

ALBEMARLE CORP  
Form S-4  
August 28, 2014  
Table of Contents

As filed with the Securities and Exchange Commission on August 27, 2014

Registration No. 333-[ ]

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

**FORM S-4**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

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

**Virginia**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**2821**  
**(Primary Standard Industrial**  
**Classification Code Number)**

**54-1692118**  
**(I.R.S. Employer**  
**Identification Number)**

**451 Florida Street**

**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:*

**John A. Marzulli, Jr., Esq.**

**Shearman & Sterling LLP**

**599 Lexington Avenue**

**New York, New York 10022**

**212-848-4000**

**Thomas J. Riordan, Esq.**

**Executive Vice President &**

**Chief Administrative Officer**

**Rockwood Holdings, Inc.**

**100 Overlook Center**

**Princeton, New Jersey 08540**

**609-514-0300**

**Brian M. Stadler, Esq.**

**Roxane F. Reardon, Esq.**

**Simpson Thacher & Bartlett LLP**

**425 Lexington Avenue**

**New York, New York 10017**

**212-455-2000**

**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)

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, par value \$0.01 per share	34,808,789(1)	Not Applicable	\$2,087,947,505(2)	\$268,928(3)

(1) Based on the maximum number of shares of common stock, par value \$0.01 per share ( Albemarle Common Shares ), of the Registrant estimated to be issued in connection with the merger. This number is based on the product of (a) the sum of (i) 71,239,946, the aggregate number of shares of common stock, par value \$0.01 per

share ( Rockwood Common Shares ), of Rockwood Holdings, Inc. ( Rockwood ), outstanding as of July 10, 2014 (other than Rockwood Common Shares held in the treasury of Rockwood or owned by the Registrant or any wholly-owned subsidiary of the Registrant or Rockwood), (ii) 659,979, the aggregate number of Rockwood Common Shares issuable pursuant to the exercise of stock options outstanding as of July 10, 2014, and (iii) 573,088, the aggregate number of Rockwood Common Shares subject to outstanding Rockwood restricted stock units (assuming target performance levels are achieved), and (b) an exchange ratio of 0.4803 of an Albemarle Common Share for each Rockwood Common Share.

- (2) Pursuant to Rules 457(f)(1), 457(f)(3) and 457(c) under the Securities Act and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is an amount equal to (a) \$5,758,705,612.98, calculated as the product of (i) 72,473,013 Rockwood Common Shares, the maximum number of Rockwood Common Shares that may be canceled in the merger and exchanged for Albemarle Common Shares (calculated as in subsection (a) of note (1) above), and (ii) \$79.46, the average of the high and low trading prices of Rockwood Common Shares on August 21, 2014, minus (b) \$3,670,758,108.45, the estimated aggregate amount of cash to be paid by the Registrant to Rockwood shareholders in the merger, calculated as the product of (i) 72,473,013 Rockwood Common Shares, the maximum number of Rockwood Common Shares that may be canceled in the merger and exchanged for Albemarle Common Shares (calculated as in subsection (a) of note (1) above), and (ii) \$50.65, the cash portion of the merger consideration.
- (3) Calculated pursuant to Rule 457 of the Securities Act by multiplying the proposed maximum aggregate offering price of securities to be registered by 0.0001288.

**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.**

**Table of Contents**

**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 AUGUST 27, 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 August 27, 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 [DATE] 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 [DATE] 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 94.

---

**Table of Contents**

**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 25 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*

*Albemarle Corporation*

Robert J. Zatta  
*Acting Chief Executive Officer*

*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].*



Table of Contents

**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 [DATE] 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 167.

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.**

Table of Contents

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [DATE]**

[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 [DATE] at [TIME], 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).

[TIME] on [DATE] 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.**

Edgar Filing: ALBEMARLE CORP - Form S-4

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*

Table of Contents

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [DATE]**

[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 [DATE] at [TIME], 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).

[TIME] on [DATE] 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.**

**Table of Contents**

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*

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS</u>	1
<u>SUMMARY</u>	9
<u>General</u>	9
<u>The Albemarle Special Meeting</u>	14
<u>The Rockwood Special Meeting</u>	14
<u>The Merger Agreement</u>	15
<u>Selected Historical Consolidated Financial Data of Albemarle</u>	17
<u>Selected Historical Consolidated Financial Data of Rockwood</u>	19
<u>Selected Unaudited Pro Forma Condensed Combined Financial Data of Albemarle and Rockwood</u>	22
<u>Unaudited Comparative Per Share Data</u>	22
<u>Market Prices and Dividend Information</u>	23
<u>Financing</u>	24
<u>RISK FACTORS</u>	25
<u>Risks Related to the Merger</u>	25
<u>Risks Related to the Combined Company</u>	30
<u>Additional Risks Relating to Albemarle and Rockwood after the Merger</u>	32
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	33
<u>THE ALBEMARLE SPECIAL MEETING</u>	35
<u>Date, Time and Place</u>	35
<u>Purpose of the Special Meeting</u>	35
<u>Record Date; Shares Entitled to Vote; Quorum</u>	36
<u>Vote Required</u>	36
<u>Shares Owned by Albemarle Directors and Executive Officers</u>	36
<u>How to Vote</u>	37
<u>Voting of Proxies</u>	37
<u>Revocability of Proxies</u>	38
<u>Solicitation of Proxies</u>	38
<u>Householding</u>	38
<u>THE ROCKWOOD SPECIAL MEETING</u>	39
<u>Date, Time and Place</u>	39
<u>Purpose of the Special Meeting</u>	39
<u>Record Date; Shares Entitled to Vote; Quorum</u>	40
<u>Vote Required</u>	41
<u>Shares Owned by Rockwood Directors and Executive Officers</u>	41
<u>How to Vote</u>	41
<u>Voting of Proxies</u>	42
<u>Revocability of Proxies</u>	43
<u>Solicitation of Proxies</u>	43
<u>Householding</u>	43

<u>THE COMPANIES</u>	44
<u>Albemarle</u>	44
<u>Rockwood</u>	44
<u>Merger Sub</u>	44
<u>THE MERGER</u>	45
<u>General</u>	45
<u>Background to the Merger</u>	45
<u>Albemarle's Reasons for the Merger and Recommendation of the Albemarle Board of Directors</u>	62
<u>Rockwood's Reasons for the Merger and Recommendation of the Rockwood Board of Directors</u>	64
<u>Opinion of Albemarle's Financial Advisor</u>	67
<u>Opinions of Rockwood's Financial Advisors</u>	74
<u>Certain Unaudited Prospective Financial Information of Albemarle and Rockwood</u>	84
<u>Interests of Rockwood Directors and Executive Officers in the Merger</u>	86
<u>Merger Consideration</u>	93
<u>Ownership of Albemarle Following the Merger</u>	93
<u>Conversion of Shares; Procedures for Exchange of Shares</u>	94
<u>Effective Time of the Merger</u>	94
<u>Stock Exchange Listing of Albemarle Shares</u>	94



**Table of Contents**

<u>Delisting and Deregistration of Rockwood Common Stock</u>	94
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	94
<u>Chilean Tax Considerations</u>	99
<u>Regulatory Matters</u>	100
<u>Appraisal Rights</u>	101
<u>Resale of Shares of Albemarle Common Stock</u>	104
<u>FINANCING RELATING TO THE MERGER</u>	106
<u>CERTAIN LITIGATION</u>	109
<u>THE MERGER AGREEMENT</u>	110
<u>The Merger</u>	110
<u>Closing of the Merger</u>	110
<u>Merger Consideration Received by Rockwood Shareholders; No Fractional Shares</u>	110
<u>Treatment of Rockwood Stock Options and Other Equity-Based Awards</u>	110
<u>Conversion of Shares; Exchange of Certificates</u>	111
<u>Appraisal Rights</u>	112
<u>Conditions to the Completion of the Merger</u>	112
<u>No Solicitation</u>	115
<u>Termination of the Merger Agreement</u>	117
<u>Payment of Certain Fees and Expenses</u>	119
<u>Conduct of Business Pending the Merger</u>	120
<u>Representations and Warranties</u>	124
<u>Additional Terms</u>	125
<u>Employee Benefits and Related Matters</u>	126
<u>Indemnification and Insurance</u>	127
<u>Financing</u>	127
<u>Appointment of Additional Albemarle Directors</u>	130
<u>Amendment; Extension and Waiver</u>	130
<u>Governing Law; Specific Performance; Third-Party Beneficiaries</u>	130
<u>ACCOUNTING TREATMENT</u>	132
<u>UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	133
<u>COMPARATIVE STOCK PRICES AND DIVIDENDS</u>	147
<u>DESCRIPTION OF ALBEMARLE COMMON STOCK</u>	148
<u>COMPARISON OF SHAREHOLDERS' RIGHTS</u>	152
<u>LEGAL MATTERS</u>	162
<u>EXPERTS</u>	163
<u>OTHER MATTERS</u>	164
<u>FUTURE ALBEMARLE SHAREHOLDER PROPOSALS</u>	165
<u>FUTURE ROCKWOOD SHAREHOLDER PROPOSALS</u>	166
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	167
<u>ANNEX A AGREEMENT AND PLAN OF MERGER</u>	A-1

ANNEX B	OPINION OF MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	B-1
ANNEX C	OPINION OF LAZARD FRÈRES & CO. LLC	C-1
ANNEX D	OPINION OF CITIGROUP GLOBAL MARKETS INC.	D-1
ANNEX E	GENERAL CORPORATION LAW OF THE STATE OF DELAWARE SECTION 262. APPRAISAL RIGHTS	E-1

---

**Table of Contents**

**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 167.*

***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 110. 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).

**Table of Contents**

***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

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 25, 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 [DATE] at [TIME], 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.

**Table of Contents**

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

A: The Rockwood special meeting will be held on [DATE] at [TIME], 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 [TIME] on [DATE] (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 [TIME] on [DATE] (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.

***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 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



**Table of Contents**

(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.

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.

**Table of Contents**

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.

***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.

**Table of Contents**

***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 117 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 [TIME] on [DATE], 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.

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

**Table of Contents**

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 [DATE], 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 94 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 25.

***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 100. 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 112.



**Table of Contents**

***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 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 112. 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 167.

***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**



**Table of Contents**

**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 167. 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 45)**

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 44)**

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.rockwoodspecialties.com](http://www.rockwoodspecialties.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 93)**

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.

---

**Table of Contents**

**Treatment of Rockwood Stock Options and Other Equity-Based Awards (page 110)**

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%.

**Appraisal Rights (page 101)**

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 94)**

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 94 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.**

## Table of Contents

### **Recommendation of the Albemarle Board of Directors (page 62)**

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 45, *The Merger Albemarle's Reasons for the Merger and Recommendation of the Albemarle Board of Directors* beginning on page 62 and *Risk Factors* beginning on page 25, respectively.

### **Recommendation of the Rockwood Board of Directors (page 64)**

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 45, *The Merger Rockwood's Reasons for the Merger and Recommendation of the Rockwood Board of Directors* beginning on page 64 and *Risk Factors* beginning on page 25, respectively.

### **Opinion of Albemarle's Financial Advisor (page 67)**

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 67. Please also see Annex B to this joint proxy statement/prospectus.



## **Table of Contents**

### **Opinions of Rockwood's Financial Advisors (page 74)**

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.

### **Interests of Rockwood Directors and Executive Officers in the Merger (page 86)**

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.

## **Table of Contents**

### ***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 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 152)**

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.

**Table of Contents**

**The Albemarle Special Meeting**

The Albemarle special meeting will be held on [DATE] at [TIME], 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 36)**

The Albemarle board of directors has fixed [TIME] on [DATE] 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 36)**

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).

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 36)**

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 [DATE] at [TIME], 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.

## **Table of Contents**

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 40)**

The Rockwood board of directors has fixed [TIME] on [DATE] 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 41)**

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).

### **Shares Owned by Rockwood Directors and Executive Officers (page 41)**

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.



**Table of Contents**

**Conditions to the Completion of the Merger (page 112)**

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.

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 117 and 119)**

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

## **Table of Contents**

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 100)**

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 are awaiting termination or expiration of the applicable waiting period. If Albemarle and Rockwood do not receive a request for additional information, the waiting period will expire at 11:59 p.m. Eastern Standard Time on September 8, 2014, if not terminated earlier.

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.

### **No Solicitation of Transactions (page 115)**

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.

### **Accounting Treatment of the Merger (page 132)**

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.

**Table of Contents**

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 167 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
Cost of sales 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) from continuing operations, net	(6,674)	1,229	357	2,788	(1,423)	164	(5,001)
Income from continuing operations before income taxes and equity in net income of unconsolidated investments	538,442	368,212	482,531	368,489	117,527	170,821	202,498
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 in net income of unconsolidated investments	403,997	287,779	378,060	284,306	138,891	135,858	156,498
Income (loss) in net income of unconsolidated investments (net of tax)	31,729	38,067	43,754	37,975	22,322	19,550	19,000
Income from continuing operations	435,726	325,846	421,814	322,281	161,213	155,408	176,498
Income (loss) from discontinued operations (net of tax)	4,108	4,281	(1,617)	7,136	8,812	(61,794)	4,000
Income	439,834	330,127	420,197	329,417	170,025	93,614	180,498
Income attributable to noncontrolling interests	(26,663)	(18,591)	(28,083)	(13,639)	(11,255)	(14,584)	(13,000)
Income attributable to Albemarle Corporation	\$ 413,171	\$ 311,536	\$ 392,114	\$ 315,778	\$ 158,770	\$ 79,030	\$ 166,498
<b>Financial Position and Other Data</b>							
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 to capitalization ratio	3.40	3.66	3.38	3.70	2.92	1.87	1.87
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

Edgar Filing: ALBEMARLE CORP - Form S-4

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

**Table of Contents**

(\$ 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 during the third quarter of 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.

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 167 for information on where you can obtain copies of this information.



**Table of Contents**

	Year ended December 31,					Six months ended	
(in millions, except per share data; shares in thousands)	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
Operating 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	99.9
Amounts attributable to Rockwood Holdings, Inc. shareholders:							
Operating income (loss) from continuing operations	\$ 55.4	\$ 232.9	\$ 70.2	\$ 86.4	\$ (44.5)	\$ 55.8	\$ 33.3
Operating income (loss) from discontinued operations	1,604.5	146.3	329.2	145.0	65.8	(29.9)	100.0
Operating income	\$ 1,659.9	\$ 379.2	\$ 399.4	\$ 231.4	\$ 21.3	\$ 25.9	\$ 44.3
Basic earnings (loss) per share attributable to Rockwood Holdings, Inc. shareholders:							
Operating income (loss) from continuing operations	\$ 0.73	\$ 3.00	\$ 0.92	\$ 0.81	\$ (0.60)	\$ 0.76	\$ 0.33
Operating income (loss) from discontinued operations, net of tax	21.17	1.88	4.30	2.28	0.89	(0.41)	0.00
Basic earnings per share	\$ 21.90	\$ 4.88	\$ 5.22	\$ 3.09	\$ 0.29	\$ 0.35	\$ 0.33
Diluted earnings (loss) per share attributable to Rockwood Holdings, Inc. shareholders:							
Operating income (loss) from continuing operations	\$ 0.72	\$ 2.91	\$ 0.88	\$ 0.78	\$ (0.60)	\$ 0.75	\$ 0.33
Operating income (loss) from discontinued operations, net of tax	20.73	1.83	4.12	2.18	0.89	(0.40)	0.00
Diluted earnings per share	\$ 21.45	\$ 4.74	\$ 5.00	\$ 2.96	\$ 0.29	\$ 0.35	\$ 0.33
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	\$ 169.5

- (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

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

**Table of Contents**

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 June 30,	
	2013	2012	2011	2010	2009	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)						
	67.1	10.3	(3.2)	1.3	(15.5)	(5.8)	10.5

Foreign exchange loss (gain) on financing activities, net							
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 138; (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.

(\$ in millions, except per share data)	Six Months Ended June 30, 2014	Year Ended December 31, 2013
Net sales	\$ 1,921.4	\$ 3,772.1
Operating income	\$ 255.1	\$ 718.3
Net income from continuing operations	\$ 175.9	\$ 423.1
Earnings per share, Basic	\$ 1.54	\$ 3.52
Earnings per share, Diluted	\$ 1.53	\$ 3.49

(\$ in millions)	June 30, 2014
Total Current Assets	\$ 1,759.2

Edgar Filing: ALBEMARLE CORP - Form S-4

Property, plant and equipment, net	\$	2,803.1
Goodwill	\$	2,590.7
Total Assets	\$	10,029.2
Long-term debt, including current portion	\$	3,960.4
Total equity	\$	3,725.7

**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 133. 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>Albemarle Pro Forma</b>	<b>Six Months Ended June 30, 2014</b>	<b>Year Ended December 31, 2013</b>
Net income from continuing operations (\$ millions)	\$ 175.9	\$ 423.1
Basic income from continuing operations per share	\$ 1.54	\$ 3.52
Diluted income from continuing operations per share	\$ 1.53	\$ 3.49
Book value per share as of June 30, 2014	\$ 32.05	N/A

  

<b>Albemarle Historical</b>	<b>Six Months Ended June 30, 2014</b>	<b>Year Ended 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
	\$ 1.95	\$ 5.17

Diluted income from continuing operations per share		
Book value per share as of June 30, 2014	\$ 19.21	\$ 20.33

	<b>Six Months Ended June 30, 2014</b>	<b>Year Ended December 31, 2013</b>
<b>Rockwood Historical</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

	<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	\$ 0.74	\$ 1.69
Diluted income from continuing operations per share	\$ 0.73	\$ 1.67
Book value per share as of June 30, 2014	\$ 15.39	\$ N/A

#### **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.



**Table of Contents**

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

August 26, 2014, the latest practicable date prior to mailing this joint proxy statement/prospectus; the table also presents the equivalent value of the merger consideration per share of Rockwood common stock on those dates:

	Albemarle Common Stock	Rockwood Common Stock	Equivalent Price Per Share of Rockwood Common Stock (1)
July 14, 2014	\$ 72.62	\$ 75.70	\$ 85.53
August 26, 2014	\$ 62.34	\$ 79.70	\$ 80.59

- (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 106.

---

**Table of Contents**

**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 112.

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 93. 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 116.

---

**Table of Contents**

***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 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 125. 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 100.

***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 127.

***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 119.

---

**Table of Contents**

***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.

***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 120. 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 115. 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 119. 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,



---

**Table of Contents**

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 117.

***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 119);

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 119);

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.

---

**Table of Contents**

***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 86.

***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 99), 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 99), 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 99.

***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 109. 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.

---

**Table of Contents**

**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 167.

***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 133. 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.

---

**Table of Contents**

***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 133.

***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.



**Table of Contents**

***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 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 152.

**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 167.

**Table of Contents**

**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;

**Table of Contents**

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.

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.

**Table of Contents**

**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 Albema*