a lower value per share to acquire Rockwood or Albemarle than it might otherwise have been willing to pay.

***While the merger is pending, Albemarle and Rockwood will be subject to business uncertainties that could adversely affect their businesses.***

Uncertainty about the effect of the merger on employees, customers and suppliers may have an adverse effect on Albemarle and Rockwood. These uncertainties may impair Albemarle's and Rockwood's ability to attract, retain and motivate key personnel until the merger is consummated and for a period of time thereafter, and could cause both parties' respective customers, suppliers and other business partners to delay or defer certain business decisions or to seek to change existing business relationships with Albemarle or Rockwood. Employee retention may be particularly challenging during the pendency of the merger because employees may experience uncertainty about their future roles with the combined company. If, despite Albemarle's and Rockwood's retention efforts, key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the companies as combined, Albemarle's and Rockwood's businesses could be seriously harmed. Any delay in completing the merger may further increase such uncertainties and the adverse effects related thereto.

***If the merger is not completed by May 15, 2015, either Albemarle or Rockwood may choose not to proceed with the merger.***

Either Albemarle or Rockwood may terminate the merger agreement if the merger has not been completed by May 15, 2015, unless the failure of the merger to have been completed by such date was primarily caused by the failure of the party seeking to terminate the merger agreement to have performed in all material respects its obligations under the

merger agreement. See *The Merger Agreement Termination of the Merger Agreement* beginning on page 101.

***Failure to complete the merger could materially and adversely impact the financial conditions, results of operations and stock prices of Albemarle and Rockwood.***

As described above, the conditions to the completion of the merger may not be satisfied. If the merger is not completed for any reason, Albemarle and Rockwood will be subject to several risks, including the following:

being required to pay a termination fee of \$300 million or \$180 million, respectively, under certain circumstances provided in the merger agreement (see *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102);

being required to reimburse the other party for certain fees and expenses relating to the merger, such as legal, financial advisor, accounting, banking, consulting and printing fees and expenses up to \$25 million (provided that the amount of any expenses paid by either Albemarle or Rockwood to the other party will be credited against any termination fee to be paid by such party if the termination fee subsequently becomes payable), under certain circumstances provided in the merger agreement (see *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102);



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having had the focus of their respective management diverted from day-to-day operations and other opportunities that could have been beneficial to Albemarle or Rockwood;

the market prices of Albemarle common stock and Rockwood common stock might decline to the extent that the current market prices reflect a market assumption that the merger would be completed;

customers and suppliers may seek to modify their respective relationships with Albemarle or Rockwood and both companies' ability to attract new employees and retain existing employees may be harmed by uncertainties associated with the merger;

being subject to potential litigations related to a failure to complete the merger or to enforce their respective obligations under the merger agreement; and

if Albemarle or Rockwood seeks out another merger or business combination following termination of the merger agreement, it may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the merger.

Any such events could have a material adverse impact on Albemarle's or Rockwood's financial condition, results of operations and stock price.

***The directors and executive officers of Rockwood may have certain interests in the merger that may be different from, or in addition to, the interests of Rockwood shareholders.***

In considering the information in this joint proxy statement/prospectus, you should be aware that certain of the directors and executive officers of Rockwood may have certain interests in the merger that differ from, or are in addition to, the interests of Rockwood shareholders. These interests include, but are not limited to, the following:

the treatment of performance-based equity awards held by certain directors and executive officers of Rockwood, including the conversion of their performance-based restricted stock unit awards into the right to receive a cash amount, the payment of which will be accelerated upon a termination of the award recipient's employment by the surviving corporation without cause or if the award recipient resigns employment for good reason following a change in control;

the potential payment of retention, severance and other benefits to executive officers of Rockwood;

continued eligibility to earn annual bonus payments;

the potential payment of tax gross-ups to certain of Rockwood's executive officers; and

the continuation of certain rights to indemnification and expense advancement and of coverage under directors and officers liability insurance policies following the completion of the merger.

In addition, up to three current directors of Rockwood may be designated by Rockwood to serve on the Albemarle board of directors after the completion of the merger. The Rockwood board of directors was aware of these interests at the time it approved the merger agreement. These interests may cause Rockwood's directors and executive officers to view the proposal regarding the merger differently and more favorably than you may view it. See *The Merger Interests of Rockwood Directors and Executive Officers in the Merger* beginning on page 73.

***Chilean capital gain tax may apply to Rockwood shareholders, if any, that, along with persons related to them (within the meaning of related persons described in The Merger Chilean Tax Considerations beginning on page 85), are treated as transferring 10 percent or more of the outstanding Rockwood common stock.***

In 2012, Chile enacted indirect transfer rules that, effective January 1, 2013, impose, in certain circumstances, a tax on the transfer of shares of a non-Chilean corporation, like Rockwood, that owns one or more Chilean subsidiaries. Broadly, under these rules, the exchange of shares of Rockwood common stock for merger consideration may be taxable to a holder that, along with persons related to that holder (within the meaning of related persons described in *The Merger Chilean Tax Considerations* beginning on page 85), transfers 10% or more of the outstanding shares of Rockwood common stock during the 12-month period ending on the date the merger is completed, provided the Chilean subsidiaries of Rockwood have a fair market value in excess of a certain specified threshold. In a case where the 10% transfer threshold is met, the exchange agent (or other applicable withholding agent) may be required to provisionally withhold from the merger consideration paid to the Rockwood shareholder an amount equal to a percentage of the merger consideration attributable to the value of the Chilean assets of Rockwood. There is uncertainty relating to the application by Chilean authorities of the indirect transfer rules on certain shareholders exchange of shares of Rockwood common stock. Rockwood shareholders that may incur tax under these indirect transfer rules should consult with a Chilean tax advisor regarding the application of the rules to them. See *The Merger Chilean Tax Considerations* beginning on page 85.

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***Lawsuits have been filed against Rockwood, members of the Rockwood board of directors, Albemarle and Merger Sub challenging the merger, and additional lawsuits may be filed; an adverse ruling in any of such lawsuits may prevent the merger from becoming effective or from becoming effective within the expected timeframe.***

Rockwood, members of the Rockwood board of directors, Albemarle and Merger Sub are named as defendants in certain lawsuits brought by and on behalf of Rockwood shareholders challenging the merger, seeking, among other things, to enjoin the defendants from completing the merger on the agreed-upon terms, as well as damages. See *Certain Litigation* beginning on page 94. If the plaintiffs are successful in obtaining an injunction prohibiting the defendants from completing the merger on the agreed upon terms, then such injunction may prevent the merger from becoming effective within the expected timeframe or at all. If the completion of the merger is prevented or delayed, it could result in substantial costs to Albemarle and Rockwood. In addition, Albemarle and Rockwood could incur significant costs in connection with the lawsuits, including costs associated with the indemnification of Rockwood's directors and officers.

### **Risks Related to the Combined Company**

***The market price of Albemarle common stock after the merger may be affected by factors different from those currently affecting the prices of Albemarle common stock and Rockwood common stock.***

The businesses of Albemarle and Rockwood differ in many respects. As such, many of the factors affecting Albemarle's results of operations and stock price are different from those affecting Rockwood's results of operations and stock price. Additionally, Albemarle's results of operations and the market price of Albemarle common stock after the merger may be affected by factors different from those currently affecting the independent results of operations and stock prices of each of Albemarle's and Rockwood's common stock prior to the merger. For a discussion of Albemarle's and Rockwood's businesses and operations and the risks associated therewith, see the sections entitled *Risk Factors* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* in the documents incorporated by reference in this joint proxy statement/prospectus and referred to under *Where You Can Find More Information* beginning on page 148.

***Albemarle will incur substantial additional indebtedness in connection with financing the merger.***

The indebtedness of Albemarle and Rockwood as of June 30, 2014 was approximately \$1.1 billion and \$1.3 billion, respectively. If the merger had been completed on June 30, 2014, Albemarle would have had \$4.0 billion of indebtedness on a pro forma consolidated basis. See *Unaudited Pro Forma Condensed Consolidated Financial Statements* beginning on page 115. As a result, following the merger, Albemarle, on a consolidated basis, will have substantial additional indebtedness and related debt service obligations. This additional indebtedness and related debt service obligations could have important consequences, including:

reducing flexibility in planning for, or reacting to, changes in Albemarle's businesses, the competitive environment and the industries in which it operates, and to technological and other changes;

lowering credit ratings;

reducing access to capital and increasing borrowing costs generally or for any additional indebtedness to finance future operating and capital expenses and for general corporate purposes;

reducing funds available for operations, capital expenditures and other activities.

creating competitive disadvantages relative to other companies with lower debt levels.

***If the Rockwood notes are not rated investment grade following the merger, the issuer of the Rockwood notes and its restricted subsidiaries will be subject to the restrictive covenants in the indenture governing the Rockwood notes and the Rockwood subsidiary guarantees will remain in effect.***

The indenture governing Rockwood's existing 4.625% senior notes due 2020 (which we refer to in this joint proxy statement/prospectus as the Rockwood notes) provides that if the Rockwood notes are rated investment grade, many of the restrictive covenants contained in the indenture and the guarantees by certain of Rockwood's subsidiaries will cease to be in effect. If the Rockwood notes are not rated investment grade following the merger, the issuer of the Rockwood notes and its restricted subsidiaries will continue to be subject to the restrictive covenants that are currently applicable and the subsidiary guarantees will remain in effect. These covenants include restrictions on the incurrence of indebtedness and the making of dividends and other restricted payments. If the covenants and guarantees remain in effect, Albemarle's ability to operate, finance and integrate the Rockwood businesses could be adversely affected, which could result in Albemarle not receiving all of the anticipated benefits of the merger.

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***If the Rockwood notes are downgraded in connection with the merger, Albemarle will be required to offer to repurchase the Rockwood notes.***

The indenture governing the Rockwood notes requires the issuer to offer to repurchase the notes at 101% of their principal amount (plus accrued and unpaid interest) if the notes receive certain ratings downgrades in connection with a change of control transaction. If, in connection with the merger, the Rockwood notes are downgraded, the requirement to make a change of control repurchase offer would be triggered. In such an event, it is possible that Albemarle may not have access to sufficient financing to repurchase all of the Rockwood notes tendered in the change of control repurchase offer, or that any such financing may not be on favorable terms. Albemarle has not obtained financing commitments to fund a change of control repurchase offer.

***If the merger is completed, the combined company may not be able to successfully integrate the businesses of Rockwood and Albemarle and therefore may not be able to realize the anticipated benefits of the merger.***

Realization of the anticipated benefits in the merger will depend, in part, on the combined company's ability to successfully integrate the businesses and operations of Albemarle and Rockwood. The combined company will be required to devote significant management attention and resources to integrating its business practices, operations and support functions. The success of the combined company after the merger will also depend in part upon the ability of Albemarle and Rockwood to retain key employees of both companies during the periods before and after the merger is completed. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business, financial results, financial condition or stock price of Albemarle following the merger. The integration process may also result in additional and unforeseen expenses. There can be no assurance that the contemplated synergies anticipated from the merger will be realized. If the combined company is not successfully integrated, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected. There can be no assurances that the expected benefits and efficiencies related to the integration of the businesses will be realized to offset the integration and restructuring costs over time.

***The unaudited pro forma financial information included in this joint proxy statement/prospectus may not be indicative of what the combined company's actual financial position or results of operations would have been.***

The unaudited pro forma financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the date(s) indicated. The preparation of the pro forma financial information is based upon available information and certain assumptions and estimates that Albemarle and Rockwood currently believe are reasonable, including assumptions with respect to the closing of the divestiture of the Rockwood pigments business. The unaudited pro forma financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Rockwood's net assets. The purchase price allocation reflected in this joint proxy statement/prospectus is preliminary, and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Rockwood as of the date of the completion of the merger. In addition, subsequent to the completion of the merger, there may be further refinements of the purchase price allocation as additional information becomes available. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus. See *Unaudited Pro Forma Condensed Consolidated Financial Statements* beginning on page 115.

***Albemarle shareholders will have a reduced ownership and voting interest in Albemarle after the merger and will exercise less influence over the board of directors, management and policies of Albemarle.***

Albemarle shareholders currently have the right to vote in the election of the Albemarle board of directors and on other matters affecting Albemarle. Upon the completion of the merger, each Albemarle shareholder's percentage ownership of Albemarle will be smaller than such shareholder's percentage ownership of Albemarle prior to the merger. After the merger, the current shareholders of Albemarle, as a group, will own shares constituting approximately 70% of Albemarle common stock expected to be outstanding immediately after the merger. Because of this, current Albemarle shareholders, as a group, may have less influence on the board of directors, management and policies of Albemarle than they now have on the board of directors, management and policies of Albemarle.

***Rockwood shareholders will have an ownership and voting interest in Albemarle after the merger that is smaller than their current ownership and voting interest in Rockwood and will exercise less influence over the board of directors, management and policies of Albemarle than they did over the board of directors, management and policies of Rockwood.***

Rockwood shareholders currently have the right to vote in the election of the Rockwood board of directors and on other matters affecting Rockwood. Upon the completion of the merger, each Rockwood shareholder will become a shareholder of Albemarle with a percentage ownership of Albemarle that is smaller than such shareholder's percentage ownership of

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Rockwood. Additionally, only three out of eleven members of the Albemarle board of directors will be designated by Rockwood after the completion of the merger. The shareholders of Rockwood, as a group, will receive shares in the merger constituting approximately 30% of Albemarle common stock expected to be outstanding immediately after the merger. Because of this, current Rockwood shareholders, as a group, will have less influence on the board of directors, management and policies of Albemarle (as the combined company following the merger) than they now have on the board of directors, management and policies of Rockwood.

***Rockwood shareholders will become shareholders of a Virginia corporation and will have their rights as shareholders governed by Albemarle's organizational documents and Virginia law.***

As a result of the completion of the merger, holders of Rockwood common stock and stock options will become holders of Albemarle common stock and stock options, which will be governed by Albemarle's organizational documents and the Virginia Stock Corporation Act. As a result, there will be differences between the rights currently enjoyed by Rockwood shareholders and the rights they expect to have as shareholders of the combined company. See *Comparison of Shareholders' Rights* beginning on page 134.

**Additional Risks Relating to Albemarle and Rockwood after the Merger**

Albemarle's and Rockwood's businesses are, and will continue to be, subject to the risks described in (i) Part I, Item 1A in Albemarle's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and (ii) Part I, Item 1A in Rockwood's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, in each case, as such risks may be updated or supplemented in each company's subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference in this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 148.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations and business of Albemarle, Rockwood and the combined businesses of Albemarle and Rockwood and with respect to the transaction and the anticipated consequences and benefits of the transaction, the targeted completion 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 fact.

These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, believe, hope, aim, continue, will, may, would, could or should or other words of similar meaning or thereof. Such statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of Albemarle or Rockwood to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, without limitation:

the receipt of necessary shareholder approvals;

the receipt and timing of necessary regulatory approvals;

the ability to finance the transaction;

changes in credit ratings;

the ability to successfully operate and integrate Rockwood's operations and realize estimated synergies;

changes caused by the announcement or pendency of the transactions contemplated by the merger agreement;

the pendency of the Pigments Sale or the consummation thereof;

changes in economic and business conditions;

changes in financial and operating performance of major customers and industries and markets served by Albemarle or Rockwood;



the timing of orders received from customers;

the gain or loss of significant customers;

competition from other manufacturers;

changes in the demand for products or the end-use markets in which products are sold;

hazards associated with chemicals manufacturing;

limitations or prohibitions on the manufacture and sale of products;

availability of raw materials;

changes in the cost of raw materials and energy;

technological changes affecting production of the companies' materials;

changes in markets in general;

fluctuations in interest rates, exchange rates and currency values;

changes in laws and government regulation impacting operations or products;

the occurrence of claims or litigation;

the occurrence of natural disasters;

political unrest affecting the global economy in general or the jurisdictions in which Albemarle or Rockwood operate in particular;

political instability affecting manufacturing operations, joint ventures or customers' operations;

changes in accounting standards;

changes in the jurisdictional mix of the earnings of Albemarle or Rockwood and changes in tax laws and rates;

volatility and substantial uncertainties in the debt and equity markets;

technology or intellectual property infringement; and

decisions that Albemarle or Rockwood may make in the future.

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In addition, certain factors that could cause actual results to differ materially from these forward-looking statements are listed from time to time in Albemarle's SEC reports, including, but not limited to, in the section entitled "Item 1A. Risk Factors" in the Annual Report on Form 10-K filed by Albemarle with the SEC on February 25, 2014, and Rockwood's SEC reports, including, but not limited to, in the section entitled "Item 1A. Risk Factors" in the Annual Report on Form 10-K filed by Rockwood with the SEC on March 4, 2014. These forward-looking statements speak only as of the date of this communication. Each of Albemarle and Rockwood expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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**THE ALBEMARLE SPECIAL MEETING**

*Albemarle is furnishing this joint proxy statement/prospectus to Albemarle shareholders as of the Albemarle record date in connection with the solicitation of proxies from holders of shares of Albemarle common stock by the Albemarle board of directors for use at the Albemarle special meeting or at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of the Albemarle special meeting.*

**Date, Time and Place**

The Albemarle special meeting will be held on Friday, November 14, 2014, at 8:00 a.m., local time, at Albemarle's offices located at 451 Florida Street, Baton Rouge, Louisiana 70801, unless adjourned or postponed.

**Purpose of the Special Meeting**

The purpose of the Albemarle special meeting is for Albemarle shareholders to consider and vote on a proposal to approve the Albemarle share issuance, and a proposal to approve the adjournment of the Albemarle special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Albemarle special meeting to approve the Albemarle share issuance. Only business that is stated in the Notice of Special Meeting of Shareholders may be conducted at the Albemarle special meeting. Any action may be taken on the items of business described below at the Albemarle special meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the special meeting may be adjourned.

**Proposal 1 Approval of Albemarle Share Issuance**

As discussed elsewhere in this joint proxy statement/prospectus, Albemarle shareholders will consider and vote on a proposal to approve the Albemarle share issuance. Albemarle shareholders must approve the Albemarle share issuance in order for the merger to occur. If Albemarle shareholders fail to approve the Albemarle share issuance, the merger will not occur.

Accordingly, we are asking Albemarle shareholders to vote to approve the Albemarle share issuance, either by attending the special meeting and voting in person or by submitting a proxy.

For the proposal to approve the Albemarle share issuance, you may vote **FOR** or **AGAINST** or **ABSTAIN**. Under NYSE rules, an abstention will have the same effect as voting **AGAINST** the Albemarle share issuance. If your shares are not present at the Albemarle special meeting, it will have no effect on the vote to approve the Albemarle share issuance (assuming a quorum is present).

***Board Recommendation***

The Albemarle board of directors unanimously (excluding one director who recused herself) recommends that you vote **FOR** the Albemarle share issuance.

**Proposal 2 Adjournment if Necessary or Appropriate, Including to Solicit Additional Proxies**

The Albemarle special meeting may be adjourned to another time and place, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Albemarle special meeting to approve the Albemarle share issuance.

Accordingly, we are asking Albemarle shareholders to vote in favor of any adjournment of the Albemarle special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Albemarle special meeting to approve the Albemarle share issuance, either by attending the special meeting and voting in person or by submitting a proxy.

For the Albemarle adjournment proposal, you may vote **FOR** or **AGAINST** or **ABSTAIN**. If you abstain or if your shares are not present at the Albemarle special meeting, it will have no effect on the vote to approve the Albemarle adjournment proposal (whether or not a quorum is present).

***Board Recommendation***

The Albemarle board of directors unanimously (excluding one director who recused herself) recommends that you vote **FOR** the Albemarle adjournment proposal.

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### **Record Date; Shares Entitled to Vote; Quorum**

Only holders of record of Albemarle common stock at the close of business on Tuesday, September 30, 2014, the Albemarle record date, are entitled to notice of the Albemarle special meeting. Only holders of record of shares of Albemarle common stock as of the Albemarle record date are entitled to vote at the Albemarle special meeting or any adjournment thereof. Holders of record of shares of Albemarle common stock are entitled to one vote for each share of Albemarle common stock standing in such holder's name on the books of Albemarle on the Albemarle record date on each matter submitted to a vote at the Albemarle special meeting. On the Albemarle record date, [ ] shares of Albemarle common stock were issued and outstanding and held by approximately [ ] holders of record.

If your shares of Albemarle common stock are held in your name, you have the right to vote in person at the meeting or to appoint a proxy to vote on your behalf. If your shares of Albemarle common stock are held in an account with a bank, broker or other nominee, you are considered the beneficial owner of such shares held in street name. As a beneficial owner, you may also attend the meeting. You may not, however, vote such shares held in street name unless you obtain a proxy from your bank, broker or other nominee that holds the shares, which gives you the right to vote the shares at the meeting.

A majority of the shares of Albemarle common stock outstanding and entitled to vote, represented in person or by proxy, will constitute a quorum for the transaction of business at the Albemarle special meeting. Once a share is represented for any purpose at the Albemarle special meeting, it will be deemed present for quorum purposes for the remainder of the Albemarle special meeting and for any adjournment of the Albemarle special meeting, unless a new voting record date is set for the Albemarle special meeting. Abstentions will be treated as present at the Albemarle special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. Because there can be no broker non-votes at the Albemarle special meeting, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present at the meeting. The chairman of the Albemarle special meeting or a majority of the shares represented at the Albemarle special meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, whether or not there is a quorum.

### **Vote Required**

Approval of the Albemarle share issuance requires approval by a majority of the votes cast on the Albemarle share issuance at the Albemarle special meeting (assuming a quorum is present). Abstentions are considered votes cast and will have the same effect as votes AGAINST the Albemarle share issuance. Shares not present at the Albemarle special meeting are not considered votes cast and will have no effect on the outcome of the vote on the Albemarle share issuance (assuming a quorum is present).

Approval of the Albemarle adjournment proposal requires that the votes cast favoring the Albemarle adjournment proposal exceed the votes cast opposing the Albemarle adjournment proposal at the Albemarle special meeting (whether or not a quorum is present). Abstentions and shares not present at the Albemarle special meeting will have no effect on the outcome of the vote on the Albemarle adjournment proposal (whether or not a quorum is present).

### **Shares Owned by Albemarle Directors and Executive Officers**

As of the Albemarle record date, directors and executive officers of Albemarle beneficially owned and were entitled to vote [ ] shares of Albemarle common stock, which represented [ ]% of the outstanding shares of Albemarle common stock entitled to vote at the Albemarle special meeting on such date. Each of the directors and executive officers of Albemarle has advised Albemarle that, as of the date hereof, he or she currently expects to vote his or her shares, or

cause his or her shares to be voted, in favor of each of the Albemarle share issuance and the Albemarle adjournment proposal.

### **How to Vote**

Albemarle shareholders may vote using any of the following methods:

#### ***By proxy via telephone or via the Internet***

You may vote by proxy by calling the toll-free telephone number on your proxy card. Please have your proxy card available when you call. Easy-to-follow voice prompts allow you to submit a proxy for your shares and confirm that your instructions have been properly recorded.

Alternatively, you may vote by accessing the website indicated on your proxy card. Please have your proxy card available when you go online. As with telephone proxies, you can confirm that your instructions have been properly recorded. If you vote by proxy via the Internet, you can also request electronic delivery of any future proxy materials.

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Telephone and Internet proxy facilities for Albemarle shareholders of record will be available as indicated on your proxy card. The availability of telephone and Internet proxies for beneficial owners will depend on the voting processes of your bank, broker or other nominee. Therefore, Albemarle recommends that you follow the voting instructions in the materials you receive from your bank, broker or other nominee.

### ***By proxy via mail***

If you received your Albemarle special meeting materials by mail, you may complete, sign and date the proxy card or voting instruction card and return it in the prepaid envelope. If you are an Albemarle shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Albemarle special meeting described in this joint proxy statement/prospectus, as recommended by the Albemarle board of directors.

### ***In person at the Albemarle special meeting***

All Albemarle shareholders as of the Albemarle record date may vote in person at the Albemarle special meeting. You may also be represented by another person at the Albemarle special meeting by executing a proper proxy designating that person. Please note that if you are a beneficial owner of shares of Albemarle common stock, you must obtain a legal proxy from your bank, broker or other nominee and present it to the inspectors of election with your ballot to be able to vote at the Albemarle special meeting.

### ***By granting a proxy or submitting voting instructions***

You may vote by granting a proxy to someone else or, for shares held in street name, by submitting voting instructions to your bank, broker or other nominee. Please note that if you hold your shares in street name, you must provide voting instructions to your bank, broker or other nominee in order for your shares to be represented at the special meeting.

## **Voting of Proxies**

All shares of Albemarle common stock properly voted by proxy via the Internet or by telephone at or prior to 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, and all shares of Albemarle common stock represented by properly executed proxies received prior to or at the Albemarle special meeting and, in each case, not revoked, will be voted in accordance with the instructions so provided. If no specific instructions are given with respect to the proposals to be acted upon at the Albemarle special meeting, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Albemarle special meeting described in this joint proxy statement/prospectus, as recommended by the Albemarle board of directors. The foregoing proposals are the only items expected to be acted upon at the Albemarle special meeting. If a quorum is not present and there is a proposal to adjourn the Albemarle special meeting, the persons named in the proxy card solicited by Albemarle will have discretion to vote on such proposal. Under Virginia law, less than a quorum may adjourn the Albemarle special meeting.

A properly submitted proxy marked **ABSTAIN** is counted for purposes of determining whether there is a quorum and for purposes of determining the number of shares represented and entitled to vote at the Albemarle special meeting, and under NYSE rules is also considered a vote cast for purposes of the vote on the Albemarle share issuance. Therefore, with respect to the Albemarle share issuance, an abstention will have the same effect as voting **AGAINST** the Albemarle share issuance (assuming a quorum is present). However, with respect to the Albemarle adjournment proposal, an abstention will have no effect on such proposal (whether or not a quorum is present), because such



proposal will be approved if the votes cast favoring the proposal exceed the votes cast opposing the proposal, and an abstention is treated as neither a vote in favor of, nor a vote against, such proposal.

A broker non-vote occurs when shares held by a bank, broker or other nominee are represented at the meeting, but the bank, broker or other nominee has not received voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares on a particular proposal but has discretionary voting power on other proposals. Nominees may exercise discretion in voting on routine matters, but may not exercise discretion and therefore will not vote on non-routine matters if instructions are not given. The approvals of the Albemarle share issuance and the Albemarle adjournment proposal are regarded as non-routine matters and your bank, broker or other nominee will not vote on these matters without instructions from you. If you hold your shares in the name of a bank, broker or other nominee, you should follow their instructions for your shares to be voted or when granting or revoking a proxy.

### **Revocability of Proxies**

You may revoke your proxy prior to its use by delivering a signed notice of revocation or a later dated signed proxy or by attending the meeting and voting in person. Attendance at the Albemarle special meeting will not in itself constitute the revocation of a proxy. If you are an Albemarle shareholder of record and you choose to send a written notice of revocation or

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to mail a new proxy, you must submit your notice of revocation or your new proxy to Albemarle Corporation, Attention: Corporate Secretary, 451 Florida Street, Baton Rouge, Louisiana 70801, Telephone: 255-388-8011, and it must be received at or before the start of the Albemarle special meeting. Any proxy that you submitted via the Internet or by telephone may be revoked by submitting a new proxy via the Internet or by telephone, not later than 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, or by voting in person at the meeting. If your shares are held in the name of a bank, broker or other nominee, you should contact them to change your vote.

### **Solicitation of Proxies**

Albemarle is soliciting proxies for the Albemarle special meeting from Albemarle shareholders. Albemarle will bear all of the costs of soliciting proxies from Albemarle shareholders, other than certain costs related to the production and distribution of this joint proxy statement/prospectus. Albemarle has retained Georgeson to assist in the solicitation of proxies for the special meeting for a fee of approximately \$40,000, plus reimbursement of reasonable out-of-pocket expenses. In addition, Albemarle's directors, officers and employees may also solicit proxies by mail, email, telephone or personal interviews. These persons will receive no additional compensation for such services. Albemarle will also request that brokers, fiduciaries and other custodians forward proxy solicitation material to the beneficial owners of shares of Albemarle common stock that the brokers, fiduciaries and other custodians hold of record. Upon request, Albemarle will reimburse them for their reasonable out-of-pocket expenses in connection therewith.

### **Householding**

Some banks, brokers and other nominee record holders may be participating in the practice of householding the notice or the proxy statements, as the case may be. This means that only one copy each of the notice, or the proxy statement, as the case may be, may have been sent to multiple shareholders in your household. Albemarle will promptly deliver a separate copy of these documents to you if you call or write to Albemarle Corporation, Attention: Investor Relations, 451 Florida Street, Baton Rouge, Louisiana 70801, Telephone: 225-388-7322. If you prefer to receive separate copies of such documents in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee, or you may contact us at the above address or phone number.

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**THE ROCKWOOD SPECIAL MEETING**

*Rockwood is furnishing this joint proxy statement/prospectus to Rockwood shareholders as of the Rockwood record date in connection with the solicitation of proxies from holders of shares of Rockwood common stock by the Rockwood board of directors for use at the Rockwood special meeting or at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of the Rockwood special meeting.*

**Date, Time and Place**

The Rockwood special meeting will be held on Friday, November 14, 2014, at 9:00 a.m., local time, at Rockwood's offices located at 100 Overlook Center, Princeton, New Jersey 08540, unless adjourned or postponed.

**Purpose of the Special Meeting**

The purpose of the special meeting is for Rockwood shareholders to consider and vote on a proposal to adopt the merger agreement, a proposal to approve, on an advisory non-binding basis, the Rockwood merger-related compensation proposal and a proposal to approve the adjournment of the Rockwood special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Rockwood special meeting to approve the proposal to adopt the merger agreement. Rockwood is not aware of any other business to be acted upon at the special meeting. If, however, other matters are properly brought before the special meeting, the persons named in the proxy card will have discretion to vote or act on those matters according to their best judgment and they intend to vote the shares as the Rockwood board of directors may recommend.

**Proposal 1 Adoption of the Merger Agreement**

As discussed elsewhere in this joint proxy statement/prospectus, Rockwood shareholders will consider and vote on a proposal to adopt the merger agreement. Rockwood shareholders must adopt the merger agreement in order for the merger to occur. If Rockwood shareholders fail to adopt the merger agreement, the merger will not occur.

Accordingly, we are asking Rockwood shareholders to vote to approve the adoption of the merger agreement, either by attending the special meeting and voting in person or by submitting a proxy. You should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the merger agreement and the transactions contemplated thereby. In particular, you are urged to read the merger agreement in its entirety, which is attached as Annex A to this joint proxy statement/prospectus.

For the proposal to adopt the merger agreement, you may vote **FOR** or **AGAINST** or **ABSTAIN**. If you abstain or if your shares are not present at the Rockwood special meeting, it will have the same effect as a vote **AGAINST** the adoption of the merger agreement.

***Board Recommendation***

The Rockwood board of directors unanimously recommends that you vote **FOR** the proposal to adopt the merger agreement.

**Proposal 2 Advisory Vote Regarding Certain Executive Compensation**

Section 14A of the Securities Exchange Act of 1934, as amended (which we refer to in this joint proxy statement/prospectus as the Exchange Act) requires Rockwood to seek a non-binding, advisory vote on agreements or

understandings and compensation that may be paid or become payable to Rockwood's named executive officers that is based on or otherwise relates to the merger as disclosed in *The Merger Interests of Rockwood Directors and Executive Officers in the Merger Quantification of Payments and Benefits* beginning on page 78. (We refer to this proposal in this joint proxy statement/prospectus as the Rockwood merger-related compensation proposal.)

Accordingly, Rockwood is asking you to vote to approve the following Rockwood merger-related compensation proposal, either by attending the special meeting and voting in person or by submitting a proxy:

RESOLVED, that the agreements or understandings and compensation disclosed in the table titled "Golden Parachute Compensation" on page 78 of the joint proxy statement/prospectus, including the associated narrative discussion, are hereby APPROVED.

For the Rockwood merger-related compensation proposal, you may vote FOR or AGAINST or ABSTAIN. An abstention will have the same effect as voting AGAINST the Rockwood merger-related compensation proposal. If your shares are not present at the Rockwood special meeting, it will have no effect on the Rockwood merger-related compensation proposal (assuming a quorum is present).

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The vote on the Rockwood merger-related compensation proposal is a vote separate and apart from the vote to adopt the merger agreement. Accordingly, you may vote in favor of the adoption of the merger agreement and against the Rockwood merger-related compensation proposal, or vice versa. Approval of the Rockwood merger-related compensation proposal, on a non-binding advisory basis, is not a condition to consummation of the transactions contemplated by the merger agreement, and it is advisory in nature only, meaning it will not be binding on Rockwood or Albemarle. Because there is a contractual obligation to pay the compensation, if the transactions contemplated by the merger agreement are completed, the compensation will be payable, subject only to the conditions applicable to such compensation payments, regardless of the outcome of the advisory vote.

***Board Recommendation***

The Rockwood board of directors unanimously recommends that you vote **FOR** the Rockwood merger-related compensation proposal.

**Proposal 3 Adjournment if Necessary and Appropriate, Including to Solicit Additional Proxies**

The Rockwood special meeting may be adjourned to another time and place, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Rockwood special meeting to adopt the merger agreement.

Accordingly, we are asking Rockwood shareholders to vote to approve any adjournment of the Rockwood special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Rockwood special meeting to adopt the merger agreement, either by attending the special meeting and voting in person or by submitting a proxy.

For the Rockwood adjournment proposal, you may vote **FOR** or **AGAINST** or **ABSTAIN**. An abstention will have the same effect as voting **AGAINST** the Rockwood adjournment proposal. If your shares are not present at the Rockwood special meeting, it will have no effect on the Rockwood adjournment proposal (assuming a quorum is present).

***Board Recommendation***

The Rockwood board of directors unanimously recommends that you vote **FOR** the Rockwood adjournment proposal.

**Record Date; Shares Entitled to Vote; Quorum**

Only holders of record of Rockwood common stock at the close of business on Tuesday, September 30, 2014, the Rockwood record date, are entitled to notice of the Rockwood special meeting. Only holders of record of shares of Rockwood common stock as of the Rockwood record date are entitled to vote at the Rockwood special meeting or any adjournment thereof. Holders of record of shares of Rockwood common stock are entitled to one vote in person or by proxy for each share of common stock held by such shareholder on each matter submitted to a vote at the Rockwood special meeting. On the Rockwood record date, [ ] shares of Rockwood common stock were issued and outstanding and held by approximately [ ] holders of record.

If your shares of Rockwood common stock are held in your name, you have the right to vote in person at the meeting or to appoint a proxy to vote on your behalf. If your shares of Rockwood common stock are held in an account with a bank, broker or other nominee, you are considered the beneficial owner of such shares held in street name. As a beneficial owner, you may also attend the meeting. You may not, however, vote such shares held in street name unless you obtain a proxy from your bank, broker or other nominee that holds the shares, which gives you the right to vote

the shares at the meeting.

Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock on the record date must be present in person or represented by proxy to constitute a quorum for voting on the proposal to adopt the merger agreement. Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock entitled to vote on each other matter at the Rockwood special meeting must be present in person or represented by proxy to constitute a quorum for the voting on the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal at the Rockwood special meeting. Abstentions will be treated as present at the Rockwood special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. Because there can be no broker non-votes at the Rockwood special meeting, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present at the meeting. In the event that a quorum is not present at the Rockwood special meeting, the holders of a majority of the shares present in person or represented by proxy at the Rockwood special meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place until a quorum is so present or represented.

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### **Vote Required**

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Rockwood common stock entitled to vote thereon. Abstentions and shares not present at the Rockwood special meeting will have the same effect as votes **AGAINST** the adoption of the merger agreement.

Approval of the Rockwood merger-related compensation proposal requires the affirmative vote of holders of a majority of the shares of Rockwood common stock that are entitled to vote on the proposal and are present, in person or by proxy, at the Rockwood special meeting (assuming a quorum is present). Abstentions will have the same effect as votes **AGAINST** the Rockwood merger-related compensation proposal. Shares not present at the Rockwood special meeting will have no effect on the outcome of the vote on the Rockwood merger-related compensation proposal (assuming a quorum is present).

Approval of the Rockwood adjournment proposal requires the affirmative vote of holders of a majority of the shares of Rockwood common stock that are entitled to vote on the proposal and are present, in person or by proxy, at the Rockwood special meeting (assuming a quorum is present). Abstentions will have the same effect as votes **AGAINST** the Rockwood adjournment proposal. Shares not present at the Rockwood special meeting will have no effect on the outcome of the vote on the Rockwood adjournment proposal (whether or not a quorum is present).

### **Shares Owned by Rockwood Directors and Executive Officers**

On the Rockwood record date, directors and executive officers of Rockwood beneficially owned and were entitled to vote [ ] shares of Rockwood common stock, which represented [ ]% of the outstanding shares of Rockwood common stock entitled to vote at the Rockwood special meeting on such date. Each of the directors and executive officers of Rockwood has advised Rockwood that, as of the date hereof, he or she currently expects to vote his or her shares, or cause his or her shares to be voted, in favor of each of the adoption of the merger agreement, the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal.

### **How to Vote**

Rockwood shareholders may vote using any of the following methods:

#### ***By proxy via telephone or via the Internet***

You may vote by proxy by calling the toll-free telephone number on your proxy card. Please have your proxy card available when you call. Easy-to-follow voice prompts allow you to submit a proxy for your shares and confirm that your instructions have been properly recorded.

Alternatively, you may vote by proxy by accessing the website indicated on your proxy card. Please have your proxy card available when you go online. As with telephone proxies, you can confirm that your instructions have been properly recorded. If you vote by proxy via the Internet, you can also request electronic delivery of any future proxy materials.

Telephone and Internet proxy facilities for Rockwood shareholders of record will be available as indicated on your proxy card. The availability of telephone and Internet proxies for beneficial owners will depend on the voting processes of your bank, broker or other nominee. Therefore, Rockwood recommends that you follow the voting instructions in the materials you receive from your bank, broker or other nominee.

***By proxy via mail***

If you received your Rockwood special meeting materials by mail, you may complete, sign and date the proxy card or voting instruction card and return it in the prepaid envelope. If you are a Rockwood shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Rockwood special meeting described in this joint proxy statement/prospectus, as recommended by the Rockwood board of directors.

***In person at the Rockwood special meeting***

All Rockwood shareholders as of the Rockwood record date may vote in person at the Rockwood special meeting. You may also be represented by another person at the Rockwood special meeting by executing a proper proxy designating that person. Please note that if you are a beneficial owner of shares of Rockwood common stock, you must obtain a legal proxy from your bank, broker or other nominee and present it to the inspectors of election with your ballot to be able to vote at the Rockwood special meeting.

***By granting a proxy or submitting voting instructions***

You may vote by granting a proxy to someone else or, for shares held in street name, by submitting voting instructions to your bank, broker or other nominee. Please note that if you hold your shares in street name, you must provide voting instructions to your bank, broker or other nominee in order for your shares to be represented at the special meeting.



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### **Voting of Proxies**

All shares of Rockwood common stock properly voted by proxy via the Internet or by telephone at or prior to 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, and all shares of Rockwood common stock represented by properly executed proxies received prior to or at the Rockwood special meeting and, in each case, not revoked, will be voted in accordance with the instructions so provided. If no specific instructions are given with respect to the proposals to be acted upon at the Rockwood special meeting, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Rockwood special meeting described in this joint proxy statement/prospectus, as recommended by the Rockwood board of directors. The foregoing proposals are the only items expected to be acted upon at the Rockwood special meeting. If a quorum is not present and there is a proposal to adjourn the special meeting, the persons named in the proxy card solicited by Rockwood will have discretion to vote on such proposal.

A properly submitted proxy marked **ABSTAIN** is counted for purposes of determining whether there is a quorum and for purposes of determining the number of shares represented and entitled to vote at the Rockwood special meeting. Therefore, with respect to all the proposals, an abstention will have the same effect as a vote **AGAINST** such proposal.

A broker non-vote occurs when shares held by a bank, broker or other nominee are represented at the meeting, but the bank, broker or other nominee has not received voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares on a particular proposal but has discretionary voting power on other proposals. Nominees may exercise discretion in voting on routine matters, but may not exercise discretion and therefore will not vote on non-routine matters if instructions are not given. The adoption of the merger agreement, the approval of the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal are regarded as non-routine matters and your bank, broker or other nominee may not vote on these matters without instructions from you. If you hold your shares in the name of a bank, broker or other nominee, you should follow their instructions for your shares to be voted or when granting or revoking a proxy.

### **Revocability of Proxies**

You may revoke your proxy prior to its use by (i) attending the Rockwood special meeting and voting in person, (ii) filing an instrument in writing revoking the proxy with Rockwood's Corporate Secretary or (iii) filing another duly executed proxy bearing a later date with Rockwood's Corporate Secretary. Attendance at the Rockwood special meeting will not, in and of itself, constitute the revocation of a proxy. If you are a Rockwood shareholder of record and you choose to send a written notice or to mail a new proxy, you must submit your notice of revocation or your new proxy to Rockwood Holdings, Inc., Attention: Corporate Secretary, 100 Overlook Center, Princeton, New Jersey 08540, and it must be received at any time before the vote is taken at the Rockwood special meeting. Any proxy that you submitted may also be revoked by submitting a new proxy via the Internet or by telephone, not later than 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, or by voting in person at the meeting. If your shares are held in the name of a bank, broker or other nominee, you should contact them to change your vote.

### **Solicitation of Proxies**

Rockwood is soliciting proxies for the Rockwood special meeting from Rockwood shareholders. Rockwood will bear all of the costs of soliciting proxies from Rockwood shareholders, other than certain costs related to the production and distribution of this joint proxy statement/prospectus. Rockwood has retained Innisfree M&A Incorporated to assist in the solicitation of proxies for the special meeting for a fee of approximately \$25,000, plus reimbursement of reasonable out-of-pocket expenses. Rockwood's directors, officers and employees may also solicit proxies by mail,

e-mail, telephone, facsimile or personal interviews. These persons will receive no additional compensation for such services. Rockwood will also request that brokers, fiduciaries and other custodians forward proxy solicitation materials to the beneficial owners of shares of Rockwood common stock that the brokers, fiduciaries and other custodians hold of record. Upon request, Rockwood will reimburse them for their reasonable out-of-pocket expenses in connection therewith.

### **Householding**

Some banks, brokers and other nominee record holders may be participating in the practice of householding the notice or the proxy statements, as the case may be. This means that only one copy each of the notice, or the proxy statement, as the case may be, may have been sent to multiple shareholders in your household. Rockwood will promptly deliver a separate copy of these documents to you if you call or write to Rockwood Holdings, Inc., 100 Overlook Center, Princeton, New Jersey 08540, Attention: Investor Relations, Telephone: 609-524-1101. If you prefer to receive separate copies of such documents in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee, or you may contact us at the above address or phone number.

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**THE COMPANIES**

**Albemarle**

Albemarle is a leading global developer, manufacturer and marketer of highly-engineered specialty chemicals that meet customer needs across a diverse range of end markets, including the petroleum refining, consumer electronics, plastics/packaging, construction, automotive, lubricants, pharmaceuticals, crop protection, food safety and custom chemistry services markets. Albemarle employs approximately 3,900 people and serves customers in approximately 100 countries.

Albemarle common stock is publicly traded on the NYSE under the symbol ALB.

Albemarle was incorporated in Virginia in 1993. Albemarle's principal executive offices are located at 451 Florida Street, Baton Rouge, Louisiana 70801, and its telephone number at that address is 225-388-8011. Albemarle's website is [www.albemarle.com](http://www.albemarle.com). The information contained on Albemarle's website is not incorporated by reference in this joint proxy statement/prospectus.

**Rockwood**

Rockwood is a leading global developer, manufacturer and marketer of technologically advanced and high value-added specialty chemicals used for industrial and commercial purposes. Rockwood is a leading integrated and low cost global producer of lithium and lithium compounds for use in things such as lithium ion batteries for hybrid and electric vehicles and electronic devices, as well as pharmaceutical applications, among other things, and is also the second largest global producer of surface treatment products and services for metal processing, including for use in the automotive and aerospace industries. Rockwood employs approximately 3,500 people and serves customers in more than 60 countries.

Rockwood common stock is publicly traded on the NYSE under the symbol ROC.

Rockwood was incorporated in Delaware in September 2000. Rockwood's principal executive offices are located at 100 Overlook Center, Princeton, New Jersey 08540, and its telephone number at that address is 609-514-0300. Rockwood's website is [www.rocksp.com](http://www.rocksp.com). The information contained on Rockwood's website is not incorporated by reference in this joint proxy statement/prospectus.

**Merger Sub**

Merger Sub, a Delaware corporation and a wholly-owned subsidiary of Albemarle, was formed on July 11, 2014, solely for the purpose of effecting the merger. To date, Merger Sub has not conducted any activities other than those in connection with its formation and in connection with the transactions contemplated by the merger agreement. Merger Sub's principal executive offices are located at 451 Florida Street, Baton Rouge, Louisiana 70801, and the telephone number at that address is 225-388-8011.

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**THE MERGER**

**General**

On the terms and conditions set out in the merger agreement, Merger Sub, a wholly-owned subsidiary of Albemarle, will merge with and into Rockwood, with Rockwood as the surviving corporation in the merger. Following the completion of the merger, Rockwood will be a wholly-owned subsidiary of Albemarle and Rockwood common stock will no longer be publicly traded.

At the effective time of the merger, each share of Rockwood common stock (other than Rockwood excluded shares) will be converted into the right to receive (a) \$50.65 in cash, without interest, and (b) 0.4803 of a share of Albemarle common stock.

**Background to the Merger**

The Rockwood board of directors and management regularly review and evaluate a variety of potential strategic alternatives relating to Rockwood and its businesses, including possible acquisitions, divestitures and business combination transactions, with the goal of maximizing shareholder value. As a result of that review and evaluation, in January 2013, Rockwood announced at its Investor Day conference a plan consisting of five strategic initiatives to maximize shareholder value: (1) launching a strategic process to divest non-core businesses, (2) repurchasing its common stock for the first time in Rockwood's history, (3) maintaining the common stock dividend yield at around 2.8% to 3.2%, (4) deleveraging further through the repayment of debt and (5) continuing to focus on growing its core businesses—lithium and lithium compounds and surface treatment products and services. During its fourth quarter 2012 earnings call in February 2013, Mr. Seifi Ghasemi (whom we refer to in this joint proxy statement/prospectus as Mr. Ghasemi), Rockwood's Chairman of the Board and then Chief Executive Officer, since retired, reaffirmed that Rockwood's principal strategic objective is to aggressively pursue a course of action that maximizes shareholder value and noted that it would consider options such as divestitures, joint ventures, mergers or further acquisitions.

As part of its strategic initiative to divest non-core businesses, Rockwood announced three significant divestitures of non-core businesses between June and September of 2013. First, on June 16, 2013, Rockwood announced entry into an agreement to sell CeramTec, its advanced ceramics business, to CINVEN, a European private equity firm, for \$1.49 billion gross proceeds, subject to customary adjustments (which we refer to in this joint proxy statement/prospectus as the CeramTec Sale). The CeramTec Sale closed on August 31, 2013. Second, on July 28, 2013, Rockwood announced entry into an agreement to sell its clay-based additives business, which was part of Rockwood's performance additives segment, to ALTANA Group, a German based global specialty chemical company, for a purchase price of \$635 million, subject to customary adjustments (which we refer to in this joint proxy statement/prospectus as the Clay-Based Additives Sale). The Clay-Based Additives Sale closed on October 1, 2013. Finally, on September 17, 2013, Rockwood announced entry into an agreement to sell its titanium dioxide pigments business and four other non-strategic businesses—its color pigments and services, timber treatment chemicals, rubber/thermoplastics compounding and water chemistry businesses—to Huntsman Corporation, a global specialty chemical company, at a purchase price of \$1.325 billion (subsequently reduced to \$1.275 billion), including the assumption by the buyer of \$225 million in pension obligations, and subject to other customary adjustments (which we refer to in this joint proxy statement/prospectus as the Pigments Sale). The Pigments Sale is expected to close in October 2014.

As part of Rockwood's initiative to repurchase its common stock, Rockwood repurchased \$400 million of its shares during the first three quarters of 2013, and announced a second repurchase program in November 2013 of up to \$500 million of its shares, of which it repurchased \$214.6 million during the first two quarters of 2014. Rockwood also raised its quarterly dividend in February 2013 nearly 15% from \$0.35 to \$0.40 and then again in August 2013 by

12.5% to \$0.45. As part of its initiative to deleverage, Rockwood repaid its senior secured credit facilities in full in September 2013, using a portion of the proceeds from the CeramTec Sale.

As part of its initiative to grow its core businesses, Rockwood announced on December 2, 2013 that it had entered into a joint venture with Chengdu Tianqi Industry Group (now named Sichuan Tianqi Lithium Industries) pursuant to which Rockwood would own a 49% indirect equity interest in Talison Lithium Pty Ltd., a leading global producer of lithium that mines and processes the lithium bearing mineral spodumene at its operations located at Greenbushes, Western Australia (which we refer to in this joint proxy statement/prospectus as the Talison Acquisition). This mine is estimated to contain the world's largest known reserve of lithium spodumene minerals. The Talison Acquisition closed on May 28, 2014.

From time to time, Mr. Ghasemi met with chief executive officers of other chemical companies to discuss industry developments. In that regard, on May 22, 2012, Mr. Ghasemi and Mr. Thomas Riordan (whom we refer to in this joint proxy statement/prospectus as Mr. Riordan), Rockwood's then Senior Vice President, Law & Administration and Corporate

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Secretary and currently Rockwood's Executive Vice President and Chief Administrative Officer, met for dinner with Mr. Luther C. Kissam IV (whom we refer to in this joint proxy statement/prospectus as Mr. Kissam), Albemarle's Chief Executive Officer, and a second individual who was then Albemarle's Vice President of Strategic Development. At the dinner, Mr. Kissam expressed interest in Rockwood's lithium business and the participants explored possible strategic opportunities for the two companies, but no specific transaction was discussed. The following year, on August 13, 2013, Messrs. Ghasemi and Kissam had a similar dinner meeting.

With the transformation of its portfolio well underway and significant cash soon to be received from the completions of the then pending CeramTec Sale and Clay-Based Additives Sale and significant additional cash expected to be received from the anticipated Pigments Sale, Rockwood began to consider an acquisition of Albemarle. Rockwood's management became interested in Albemarle principally because, like Rockwood's lithium and surface treatment businesses, Albemarle's two primary specialty chemical businesses hold market leading positions and generate high margins and stable cash flows, and the combination would create a premier specialty chemicals company.

On August 28, 2013, at a meeting of the Rockwood board of directors, Mr. Ghasemi presented a business rationale for pursuing a potential transaction involving Albemarle. Mr. Ghasemi provided an overview of Albemarle and its various business segments, including its financial performance, its key products and its technology portfolio. After discussion, Mr. Ghasemi presented a preliminary assessment of Albemarle and Rockwood as a combined company, including potential synergies. Following discussion of potential purchase prices, financing and the benefits and risks of a potential transaction, the Rockwood board of directors authorized Rockwood's management, with the assistance of its advisors, to undertake a more detailed analysis of Albemarle with a view towards reviewing the results at a board meeting to be held on September 22, 2013.

On September 22, 2013, the Rockwood board of directors met to discuss a potential acquisition of Albemarle. Present at the meeting were senior management of Rockwood and representatives of Lazard, Rockwood's regular financial advisor, Simpson Thacher & Bartlett LLP (which we refer to in this joint proxy statement/prospectus as Simpson Thacher), Rockwood's regular outside counsel, and Richards, Layton & Finger, P.A. (which we refer to in this joint proxy statement/prospectus as Richards Layton), Rockwood's Delaware counsel. Also present were representatives of Citi and another investment bank as potential sources of financing of the potential acquisition. At the meeting, the financial and legal advisors presented detailed analyses of a potential acquisition of Albemarle. Representatives of Lazard provided an overview of Albemarle and its businesses, including its leading market positions, high margins, stable cash flow, attractive industry structure and diverse end uses and applications and Albemarle's share performance and earnings history, a financial analysis of Albemarle based on public information and the strategic rationale for, and potential risks associated with, the acquisition. Representatives of Citi and the other investment bank presented potential financing packages for an all-cash transaction financed with cash on hand and new debt financing. Representatives of Simpson Thacher presented an overview of its legal due diligence review of Albemarle based on publicly available information and the legal process with respect to a proposed acquisition. The Rockwood board of directors and senior management engaged in a discussion with these advisors regarding their presentations. The Rockwood board of directors also reviewed and discussed with the advisors the terms of a bid proposal letter to Albemarle and potential Albemarle responses. After deliberation, the Rockwood board of directors unanimously authorized management to initiate a process to pursue an acquisition of Albemarle based on a price in the range of \$72 to \$75 per share of Albemarle common stock.

On September 30, 2013, Mr. Ghasemi met with Mr. Kissam and expressed Rockwood's interest in an acquisition of Albemarle at \$72 per share of Albemarle common stock in cash. At that same meeting, Mr. Ghasemi delivered a letter to Mr. Kissam confirming Rockwood's interest in an acquisition of Albemarle, indicating that, based on publicly available information, Rockwood was prepared to pursue the acquisition of all of the outstanding shares of Albemarle's common stock for \$72 per share in cash, which represented an approximately 15% premium to both the closing price

of shares of Albemarle common stock on September 27, 2013, the last trading day before Mr. Ghasemi and Mr. Kissam's meeting, and to the 20-trading day volume weighted average trading price of shares of Albemarle common stock. On September 27, 2013, shares of Albemarle common stock closed at \$62.77.

On October 7 and 8, 2013, the Albemarle board of directors met to discuss a variety of matters, including the Rockwood proposal. Present at the meeting were senior management of Albemarle and representatives of BofA Merrill Lynch, Albemarle's financial advisor, Hunton & Williams LLP (which we refer to in this joint proxy statement/prospectus as Hunton & Williams), and Troutman Sanders LLP (which we refer to in this joint proxy statement/prospectus as Troutman Sanders), Albemarle's Virginia counsel. Before the discussion of the Rockwood proposal began, Ms. Anne M. Whittemore (whom we refer to in this joint proxy statement/prospectus as Ms. Whittemore), a member of the Albemarle board of directors, advised the Albemarle board of directors of two matters relating to Rockwood: (1) McGuireWoods LLP, the law firm at which she is a partner, represented Rockwood on certain matters, although the matters were not related to Albemarle, the revenue from Rockwood was nominal and she was not involved in the matters in any way; and (2) T. Rowe Price Group, Inc., of which she is a director, provides investment management services to the T. Rowe Price family of mutual funds, which collectively held 12.8% of Rockwood's outstanding common stock as of December 31, 2012, which shares were

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owned by various individuals and institutional investors for which T. Rowe Price Associates, Inc. serves as investment advisor with power to direct investments and/or sole power to vote such shares (as identified in the Schedule 13G/A filed with the SEC on February 6, 2013 by T. Rowe Price Associates, Inc.), although she had no involvement in and did not discuss or control investment decisions made by the funds. After further discussion, the Albemarle board of directors agreed that those matters should not prevent Ms. Whittemore from participating in their discussions regarding Rockwood at that time.

At the October 7 and 8, 2013 meeting, Hunton & Williams and Troutman Sanders described the fiduciary duties of the Albemarle directors in the context of an unsolicited acquisition proposal. Mr. Kissam, Mr. Scott A. Tozier (whom we refer to in this joint proxy statement/prospectus as Mr. Tozier), Albemarle's Chief Financial Officer, and representatives of BofA Merrill Lynch reviewed and discussed with the Albemarle board of directors the Rockwood proposal, noting that when evaluated on the basis of relevant market metrics, including premiums paid in other relevant transactions and certain financial multiples of relevant historical transactions, the offer was low and opportunistic in its timing given the recent market performance of Albemarle common stock. The Albemarle board of directors then discussed with Messrs. Kissam and Tozier and the Company's advisors the financial implications for Rockwood of the proposed acquisition, whether Rockwood's leverage ratio could be increased to support a higher purchase price, and of Rockwood's pro forma cash position after announced divestitures. BofA Merrill Lynch reviewed with the Albemarle board of directors its preliminary financial analyses of Rockwood and Albemarle. After deliberation, the Albemarle board of directors unanimously reaffirmed its view that the execution of Albemarle's strategic plan was in the best interest of its shareholders, confirmed that Albemarle was not for sale, concluded that the Albemarle board of directors was not interested in pursuing Rockwood's proposal, and authorized Mr. Kissam to inform Mr. Ghasemi of these determinations.

On October 11, 2013, Mr. Kissam informed Mr. Ghasemi in a telephone call that the Albemarle board of directors had thoroughly considered Rockwood's proposal, was confident that the continued execution of Albemarle's strategic plan was in the best interests of its shareholders and unanimously confirmed that Albemarle was not for sale and, therefore, had no interest in pursuing Rockwood's proposal. Mr. Ghasemi gave no indication of how Rockwood would respond to this rejection. Mr. Kissam also sent Mr. Ghasemi a letter dated October 11, 2013 confirming their conversation.

On October 16, 2013, at a meeting of the Albemarle board of directors, Mr. Kissam provided an update regarding the Rockwood proposal, including a report on his conversation on October 11, 2013 with Mr. Ghasemi, and Albemarle's engagement of public relations, proxy solicitation, legal and financial advisors in connection with the Rockwood proposal.

On October 20, 2013, at a meeting of the Rockwood board of directors, Mr. Ghasemi discussed Albemarle's third quarter results and the recent increase in the Albemarle share price, noting that shares of Albemarle's common stock had closed at \$67.19 on October 18, 2013, the trading day immediately preceding the meeting. Mr. Ghasemi discussed with the Rockwood board of directors the October 11, 2013 letter he had received from Mr. Kissam formally rejecting Rockwood's offer and of a call with Mr. Kissam scheduled for the next day, October 21, 2013, to discuss the matter. Rockwood's management recommended against pursuing Albemarle on an unsolicited basis at that time. Mr. Ghasemi added that representatives of Lazard also advised that Albemarle would not likely engage in negotiations absent an offer for an amount in excess of \$75 per share of Albemarle common stock, and management recommended against an offer in excess of \$75 per share. Mr. Ghasemi recommended that Rockwood continue to monitor Albemarle's performance and revisit the matter in the next several months. After discussion, the Rockwood board of directors agreed with Mr. Ghasemi's recommendation.

On October 21, 2013, during the previously scheduled phone conversation with Mr. Ghasemi, Mr. Kissam reaffirmed that the Albemarle board of directors was not interested in pursuing an acquisition by Rockwood. Mr. Ghasemi gave



no indication of how Rockwood would respond to this rejection.

On November 12, 2013, at a meeting of the Rockwood board of directors, Mr. Ghasemi informed the Rockwood board of directors of the telephone conversation he had with Mr. Kissam on October 21, 2013. There followed a discussion of the options regarding Albemarle, and it was determined that, at that time, Rockwood management should focus instead on finalizing the terms of the Talison Acquisition, which was later announced on December 2, 2013 and closed on May 28, 2014.

On December 13, 2013, at a meeting of the Rockwood board of directors, the Rockwood board of directors discussed with senior management of Rockwood various potential strategic opportunities, including a transaction with Albemarle. Mr. Ghasemi summarized the recent performance of Albemarle and noted there had been no further contact with Albemarle since October 21, 2013.

On February 12, 2014, Mr. Ghasemi called Mr. Kissam and inquired whether Albemarle would be interested in a merger of equals transaction between Rockwood and Albemarle. Mr. Kissam asked Mr. Ghasemi whether Rockwood would be willing to enter into a standstill agreement with Albemarle prior to exploring any merger of equals transaction, and

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Mr. Ghasemi agreed. Mr. Kissam advised Ms. Karen Narwold (whom we refer to in this joint proxy statement/prospectus as Ms. Narwold), Senior Vice President, General Counsel and Corporate Secretary of Albemarle, of his discussion with Mr. Ghasemi and instructed her to contact Mr. Riordan regarding entering into a confidentiality and standstill agreement between Rockwood and Albemarle. After an exchange of drafts, on February 17, 2014, Rockwood and Albemarle entered into a mutual confidentiality agreement with a standstill period of two years.

On February 20, 2014, representatives of Lazard presented Rockwood's management with an illustrative review of a potential no-premium merger of equals transaction with each of Albemarle and five other specialty chemicals companies that Lazard believed could be attractive business combination partners for Rockwood. In connection with that presentation, representatives of Lazard noted that since January 2012, Rockwood's trading performance had improved significantly relative to its peers following execution of its various strategic initiatives, including its approximately \$4.0 billion of announced divestitures in 2013, the redeployment of capital to its core lithium business, the expansion of its share buyback program from \$400 million to \$900 million, the increase in its quarterly dividend by 12.5% and its deleveraging through its retirement of more than \$1.4 billion of debt. In light of the recent strong performance of Rockwood's shares relative to its peers and the S&P 500, representatives of Lazard advised that it would be an opportune time to evaluate the next step in the transformation of Rockwood. Rockwood's management and representatives of Lazard discussed the potential strategic advantages and disadvantages of pursuing a transaction with each of Albemarle and the five other specialty chemicals companies, including the risks associated with a merger of equals transaction.

On February 26, 2014, Mr. Ghasemi met with Mr. Kissam to discuss the exploration of a merger of equals transaction suggested by Mr. Ghasemi on February 12, 2014. Mr. Ghasemi expressed Rockwood's potential interest in exploring a no-premium merger of equals transaction, which would allow shareholders of both companies to benefit from the potential upside, with the combined company to have equal board representation from Rockwood and Albemarle. Mr. Ghasemi stated Rockwood's belief that the combination would have strategic industrial logic and would create a premier specialty chemical company. Mr. Ghasemi explained that the combined company would have significant scale with a more balanced geographic footprint and market leadership, which could leverage both companies' expertise in both upstream and downstream technologies and production in lithium and bromine and serve common end-use markets such as energy, automotive, electronics and pharmaceuticals. Mr. Ghasemi also noted the strength of the combined company's balance sheet and expected enhanced cash flow generation, which could support robust dividends and share repurchases. Messrs. Ghasemi and Kissam discussed, among other things, governance and social issues related to a potential transaction, but no specific proposals (other than equal board representation) were made. On February 25, 2014, shares of Albemarle common stock closed at \$64.28 and shares of Rockwood common stock closed at \$76.61.

Shortly thereafter, after discussing the proposed merger of equals with the other Albemarle directors, Mr. Kissam called Mr. Ghasemi to report that Albemarle was not interested in pursuing a merger of equals with Rockwood at this time on the basis described by Mr. Ghasemi on February 26, 2014.

During May 2014, as part of Rockwood's ongoing efforts to explore strategic alternatives, representatives of Lazard, on behalf of Rockwood, contacted representatives of BofA Merrill Lynch, on behalf of Albemarle, and six other specialty chemical companies which were determined by Rockwood's management, after discussion with representatives of Lazard, to be the most likely parties that would be interested in pursuing a strategic transaction with Rockwood. Representatives of Lazard, on behalf of Rockwood, met with each of these potentially interested parties on a confidential basis during May 2014 in order to explore its interest in a strategic transaction with Rockwood. In order to help each party better understand Rockwood, Lazard provided each party with a presentation describing Rockwood's businesses that was prepared with the assistance of Rockwood's management and was based on publicly available information. Of the six companies contacted in addition to Albemarle, four were among the five other

companies reviewed by Lazard as a potential merger of equals candidate in February 2014 (the fifth company was no longer a viable potential candidate as a result of strategic actions taken by such company subsequent to February 2014). These six other companies contacted by Lazard on behalf of Rockwood are referred to in this joint proxy statement/prospectus as Company A, Company B, Company C, Company D, Company E and Company F.

By letter dated June 5, 2014 to Mr. Ghasemi, a private equity firm (which we refer to in this joint proxy statement/prospectus as Company G) submitted an unsolicited non-binding indication of interest to acquire Rockwood's surface treatment business at an enterprise value (*i.e.*, on a debt- and cash-free basis) of 11.0 times EBITDA. The proposal was subject to completion of due diligence, negotiation of documentation, obtaining committed financing, final approval of Company G's investment committee and other conditions. The letter acknowledged that Rockwood had not expressed any interest in divesting its surface treatment business.

On June 13, 2014, at Mr. Kissam's suggestion, Messrs. Ghasemi and Kissam met. Mr. Kissam proposed the meeting after representatives of BofA Merrill Lynch met with representatives of Lazard and had follow-up phone calls with representatives of Lazard to determine if Albemarle would be interested in pursuing a strategic transaction with Rockwood. At the meeting between Messrs. Ghasemi and Kissam, Mr. Ghasemi said that the Rockwood board of directors was

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considering various strategic alternatives for Rockwood, including a possible business combination transaction, and that, if Albemarle were interested in such a transaction, Albemarle should submit a letter expressing such interest. Following the meeting, Mr. Ghasemi received a letter dated June 13, 2014 from Mr. Kissam that indicated Albemarle thought it would be productive to explore the potential value creation from a combination of Albemarle and Rockwood and proposing that a small number of people from each party's leadership team, along with each party's financial advisors, meet to discuss the strategic benefits, potential synergies and most efficient transaction structures. This meeting was subsequently scheduled for June 20, 2014.

Also on June 13, 2014, Lazard received a non-binding indication of interest from Company A, proposing to acquire Rockwood's surface treatment business for a price between \$2.25 billion and \$2.5 billion, on a debt- and cash-free basis, with a normalized level of working capital and free of any legal, environmental, unfunded pension or retiree costs or other contingencies. The proposal was subject to completion of due diligence, negotiation of documentation, approval of Company A's executive committee and board of directors and other conditions. Company A's letter explicitly stated that Company A did not have an interest in acquiring Rockwood as a whole and requested a 90-day exclusivity period to conduct due diligence and negotiate a transaction.

On June 15, 2014, the Rockwood board of directors met to discuss, among other matters, potential strategic transactions. Representatives of Simpson Thacher and Richards Layton attended the meeting. Mr. Ghasemi began the meeting by explaining that he had been asked to become Chairman, President and Chief Executive Officer of Air Products & Chemicals, Inc. (which we refer to in this joint proxy statement/prospectus as Air Products) beginning at the end of the month. He reminded the Rockwood board of directors that he had been appointed to the board of directors of Air Products in September 2013 and that Air Products had been undertaking a search for its retiring Chief Executive Officer. If he accepted the position, he would anticipate retiring as Chief Executive Officer of Rockwood, but would be prepared to continue to serve as Chairman of the Rockwood board of directors until the end of 2014 and as a director thereafter, if the Rockwood board of directors so desired, in order to ensure a smooth transition. Following discussion, Mr. Ghasemi and the other members of Rockwood's management left the meeting and the other directors discussed Mr. Ghasemi's proposed retirement, a succession process and Mr. Ghasemi's role in negotiating a strategic transaction on behalf of Rockwood following his proposed resignation as Chief Executive Officer. The directors discussed that, given Mr. Ghasemi's long tenure as Chief Executive Officer of Rockwood, his deep knowledge of its businesses and the chemical industry and the fact that he would continue to be Chairman of the Rockwood board of directors, it would be beneficial to Rockwood for Mr. Ghasemi to continue to have a leading role in the negotiation of any strategic transaction. A representative of Richards Layton then discussed the fiduciary duties of the Rockwood directors in the context of a strategic transaction. Following further discussion, Mr. Ghasemi and other members of management rejoined the meeting and the other directors expressed their desire that Mr. Ghasemi continue as Chairman and thereafter as a director and that he continue to have a leading role in the negotiation of any strategic transaction.

The Rockwood board of directors then turned to consideration of Rockwood's strategic options, at which time representatives of Lazard joined the meeting. Representatives of Lazard began their presentation by observing that the equity market had rewarded Rockwood for its corporate transformation over the prior 18 months, which involved approximately \$4.0 billion of announced divestitures in 2013, the redeployment of capital to its core lithium business and the securing of access to another significant low cost lithium reserve through the Talison Acquisition, the expansion of its share buyback program from \$400 million to \$900 million, the increase in its quarterly dividend by approximately 30% and its deleveraging by retiring more than \$1.4 billion of debt. Representatives of Lazard again noted the recent strong performance of Rockwood's shares relative to its peers and the S&P 500. Representatives of Lazard advised the Rockwood board of directors that Rockwood's significant cash (approximately \$685 million of cash before the anticipated cash proceeds of approximately \$1.0 billion from the Pigments Sale) and its corporate transformation were likely creating an investor expectation that Rockwood would engage in a significant corporate

event, which in turn was likely causing Rockwood common stock to trade at a higher price.

The Rockwood board of directors, together with management and representatives of Lazard, discussed various strategic alternatives for Rockwood, including continued standalone operations, a large acquisition, a merger, a sale of Rockwood as a whole for cash and transformation into a pure-play lithium company by divesting the surface treatment business. The discussion included the benefits and associated risks of the various alternatives. They also discussed Rockwood's past and expected future performance, the fact that the stock market was at an all-time high and the favorable acquisition financing markets, with yields at historic lows. Representatives of Lazard and Mr. Ghasemi reported to the Rockwood board of directors on the status and course of discussions with Albemarle, the six other specialty chemicals companies contacted by Lazard and the unsolicited indication of interest in the surface treatment business from Company G. Representatives of Lazard informed the Rockwood board of directors that Albemarle, Company B and Company C had expressed the most interest in a potential transaction, and that Company E and Company F had indicated that they were not interested in pursuing a transaction. Mr. Ghasemi, representatives of Lazard and the Rockwood board of directors reviewed Rockwood's prior discussions with Albemarle, including Rockwood's unsolicited proposal to acquire Albemarle during the Fall of 2013 and the parties' discussion of a merger of equals transaction in February 2014.

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Of the potential counterparties, it was noted that Albemarle and Rockwood had the most familiarity with each other, and that Albemarle was the party most interested in Rockwood as a whole and was the party most interested in developing the lithium business, especially given its bromine business. Company A and Company D had stated they were not interested in owning Rockwood's lithium business. Company B and Company C had each indicated they did not have the capacity to acquire Rockwood for all cash. It was noted that to the extent that the consideration were to include stock, Rockwood shareholders would have the opportunity to participate in the upside from a synergistic combination. The sustainability of the higher-than-average valuation of Company C's stock was discussed along with the fact that this would result in significant risk to Rockwood's shareholders to the extent Company C's stock were used as acquisition currency. Company B had informed representatives of Lazard that it wanted to pursue a merger of equals with Rockwood in an all-stock transaction, and while it would consider including some amount of cash in the consideration, it was very focused on a transaction with a significant stock component and would not make a 100% cash offer for Rockwood. Because Company B is a private, non-U.S. entity, a transaction in which its stock was utilized in part as acquisition currency would present valuation issues given the absence of a prior trading market for Company B's stock, as well as the additional complexities of effecting an initial U.S. listing for a non-U.S. company in the context of a cross-border business combination transaction. The Rockwood board of directors also considered whether other potential interested parties should be contacted, and, after considering the risks associated with contacting additional parties, including the distraction of Rockwood's management and the increasing risk for a leak, which would not only negatively impact Rockwood's existing business relationships but also jeopardize Rockwood's current discussions with potential parties, as well as the views expressed by the representatives of Lazard that the most likely interested parties had already been contacted, the Rockwood board of directors determined not to do so. The Rockwood board of directors directed management, with the assistance of Lazard, to continue to engage with Albemarle and each of Company A, Company B, Company C and Company D. Representatives of Lazard outlined a potential ten-week process for the various parties to conduct due diligence and for Rockwood to negotiate an agreement with one of them, but noted that competitive dynamics could change the timeline. Subsequent to the meeting, Mr. Ghasemi informed Company G that Rockwood was not interested in pursuing a sale of the surface treatment business to it.

On June 17, 2014, the Rockwood board of directors met to discuss further Mr. Ghasemi's proposed retirement in order to become Chairman, President and Chief Executive Officer of Air Products and to discuss a succession process, with representatives of Simpson Thacher and Richards Layton participating in the meeting. Following discussion, Mr. Ghasemi left and the meeting continued. The Rockwood board of directors adopted resolutions formally appointing Mr. Robert Zatta (whom we refer to in this joint proxy statement/prospectus as Mr. Zatta), Rockwood's Senior Vice President and Chief Financial Officer, to serve as Acting Chief Executive Officer and Chief Financial Officer and Mr. Riordan, Rockwood's Senior Vice President, Law & Administration and Corporate Secretary, to serve as Executive Vice President and Chief Administrative Officer, in each case effective July 1, 2014 in the event Mr. Ghasemi retired as expected. The Rockwood board of directors also established a search committee of the Rockwood board of directors to identify and select candidates for consideration to serve as Chief Executive Officer of Rockwood. In addition, reflecting its discussions at its June 15 meeting, the Rockwood board of directors formally adopted resolutions authorizing the exploration of one or more strategic alternatives and the engagement in discussions with third parties regarding one or more potential strategic transactions.

Later on June 17, 2014, Mr. Ghasemi provided notice to Rockwood of his retirement as the Chief Executive Officer of Rockwood effective as of June 30, 2014 in order to become Chairman, President and Chief Executive Officer of Air Products and that he would remain Chairman of the Rockwood board of directors until January 1, 2015 and as a director thereafter. In addition, on June 19, 2014, Dr. Nance Dicciani (whom we refer to in this joint proxy statement/prospectus as Dr. Dicciani) provided notice of her retirement from the Rockwood board of directors effective July 1, 2014. Dr. Dicciani indicated that she serves on the board of directors of Praxair, Inc., which like Air Products is a provider of industrial gases, and that at the request of Praxair, Inc., in the interest of good corporate

governance, she was resigning from the Rockwood board of directors.

On June 18, 2014, Mr. Kissam called Mr. Ghasemi to suggest a meeting between representatives of the two companies to discuss a potential transaction. During the call, Mr. Ghasemi indicated that Rockwood's shareholders would need to receive a premium in any transaction, and that Rockwood would not be interested in pursuing a no-premium merger of equals transaction as the parties had preliminarily discussed earlier in the year.

On June 20, 2014, as requested by Mr. Kissam, Messrs. Ghasemi, Zatta and Riordan, along with representatives of Lazard, met with Mr. Kissam and representatives of BofA Merrill Lynch to discuss a potential transaction. At the meeting, Mr. Kissam proposed the parties engage in a merger transaction that would result in Rockwood becoming a subsidiary of Albemarle and that would value Rockwood at \$82 per share. Mr. Ghasemi expressed an unwillingness to support a transaction at that valuation. Mr. Kissam and the representatives of BofA Merrill Lynch then left the meeting to discuss Albemarle's position. Following discussion, Mr. Kissam indicated that he would propose to the Albemarle board of directors that Albemarle pursue a transaction that would value Rockwood at \$85 per share, a premium of nearly 15% over the \$74.10 closing price of shares of Rockwood common stock on the day prior to the meeting. The transaction would involve cash and stock consideration, with Albemarle shares valued at the closing price on June 20, 2014 and the specific amount of cash consideration determined in a manner that would result in the combined company having a net debt/EBITDA ratio equal to

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3.5, based on projected 2014 EBITDA, including synergies, for the combined company. Mr. Kissam noted that the 3.5 multiple was expected to allow the combined company to maintain Albemarle's investment grade rating, which was an important objective for Albemarle. Mr. Ghasemi stated that Rockwood would require at least 50% cash consideration and board representation on the post-closing Albemarle board of directors. The parties then discussed a post-closing board of 12 members, with five members selected by Rockwood. On June 20, 2014, Albemarle shares closed at \$71.52 and Rockwood shares closed at \$74.43.

At the June 20, 2014 meeting, Mr. Ghasemi further indicated that Rockwood would require that any transaction not be conditioned upon the closing of the Pigments Sale, which was anticipated to close during the third quarter of 2014. Mr. Kissam agreed that Albemarle would proceed with a transaction regardless of whether the Pigments Sale was consummated. Mr. Kissam also explained that Albemarle was in the final stages of negotiating a cash acquisition of another business, which was contemplated to be signed in mid-July, and that it could not enter into both transactions. Although a transaction with Rockwood was its primary objective, Albemarle did not want to forgo this alternative transaction in the event it did not execute a transaction with Rockwood. Thus, Albemarle insisted that a transaction with Rockwood must be signed by mid-July. Given the effort and expense that would be required to enter into a transaction in that timeframe, Albemarle requested that Rockwood negotiate with it on an exclusive basis. Although Mr. Ghasemi rejected the request for exclusivity, the parties agreed to pursue a transaction on a non-exclusive basis on the timetable and other terms discussed at the meeting.

On June 23, 2014, the Albemarle board of directors, along with Albemarle senior management and representatives of BofA Merrill Lynch, met to review the status of discussions with Rockwood. Ms. Whittemore reminded the Albemarle board of directors of the connections to Rockwood by McGuireWoods LLP, the law firm at which she is a partner, and T. Rowe Price Group, Inc., of which she is a director. Ms. Whittemore advised that her contact with Rockwood had not changed materially since the October 7 and 8, 2013 meeting of the Albemarle board of directors, but it was noted that she and Ms. Narwold would discuss the contacts with outside counsel and subsequently advise the Albemarle board of directors of the results of those discussions. Mr. Kissam noted that he had spoken to each director prior to the board meeting regarding the potential transaction with Rockwood. The Albemarle board of directors then discussed with members of Albemarle management and representatives of BofA Merrill Lynch the terms of the proposed transaction, including the proposed price, transaction structure and composition of the Albemarle board post-completion. BofA Merrill Lynch reviewed with the Albemarle board of directors its updated preliminary financial analyses of Albemarle and Rockwood.

On the morning of June 24, 2014, Mr. Kissam called Mr. Ghasemi and told him that the Albemarle board of directors had agreed to pursue the transaction on the terms discussed at their June 20, 2014 meeting, except that Rockwood would appoint only one board member rather than five members to a twelve member post-closing board. Noting that Rockwood's shareholders were expected to own more than 30% of the combined company, Mr. Ghasemi responded that Rockwood would require four members. Mr. Kissam called him back later that morning and agreed.

Also on the morning of June 24, 2014, Ms. Narwold and representatives of BofA Merrill Lynch and Shearman & Sterling LLP (which we refer to in this joint proxy statement/prospectus as Shearman & Sterling), Albemarle's outside counsel, met with Messrs. Zatta and Riordan and representatives of Simpson Thacher and Lazard to discuss the terms of the proposed transaction and the proposed timetable for announcing a transaction, assuming agreement could be reached, including the timing of mutual due diligence of Albemarle and Rockwood and negotiating a merger agreement.

On June 24, 2014, the Rockwood board of directors, along with senior management and representatives of Lazard, Simpson Thacher and Richards Layton, met to review the status of discussions with Albemarle and the other parties. Mr. Ghasemi began by describing his phone conversations with Mr. Kissam on June 18, 2014, the terms discussed at



the meeting with Mr. Kissam and representatives of BofA Merrill Lynch on June 20, 2014 and during his phone conversation with Mr. Kissam earlier the morning of June 24, 2014. After discussion of the proposed terms, it was noted that the Albemarle shareholders would be required to vote on the proposed transaction given the number of Albemarle shares to be issued. The Rockwood board of directors, along with senior management and representatives of Lazard and Simpson Thacher, discussed the risks of a transaction subject to the approval of the counterparty's shareholders. It was discussed whether Albemarle could decrease the proportion of consideration payable in shares (and make a corresponding increase in the proportion payable in cash) to eliminate a required Albemarle shareholder vote. Representatives of Lazard advised that representatives of BofA Merrill Lynch had indicated, at the direction of Albemarle, that Albemarle would not pursue a transaction unless it could maintain its investment grade rating on its debt and that Albemarle could not borrow sufficient funds to increase the cash consideration to a level that would not require an Albemarle shareholder vote without losing its investment grade status. There was also discussion of potential terms that could be included in a merger agreement, including the ability to solicit or respond to alternative proposals. Representatives of Lazard presented a proposed transaction timeline targeting a July 15, 2014 announcement, and Mr. Ghasemi noted that Messrs. Zatta and Riordan, along with representatives of Lazard and Simpson Thacher, had met earlier that day with Ms. Narwold and representatives of BofA Merrill Lynch and Shearman & Sterling LLP to discuss a reciprocal due diligence process, including management presentations and a transaction timeline.

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Representatives of Lazard reported that since the June 15, 2014 board meeting, Lazard had continued to have discussions with Company A, Company B, Company C and Company D and summarized those discussions. Company A, which had previously submitted an indication of interest for Rockwood's surface treatment business and had stated it was not interested in Rockwood as a whole, was re-evaluating its position with respect to Rockwood as a whole. Company B, which is a private, non-U.S. entity that had previously informed representatives of Lazard that it wanted to pursue a merger of equals with Rockwood in an all-stock transaction but would consider including some amount of cash in the consideration, was negotiating a confidentiality agreement in advance of a meeting between Mr. Ghasemi and the chief executive officer of Company B scheduled for June 27, 2014. Company C, which had previously indicated that it did not have the capacity to acquire Rockwood for all cash, indicated that, as a result of its working to consummate a transaction with another party, any transaction with Rockwood would likely be delayed until October 2014. Company D, which had previously indicated it was only interested in acquiring Rockwood's surface treatment business, had, after follow up inquiries from representatives of Lazard, stated that it was discussing internally whether it would be interested in acquiring Rockwood as a whole and would contact Lazard if its position changed. Following further discussion, the Rockwood board of directors instructed management to pursue a transaction with Albemarle on the terms described to the Rockwood board of directors, while continuing to engage with the other parties. Representatives of Lazard were instructed to continue to advise the other parties that they should respond quickly as Rockwood was evaluating other proposals.

On June 27, 2014, a mutual confidentiality agreement was entered into between Rockwood and Company B with a standstill period of 18 months. Later that day, Mr. Ghasemi and the chief executive officer of Company B met to discuss a potential business combination transaction. The chief executive officer of Company B indicated that Company B had been exploring a potential merger with Rockwood using cash and Company B's stock (which was not publicly traded). Although Company B remained interested in Rockwood's surface treatment business, he explained that Company B did not want to pursue a transaction for Rockwood as a whole at that time.

On July 1 and 2, 2014, Rockwood and Albemarle conducted management presentations for each other and on July 2, 2014, Rockwood and Albemarle each opened its electronic data room to facilitate the other's due diligence review. The parties, with the assistance of their respective advisors, engaged in due diligence on each other through July 14, 2014, including conducting site visits at certain of the other's facilities in the United States, Germany and Chile.

On July 3, 2014, the Rockwood board of directors met to review the status of discussions with Albemarle and the other parties. Representatives of Lazard and Citi, another financial advisor to Rockwood, and representatives of Simpson Thacher and Richards Layton also participated in the meeting. Among other things, representatives of Lazard reviewed the share price movements of Rockwood and Albemarle since June 20, 2014, noting that Rockwood's share price had increased by 3.8% as compared to Albemarle's share price, which had increased by 0.5%. After discussion, Messrs. Zatta and Riordan and representatives of Lazard described the Rockwood and Albemarle management presentations that occurred during the prior two days and the status of due diligence, noting the parties were continuing to work with a view to an announcement on July 15, 2014, if a transaction were to be successfully negotiated.

At the July 3, 2014 meeting, representatives of Lazard advised that since the June 24, 2014 board meeting, Lazard had continued to have discussions with Company A, Company B, Company C and Company D. As instructed by the Rockwood board of directors at the prior board meeting, Lazard had advised all of these parties to respond quickly as Rockwood was evaluating other proposals. Mr. Ghasemi reported on his meeting with the chief executive officer of Company B. Although Company B remained interested in the surface treatment business, he explained that Company B did not want to pursue a transaction for Rockwood as a whole at that time. Representatives of Lazard indicated that Company A had retained financial advisors to evaluate a transaction with respect to Rockwood as a whole and would inform Lazard of its intentions early the following week. Company C had retained financial advisors to explore an

acquisition of Rockwood as a whole and was evaluating potential partners for the lithium business. Company D confirmed its principal strategic interest was the surface treatment business, but it continued to evaluate its interest in the lithium business. A discussion followed regarding each of the potential counterparties. Following discussion, Mr. Zatta discussed Rockwood's financial projections.

Also at the July 3, 2014 meeting, Mr. Riordan advised that he had requested that Simpson Thacher prepare a merger agreement for the proposed transaction with Albemarle. It was discussed that Lazard should further pursue with BofA Merrill Lynch whether the cash portion of the merger consideration could be increased in order to make a transaction less conditional by eliminating the need for an Albemarle shareholder vote. It was noted that Albemarle's willingness to bear the risk of the Pigments Sale increased transaction certainty for Rockwood. Although Lazard had advised the Rockwood board of directors that Lazard had solicited the most likely counterparties, the Rockwood board of directors determined that the merger agreement would need to provide Rockwood with the ability to terminate the transaction to enter into an unsolicited superior alternative proposal should such a proposal be made after announcement of a transaction with Albemarle. Following further discussion, the Rockwood board of directors instructed Rockwood's management to continue to pursue a transaction with Albemarle on the terms described to the Rockwood board of directors, while continuing to engage with the other parties.

On July 5, 2014, Simpson Thacher sent Shearman & Sterling an initial draft of the merger agreement, and on July 8, 2014, Shearman & Sterling delivered an issues list relating to the draft merger agreement to Simpson Thacher.

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On July 8, 2014, Messrs. Ghasemi and Zatta received a non-binding indication of interest from Company C proposing to acquire Rockwood for \$80.00 per share. The proposal contemplated cash and share consideration and noted that Company C was prepared to discuss the levels of cash and stock consideration. The letter stated that the proposal was not conditioned on the closing of the Pigments Sale and that Company C believed it could complete due diligence and finalize documentation within six weeks from the signing of a confidentiality agreement. Later that day, after discussion with Rockwood's management, Lazard informed Company C that another potential counterparty had offered a higher price and asked Company C if it would be willing to increase its valuation and accelerate its timing. Company C indicated that it understood Rockwood had alternatives. No further response was received from Company C.

On July 9, 2014, the Rockwood board of directors met to review the status of discussions with Albemarle and the other parties. Senior management and representatives of Simpson Thacher and Richards Layton also participated in the meeting. Representatives of Lazard reported that BofA Merrill Lynch had confirmed, at the direction of Albemarle, that Albemarle could not borrow sufficient funds to increase the proportion of cash consideration to an amount that would eliminate a required Albemarle shareholder vote without losing its investment grade status, but that Albemarle was considering the maximum amount of indebtedness it could incur in connection with the transaction while continuing to maintain investment grade status. The representatives of Lazard further reported that, at that time, Albemarle was contemplating that \$46.79 of its proposed \$85.00 merger consideration would be payable in cash, representing 55% of the consideration, with the balance payable in Albemarle shares, resulting in Rockwood shareholders owning approximately 32.8% of the combined company. After discussion of Company C's indication of interest, it was noted that a transaction with Albemarle would provide the Rockwood shareholders with greater value and certainty, and that Company C had not conducted any non-public due diligence of Rockwood while Albemarle had engaged in detailed due diligence and had been exploring a transaction with Rockwood since earlier in the year. Lazard informed the Rockwood board of directors that Company C had not responded to Lazard's request for an increased valuation and acceleration of its timeline and there had been no developments with the other parties since the meeting of the Rockwood board of directors on July 3, 2014. Representatives of Lazard and Citi also reviewed with the Rockwood board of directors preliminary financial analyses relating to each of Rockwood and Albemarle on a standalone basis, of the combined company taking into account the proposed transaction and of the potential merger consideration to be paid to the Rockwood shareholders in the proposed merger. Following discussion, Messrs. Zatta and Riordan reported on due diligence, and following discussion, representatives of Simpson Thacher summarized merger agreement issues.

On July 10, 2014, Shearman & Sterling sent Simpson Thacher a revised draft of the merger agreement reflecting the positions stated in its July 8 issues list and subsequent discussions among the parties and their respective advisors regarding those issues. From July 11 through July 14, 2014, the parties, assisted by their respective advisors, negotiated the terms of the merger agreement and, through the early morning of July 15, 2014, the contents of their respective disclosure letters to be delivered in connection with, and qualifying their representations and covenants set forth in, the merger agreement. These negotiations covered various aspects of the transaction, including, among other things, the structure of the transaction and the resulting taxable nature of the transaction to the Rockwood shareholders, the representations and warranties made by the parties, the restrictions on the conduct of each party's business, the definition of material adverse effect and, with respect to Rockwood, its exclusion of matters related to the Pigments Sale, the conditions to completion of the merger, each party's ability to negotiate with and provide information to a person who may make an alternative proposal, the ability of each party's board of directors to change its recommendation in favor of the merger or the share issuance, as applicable, in response to a superior proposal or otherwise, the ability of each party to match a superior proposal made by another person and exclusivity rights in connection therewith, the ability of Rockwood to terminate the merger agreement to accept a superior proposal under certain conditions, the other termination provisions and the amount and triggers of each party's termination fee and expense reimbursement obligations, the composition of the post-merger Albemarle board of directors, the provisions

regarding Rockwood's equity awards, employee benefit plans, retention bonuses, severance and other compensation matters, and Albemarle's financing obligations and the potential liabilities therefor.

On the morning of Sunday, July 13, 2014, a representative of BofA Merrill Lynch, at the direction of Albemarle, called a representative of Lazard proposing that the parties use Albemarle's closing stock price of \$72.00 on Friday, July 11, 2014 to set the exchange ratio for the stock portion of the merger consideration. In a call from Mr. Kissam to Mr. Ghasemi later that day before the meetings of the Albemarle board of directors and the Rockwood board of directors, Mr. Ghasemi reminded Mr. Kissam that they had agreed to use the \$71.52 closing price of Albemarle common stock from June 20, 2014 to set the exchange ratio, and Mr. Kissam agreed. On that call, Mr. Kissam proposed that Rockwood would have the right to designate three members of a 12-person post-closing Albemarle board of directors rather than four members as previously contemplated, and Messrs. Kissam and Ghasemi agreed that Rockwood would have the right to designate three members of an 11-person post-closing Albemarle board of directors. Messrs. Kissam and Ghasemi also agreed that the termination fee payable by Rockwood would be \$180 million (approximately 2.9% of Rockwood's equity value at the implied merger consideration) if the merger agreement were to be terminated in certain circumstances, noting the parties had previously agreed the termination fee payable by Albemarle would be \$300 million if the agreement were to be terminated in certain other circumstances.

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On July 13, 2014, the Albemarle board of directors met to review the status of discussions with Rockwood. Senior management of Albemarle and representatives of Troutman Sanders, Shearman & Sterling, BofA Merrill Lynch and Lux Research also participated in the meeting. Mr. Jim W. Nokes, Non-Executive Chairman of the Albemarle board of directors, opened the meeting by noting that Ms. Whittemore, after consultation with counsel, had determined to recuse herself from the deliberations regarding the Rockwood transaction to avoid any appearance of an actual or potential conflict of interest resulting from her positions as a director of T. Rowe Price Group, Inc. and a partner of McGuireWoods LLP, as described above. Accordingly, Ms. Whittemore was not present and did not participate in the meetings of the Albemarle board of directors held on July 13, 2014 or July 14, 2014 at which the Rockwood transaction was discussed and approved as more fully described below.

At the July 13, 2014 meeting of the Albemarle board of directors, representatives of Shearman & Sterling and Troutman Sanders reviewed and discussed with the Albemarle board of directors preliminary legal matters relating to the board of directors' review and approval of the Rockwood transaction. Mr. Kissam reviewed an overview of the transaction and reminded the board of the transaction's strategic rationale, including its creation of more consistent and predictable earnings growth and a leader in four attractive growth markets, acceleration of Albemarle's growth and enhancement of its margin profile, increased diversification of businesses, geographies, and end markets, increased cash generation and synergy opportunities. Members of Albemarle senior management provided an overview of the diligence process that had been undertaken with regard to Rockwood and the results thereof. Representatives of Lux Research then presented an overview of lithium supply and demand dynamics, lithium applications and competitive threats to lithium technologies.

Also at the July 13, 2014 meeting of the Albemarle board of directors, representatives of BofA Merrill Lynch reviewed with the Albemarle board of directors additional financial analyses of the merger consideration. Representatives of Shearman & Sterling then provided a summary of the draft merger agreement, financing terms and regulatory approvals that would be required for the transaction. Finally, Mr. Kissam reviewed the communications plan regarding the transaction.

On July 13, 2014, the Rockwood board of directors met to review the status of discussions with Albemarle. Senior management and representatives of Simpson Thacher also participated in the meeting. Mr. Ghasemi reported on his discussions with Mr. Kissam earlier that day, and representatives of Lazard reported that Albemarle had indicated that it could incur an amount of indebtedness that would result in \$50.14 of the proposed \$85.00 merger consideration being payable in cash, representing approximately 59% of the merger consideration, with the balance paid in Albemarle shares, resulting in Rockwood shareholders owning approximately 30.7% of the combined company. After discussion, the Rockwood board of directors indicated its support for increasing the proportion of cash consideration. Representatives of Lazard and Mr. Ghasemi reviewed the status and history of discussions with Albemarle and with each of Company A, Company B, Company C, Company D, Company E, Company F and Company G. Representatives of Lazard and Citi also reviewed with the Rockwood board of directors updated preliminary financial analyses relating to each of Rockwood and Albemarle on a standalone basis, of the combined company taking into account the proposed transaction, and of the potential merger consideration to be paid to the Rockwood shareholders in the proposed merger. Following discussion, representatives of Lazard, Citi and Simpson Thacher reviewed Albemarle's proposed financing and representatives of Simpson Thacher reviewed the proposed merger agreement and updated the Rockwood board of directors on the status of the merger agreement negotiations.

On the afternoon of July 14, 2014, the Albemarle board of directors, excluding Ms. Whittemore, who had recused herself from deliberations, resumed their discussion of the Rockwood transaction. Mr. Kissam reviewed additional due diligence matters with respect to Rockwood. A representative of Troutman Sanders then discussed the fiduciary duties of the Albemarle board of directors in the context of a strategic acquisition. The Representatives of BofA Merrill Lynch then reviewed with the Albemarle board of directors their financial analysis of the merger consideration

and delivered to the Albemarle board of directors BofA Merrill Lynch's oral opinion, later confirmed by delivery of a written opinion dated July 14, 2014, to the effect that, as of that date and based upon and subject to various assumptions and limitations described in the opinion, the merger consideration to be paid by Albemarle to the holders of Rockwood common stock (other than any shares of Rockwood common stock to be cancelled in accordance with the terms of the merger agreement or as to which dissenters' rights have been exercised) in the transaction was fair, from a financial point of view, to Albemarle. The opinion of BofA Merrill Lynch is more fully described in the section titled *Opinion of Albemarle's Financial Advisor* beginning on page 57. Following additional deliberations, the Albemarle board of directors unanimously (excluding Ms. Whittemore, who had recused herself) determined that the merger is in the best interest of Albemarle shareholders, approved the merger agreement and declared its advisability and recommended that the Albemarle shareholders vote for the approval of the Albemarle share issuance. For further information concerning the factors considered by the Albemarle board of directors in reaching its decision that the merger is in the best interests of the Albemarle shareholders, its decision to approve the merger agreement and its decision to recommend that Albemarle shareholders vote to approve the Albemarle share issuance, see *Albemarle's Reasons for the Merger and Recommendation of the Albemarle Board of Directors* beginning on page 51.

On the evening of July 14, 2014, subsequent to the close of trading on the NYSE, the Rockwood board of directors met to consider the proposed transaction with Albemarle. Senior management and representatives of Lazard, Citi, Simpson

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Thacher and Richards Layton also participated in the meeting. Representatives of Lazard reported that Albemarle had indicated that it could incur an amount of indebtedness that would result in \$50.65 of the proposed \$85.00 merger consideration being payable in cash, representing approximately 59.6% of the consideration, with the balance paid in Albemarle shares, resulting in Rockwood shareholders owning approximately 30.4% of the combined company. Representatives of Simpson Thacher and Mr. Riordan provided an update on the terms of the merger agreement. Following discussion, representatives of Lazard and Citi presented their financial analyses relating to each of Rockwood and Albemarle on a standalone basis, of the combined company taking into account the proposed transaction and of the merger consideration to be paid to the Rockwood shareholders in the proposed merger, and they rendered to the Rockwood board of directors their respective oral opinions, confirmed by delivery of their respective written opinions, dated as of July 14, 2014, to the effect that, as of such date and based on and subject to various assumptions and limitations described therein, the merger consideration to be paid to the holders of Rockwood's common stock (other than Rockwood, Albemarle, Merger Sub and shareholders who properly demand appraisal rights) in the proposed merger, was fair, from a financial point of view, to such shareholders. The opinions of Lazard and Citi are more fully described in the section titled *Opinions of Rockwood's Financial Advisors* beginning on page 63. Following discussion, the Rockwood board of directors unanimously determined that the merger and the other transactions contemplated by the merger agreement were advisable and approved the execution, delivery and performance of the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement and unanimously recommended that the Rockwood shareholders vote for the adoption of the merger agreement. For further information concerning the factors considered by the Rockwood board of directors in reaching its decision to approve the merger agreement and the consummation of the merger, its decision to declare the merger agreement advisable and its decision to recommend that Rockwood shareholders vote to approve the adoption of the merger agreement, see *Rockwood's Reasons for the Merger and Recommendation of the Rockwood Board of Directors* beginning on page 54.

On the morning of July 15, 2014, each of Rockwood, Albemarle and Merger Sub executed and delivered a counterpart of the merger agreement. Later that morning, before the opening of the NYSE, Rockwood and Albemarle issued a joint press release announcing the execution of the merger agreement.

### **Albemarle's Reasons for the Merger and Recommendation of the Albemarle Board of Directors**

At a special meeting of the Albemarle board of directors held on July 13 and 14, 2014, the Albemarle board of directors unanimously (excluding one director who recused herself) determined that the merger is in the best interests of Albemarle shareholders and approved the merger agreement and declared its advisability. The Albemarle board of directors unanimously (excluding one director who recused herself) recommends that Albemarle shareholders vote **FOR** the Albemarle share issuance and **FOR** the Albemarle adjournment proposal.

In reaching its decision that the merger is in the best interests of the Albemarle shareholders, its decision to approve the merger agreement and its decision to recommend that Albemarle shareholders vote to approve the Albemarle share issuance, the Albemarle board of directors consulted with Albemarle management, as well as its financial and legal advisors and other advisors and, at its July 13 and 14, 2014 meeting, and at other meetings at which it considered the proposed merger, the Albemarle board of directors considered a number of factors.

The reasons in favor of the merger considered by the Albemarle board of directors include, but are not limited to, the following:

the complementary strengths of Albemarle and Rockwood across their product lines;



the differentiated, performance-based technologies and record of innovation of each of the companies;

the strength of Rockwood's competitive position in lithium and lithium compounds and in surface treatment products and services;

the growing global demand for lithium products for energy storage and other applications;

the strength of Albemarle's competitive position in catalysts and bromine;

the view of the Albemarle board of directors that the combined company would be an industry leader across the four attractive growth markets of lithium, catalysts, bromine and surface treatments, with accelerated growth prospects and attractive margins;

the fact that the combined company would have a more diversified portfolio across end markets and geographies and the belief of the Albemarle board of directors that that diversification would make the combined company better able to withstand economic down cycles in industries or geographies;

the expectation of Albemarle management that the combined company will benefit from process synergies, particularly resulting from the similarity of the lithium and bromine value and supply chains, including with respect to advanced mineral extraction and processing technologies, value-added derivatization, low-cost positions and vertical integration;

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the complementary cultures of the two companies, including their shared focus on innovation and high standards for performance and execution;

the expectation of Albemarle management that, following the complete integration of Albemarle and Rockwood, the combined company would generate approximately \$100 million in annual cost synergies by 2016;

the expectation of Albemarle management that the combined company would generate significant free cash flow that would enable it to simultaneously (i) reduce leverage rapidly, (ii) invest in the businesses of the combined company and (iii) maintain and continue to regularly increase its quarterly dividends to shareholders, and to eventually resume share buybacks;

the anticipated ability to leverage the financial strength of the combined company, which collectively generated nearly \$3.8 billion of net sales in 2013 on a pro forma basis;

the expectation of Albemarle management that the merger will be accretive to Albemarle's adjusted earnings per share beginning in 2016, and substantially accretive thereafter;

the experience of Albemarle in integrating acquired companies;

the limited number and nature of the conditions to the parties' obligations to complete the merger and the belief of the Albemarle board of directors of the likelihood of satisfying such conditions;

the view of the Albemarle board of directors, after consultation with counsel, that the transaction is not expected to present material regulatory issues;

the belief of the Albemarle board of directors, following consultation with its advisors, and based in part upon the financing commitments that it had obtained, that it was likely that Albemarle would be able to obtain the necessary financing to pay the aggregate cash portion of the merger consideration and that the combined company would be able to repay, service or refinance any indebtedness incurred in connection with the merger and, to the extent such indebtedness remains outstanding, to comply with the financial covenants applicable to such indebtedness, after its review and discussion of various factors, including (i) the terms of Rockwood's current indebtedness and (ii) the terms of the proposed financing for the merger (including fees and interest);

the belief of the Albemarle board of directors, following consultation with its advisors, that the financing commitments it had obtained to pay the aggregate cash portion of the merger consideration were on attractive terms for Albemarle;

the belief of the Albemarle board of directors that Albemarle would maintain its investment grade credit rating immediately following the completion of the merger;

the belief of the Albemarle board of directors, following consultation with its tax advisors, that the planned structuring of the merger and post-merger restructuring of Rockwood's assets will permit Albemarle to significantly reduce future taxes associated with the repatriation of offshore cash after 2015;

the right of the Albemarle board of directors under the merger agreement to withdraw its recommendation to the Albemarle shareholders that they approve the Albemarle share issuance in certain circumstances, as more fully described under *The Merger Agreement No Solicitation Board Recommendation Change* beginning on page 100;

the fact that the Albemarle shareholders will have an opportunity to vote on the approval of the Albemarle share issuance;

the fact that the exchange ratio for shares of Rockwood common stock is fixed and will not adjust to compensate for any decrease in the trading price of Albemarle common stock prior to the completion of the merger;

the fact that Rockwood is obligated to pay Albemarle a termination fee of \$180 million in certain circumstances, as more fully described under *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102;

the fact that Rockwood is obligated to reimburse Albemarle for up to \$25 million in out-of-pocket expenses under certain circumstances, as more fully described under *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102;

the description of the material terms and conditions of the merger agreement as described in a legal presentation by Shearman & Sterling LLP to the Albemarle board of directors; and

the opinion, dated July 14, 2014, of BofA Merrill Lynch to the Albemarle board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to Albemarle of the merger consideration to be paid by Albemarle to the holders of Rockwood common stock (other than any shares of Rockwood Common Stock to be cancelled in accordance with the merger agreement or as to which dissenters' rights have been exercised) in the

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transaction, which opinion was based upon and subject to the assumptions made, procedures followed, factors considered and limitations on the review undertaken, as more fully described under *The Merger Opinion of Albemarle's Financial Advisor Opinion of BofA Merrill Lynch* beginning on page 57, and the related financial analyses presented by BofA Merrill Lynch to the Albemarle board of directors. The Albemarle board of directors also considered the following potentially negative factors associated with the merger:

the right of the Rockwood board of directors under the merger agreement to withdraw its recommendation to the Rockwood shareholders that they adopt the merger agreement in certain circumstances, as more fully described under *The Merger Agreement No Solicitation Board Recommendation Change* beginning on page 100;

the right of the Rockwood board of directors to terminate the merger agreement in certain circumstances, as more fully described under *The Merger Agreement Termination of the Merger Agreement* beginning on page 101;

the fact that the exchange ratio for shares of Rockwood common stock is fixed and will not adjust to compensate for any increase in the trading price of Albemarle's common stock prior to completion of the merger;

the fact that Albemarle shareholders will have a reduced ownership and voting interest in Albemarle after the merger and will exercise less influence over the board of directors, management and policies of Albemarle;

the fact that Albemarle is obligated to pay Rockwood a termination fee of \$300 million in certain circumstances, as more fully described under *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102;

the fact that Albemarle is obligated to reimburse Rockwood for up to \$25 million in out-of-pocket expenses under certain circumstances, as more fully described under *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102;

the potential diversion of management resources from operational matters and the opportunity costs associated with the merger prior to the completion or abandonment of the merger;

the fact that the merger agreement contains certain customary restrictions on the ability of Albemarle to conduct its business in the period between signing and closing, in that Rockwood's consent is required in respect of the issuance of shares of Albemarle capital stock other than for limited purposes, the acquisition of assets above a certain threshold, and other matters commonly subject to pre-closing restrictions, as more fully described under *The Merger Agreement Conduct of Business Pending the Merger Conduct of*

*Business by Albemarle* ) beginning on page 106;

the fact that the obligations of Albemarle and Merger Sub under the merger agreement are not subject to any conditions regarding the closing of the Pigments Sale and the attendant risk that the Pigments Sale might not be consummated prior to the completion of the merger or at all;

the risk that the potential synergies and other benefits of the merger may not be realized or that Albemarle will not be successful in implementing its business plan for the combined company;

the risks arising from the challenges of integrating the businesses, management teams, strategies, cultures and organizations of the two companies, including the possibility that the merger and the resulting integration process could result in the loss of key employees, the disruption of on-going business and the loss of customers;

the risk that the merger might not be completed on a timely basis despite the parties' efforts, and, if the merger is not completed by the outside date for completion of the merger, the fact that the merger agreement may be terminated by either party;

the impact of costs and expenses related to the merger, including integration expenses, on Albemarle's financial position; and

the fact that Albemarle will incur substantial indebtedness in connection with financing the merger that will, at least in the short term, among other things, cause Albemarle to stop its share buybacks and reduce funds available for potential acquisitions;

the fact that at the time it was negotiating with Rockwood, Albemarle was in the final stages of negotiating a cash acquisition of another business, which was contemplated to be signed in mid-July 2014, and that it could not enter into both transactions;

the fact that the lithium industry may grow rapidly and competitive dynamics and technologies may shift quickly and make future results and capital needs in Rockwood's lithium segment hard to predict;

the fact that the planned structuring of the merger and post-merger restructuring of Rockwood's assets will cause Albemarle to accelerate the realization of certain income and pay additional taxes in 2015;

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other applicable risks described in the section of this joint proxy statement/prospectus entitled *Risk Factors* beginning on page 23.

In the judgment of the Albemarle board of directors, however, these potential risks were favorably offset by the potential benefits of the merger discussed above.

The foregoing discussion is not intended to be exhaustive, but Albemarle believes it addresses the material information and factors considered by the Albemarle board of directors in its consideration of the merger, including factors that may support the merger, as well as factors that may weigh against it. In view of the variety of factors and the amount of information considered, the Albemarle board of directors did not find it practicable to quantify or otherwise assign relative weights to and did not make specific assessments of the factors considered in reaching its determination, and individual members of the Albemarle board of directors may have given different weights to different factors. The Albemarle board of directors did not reach any specific conclusion with respect to any of the factors or reasons considered.

The above factors are not listed in any particular order of priority. This explanation of the factors and reasoning set forth above contains forward-looking statements and should be read in conjunction with the section of this joint proxy statement/prospectus entitled *Special Note Regarding Forward-Looking Statements* beginning on page 30.

**Rockwood's Reasons for the Merger and Recommendation of the Rockwood Board of Directors**

At a special meeting of the Rockwood board of directors held on July 14, 2014, the Rockwood board of directors unanimously approved the merger agreement and the consummation of the merger and declared the merger agreement advisable. The Rockwood board of directors unanimously recommends that Rockwood shareholders vote **FOR** the proposal to adopt the merger agreement and **FOR** the Rockwood adjournment proposal.

In reaching its decision to approve the merger agreement and the consummation of the merger, its decision to declare the merger agreement advisable and its decision to recommend that Rockwood shareholders vote to approve the adoption of the merger agreement, the Rockwood board of directors consulted with Rockwood management, as well as its financial and legal advisors and, at its July 14, 2014 meeting, and at other meetings at which it considered the proposed merger, the Rockwood board of directors considered a number of factors.

The reasons in favor of the merger considered by the Rockwood board of directors include, but are not limited to, the following:

the value of the merger consideration to be received by the Rockwood shareholders of \$85.00 per share, based on the June 20, 2014 closing price of shares of Albemarle common stock at \$71.52, representing a premium of 13% to the volume-weighted average price for shares of Rockwood common stock over a 20-trading-day period ended July 10, 2014 and a 14.9 multiple of Rockwood's \$391 million 2014 pro forma EBITDA estimated by Rockwood management;

the fact that a significant portion of the merger consideration will be paid in cash, providing certainty of value with respect to the cash portion of the merger consideration and enabling Rockwood shareholders to realize value for a significant portion of their investment immediately upon the completion of the merger;

the opportunity afforded by the stock portion of the merger consideration for Rockwood shareholders to participate in the future earnings and growth of the combined company and future appreciation in the value of Albemarle common stock following the merger;

the fact that the stock portion of the merger consideration is based on a fixed exchange ratio and, accordingly, that Rockwood shareholders will benefit from any increase in the value of Albemarle common stock before or after the Rockwood special meeting;

the fact that the adoption of the merger agreement is subject to the approval of Rockwood shareholders and the ability of Rockwood shareholders to vote against the merger agreement for any reason;

the risks and uncertainty of remaining an independent public company, given Rockwood's market capitalization, operations, product portfolio and estimated future results of operations and cash flows, in comparison to the merger consideration which would enable Rockwood shareholders to realize a substantial portion of Rockwood's potential future value without such risks;

the belief that the merger is more favorable to Rockwood shareholders than the other alternatives available, which belief was formed in part based on the responses to solicitations by one of Rockwood's financial advisors from the parties determined by Rockwood's management, after discussion with such financial advisor, to be the parties most likely to be interested in a strategic transaction with Rockwood;

the expectation that the merger will create a global specialty chemicals company with leading positions across four attractive growth markets: lithium, catalysts, bromine and surface treatment, which is more diversified and strategically well-positioned than Rockwood on a stand-alone basis;

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the benefits to the combined company that could result from the merger, including the increased market capitalization, improved access to the capital markets, increased EBITDA growth potential, greater stability in cash flows, increased deleveraging capability, enhanced innovation capabilities, increased diversity in the products offered and geographic areas served and the potential to realize certain cost synergies;

the financial presentation by Lazard and Citi and the oral opinions of each of Lazard and Citi, delivered to the Rockwood board of directors, subsequently confirmed by deliveries of their respective written opinions, dated July 14, 2014, to the effect that, as of such date, the merger consideration to be received by holders of shares of Rockwood common stock (other than Rockwood excluded shares) was fair, from a financial point of view, to such holders, which opinions were based upon and subject to the assumptions, matters considered, procedures, factors, qualifications and limitations more fully described in the section titled *The Merger Opinion of Rockwood's Financial Advisors* beginning on page 63;

the right of the Rockwood board of directors under the merger agreement to, in response to unsolicited acquisition proposals, provide information to, and negotiate alternative transactions with, third parties in certain circumstances, as more fully described under *The Merger Agreement No Solicitation* beginning on page 99;

the right of the Rockwood board of directors under the merger agreement to change its recommendation that Rockwood shareholders vote in favor of the adoption of the merger agreement in certain circumstances, as more fully described under *The Merger Agreement No Solicitation* beginning on page 99;

the right of the Rockwood board of directors under the merger agreement to terminate the merger agreement to accept a superior acquisition proposal subject to the payment of a termination fee in certain circumstances, as more fully described under *The Merger Agreement Termination of the Merger Agreement* beginning on page 101;

the fact that the \$180 million termination fee payable in certain circumstances by Rockwood is equal to approximately 2.9% of Rockwood's equity value at the implied merger consideration and the reimbursement of Albemarle's out-of-pocket expenses is capped at \$25 million, which the Rockwood board of directors viewed, after consultation with Rockwood's financial and legal advisors, as reasonable and not likely to preclude any other party from making a competing acquisition proposal;

the fact that the obligations of Albemarle and Merger Sub under the merger agreement are not subject to any conditions regarding the closing of the Pigments Sale;

the fact that the obligations of Albemarle and Merger Sub under the merger agreement to complete the merger are not conditioned upon receipt of financing and the fact that Albemarle obtained a commitment letter with respect to the debt financing necessary to pay the aggregate cash portion of the merger consideration, which, based on the terms of the commitments and the reputation of the commitment parties, in the judgment of the Rockwood board of directors, increases the likelihood of such financings being



completed;

the fact that the merger agreement expressly contemplates that Rockwood may obtain specific performance of Albemarle's obligations under the merger agreement;

the fact that Albemarle is obligated to pay Rockwood a termination fee of \$300 million in certain circumstances, as more fully described under *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102;

the fact that Albemarle is obligated to reimburse Rockwood for up to \$25 million in out-of-pocket expenses under certain circumstances, as more fully described under *The Merger Agreement Payment of Certain Fees and Expenses* beginning on page 102;

the view of the Rockwood board of directors, after consultation with its legal advisor, that the merger does not present material regulatory issues; and

the fact that appraisal rights would be available to holders of Rockwood common stock under Delaware law and that there was no limitation in the merger agreement relating to the number of shares of Rockwood common stock that could exercise appraisal rights.

The Rockwood board of directors also considered the following potentially negative factors associated with the merger:

the lack of opportunity for Rockwood shareholders to participate in Rockwood's potential upside as a stand-alone company, other than indirectly as a part of the combined company through the stock portion of the merger consideration after the completion of the merger;

the potential decrease of the implied value of the merger consideration which would result from a decrease in the trading price of Albemarle common stock because the stock portion of the merger consideration is a fixed number of shares of Albemarle common stock and the merger agreement does not provide Rockwood with a price-based termination right or other similar price protection;

the execution risks associated with the implementation of the combined company's long term business plan and strategy, which may be different from the execution risks related only to Rockwood's business;

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the risk that the combined company may not be able to successfully integrate the businesses of Rockwood and Albemarle and therefore may not be able to realize the anticipated benefits of the merger;

the fact that the transaction structure requires approval by holders of a majority of the votes cast on the Albemarle share issuance at the Albemarle special meeting, which may not be obtained;

the possibility that Albemarle will be unable to obtain financing for the merger, including the debt financing proceeds contemplated by the commitment letter it obtained;

the risk that the merger might not be completed on a timely basis or at all despite the parties' efforts, and, if the merger is not completed, the materially adverse impact such event could have on Rockwood's financial condition, results of operations and stock price;

the possible disruption to Rockwood's business that may result from announcement of the merger and the resulting distraction of management's attention from the day-to-day operations of the business;

the risk that the pendency of the merger could adversely affect Rockwood's relationships with its customers, suppliers and any other persons with whom Rockwood has a business relationship, or pose difficulties in attracting and retaining key employees;

the risk of incurring substantial transaction and integration costs in connection with the merger;

the reduced influence that Rockwood shareholders will exercise over the board of directors, management and policies of the combined company as compared to the influence Rockwood shareholders have over the board of directors, management and policies of Rockwood;

the fact that the merger agreement restricts Rockwood's ability to conduct its business in the period prior to the completion of the merger, which may delay or prevent Rockwood from undertaking business opportunities that may arise during such interim period, as more fully described under *The Merger Agreement - Conduct of Business Pending the Merger* beginning on page 103;

the fact that Rockwood is obligated to pay Albemarle a termination fee of \$180 million in certain circumstances (equal to approximately 2.9% of Rockwood's equity value at the implied merger consideration), as more fully described under *The Merger Agreement - Payment of Certain Fees and Expenses* beginning on page 102;

the fact that Rockwood is obligated to reimburse Albemarle for up to \$25 million in out-of-pocket expenses under certain circumstances, as more fully described under *The Merger Agreement - Payment of Certain Fees*

*and Expenses* beginning on page 102;

the possibility that the \$180 million termination fee and the expense reimbursement of up to \$25 million payable by Rockwood, and other provisions in the merger agreement, might discourage other bidders from making a competing offer to acquire Rockwood;

the fact that some of Rockwood's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Rockwood shareholders generally, as more fully described under *The Merger Interests of Rockwood Directors and Executive Officers in the Merger* beginning on page 73;

the expectation that the receipt of Albemarle common stock and cash in exchange for Rockwood common stock in the merger will generally be taxable to Rockwood shareholders for U.S. federal income tax purposes, as more fully described under *The Merger Material U.S. Federal Income Tax Consequences* beginning on page 81; and

other applicable risks described in the section of this joint proxy statement/prospectus entitled *Risk Factors* beginning on page 23.

In the judgment of the Rockwood board of directors, however, these potential risks were favorably offset by the potential benefits of the merger discussed above.

The foregoing discussion is not intended to be exhaustive, but Rockwood believes it addresses the material information and factors considered by the Rockwood board of directors in its consideration of the merger, including factors that may support the merger, as well as factors that may weigh against it. In view of the variety of factors and the amount of information considered, the Rockwood board of directors did not find it practicable to quantify or otherwise assign relative weights to and did not make specific assessments of the factors considered in reaching its determination, and individual members of the Rockwood board of directors may have given different weights to different factors. The Rockwood board of directors did not reach any specific conclusion with respect to any of the factors or reasons considered.

The above factors are not presented in any order of priority. This explanation of the factors and reasoning set forth above contains forward-looking statements and should be read in conjunction with the section of this joint proxy statement/prospectus entitled *Special Note regarding Forward-Looking Statements* beginning on page 30.

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**Opinion of Albemarle's Financial Advisor**

Albemarle has retained BofA Merrill Lynch to act as its financial advisor in connection with the merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Albemarle selected BofA Merrill Lynch to act as Albemarle's financial advisor in connection with the transaction on the basis of BofA Merrill Lynch's experience in transactions similar to the merger, its reputation in the investment community and its familiarity with Albemarle and its business.

On July 14, 2014, at a meeting of the Albemarle board of directors held to evaluate the transaction, BofA Merrill Lynch rendered to the Albemarle board of directors an oral opinion, confirmed by delivery of a written opinion dated July 14, 2014, to the effect that, as of that date and based on and subject to various assumptions and limitations described in the opinion, the merger consideration to be paid by Albemarle to the holders of Rockwood common stock (other than any shares of Rockwood common stock to be cancelled in accordance with the terms of the merger agreement or as to which dissenters' rights have been exercised) in the transaction was fair, from a financial point of view, to Albemarle.

The full text of BofA Merrill Lynch's written opinion, dated July 14, 2014, to the Albemarle board of directors, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference herein in its entirety.

**The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to the Albemarle board of directors for the benefit and use of the Albemarle board of directors (in its capacity as such) in connection with and for purposes of its evaluation of the transaction. BofA Merrill Lynch's opinion did not address any aspect of the transaction other than the merger consideration. BofA Merrill Lynch expressed no opinion or view as to the relative merits of the transaction in comparison to other strategies or transactions that might be available to Albemarle or in which Albemarle might engage or as to the underlying business decision of Albemarle to proceed with or effect the transaction. BofA Merrill Lynch also expressed no opinion as to what the value of the Albemarle common stock actually will be when issued or the prices at which Albemarle common stock or Rockwood common stock will trade at any time, including following announcement or completion of the merger. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any shareholder should vote or act in connection with the transaction or any related matter.**

In connection with its opinion, BofA Merrill Lynch, among other things:

reviewed certain publicly available business and financial information relating to Rockwood and Albemarle;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of Rockwood furnished to or discussed with BofA Merrill Lynch by the management of Rockwood, including certain financial forecasts relating to Rockwood prepared by the management of Rockwood (which we refer to in this joint proxy statement/prospectus as the Rockwood forecasts);

reviewed certain internal financial and operating information with respect to the business, operations and prospects of Albemarle furnished to or discussed with BofA Merrill Lynch by the management of Albemarle, including certain financial forecasts relating to Albemarle prepared by the management of Albemarle (which we refer to in this joint proxy statement/prospectus as the Albemarle forecasts);

reviewed certain estimates as to the amount and timing of synergies anticipated by the management of Albemarle to result from the transaction (which we refer to in this joint proxy statement/prospectus as the synergies);

discussed the past and current business, operations, financial condition and prospects of Rockwood with members of senior managements of Rockwood and Albemarle, and discussed the past and current business, operations, financial condition and prospects of Albemarle with members of senior management of Albemarle;

reviewed the potential pro forma financial impact of the transaction on the future financial performance of Albemarle, including the potential effect on Albemarle's estimated earnings per share;

reviewed the trading histories for Rockwood common stock and Albemarle common stock and a comparison of such trading histories with each other;

compared certain financial and stock market information of Rockwood and Albemarle with similar information of other companies BofA Merrill Lynch deemed relevant;

compared certain financial terms of the transaction to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

reviewed a draft, dated July 14, 2014, of the merger agreement; and

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performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the managements of Albemarle and Rockwood that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to Rockwood forecasts, BofA Merrill Lynch was advised by Rockwood, and assumed, with the consent of Albemarle, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Rockwood as to the future financial performance of Rockwood. With respect to the Albemarle forecasts and the synergies, BofA Merrill Lynch assumed, at the direction of Albemarle, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Albemarle as to the future financial performance of Rockwood and Albemarle and the other matters covered thereby. BofA Merrill Lynch relied, at the direction of Albemarle, on the assessments of the management of Albemarle as to Albemarle's ability to achieve the synergies and was advised by Albemarle, and assumed, that the synergies will be realized in the amounts and at the times projected.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Rockwood, Albemarle or any other entity, nor did BofA Merrill Lynch make any physical inspection of the properties or assets of Rockwood, Albemarle or any other entity and BofA Merrill Lynch assumed, with the consent of Albemarle, that there were no material undisclosed liabilities of or relating to Albemarle, Rockwood or any other entity for which appropriate reserves or other provisions had not been made. BofA Merrill Lynch did not evaluate the solvency or fair value of Rockwood, Albemarle or any other entity under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of Albemarle, that the transaction would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the transaction, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Rockwood, Albemarle or the contemplated benefits of the transaction. BofA Merrill Lynch assumed, at the direction of Albemarle, that the final executed merger agreement would not differ in any material respect from the draft version of the merger agreement reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects or implications of the transaction (other than the merger consideration to the extent expressly specified in its opinion), including, without limitation, the form or structure of the transaction, the form or structure of, or any adjustments to, the merger consideration or any terms, aspects or implications of any other arrangement, agreement or understanding entered into in connection with or related to the transaction or otherwise. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, to Albemarle of the merger consideration to be paid in the transaction and no opinion or view was expressed with respect to any consideration received in connection with the transaction by the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the transaction, or class of such persons, relative to the merger consideration or otherwise. BofA Merrill Lynch expressed no view or opinion with respect to, and relied, with the consent of Albemarle, upon the assessments of representatives of Albemarle regarding, legal, regulatory, accounting, tax and similar matters relating to Rockwood, Albemarle or any other entity and the transaction (including the contemplated benefits of the transaction), as to which BofA Merrill Lynch understood that Albemarle obtained such advice as it deemed necessary from qualified professionals.

BofA Merrill Lynch's opinion was based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect BofA Merrill Lynch's opinion, and BofA Merrill Lynch does not have any obligation to update, revise, or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by BofA Merrill Lynch's Americas Fairness Opinion Review Committee.

The following represents a brief summary of the material financial analyses presented to the Albemarle board of directors by BofA Merrill Lynch in connection with its opinion, dated July 14, 2014. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.** For purposes of the financial analyses summarized below, the term "merger consideration" refers to \$85.00 per share calculated as (i) cash consideration of \$50.65 per share and (ii) stock consideration of \$34.35 per share based on a 0.4803 exchange ratio and Albemarle's June 20, 2014 closing stock price of \$71.52 per share.

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***Rockwood Financial Analyses***

***Selected Publicly Traded Companies Analysis***

BofA Merrill Lynch reviewed financial and stock market information of Rockwood and the following eight selected publicly traded companies in the specialty chemicals industry:

Albemarle Corporation

E. I. du Pont de Nemours and Company

Ecolab Inc.

Eastman Chemical Co.

Ashland Inc.

FMC Corp.

W.R. Grace and Company

Cytec Industries Inc.

BofA Merrill Lynch reviewed, among other things, enterprise values of the selected publicly traded companies (calculated as equity values based on closing stock prices on July 10, 2014 plus short-term debt, long-term debt, preferred equity and minority interest, less cash and marketable securities, (which we refer to in this joint proxy statement/prospectus as EV) as a multiple of calendar years 2014 and 2015 estimated earnings before interest, taxes, depreciation and amortization (which we refer to in this joint proxy statement/prospectus as EBITDA). Based on its professional judgment and experience and after taking into consideration, among other things, the observed data for the selected publicly traded companies and for Rockwood, BofA Merrill Lynch then applied (i) EV/2014 estimated EBITDA multiples of 11.0x to 14.0x derived from the selected publicly traded companies to Rockwood's calendar year 2014 estimated EBITDA of approximately \$391 million, assuming full year contribution of Rockwood's 49% interest in Windfield Holdings Pty Ltd, which directly owns 100% of the equity of Talison Lithium Pty Ltd (which we refer to in this joint proxy statement/prospectus as the Talison JV), (ii) EV/2015 estimated EBITDA multiples of 10.0x to 13.0x derived from the selected publicly traded companies to Rockwood's calendar year 2015 estimated EBITDA of approximately \$429 million. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, estimated financial data of Rockwood were based on the Rockwood forecasts (which were adjusted to include proceeds from the Pigments Sale) and estimated financial data of Albemarle were based on both publicly available research analysts' estimates and the Albemarle forecasts. This analysis indicated the following approximate implied per share equity value reference range for Rockwood (rounded



to the nearest \$0.25 per share), as compared to the merger consideration:

	Implied Per Share Equity Value		Merger Consideration
	Reference Range		
<b>EV/2014E EBITDA</b>	\$	65.00 \$81.25	\$ 85.00
<b>EV/2015E EBITDA</b>	\$	65.00 \$82.75	\$ 85.00

No company used in this analysis is identical or directly comparable to Rockwood. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Rockwood was compared.

### *Selected Precedent Transactions Analysis*

BofA Merrill Lynch reviewed, to the extent publicly available, financial information relating to the following 18 selected transactions involving companies in the specialty chemicals industry:

<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>
January 3, 2006	BASF AG	Engelhard Corporation
December 15, 2006	Court Square Capital Partners L.P., Weston Presidio V, L.P.	MacDermid, Incorporated
May 31, 2007	The Carlyle Group L.P.	PQ Corporation
July 10, 2008	The Dow Chemical Company	Rohm and Haas Company
July 11, 2008	Ashland Inc.	Hercules Incorporated
January 9, 2011	E. I. du Pont de Nemours and Company	Danisco A/S
February 16, 2011	Clariant AG	Süd-Chemie AG
July 11, 2011	Lonza Group, Ltd.	Arch Chemicals, Inc.

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<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>
July 20, 2011	Ecolab Inc.	Nalco Holding Company
January 27, 2012	Eastman Chemical Company	Solutia Inc.
June 21, 2012	Cabot Corporation	Norit N.V.
October 12, 2012	Ecolab Inc.	Champion Technologies, Inc.
February 5, 2013	Praxair, Inc.	NuCO2 Inc.
June 16, 2013	Cinven Ltd.	CeramTec GmbH
July 28, 2013	Altana AG	Rockwood clay-based additives business
December 2, 2013	Rockwood Holdings, Inc.	Talison Lithium Pty Ltd.
April 12, 2014	Symrise AG	Diana Group
July 7, 2014	Archer-Daniels-Midland Company	WILD Flavors GmbH

BofA Merrill Lynch reviewed transaction values, calculated as the purchase prices paid for the target companies in the selected transactions plus net debt, less cash and cash equivalents, as a multiple, to the extent publicly available, of the target company's latest twelve (12) months EBITDA. Based on its professional judgment and experience and after taking into consideration, among other things, the observed data for the selected precedent transactions, BofA Merrill Lynch then applied a selected range of latest twelve (12) months EBITDA multiples of 10.0x to 15.0x derived from the selected transactions to Rockwood's calendar year 2014 estimated EBITDA of approximately \$391 million, assuming full year contribution of the Talison JV. Financial data of the selected transactions were based on publicly available Wall Street research and company publicly available filings. Financial data of Rockwood were based on the Rockwood forecasts (which were adjusted to include proceeds from the Pigments Sale). This analysis indicated the following approximate implied per share equity value reference range for Rockwood (rounded to the nearest \$0.25 per share), as compared to the merger consideration:

	<b>Implied Per Share Equity Value</b>		
	<b>Reference Range</b>	<b>Merger Consideration</b>	
<b>EV/2014E EBITDA</b>	\$ 59.75	\$86.75	\$ 85.00

No company, business or transaction used in this analysis is identical or directly comparable to Rockwood or the transaction. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Rockwood and the transaction were compared.

**Discounted Cash Flow Analyses**

BofA Merrill Lynch performed a discounted cash flow analysis of Rockwood to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Rockwood was forecasted to generate during the fiscal years ending December 31, 2014 through December 31, 2019 based on the Rockwood forecasts (see *Certain Unaudited Prospective Financial Information of Albemarle and Rockwood* *Certain Unaudited Prospective Financial Information of Rockwood* beginning on page 71). BofA Merrill Lynch calculated terminal values for Rockwood by applying perpetuity growth rates ranging from 3.0% to 4.0% to Rockwood's projected unlevered, after-tax normalized free cash flows in the terminal year. The cash flows and terminal values were then discounted to present value as of June 30, 2014, assuming mid-year convention and using weighted average cost of capital discount rates ranging from 8.50% to 10.50%. This analysis indicated the following approximate implied per share equity value reference range for Rockwood (rounded to the nearest \$0.25 per share), as compared to the merger consideration:

**Implied Per Share Equity**

**Value Reference Range**

\$80.00 \$91.50

**Merger Consideration**

\$85.00

BofA Merrill Lynch also performed a discounted cash flow analysis to calculate the estimated present value of the run-rate synergies anticipated by the management of Albemarle to result from the transaction. The estimated cash flows resulting from such run-rate synergies (less the estimated costs to achieve such synergies) were discounted to present value as of June 30, 2014, assuming mid-year convention and using weighted average cost of capital discount rates ranging from 8.5% to 10.5%. This analysis indicated the following approximate implied per share equity value reference range for Rockwood (rounded to the nearest \$0.25 per share), as compared to the merger consideration:

**Implied Per Share Equity**

**Value Reference Range**

\$92.50 \$106.00

**Merger Consideration**

\$85.00

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***Other Factors***

BofA Merrill Lynch also noted certain additional factors that were not considered part of BofA Merrill Lynch's financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

historical trading prices of Rockwood common stock during the 52-week period ended July 10, 2014, noting that the low and high closing prices per share during such period were \$62.78 and \$81.65, respectively (with a volume weighted average price of \$71.27 per share);

present value of analyst share price targets for Rockwood common stock in recently published, publicly available research analysts' reports, noting that the low and high twelve month share price targets discounted to present value utilizing a cost of equity discount rate of 10.75%, ranged from \$64.00 to \$84.00, with an average of \$76.25 per share (per share values rounded to the nearest \$0.25 per share);

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. For each of these transactions, BofA Merrill Lynch calculated the premium represented by the offer price over the target company's: (1) unaffected share price, meaning the closing share price one trading day prior to the earliest of (i) the announcement of the transaction, (ii) the first reported rumor regarding the transaction, (iii) the target company's announcement of hiring financial advisors to explore a sale and (iv) any other public indication that a sale transaction would likely take place (which earliest date we refer to in this joint proxy statement/prospectus as the unaffected date), and (2) the high closing price for the 52-week period ending on the unaffected date. BofA Merrill Lynch then applied the premium range of (i) 14% to 33% derived from the unaffected share price for the transactions above to Rockwood's closing price per share on July 10, 2014, which indicated an implied per share equity value reference range for Rockwood (rounded to the nearest \$0.25 per share) of \$85.75 to \$100.00 per share, and (ii) 2% to 19% derived from the high closing price for the 52-week period ending on the unaffected date for the transactions above to Rockwood's high closing price for the 52-week period ending on July 10, 2014, which indicated an implied per share equity value reference range for Rockwood (rounded to the nearest \$0.25 per share) of \$83.25 to \$97.25 per share;

a discounted cash flow analysis of Albemarle to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Albemarle was forecasted to generate during the fiscal years ending December 31, 2014 through December 31, 2018 based on the Albemarle forecasts. BofA Merrill Lynch calculated terminal values for Albemarle by applying perpetuity growth rates ranging from 1.50% to 3.0% to Albemarle's projected unlevered, after-tax normalized free cash flows in the terminal year. The cash flows and terminal values were then discounted to present value as of June 30, 2014, assuming mid-year convention and using weighted average cost of capital discount rates ranging from 8.00% to 10.00%. This analysis indicated an approximate implied per share equity value reference range for Albemarle of \$70.49 to \$86.36 per share; and

potential pro forma financial effects of the transaction on Albemarle during the fiscal years ending December 31, 2014 through December 31, 2018 based on the Albemarle forecasts and Rockwood forecasts, taking into account, among other things, potential run-rate synergies anticipated by the management of Albemarle to result from the transaction, which indicated, among other things, that based on the merger consideration, the transaction would be accretive to earnings per share in fiscal years 2016, 2017 and 2018.

***Miscellaneous***

As noted above, the discussion set forth above is a summary of the material financial analyses performed by BofA Merrill Lynch in connection with its opinion to the Albemarle board of directors and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that the analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Albemarle, Rockwood or any other entity. The estimates of the future performance of Albemarle and Rockwood in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill

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Lynch's analysis of the fairness, from a financial point of view, of the merger consideration and were provided to the Albemarle board of directors in connection with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual value of Albemarle or Rockwood.

The type and amount of consideration payable in the merger was determined by Albemarle and Rockwood, rather than by any financial advisor, and was approved by the Albemarle board of directors. The decision to enter into the merger agreement was solely that of the Albemarle board of directors. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by the Albemarle board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the Albemarle board of directors or management with respect to the merger or the merger consideration.

In connection with BofA Merrill Lynch's services as Albemarle's financial advisor, Albemarle has agreed to pay BofA Merrill Lynch an aggregate fee of \$25 million, \$2 million of which was payable upon the delivery of its opinion and \$23 million of which is contingent upon consummation of the transaction. BofA Merrill Lynch and certain of its affiliates are also providing financing to Albemarle in connection with the transaction, for which services BofA Merrill Lynch and such affiliates will receive significant compensation, including acting as (i) a lead arranger, lender and administrative agent for a potential bridge financing facility, for a term loan credit facility and for a backstop revolving credit facility and (ii) an underwriter for a new bond issuance. Albemarle also has agreed to reimburse BofA Merrill Lynch for its documented reasonable out of pocket expenses, including fees and disbursements of its legal counsel, incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch and related persons against specified liabilities, including liabilities under the federal securities laws, arising out of its engagement.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of its businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Albemarle, Rockwood and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Albemarle and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as financial advisor to Albemarle in connection with a divestiture transaction, (ii) having acted or acting as administrative agent, joint book manager and joint lead arranger for, and/or as a lender under, certain term loans, letters of credit, credit and leasing facilities and other credit arrangements of Albemarle and certain of its affiliates, (iii) having acted or acting as dealer for a commercial paper program of Albemarle, (iv) having acted as placement agent for a share repurchase program of Albemarle, (v) having provided or providing certain managed institutional investments services and products to Albemarle and certain of its affiliates, (vi) having provided or providing certain commodity, derivatives, foreign exchange and other trading services to Albemarle and certain of its affiliates, and (vii) having provided or providing certain treasury management services and products to Albemarle and certain of its affiliates. From July 1, 2012 through June 30, 2014, BofA Merrill Lynch and its affiliates received aggregate revenues

from Albemarle and certain of its affiliates of approximately \$5 million for corporate, commercial and investment banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Rockwood and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as a lender under certain term loans and other credit arrangements of Rockwood and certain of its affiliates, (ii) having provided or providing certain foreign exchange and other trading services to Rockwood and certain of its affiliates, and (iii) having provided or providing certain treasury management services and products to Rockwood and certain of its affiliates. From July 1, 2012 through June 30, 2014, BofA Merrill Lynch and its affiliates received aggregate revenues from Rockwood and certain of its affiliates of approximately \$1 million for corporate, commercial and investment banking services.

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**Opinions of Rockwood's Financial Advisors**

**Opinion of Lazard**

Rockwood retained Lazard as a financial advisor in connection with the proposed merger. Rockwood requested that Lazard evaluate the fairness, from a financial point of view, of the merger consideration provided to holders of Rockwood common stock, other than to holders of Rockwood excluded shares. In connection with the merger, on July 14, 2014, Lazard rendered its written opinion to the Rockwood board of directors that, as of such date, and based upon and subject to the assumptions, matters considered, procedures, factors, qualifications and limitations set forth therein, the merger consideration to be received by holders of Rockwood common stock (other than holders of Rockwood excluded shares) was fair, from a financial point of view, to such holders of Rockwood common stock.

**The full text of Lazard's opinion, dated July 14, 2014, which sets forth the assumptions made, matters and factors considered, procedures followed, and qualifications and limitations on the review undertaken by Lazard in connection with its opinion, is attached to this joint proxy statement/prospectus as Annex C and is incorporated into this joint proxy statement/prospectus by reference. The description of Lazard's opinion set forth below is qualified in its entirety by reference to the full text of Lazard's opinion. We encourage you to read Lazard's opinion and this section carefully and in their entirety.**

**Lazard's opinion was directed to the Rockwood board of directors for the benefit of the Rockwood board of directors in connection with its evaluation of the merger and addressed only the fairness as of the date of the opinion, from a financial point of view, of the merger consideration to holders of Rockwood common stock (other than holders of Rockwood excluded shares). Lazard's opinion was not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger or any matter relating thereto. Lazard's opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, the date of the opinion. Lazard assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the opinion. Lazard did not express any opinion as to the prices at which shares of Rockwood common stock or Albemarle common stock may trade at any time subsequent to the announcement of the merger.**

In connection with its opinion, Lazard:

reviewed the financial terms and conditions of a draft, dated July 14, 2014, of the merger agreement;

reviewed certain publicly available historical business and financial information relating to Rockwood and Albemarle;

reviewed various financial forecasts and other data provided to Lazard by Rockwood relating to the business of Rockwood, financial forecasts and other data provided by Albemarle relating to the business of Albemarle and the projected synergies and other benefits, including the amount and timing thereof, anticipated by management of Albemarle to be realized from the merger, and certain publicly available financial forecasts relating to the business of Rockwood and Albemarle;



held discussions with members of the senior managements of Rockwood and Albemarle with respect to the businesses and prospects of Rockwood and Albemarle, respectively, and the projected synergies and other benefits, including the amount and timing thereof, anticipated by the managements of Rockwood and Albemarle to be realized from the merger;

reviewed public information with respect to certain other companies in lines of business Lazard believed to be generally relevant in evaluating the business of Rockwood and Albemarle, respectively;

reviewed the financial terms of certain business combinations involving companies in lines of business Lazard believed to be generally relevant in evaluating the business of Rockwood and Albemarle, respectively;

reviewed historical stock prices and trading volumes of Rockwood common stock and Albemarle common stock;

reviewed the potential pro forma financial impact of the merger on Albemarle based on financial forecasts referred to above relating to Rockwood and Albemarle; and

conducted such other financial studies, analyses and investigations as Lazard deemed appropriate.

Lazard assumed and relied upon the accuracy and completeness of the foregoing information, without independent verification of such information. Lazard did not conduct any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of Rockwood or Albemarle or concerning the solvency or fair value of Rockwood or Albemarle, and was not furnished with such valuation or appraisal. With respect to the financial forecasts utilized in Lazard's analyses, including those related to projected synergies and other benefits as well as costs incurred to realize those synergies anticipated by managements of Rockwood and Albemarle to be realized from the merger, Lazard assumed, with the consent

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of Rockwood, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of Rockwood and Albemarle, respectively, and such synergies, costs to achieve synergies, and other benefits. Additionally, Lazard assumed, with Rockwood's consent, that the Pigments Sale would be consummated in the second half of 2014 resulting in net proceeds of \$1 billion to Rockwood, and that Albemarle's sale of its antioxidant, ibuprofen and propofol business would be consummated by the end of 2014 resulting in net proceeds of \$85 million to Albemarle. As a result, the analyses of Rockwood and Albemarle include only continuing operations and did not include those businesses, other than certain cash flow adjustments in the second half of 2014.

In rendering its opinion, Lazard assumed, with the consent of Rockwood, that the merger would be consummated on the terms described in the merger agreement, without any waiver or modification of any material terms or conditions. Representatives of Rockwood advised Lazard, and Lazard assumed, that the merger agreement, when executed, would conform to the draft reviewed by Lazard in all material respects. Lazard also assumed, with the consent of Rockwood, that obtaining the necessary governmental, regulatory or third party approvals and consents for the merger would not have an adverse effect on Rockwood, Albemarle or the merger. Lazard did not express any opinion as to tax or other consequences that might result from the merger, nor did Lazard's opinion address any legal, tax, regulatory or accounting matters, as to which Lazard understood that Rockwood obtained such advice as it deemed necessary from qualified professionals. Lazard expressed no view or opinion as to any terms or other aspects (other than the merger consideration to the extent expressly specified therein) of the merger, including, without limitation, the form or structure of the merger or any agreements or arrangements entered into in connection with, or contemplated by, the merger. In addition, Lazard expressed no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the merger, or class of such persons, relative to the merger consideration or otherwise.

Lazard is an internationally recognized investment banking firm providing a full range of financial advisory and other services. Lazard was selected to act as investment banker to Rockwood because of its qualifications, expertise and reputation in investment banking and mergers and acquisitions, as well as its familiarity with the business of Rockwood.

In connection with Lazard's services as financial advisor to Rockwood, Rockwood agreed to pay Lazard an aggregate fee based on a percentage formula of the aggregate merger consideration of \$21 million, \$2 million of which was payable upon the rendering of Lazard's opinion and the remainder of which is payable upon consummation of the merger. In the event Rockwood or its affiliates or its or their securityholders is paid a break-up, termination, topping or similar fee, payment or judgment, upon receipt thereof, Rockwood agreed to pay Lazard a fee equal to 17.5% of such amount net of Rockwood's fees and expenses in connection with the merger, provided that such fee may not exceed \$21 million and will be credited against the amount of Lazard's aggregate fee described above to the extent subsequently payable. Rockwood has also agreed to reimburse Lazard for certain expenses incurred in connection with Lazard's engagement and to indemnify Lazard and certain related persons under certain circumstances against certain liabilities that may arise from or related to Lazard's engagement, including certain liabilities under U.S. federal securities laws.

Lazard, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, leveraged buyouts, and valuations for estate, corporate and other purposes. In the two years prior to the date of its opinion, Lazard acted as financial advisor to Rockwood in connection with the CeramTec Sale, the Clay-Based Additives Sale, the pending Pigments Sale, the potential acquisition of Talison Lithium Limited in 2012 and the Talison Acquisition. Further, Lazard Capital Markets LLC acted as co-manager of Rockwood's September 2012 issuance of \$1,250 million 4.625% senior notes due 2020. The compensation received or

to be received by Lazard and Lazard Capital Markets LLC in connection with these matters is approximately \$28.9 million. In addition, in the ordinary course, Lazard and its affiliates and employees may trade securities of Rockwood and Albemarle for their own accounts and for the accounts of their customers, may at any time hold a long or short position in such securities, and may also trade and hold securities on behalf of Rockwood and Albemarle and their respective affiliates. The issuance of Lazard's opinion was approved by the opinion committee of Lazard.

### **Opinion of Citi**

Citi also was retained as financial advisor to Rockwood in connection with the proposed merger. On July 14, 2014, at a meeting of the Rockwood board of directors held to evaluate the merger, Citi delivered to the Rockwood board of directors an oral opinion, confirmed by a delivery of a written opinion dated July 14, 2014, to the effect that, as of the date and based on and subject to various assumptions, matters considered, procedures, factors, qualifications and limitations described in its opinion, the merger consideration provided to holders of Rockwood common stock (other than holders of Rockwood excluded shares) was fair, from a financial point of view, to such holders of Rockwood common stock.

The full text of Citi's opinion, dated July 14, 2014, which describes the assumptions made, matters and factors considered, procedures followed, qualifications and limitations on the review undertaken, is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference. The description of Citi's opinion set forth below is

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qualified in its entirety by reference to the full text of Citi's opinion. **Citi's opinion was provided for the information of the Rockwood board of directors (in its capacity as such) in connection with its evaluation of the merger consideration from a financial point of view and did not address any other terms, aspects or implications of the merger. Citi was not requested to consider, and its opinion did not address, the underlying business decision of Rockwood to effect the merger, the relative merits of the merger as compared to any alternative business strategies or opportunities that might exist for Rockwood or the effect of any other transaction in which Rockwood might engage. Citi's opinion is not intended to be and does not constitute a recommendation as to how any shareholder should vote or act on any matters relating to the proposed merger or otherwise.**

In arriving at its opinion, Citi, among other things:

reviewed a draft, dated July 14, 2014, of the merger agreement;

held discussions with certain senior officers, directors and other representatives and advisors of Rockwood and certain senior officers and other representatives and advisors of Albemarle concerning the businesses, operations and prospects of Rockwood and Albemarle, respectively;

reviewed certain publicly available business and financial information relating to Rockwood and Albemarle as well as certain financial forecasts and other information and data relating to Rockwood and Albemarle which were provided to or discussed with Citi by the management of Rockwood and Albemarle, respectively, and certain information relating to potential strategic and operational benefits (including the amount, timing and achievability of potential cost savings) anticipated by the management of Albemarle to result from the merger;

reviewed the financial terms of the merger as set forth in the merger agreement in relation to, among other things, current and historical market prices and trading volumes of Rockwood common stock and Albemarle common stock, the historical and projected earnings and other operating data of Rockwood and Albemarle and the capitalization and financial condition of Rockwood and Albemarle;

considered, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the merger;

analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations as Citi considered relevant in evaluating those of Rockwood and Albemarle;

evaluated certain potential pro forma financial effects of the merger on Albemarle; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria Citi deemed appropriate in arriving at its opinion.

Citi was not requested to approach or hold discussions with any third parties to solicit indications of interest in the possible acquisition of Rockwood; however, Lazard was requested to approach, and held discussions with, selected third parties to solicit indications of interest in the possible acquisition of all or a part of Rockwood. In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of the managements of Rockwood and Albemarle that they were not aware of any relevant information that was omitted or that remained undisclosed to Citi. With respect to financial forecasts and other information and data relating to Rockwood or Albemarle provided to or otherwise reviewed by or discussed with Citi, Citi was advised by the management of Rockwood and Albemarle, respectively, that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Rockwood and Albemarle as to the future financial performance of Rockwood and Albemarle. Citi assumed, with Rockwood's consent, that the Pigments Sale will be consummated in the second half of 2014 resulting in net proceeds of \$1 billion to Rockwood, and that Albemarle's sale of its antioxidant, ibuprofen and propofol business will be consummated by the end of 2014 resulting in net proceeds of \$85 million to Albemarle. As a result, the analyses of Rockwood and Albemarle include only continuing operations and do not include those businesses, other than certain cash flow adjustments in the second half of 2014.

Citi also was advised, and assumed, with the consent of Rockwood and Albemarle, that the estimates of management of Albemarle as to the potential cost savings anticipated by such management as a result of the merger, including the amount, timing, and achievability thereof, were reasonably prepared and reflected management's best currently available estimates and judgments. Citi further assumed, with Rockwood's consent, that the financial results (including, without limitation, potential cost savings) reflected in the financial forecasts and other information and data utilized in Citi's analyses will be realized at the times and in the amounts projected.

Citi assumed that the merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the merger, no delay, limitation, restriction or condition will be imposed that

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would have an adverse effect on Rockwood, Albemarle or the merger. Representatives of Rockwood advised Citi, and Citi further assumed, that the final terms of the merger agreement would not vary materially from those set forth in the draft reviewed by Citi. Citi did not make nor was provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Rockwood or Albemarle nor did Citi make any physical inspection of the assets or properties of Rockwood or Albemarle. Citi's opinion did not address the underlying business decision of Rockwood to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Rockwood or the effect of any other transaction in which Rockwood might have engaged. Citi also expressed no view as to, and Citi's opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the merger consideration. Citi's opinion was necessarily based upon information available to Citi, and financial, stock market and other conditions and circumstances existing, as of the date of the opinion.

Citi is an internationally recognized investment banking firm that regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. Rockwood selected Citi to act as its financial advisor in connection with the proposed merger based on Citi's reputation, experience and familiarity with Rockwood and its business.

In connection with Citi's services as Rockwood's financial advisor, Rockwood agreed to pay Citi an aggregate fee based on a percentage formula of the aggregate merger consideration of \$9 million, \$2 million of which was payable upon the rendering of Citi's opinion and the remainder of which is payable upon consummation of the merger. If in connection with the termination or abandonment of the merger Rockwood receives any termination, break-up, topping or similar fee or payment Rockwood agreed to pay Citi a fee equal to 7.5% of all such fees, net of direct out-of-pocket expenses incurred by Rockwood in connection with the merger excluding this termination fee, payable in cash and upon receipt of any such fees, provided that in no event shall such fee exceed \$9 million, and will be credited against the amount of Citi's aggregate fee described above to the extent subsequently payable. In addition, Rockwood has agreed to reimburse Citi for certain expenses, including fees and expenses of counsel, and to indemnify Citi and related parties against certain liabilities, including under federal securities laws, arising from Citi's engagement.

Citi and its affiliates in the past two years prior to the date of Citi's opinion have provided services to Rockwood unrelated to the proposed merger, for which services Citi and such affiliates have received compensation, including, without limitation, acting as joint book-runner manager on Rockwood's September 2012 issuance of \$1,250 million 4.625% senior notes due 2020. The compensation received by Citi in connection with these matters is approximately \$3.0 million. In the ordinary course of business, Citi and its affiliates may actively trade or hold securities of Rockwood and Albemarle for Citi's own account or for the account of Citi's customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citi and its affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Rockwood, Albemarle and their respective affiliates. The issuance of Citi's opinion was authorized by the fairness opinion committee of Citi.

**Summary of Financial Analyses**

In connection with the rendering of their respective opinions to the Rockwood board of directors, Lazard and Citi performed a variety of financial and comparative analyses which are summarized below. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. Lazard and Citi arrived at their respective opinions based on the results of all analyses undertaken and assessed as a whole, and they did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Lazard and Citi

believe that the financial analyses and this summary must be considered as a whole.

In performing their financial analyses, Lazard and Citi considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of their respective opinions, many of which are beyond Lazard's and Citi's control. The assumptions and estimates contained in the financial analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than those suggested by such analyses. In addition, financial analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the assumptions and estimates used in, and the results derived from, the financial analyses are inherently subject to substantial uncertainty. Implied price per share reference ranges in the summary below of the material financial analyses prepared by Lazard and Citi are rounded to the nearest \$0.25.

The type and amount of consideration payable in the merger was determined by Albemarle and Rockwood, rather than by any financial advisor, and was approved by the Rockwood board of directors. The decision to enter into the merger agreement was solely that of the Rockwood board of directors. As described above, Lazard and Citi's opinions and analyses

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were only one of many factors considered by the Rockwood board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the Rockwood board of directors or management with respect to the merger or the merger consideration.

The following is a brief summary of the material financial analyses prepared and reviewed with the Rockwood board of directors in connection with Lazard's and Citi's respective opinions, each dated July 14, 2014. **The summary set forth below does not purport to be a complete description of the financial analyses performed or factors considered by, and underlying the opinions of, Lazard and Citi, nor does the order of the financial analyses described represent the relative importance or weight given to those financial analyses by Lazard or Citi. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary as the tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering all financial analyses or factors or the full narrative description of such analyses or factors, including the methodologies and assumptions underlying such analyses or factors, could create a misleading or incomplete view of the process underlying such financial analyses and Lazard's and Citi's respective opinions. None of Rockwood, Albemarle, Lazard, Citi or any other person assumes responsibility if future results are different from those described, whether or not such difference is material.**

### *Selected Comparable Company Multiples Analysis*

Lazard and Citi reviewed certain financial information, valuation multiples and market trading data relating to Rockwood, Albemarle and selected publicly traded companies that Lazard and Citi believed, based on their experience with companies in the specialty chemicals industry, to be similar to Rockwood's, Albemarle's and the combined company's operations for purposes of this analysis. Financial data of the selected companies were based on Wall Street research consensus estimates, public filings and other publicly available information. Financial data of Rockwood and Albemarle and the combined company were based on Rockwood and Albemarle management forecasts, respectively.

Lazard and Citi reviewed aggregate enterprise value, (which we refer to in this joint proxy statement/prospectus as EV) (calculated as market capitalization plus book value of total debt, plus noncontrolling interest (as appropriate for the company being analyzed), less cash, cash equivalents and marketable securities) as a multiple of estimated calendar year 2015 earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, of Rockwood, Albemarle and each of the comparable companies.

### *Rockwood*

Lazard and Citi reviewed data for Rockwood and the following nine selected publicly traded companies in the specialty chemicals industry (which we refer to in this joint proxy statement/prospectus as the Rockwood selected companies):

Cytec Industries Inc.

Ecolab Inc.



FMC Corporation

Hexcel Corporation

Platform Specialty Products Corporation

Polypore International, Inc.

PPG Industries, Inc.

The Valspar Corporation

W.R. Grace & Co.

The overall low to high estimated calendar year 2015 EBITDA multiples observed for the Rockwood selected companies based on market data as of July 10, 2014 were 9.6x to 15.9x, with a mean multiple of 11.3x and a median multiple of 10.7x.

Based on the foregoing and Lazard's and Citi's professional judgment, Lazard and Citi applied a range of multiples of 10.5x to 11.5x to estimated calendar year 2015 EBITDA of Rockwood. For purposes of this analysis, the estimated June 30, 2014 balance sheet of Rockwood was utilized, as adjusted for the expected proceeds from the expected Pigments Sale and Rockwood's expected acquisition of a 100% interest in certain Chinese joint ventures by its surface treatment segment. This analysis indicated an implied price per share reference range for Rockwood common stock of \$67.25 to \$73.25, as compared to the implied value of the merger consideration of \$85.00 per share of Rockwood common stock, based on the June 20, 2014 closing price of Albemarle common stock of \$71.52.

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***Albemarle***

Lazard and Citi reviewed data for Albemarle and the following seven selected publicly traded companies in the specialty chemicals industry (which we refer to in this joint proxy statement/prospectus as the Albemarle selected companies):

Ashland Inc.

Chemtura Corporation

Cytec Industries Inc.

FMC Corporation

Hexcel Corporation

Platform Specialty Products Corporation

W.R. Grace & Co.

The overall low to high estimated calendar year 2015 EBITDA multiples observed for the Albemarle selected companies based on market data as of July 10, 2014 were 8.2x to 15.9x, with a mean multiple of 10.2x and a median multiple of 9.6x.

Based on the foregoing and Lazard's and Citi's professional judgment, Lazard and Citi applied a range of multiples of 9.5x to 10.5x to estimated calendar year 2015 EBITDA of Albemarle. This analysis indicated an implied price per share reference range for Albemarle common stock of \$70.00 to \$78.00, as compared to the 20-trading day volume weighted average price (which we refer to in this joint proxy statement/prospectus as VWAP) as of July 10, 2014 per share of Albemarle common stock of \$71.47.

***Pro Forma Combined Company***

Lazard and Citi reviewed data for the combined company and data for the Rockwood selected companies and the Albemarle selected companies described above. Lazard and Citi applied a range of multiples of 10.0x to 11.5x, the low end of which reflected the average of the low end of the selected multiple ranges utilized in the stand-alone analyses for Rockwood and Albemarle described above, and the high end of which reflected the high end of the stand-alone analyses for Rockwood, to estimated pro forma calendar year 2015 EBITDA of the combined company. For purposes of this analysis, estimated pro forma calendar year 2015 EBITDA of the combined company included annual run-rate cost synergies of \$100 million and the future costs of \$150 million to be incurred to achieve such synergies were capitalized as debt. This analysis indicated an implied pro forma price per share reference range for Albemarle common stock following the merger of \$69.00 to \$84.50.

No company utilized in the comparable company analysis is identical to Rockwood or Albemarle and hence this analysis involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Rockwood and Albemarle were compared. In evaluating comparable companies, Lazard and Citi made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Rockwood and Albemarle, such as the impact of competition on the businesses of Rockwood and Albemarle and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Rockwood and Albemarle or the industry or in the financial markets in general. Mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using comparable company data.

***Rockwood Selected Precedent Transactions Analysis***

Lazard and Citi reviewed and analyzed certain publicly available financial information for selected precedent merger and acquisition transactions from 2006 to 2014 with a transaction value greater than \$1 billion involving companies in the specialty chemicals industry that Lazard and Citi believed, based on their experience, to be relevant for purposes of this analysis. In performing these analyses, Lazard and Citi analyzed certain financial information and transaction multiples relating to the target companies involved in the selected transactions and compared such information to the corresponding information for Rockwood.

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Although none of the selected precedent transactions or the companies party to such transactions is directly comparable to the merger or to Rockwood, all of the transactions were chosen because they involve transactions that, for purposes of analysis, may be considered similar to the merger and/or involved targets that, for purposes of analysis, may be considered similar to Rockwood. The transactions reviewed were:

<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>
March 10, 2014	Minerals Technologies Inc.	AMCOL International Corp.
December 5, 2013	Merck KGaA	AZ Electronic Materials SA
October 10, 2013	Platform Acquisition Holdings Limited	MacDermid Incorporated
October 7, 2013	Solvay SA	Chemlogics Group LLC
June 16, 2013	Cinven Ltd.	CeramTec GmbH
November 7, 2012	Gulf Oil Corp.	Houghton International Inc.
October 12, 2012	Ecolab Inc.	Champion Technologies Inc.
June 21, 2012	Cabot Corporation	Norit N.V.
January 27, 2012	Eastman Chemical Company	Solutia Inc.
July 20, 2011	Ecolab Inc.	Nalco Holding Company
July 11, 2011	Lonza Group Ltd.	Arch Chemicals, Inc.
June 1, 2011	Sealed Air Corporation	Diversey, Inc.
May 31, 2011	Ashland Inc.	International Specialty Products Inc.
February 16, 2011	Clariant AG	Süd-Chemie AG
January 9, 2011	E. I. du Pont de Nemours and Company	Danisco A/S
June 23, 2010	BASF SE	Cognis GmbH
September 15, 2008	BASF SE	Ciba Holding AG
July 11, 2008	Ashland Inc.	Hercules Inc.
July 10, 2008	The Dow Chemical Company	Rohm and Haas Co.
August 6, 2007	Akzo Nobel N.V.	Imperial Chemical Industries plc
July 19, 2007	PPG Industries Inc.	SigmaKalon Group B.V.
January 3, 2006	BASF AG	Engelhard Corporation

For each of the transactions for which information was publicly available, Lazard and Citi compared the enterprise value implied by the purchase price in each transaction as a multiple of annual EBITDA for the target company based on the most recently available public information at the time of announcement of the relevant transaction. The overall low to high estimated EBITDA multiples observed for the selected transactions were 7.3x to 12.8x.

Based on the foregoing and Lazard's and Citi's professional judgment, Lazard and Citi applied a range of multiples of 11.0x to 13.0x to estimated calendar year 2014 EBITDA of Rockwood. For purposes of this analysis, the estimated June 30, 2014 balance sheet of Rockwood was utilized, as adjusted for the expected proceeds from the expected Pigments Sale and Rockwood's expected acquisition of a 100% interest in certain Chinese joint ventures by its surface treatment segment. This analysis indicated an implied price per share reference range for Rockwood common stock of \$64.50 to 75.25, as compared to the implied value of the merger consideration of \$85.00 per share of Rockwood common stock, based on the June 20, 2014 closing price of Albemarle common stock of \$71.52.

**Discounted Cash Flow Analysis**

Lazard and Citi performed a discounted cash flow analysis of each of Rockwood, Albemarle and the pro forma combined company, in each case as of June 30, 2014. Discounted cash flow analysis is a valuation methodology used to derive a valuation of a company by calculating the present value of estimated future cash flows of the company.

Future cash flows refers to projected unlevered free cash flows of a company. For each of Rockwood, Albemarle and the combined company, Lazard and Citi calculated the discounted cash flow value as the sum of the net present value of the estimated future cash flows that such company is expected to generate for each of the years from July 1, 2014 through December 31, 2019 and the estimated terminal value of such company at the end of 2019.

***Rockwood***

For the discounted cash flow calculations of Rockwood, Lazard and Citi applied discount rates ranging from 8.5% to 9.5% to the estimated future cash flows of Rockwood. The terminal value of Rockwood was calculated applying terminal value EBITDA multiples ranging from 10.5x to 11.5x on a latest twelve months (which we refer to in this joint proxy statement/prospectus as LTM) basis to Rockwood's estimated calendar year 2019 EBITDA. Using their professional judgment, Lazard and Citi selected the ranges of discount rates and terminal value EBITDA multiples above based on an analysis of weighted average cost of capital and terminal value EBITDA multiples of the Rockwood selected companies. For purposes of this analysis, EBITDA excluded Rockwood's 49% interest in the Talison JV, and included the present value of estimated potential dividends from the Talison JV until 2053 (the current estimated life of the Talison mine), which, based on Lazard's and Citi's professional judgment, was discounted at a rate of 13.5%. This analysis indicated an implied per share

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equity value reference range for Rockwood common stock of \$79.75 to \$88.00, as compared to the implied value of the merger consideration of \$85.00 per share of Rockwood common stock, based on the June 20, 2014 closing price of Albemarle common stock of \$71.52.

***Albemarle***

For the discounted cash flow calculations of Albemarle, Lazard and Citi applied discount rates ranging from 8.0% to 9.0% to the estimated future cash flows of Albemarle. The terminal value of Albemarle was calculated applying terminal value multiples ranging from 10.0x to 11.0x on an LTM basis to Albemarle's estimated calendar year 2019 EBITDA. Using their professional judgment, Lazard and Citi selected the ranges of discount rates and terminal value EBITDA multiples above based on an analysis of weighted average cost of capital and terminal value EBITDA multiples of the Albemarle selected companies. For purposes of this analysis, EBITDA included equity earnings less non-controlling interests. This analysis indicated an implied per share equity value reference range for Albemarle common stock of \$83.00 to \$93.75, as compared to the 20-trading day VWAP as of July 10, 2014 of Albemarle common stock of \$71.47.

***Pro Forma Combined Company***

For the discounted cash flow calculations of the pro forma combined company (including synergies), Lazard and Citi applied discount rates ranging from 8.5% to 9.5% to the estimated future cash flows of the combined company, including total annual cost synergies of \$100 million as realized (\$50 million realized in 2015 and the remaining \$50 million realized in 2016) and the total costs of \$150 million to achieve such synergies as incurred (\$75 million in 2015 and \$75 million in 2016) according to, among other things, Lazard's and Citi's judgment of an estimated range of weighted average cost of capital based on an analysis of the Rockwood and Albemarle selected companies discussed above. The terminal value of the combined company was calculated applying terminal value multiples ranging from 10.0x to 11.5x on an LTM basis to the combined company's estimated calendar year 2019 EBITDA. For purposes of this analysis, EBITDA excluded Rockwood's 49% interest in the Talison JV and included the present value of estimated potential dividends from the Talison JV until 2053, which, based on Lazard's and Citi's professional judgment, was discounted at a rate of 13.5%. This analysis indicated an implied per share equity value reference range for shares of the combined company of \$80.75 to \$98.50.

**Other Analyses*****Present Value of Hypothetical Future Stock Prices Analysis***

Lazard and Citi performed an illustrative analysis of the implied present values of the future stock prices of Rockwood, Albemarle and the combined company. This illustrative analysis is designed to provide an indication of the present value of a theoretical future value of a company's equity. For each of Rockwood, Albemarle and the combined company, Lazard and Citi calculated a range of implied share prices of the applicable common stock at year-end for each of the calendar years 2014 to 2018 by applying the applicable selected multiple ranges from the *Selected Comparable Companies Multiples Analysis* described above to estimated calendar year EBITDA of each company for each of the calendar years 2015 to 2019.

***Rockwood***

Lazard and Citi then calculated the resulting range of implied per share equity values for calendar years 2014 to 2018 and discounted that range to June 30, 2014, using a discount rate of 11.0%, reflecting the estimated cost of equity of Rockwood. This analysis indicated an implied per share equity value reference range for Rockwood common stock of

\$62.25 to \$79.75, as compared to the implied value of the merger consideration of \$85.00 per share of Rockwood common stock.

***Albemarle***

Lazard and Citi then calculated the resulting range of implied per share equity values for calendar years 2014 to 2018 and discounted that range to June 30, 2014, using a discount rate of 9.2%, reflecting the estimated cost of equity of Albemarle. This analysis indicated an implied per share equity value reference range for Albemarle common stock of \$66.75 to \$82.00, as compared to the 20-trading day VWAP as of July 10, 2014 of Albemarle common stock of \$71.47.

***Pro Forma Combined Company***

Lazard and Citi then calculated the resulting range of implied per share equity values for calendar years 2014 to 2018 and discounted that range to June 30, 2014, using a discount rate of 9.2%, reflecting the estimated cost of equity of Albemarle. For purposes of this analysis, estimated pro forma calendar year EBITDA of Albemarle included annual run-rate cost synergies of \$100 million and the future costs of \$150 million to be incurred to achieve such synergies were capitalized as debt. This analysis indicated an implied pro forma price per share reference range for the common stock of the combined company following the merger of \$66.00 to \$102.50.

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**Table of Contents*****Share Price Performance***

Lazard and Citi reviewed the stock price performance of Rockwood and Albemarle from January 1, 2013 to July 10, 2014 against the S&P 500, the Rockwood selected companies and the Albemarle selected companies, respectively. Lazard and Citi noted that, over this period, the stock prices of Rockwood and Albemarle increased 52% and 15%, respectively, as compared to those of the S&P 500, the Rockwood selected companies and the Albemarle selected companies, which increased 38%, 55% and 50%, respectively.

***Historical Trading Multiples***

Lazard and Citi reviewed the multiples EV to the next twelve months (which we refer to in this joint proxy statement/prospectus as NTM) EBITDA (based on consensus estimates for NTM EBITDA) of Rockwood for each fiscal quarter beginning with the fourth quarter of 2005 against those of the Rockwood selected companies discussed above in *Summary of Financial Analyses Selected Comparable Company Multiples Analysis Rockwood*. Lazard and Citi noted that on an EV to NTM EBITDA basis, Rockwood's stock was trading at an average multiple of 7.7x and a median multiple of 7.1x, as compared to the average multiple of 9.0x and the median multiple of 8.8x for the stock of the Rockwood selected companies. Further, Lazard and Citi noted that from the first quarter of 2013 to the third quarter of 2014 (through July 10, 2014), Rockwood's stock traded at a multiple of 8.3x to 13.0x, for an overall expansion during that period of 4.7x, compared to an overall expansion during that period of 1.6x for the stock of the Rockwood selected companies.

Additionally, Lazard and Citi reviewed the multiples of EV to NTM EBITDA (based on consensus estimates for NTM EBITDA) of Albemarle for each fiscal quarter beginning with the fourth quarter of 2005 against those of the Albemarle selected companies discussed above in *Summary of Financial Analyses Selected Comparable Company Multiples Analysis Albemarle*. Lazard and Citi noted that on an EV to NTM EBITDA basis, Albemarle's stock was trading at an average multiple of 8.8x and a median multiple of 9.1x, as compared to the average multiple of 7.6x and the median multiple of 7.5x for the stock of the Albemarle selected companies. Further, Lazard and Citi noted that from the first quarter of 2013 to the third quarter of 2014 (through July 10, 2014), Albemarle's stock traded at a multiple of 8.2x to 10.2x, for an overall expansion during that period of 2.0x, compared to an overall expansion during that period of 2.2x for the stock of the Albemarle selected companies.

***Research Analyst Price Targets***

Lazard and Citi reviewed selected equity analyst price targets based on published, publicly available Wall Street equity research reports. The 12-month equity analyst target prices observed ranged from \$71.00 to \$93.00, with a median 12-month target price of \$88.50 in the case of Rockwood, and ranged from \$65.00 to \$81.00, with a median 12-month target price of \$71.00 in the case of Albemarle.

***Pro Forma Merger Analysis***

Lazard and Citi analyzed the potential pro forma financial effects of the merger on Albemarle's standalone earnings per share (which we refer to in this joint proxy statement/prospectus as EPS) and the combined company's pro forma EPS on both a GAAP basis (including amortization from asset step-up, but excluding synergy implementation cost) and a cash basis (excluding amortization from asset step-up and synergy implementation cost), in each case for calendar years 2015 through 2019. The purchase price allocation related to the acquisition and depreciable life of Rockwood assets were preliminary and based on the guidance of Albemarle management. Lazard and Citi noted that the merger is expected to be accretive to Albemarle's and the combined company's estimated pro forma EPS for each of the calendar years 2015 through 2019, except for the combined company's pro forma EPS on a GAAP basis for the



year 2015.

Lazard and Citi also analyzed the potential pro forma financial effects of the merger on the combined company's pro forma leverage ratio, defined as the ratio of total book value of debt less cash, cash equivalents and marketable securities to EBITDA, for its calendar years 2014 through 2018. For purposes of this analysis, Lazard and Citi assumed a December 31, 2014 closing for the merger, included estimated annual cost synergies of \$100 million and utilized Albemarle's projected tax rates. Lazard and Citi noted that following the merger, the combined company's estimated pro forma leverage ratio is expected to decline for each of the calendar years 2015 through 2018.

### **Certain Unaudited Prospective Financial Information of Albemarle and Rockwood**

#### **Certain Unaudited Prospective Financial Information of Albemarle**

Albemarle does not as a matter of course make public long-term projections as to future revenue, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, Albemarle is including in this joint proxy statement/prospectus certain unaudited prospective financial information regarding Albemarle's anticipated future operations that was made available to the Albemarle board of directors, Albemarle's financial advisor, the Rockwood board of directors and Rockwood's financial advisors in connection with the merger.

See also *Opinion of*

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*Albemarle's Financial Advisor* beginning on page 57. The unaudited prospective financial information of Albemarle included below (which we refer to in this joint proxy statement/prospectus as the Albemarle forecasts) was prepared by Albemarle's management as part of Albemarle's long-range plan for its business for fiscal years 2014-2019 and treats Albemarle on a standalone basis, without giving effect to the merger and as if the merger had not been contemplated by Albemarle.

*Albemarle forecasts (\$ in millions, except per share data) (1)*

	2014	2015	2016	2017	2018	2019
Revenue	\$ 2,572	\$ 2,675	\$ 2,782	\$ 2,893	\$ 3,009	\$ 3,129
EBITDA	\$ 574	\$ 632	\$ 691	\$ 755	\$ 785	\$ 817
EPS	\$ 4.33	\$ 4.95	\$ 5.49	\$ 6.10	\$ 6.42	\$ 6.75

(1) Excludes discontinued operations.

(2) The Albemarle forecasts for 2019 were provided only to Albemarle's financial advisor, Rockwood and Rockwood's financial advisors.

The Albemarle forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP. The Albemarle forecasts were prepared by, and are the responsibility of, Albemarle's management. PricewaterhouseCoopers LLP, Albemarle's independent auditor, has not examined, compiled or performed any procedures with respect to the accompanying prospective financial information contained in the Albemarle forecasts and, accordingly, PricewaterhouseCoopers LLP has not expressed an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP report incorporated by reference in this joint proxy statement/prospectus relates to Albemarle's historical financial information. It does not extend to prospective financial information and should not be read to do so.

The summary of the Albemarle forecasts is not being included to influence your decision whether to vote for the Albemarle share issuance or the adoption of the merger agreement (as the case may be), but is being provided because the Albemarle forecasts were considered in connection with the merger and were provided to Albemarle's financial advisor and also to Rockwood and its financial advisors.

The Albemarle forecasts were prepared based solely on information available at the time of preparation and are not a guarantee of actual future results, and the information contained in such forecasts should not be relied upon as such. None of Albemarle, Rockwood or their respective affiliates or advisors assumes any responsibility to shareholders for the accuracy of this information. Financial forecasts involve risks, uncertainties and assumptions. Albemarle cannot assure you that the Albemarle forecasts will be realized or that future financial results of Albemarle will not materially vary from the Albemarle forecasts. The Albemarle forecasts cover multiple years and such information by its nature becomes subject to greater uncertainty with each successive year. The Albemarle forecasts do not take into account any circumstances or events occurring after the date they were prepared. **ALBEMARLE AND ROCKWOOD DO NOT HAVE ANY OBLIGATION TO, AND WILL NOT, UPDATE OR OTHERWISE REVISE THE FINANCIAL FORECASTS INCLUDED IN THIS JOINT PROXY STATEMENT/PROSPECTUS TO REFLECT THE OCCURRENCE OF SUBSEQUENT EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH FINANCIAL FORECASTS ARE NO LONGER APPROPRIATE.**

The Albemarle forecasts included in this joint proxy statement/prospectus are forward-looking statements. For more information on factors which may cause Albemarle's future financial results to materially vary from those projected in the Albemarle forecasts, see *Risk Factors* beginning on page 23 and *Special Note regarding Forward-Looking Statements* beginning on page 30.

#### **Certain Unaudited Prospective Financial Information of Rockwood**

Rockwood does not as a matter of course make public projections as to future sales, earnings, or other results. However, the management of Rockwood has prepared the prospective financial information set forth below to present the long-range plan for its business for fiscal years 2014-2019. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of Rockwood's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of Rockwood. However, this information is not fact and should not be relied upon as being necessarily indicative of future

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results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the prospective financial information. This unaudited prospective financial information regarding Rockwood's anticipated future operations treats Rockwood on a standalone basis, without giving effect to the merger and as if the merger had not been contemplated by Rockwood. This was made available to the Rockwood board of directors, Rockwood's financial advisors, the Albemarle board of directors and Albemarle's financial advisor in connection with the merger. See also *Opinions of Rockwood's Financial Advisors* beginning on page 74.

**Rockwood forecasts (\$ in millions) (1)(2)**

	2014	2015	2016	2017	2018	2019
Revenue	\$ 1,574	\$ 1,665	\$ 1,777	\$ 1,910	\$ 2,033	\$ 2,161
EBITDA	\$ 391	\$ 429	\$ 477	\$ 549	\$ 622	\$ 686

(1) Excludes discontinued operations.

(2) Includes EBITDA from the Talison JV, shown on a proportionate consolidation basis for 49% ownership; amounts for 2014 reflect full-year ownership of the Talison JV.

Neither Deloitte & Touche LLP, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the accompanying prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective information. The Deloitte & Touche LLP report incorporated by reference in this joint proxy statement/prospectus relates to Rockwood's historical financial information. It does not extend to prospective financial information and should not be read to do so.

The summary of the Rockwood forecasts is not being included to influence your decision whether to vote for the Albemarle share issuance or the adoption of the merger agreement (as the case may be), but is being provided because the Rockwood forecasts were considered in connection with the merger and were provided to Rockwood's financial advisors and also to Albemarle and its financial advisor.

The Rockwood forecasts were prepared based solely on information available at the time of preparation and are not a guarantee of actual future results, and the information contained in such forecasts should not be relied upon as such. None of Rockwood, Albemarle or their respective affiliates or advisors assumes any responsibility to shareholders for the accuracy of this information. Financial forecasts involve risks, uncertainties and assumptions. Rockwood and Albemarle cannot assure you that the Rockwood forecasts will be realized or that future financial results of Rockwood will not materially vary from such financial forecasts. The Rockwood forecasts cover multiple years and such information by its nature becomes subject to greater uncertainty with each successive year. The Rockwood forecasts do not take into account any circumstances or events occurring after the dates they were prepared. **ROCKWOOD AND ALBEMARLE DO NOT HAVE ANY OBLIGATION TO, AND WILL NOT, UPDATE OR OTHERWISE REVISE THE FINANCIAL FORECASTS INCLUDED IN THIS JOINT PROXY STATEMENT/PROSPECTUS TO REFLECT THE OCCURRENCE OF SUBSEQUENT EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH FINANCIAL FORECASTS ARE NO LONGER APPROPRIATE.**

The Rockwood forecasts included in this joint proxy statement/prospectus are forward-looking statements. For more information on factors which may cause Rockwood's future financial results to materially vary from those projected in the Rockwood forecasts, see *Risk Factors* beginning on page 23 and *Special Note regarding Forward-Looking*

*Statements* beginning on page 30.

### **Interests of Rockwood Directors and Executive Officers in the Merger**

In considering the recommendation of the Rockwood board of directors that Rockwood shareholders vote to adopt the merger agreement, you should be aware that certain of Rockwood's directors and executive officers have interests in the merger that differ from, or are in addition to, the interests of Rockwood shareholders generally. The Rockwood board of directors was aware of, and considered the interests of, Rockwood's directors and executive officers in approving the merger agreement. For purposes of all of the agreements and plans described below, the completion of the merger will constitute a change of control of Rockwood.

Although Mr. Ghasemi is no longer an executive officer of Rockwood following his retirement as chief executive officer on June 30, 2014 in order to become Chairman, President and Chief Executive Officer of Air Products & Chemicals, Inc., we have included in this section information with respect to Mr. Ghasemi because he was an executive officer during 2014 and remains Chairman of the Rockwood board of directors. In addition, although Dr. Dicciani is no longer a director following her retirement on July 1, 2014, we have included in this section information with respect to Dr. Dicciani because she was a director during 2014 prior to her retirement on July 1, 2014.

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**Table of Contents****Board Membership**

The merger agreement provides that, at the effective time of the merger, Albemarle will appoint three individuals designated by the Rockwood board of directors to join the Albemarle board of directors. If a designee is not a member of the Rockwood board of directors as of the date of the merger agreement, the designee must be reasonably acceptable to the Nominating and Corporate Governance Committee of the Albemarle board of directors. Each Rockwood designee will serve on the Albemarle board of directors initially until the next annual meeting of Albemarle shareholders. Albemarle has agreed that each Rockwood designee will be nominated by the Albemarle board of directors for election to the Albemarle board of directors at the next annual meeting of Albemarle shareholders to serve until the next subsequent annual meeting of Albemarle shareholders and until their respective successors are duly elected and qualified. So long as any Rockwood designee continues to serve on the Albemarle board of directors, until the second annual meeting of Albemarle shareholders following the completion of the merger, at least one member of each committee of the Albemarle board of directors must be a Rockwood designee. The Rockwood board of directors has selected current independent directors Douglas L. Maine, J. Kent Masters and Alejandro D. Wolff as Rockwood s designees to the Albemarle board of directors.

**Treatment of Equity Awards**

As of the date of this joint proxy statement/prospectus, Rockwood s executive officers and Mr. Ghasemi hold Rockwood performance-based restricted stock units and performance-based market stock units (which we refer to in this joint proxy statement/prospectus as Performance-Vesting RSUs) and certain of Rockwood s directors and Dr. Dicciani hold Rockwood stock options.

***Performance-Vesting RSUs***

At the effective time of the merger, in accordance with the terms of the applicable award agreements, each Performance-Vesting RSU (which, in each case, will include accrued dividend equivalents) outstanding immediately prior to the effective time of the merger will cease to represent a right with respect to Rockwood common stock and will be converted, without any action on the part of the holder, into the right to receive a cash payment. The cash payment will be equal to the product of (x) the total shareholder return multiplier (in the case of performance-based restricted stock units) or stock price multiplier (in the case of performance-based market stock units), based on either Rockwood s total shareholder return compared against that of a specified peer group, or the increase in the Rockwood stock price over the performance period, respectively, in each case based on the difference between Rockwood s share price determined at the beginning of the applicable performance period compared to the Per Share Merger Consideration (as defined below) and (y) the Per Share Merger Consideration. The Per Share Merger Consideration is equal to the sum of (i) \$50.65 (the cash portion of the merger consideration) and (ii) the product of (a) 0.4803 (the exchange ratio) and (b) the average of the volume weighted average price per share of Albemarle common stock on the NYSE on each of the last five trading days prior to the completion of the merger. This cash amount will accrue interest annually at a rate of LIBOR plus 2.0% through the original vesting date of each Performance-Vesting RSU (unless the amount is paid earlier upon a termination of the employee s employment without cause or for good reason, in which case interest will only accrue through the date the amount is paid), which is the last day of the performance period for the applicable award (we refer in this joint proxy statement/prospectus to each such vesting date as, an Original Vesting Date and to the amount payable in respect of each Performance-Vesting RSU as a CIC Settlement Amount). Each CIC Settlement Amount will be paid within 10 business days of the applicable Original Vesting Date, subject to continued employment through that date. Notwithstanding the foregoing, if the employee s employment is terminated without cause or the employee resigns for good reason during the 24-month period following a change in control (and before the vesting date), the employee will immediately vest in the CIC Settlement Amounts and such amounts will be paid to the employee with 10 business days following the employee s termination date.

Upon Mr. Ghasemi's retirement, in accordance with the terms of his existing award agreements, his outstanding Performance-Vesting RSUs were converted into the right to receive, on the applicable Original Vesting Dates, a distribution of a number of shares of Rockwood common stock equal to product of (x) the number of Performance-Vesting RSUs he would have become vested in if he remained employed through the applicable Original Vesting Date and (y) a fraction, the numerator of which is the number of days between (and including) the grant date and his termination date, and the denominator of which is 1097. At the effective time of the merger, the prorated (instead of target) number of Mr. Ghasemi's outstanding Performance-Vesting RSUs will be converted into cash, calculated in the manner described above in the preceding paragraph, and paid upon the completion of the merger.

Other than Mr. Ghasemi, none of Rockwood's directors hold any Performance-Vesting RSUs.

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The following table, Payments to Directors and Executive Officers in Respect of Performance-Vesting RSUs, along with its footnotes, show the outstanding Performance-Vesting RSUs held by Messrs. Ghasemi, Zatta and Riordan, and the payment each can expect to receive for his Performance-Vesting RSUs.

**Payments to Directors and Executive Officers in Respect of Performance-Vesting RSUs**

Name	No. of Performance-Vesting RSUs (at assumed performance)		Consideration from Performance-Vesting RSUs (at assumed performance)
	(1)	(2)	(\$)
<i>Seifi Ghasemi</i> (3)	92,113	129,753	\$ 10,907,037
<i>Robert J. Zatta</i>	46,731	66,015	\$ 5,549,221
<i>Thomas J. Riordan</i>	46,731	66,015	\$ 5,549,221

- (1) In the event the date of completion of the merger occurs after December 31, 2014, the portion of each of Messrs. Ghasemi's, Zatta's, and Riordan's Performance-Vesting RSUs that vest on December 31, 2014 will be settled in shares of Rockwood's common stock in accordance with their original terms.
- (2) For purposes of determining the Per Share Merger Consideration, including for the purpose of calculating the value of consideration from the Performance-Vesting RSUs and the total shareholder return and stock price multipliers used to determine the number of shares underlying each Performance-Vesting RSU, Albemarle's stock price was deemed to equal the average closing price of shares of Albemarle common stock over the first five trading days following the public announcement of the merger agreement, which was \$69.57. Accordingly, the amount of consideration that will actually be received in respect of their Performance-Vesting RSUs may be greater or less than those provided for above. In addition, for purposes of calculating the stock price multiplier, the value of Rockwood's peer companies' stock has been determined based on the average closing price of such peer companies' shares over the first five trading days following the public announcement of the merger agreement.
- (3) The number of Performance-Vesting RSUs listed for Mr. Ghasemi reflects the proration of his target amounts upon his retirement.

**Stock Options**

At the effective time of the merger, each outstanding Rockwood stock option, whether or not then vested, will cease to represent a right to acquire shares of Rockwood common stock and will be converted, without any action on the part of the holder, into an option to purchase, on the same terms and conditions as were applicable under such Rockwood stock option, the number of shares of Albemarle common stock equal to the product of (i) the number of shares of Rockwood common stock issuable upon the exercise of such Rockwood stock option and (ii) the stock option exchange ratio (defined below), rounded down to the nearest number of whole shares of Albemarle common stock. The exercise price of the converted stock options will be equal to the per share exercise price for the shares of Rockwood common stock otherwise purchasable pursuant to the corresponding Rockwood stock option divided by the stock option exchange ratio, rounded up to the nearest whole cent.



The stock option exchange ratio means the sum of (i) 0.4803 (the exchange ratio) and (ii) the quotient obtained by dividing (x) \$50.65 (the cash portion of the merger consideration) by (y) the average of the volume weighted average price per share of Albemarle common stock on the NYSE on each of the last five trading days prior to the completion of the merger.

Mr. Ghasemi and Mr. J. Kent Masters (whom we refer to in this joint proxy statement/prospectus as Mr. Masters) are the only Rockwood directors who hold stock options in respect of shares of Rockwood common stock. Dr. Dicciani also holds stock options. All of their stock options in respect of shares of Rockwood common stock are vested and, accordingly, there will be no accelerated vesting in connection with the completion of the merger. None of Rockwood's executive officers holds any stock options in respect of shares of Rockwood common stock.

The following table, Estimated Value of Vested Options Held by Directors, along with its footnote, shows the outstanding vested stock options (and their estimated value) held by Messrs. Ghasemi and Masters and Dr. Dicciani for which each of Messrs. Ghasemi and Masters and Dr. Dicciani will receive a number of stock options of Albemarle as described above.

*Estimated Value of Vested Options Held by Directors*

Name	No. of Shares Underlying Estimated Value of	
	Vested Stock Options	Vested Stock Options (\$) (1)
<i>Seifi Ghasemi</i>	589,521	\$ 38,965,257
<i>Nance K. Dicciani</i>	6,211	\$ 272,056
<i>J. Kent Masters</i>	7,878	\$ 412,267

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- (1) The estimated value of the vested stock options used in the table above is based on a calculation of the stock option exchange ratio that uses the average closing price of shares of Albemarle common stock over the first five trading days following the public announcement of the merger agreement, which equaled \$69.57. Accordingly, the value of shares that will actually be received in connection with the exercise of their stock options may be greater or less than those provided for above. The weighted average exercise price of the stock options of Mr. Ghasemi is \$17.96 and the exercise price of the options held by Mr. Masters and Dr. Dicciani is \$31.73 and \$40.25, respectively.

**Employment Agreements**

Rockwood is party to employment agreements with each of Messrs. Zatta and Riordan, Rockwood's two executive officers following the retirement of Mr. Ghasemi on June 30, 2014 (which we refer to in this joint proxy statement/prospectus as the Employment Agreements). The Employment Agreements provide for the following payments and benefits in the event an executive officer's employment is terminated by Rockwood, without cause or by the executive officer for good reason (each term as defined in the Employment Agreements):

a payment equal to the product of (x) the number of months in the Severance Period (which is 24 months for each named executive officer) and (y) the sum of (i) the executive officer's monthly base salary at the rate in effect immediately prior to termination and (ii) 1/12<sup>th</sup> of the executive officer's average annual bonus paid with respect to the last two fiscal years ending immediately prior to termination;

payment of a pro rata portion (through the date of termination) of the annual bonus that the executive officer would have received for the year of termination, based on actual performance over the entire performance period;

continuation of health care benefits under COBRA for a period of up to 12 months following termination of employment;

a lump sum cash payment of \$50,000 which represents other benefits to which the executive officer was entitled during his employment;

continued use of a company car or receipt of a car allowance for 12 months;

12 months of outplacement support; and

a payment at the end of the 12-month period following termination equal to the maximum amount that Rockwood would have been obligated to contribute as matching contributions on the executive officer's behalf to Rockwood's qualified and non-qualified retirement plans for such 12-month period based on the executive officer's most recent deferral elections.

If any payment by Rockwood is determined to be subject to an excise tax to the executive officer, then the executive officer is entitled to receive an additional gross-up payment equal to an amount such that the net amount of such

additional payment retained by the executive after all federal, state and local income and employment taxes (including, without limitation, all federal, state and local income and employment taxes on the gross-up payment) is equal to the excise tax imposed on the payment.

The Employment Agreements provide the same severance benefits whether or not the termination occurs in connection with a change of control of Rockwood, except that the salary and bonus amounts payable in respect of the Severance Period are paid out in a lump sum in connection with a termination following a change in control instead of on a monthly basis during the Severance Period and outplacement assistance is only provided in connection with a termination following a change in control.

In the event an executive officer's employment is terminated by Rockwood for cause or by the executive officer other than for good reason, the executive officer is not entitled to any payments or benefits under the Employment Agreement.

As a condition of receipt of the above payments and benefits, the executive officer must continue to comply with the confidentiality and the non-compete and non-solicit provisions in the agreement for 24 months following his termination of employment.

For purposes of the Employment Agreements, "good reason" is generally defined to mean any of the following events: (i) a reduction in the executive officer's duties or responsibilities, (ii) a reduction in the executive officer's compensation, target bonus opportunity, or material reduction in benefits, (iii) a material breach by Rockwood of the Employment Agreement, or (iv) relocation of Rockwood's headquarters or the executive officer's principal place of employment of more than 35 miles.

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### **Retention Bonuses**

In connection with the merger, Rockwood has agreed to pay retention bonuses to certain of its employees, including its executive officers. Messrs. Zatta and Riordan are each eligible to receive a retention bonus in an amount equal to \$2 million. The retention bonuses are payable on or prior to the first regularly scheduled payroll date following the completion of the merger, provided that the employee remains employed with Rockwood on the completion date of the merger. In the event that the completion of the merger occurs in 2015, Messrs. Zatta and Riordan will not receive a pro rata annual bonus, as described above, as part of the severance payments to which they are entitled under the Employment Agreements.

### **2013 Bonuses**

Messrs. Ghasemi, Zatta, and Riordan are entitled to receive bonus payments in respect of fiscal year 2013, the payment of which were contingent on the closing of the Pigments Sale. In connection with the merger, Rockwood has determined that Messrs. Ghasemi, Zatta, and Riordan will be eligible to receive their bonuses with respect of fiscal year 2013, which such bonuses are \$2,609,079, \$681,918, and \$593,269, respectively, at the earlier of (x) the closing of the Pigments Sale and (y) immediately prior to the completion of the merger, regardless of whether they remained employed through either such date and, in the case of (y) without regard to whether the closing of the Pigments Sale has occurred.

### **New Management Arrangements**

As of the date of this joint proxy statement/prospectus, neither Rockwood nor Albemarle has entered into any employment agreements with Rockwood's executive officers in connection with the merger, and, except for the retention bonuses described above, the right to receive the 2013 bonuses as described above, and the treatment of 2014 and 2015 annual bonuses described below, Rockwood has not amended or modified any existing Employment Agreement or other arrangements with its executive officers or entered into any other new arrangements with its executive officers. The roles of Messrs. Zatta and Riordan following the merger have not yet been determined.

### **Directors and Officers Indemnification and Insurance**

The merger agreement provides that from and after the effective time of the merger, Albemarle will cause the surviving entity to do the following:

indemnify, defend and hold harmless, to the fullest extent permitted by applicable law, all past and present directors and officers of Rockwood and its subsidiaries against any costs, expenses (including attorneys' fees and expenses and disbursements), judgments, fines, losses, claims, damages or liabilities incurred in connection with any proceeding, whether civil, criminal, administrative or investigative, arising out of or pertaining to the fact that such director or officer is or was a director, officer, employee or fiduciary of Rockwood or any of its subsidiaries or a fiduciary under any Rockwood benefit plan, and provide advancement of expenses to such directors and officers;

honor and maintain in effect for a period of six years after the effective time of the merger all rights to indemnification, advancement of expenses and exculpation of directors and officers contained in the organizational documents of Rockwood and its subsidiaries as in effect as of the date of the merger

agreement and all rights to indemnification and advancement of expenses of each such director or officer as provided in any indemnification or other agreement to which Rockwood or any of its subsidiaries is a party; and

subject to certain limitations described in the merger agreement, maintain for a period of six years after the effective time of the merger, policies of directors and officers liability insurance and fiduciary liability insurance from a carrier with the same or better credit ratings than Rockwood's existing carrier, with, terms, conditions, retentions and levels of coverage not less favorable to the insured persons than such current directors and officers insurance policies, with respect to claims arising from facts, events, acts or omissions that occurred on or before the effective time of the merger, or in lieu of such insurance, Rockwood may purchase and Albemarle may purchase if Rockwood declines to do so a tail directors and officers liability insurance and fiduciary liability insurance from such a carrier and with such terms.

***Benefit Arrangements with the Combined Company***

The merger agreement requires Rockwood as the surviving corporation in the merger to do the following with respect to any Rockwood employees (including its executive officers) who remain employed following the effective time of the merger until the earlier of one year following completion of the merger or December 31, 2015:

provide substantially comparable aggregate cash compensation opportunities as were provided by Rockwood and its subsidiaries as of the date of the merger agreement;

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provide employee benefits that are (i) substantially comparable, in the aggregate, to the employee benefits provided by Rockwood and its subsidiaries as of the date of the merger agreement or (ii) substantially similar to those provided to similarly situated employees of Albemarle and its subsidiaries; and

honor all retention and severance arrangements described herein.

In addition, Rockwood's 2014 annual bonus plan, established prior to the execution of the merger agreement, will be continued. Under the terms of the merger agreement, if the merger is completed prior to December 31, 2014, bonus amounts will be calculated based on target level of performance in respect of fiscal year 2014 and the surviving corporation will pay the 2014 bonuses in the ordinary course before March 15, 2015. If the merger is completed after December 31, 2014, bonus amounts will be calculated based on actual results and performance achieved in respect of fiscal year 2014 and the surviving corporation will pay the 2014 bonuses in the ordinary course before March 15, 2015. The right to receive the 2014 bonus amounts will be in lieu of the right to receive partial year pro rated 2014 annual bonuses under the named executive officers' employment agreements and will be subject to continued employment on the completion date of the merger, but, thereafter, such bonuses will be paid regardless of whether a continuing employee is employed by the combined company at the time such bonuses are paid.

With respect to bonuses for fiscal year 2015, if the merger is completed in 2015, Rockwood will set the fiscal year targets and budget in consultation with Albemarle, and the combined company will pay the 2015 bonuses in the ordinary course in 2016, subject to the employee's continued employment through the payment date. Pursuant to the merger agreement, the aggregate target bonus amounts for 2015 may not exceed 110% of the aggregate target bonus amounts for 2014.

**Quantification of Payments and Benefits**

The following tables set forth the information required by Item 402(t) of Regulation S-K regarding the amounts of payments and benefits that each executive officer of Rockwood would receive in connection with the merger, assuming the completion of the merger occurred on July 31, 2014, and the employment of the executive officer was terminated by the combined company without cause or by the executive officer for good reason on such date. The retention bonuses become payable upon the completion of the merger subject to continued employment through such time and will be payable regardless of whether the executive remains employed following the merger and are therefore single trigger.

The following table, Golden Parachute Compensation, along with its footnotes, shows the compensation payable to Mr. Ghasemi and Rockwood's two executive officers, Mr. Zatta and Mr. Riordan, and is subject to a non-binding, advisory vote of Rockwood's shareholders, as described under the section titled *The Rockwood Special Meeting Proposal 2 Advisory Vote Regarding Certain Executive Compensation* beginning on page 36. Note that while Mr. Ghasemi, Rockwood's former chief executive officer, is included in the table below as required by Item 402(t) of Regulation S-K, he is no longer an executive officer of Rockwood, following his retirement on June 30, 2014.

**Golden Parachute Compensation**

Name	Cash (1)	Equity (2)	Pension / Perquisites /		Tax Reimbursements	Other (6)	Total
			NQDC (3)	Benefits (4)			

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Seifi Ghasemi	\$ 2,609,079	\$ 10,907,037	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,516,116
Robert J. Zatta	\$ 5,726,336	\$ 5,549,221	\$ 21,807	\$ 101,075	\$ 4,952,137	\$ 47,604	\$ 16,398,180
Thomas J. Riordan	\$ 4,840,288	\$ 5,549,221	\$ 15,893	\$ 108,118	\$ 4,786,612	\$ 47,740	\$ 15,347,872