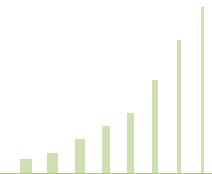


Albemarle

Second Quarter 2011 Earnings

Conference Call/Webcast
Friday July 22, 2011 – 10:00am ET

Forward-Looking Statements

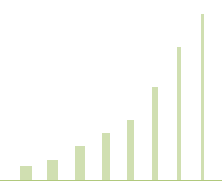


Some of the information presented in this presentation including, without limitation, statements with respect to product development, improvements in productivity, market trends, price and mix changes, expected growth, outlook and all other information relating to matters that are not historical facts may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There can be no assurance that actual results will not differ materially.

Factors that could cause actual results to differ from expectations include, without limitation: changes in economic and business conditions; changes in financial and operating performance of our major customers and industries and markets served by us; the timing of orders received from customers; the gain or loss of significant customers; competition from other manufacturers; changes in the demand for our products; limitations or prohibitions on the manufacture and sale of our products; availability of raw materials; changes in the cost of raw materials and energy and in our inability to pass through increases; acquisitions and divestitures, and changes in performance of acquired companies; fluctuations in foreign currencies; changes in laws and government regulation of our operations or our products; the occurrence of claims or litigation; the occurrence of natural disasters; the inability to maintain current levels of product or premises liability insurance or the denial of such coverage; political unrest including terrorism or hostilities; political instability affecting our manufacturing operations or joint ventures; changes in accounting standards; the inability to achieve results from our global manufacturing cost reduction initiatives as well as our ongoing continuous improvement and rationalization programs; changes in the jurisdictional mix of our earnings; changes in monetary policies or inflation or interest rates which may impact our ability to raise capital or increase our cost of funds, the performance of our pension fund investments and our pension expense and funding obligations; volatility and substantial uncertainties in the debt and equity markets; technology or intellectual property infringement and other risks; decisions we may make in the future; and the other factors detailed from time to time in the reports we file with the SEC, including those under “Risk Factors” in our Annual Report on Form 10-K and our 2011 Quarterly Reports on Form 10-Q.



Second Quarter 2011 Financial Results



Comparisons

	Q2 2011 (in millions, except EPS)	Year-Over-Year	Sequential
Net Sales	\$ 742	↑ 25%	↑ 7%
Segment Income ²	\$ 180	↑ 38%	↑ 5%
Net Income ¹	\$ 114	↑ 40%	↑ 7%
EBITDA ²	\$ 178	↑ 31%	↑ 4%
Diluted EPS	\$ 1.23	↑ 38%	↑ 7%
Free Cash Flow ³ (YTD)	\$ 134	↑ 8%	N/A

Record Quarterly Earnings of \$1.23 Per Share



¹Reflects Net Income attributable to Albemarle Corporation

²Non-GAAP measure. See Non-GAAP reconciliations in Appendix

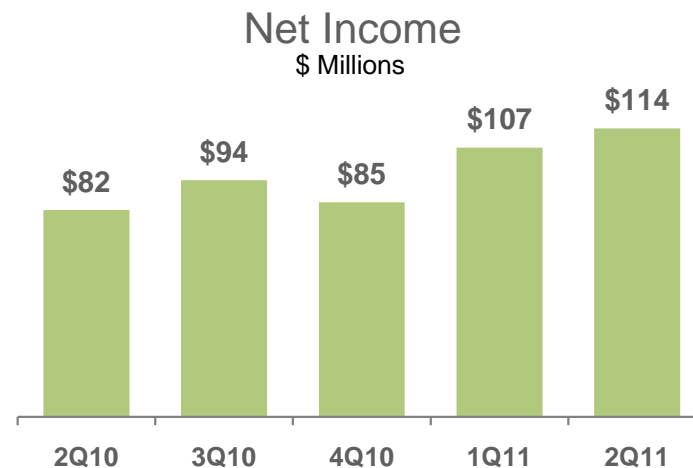
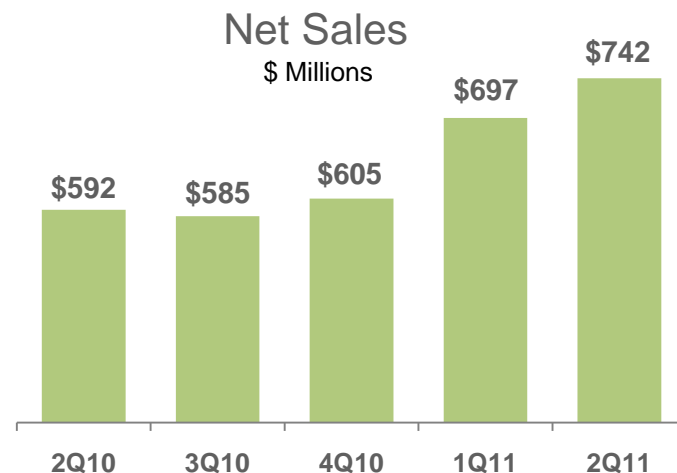
³Non-GAAP measure. See reconciliation on page 8

Second Quarter Net Sales and Net Income¹

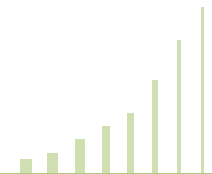
Quarter Highlights

- Record net sales of \$742M up 25% Y/Y
- Record net income of \$114M; \$1.23 per share
- Record net sales and segment income in both Polymer Solutions and Fine Chemistry business segments
- Record EBITDA of \$178 million; EBITDA margin of 24%
- Cash and cash equivalents of \$491 million at quarter end

¹Reflects Net Income attributable to Albemarle Corporation



Fine Chemistry



2nd Qtr Performance

<i>In millions</i>	2Q 2011	2Q 2010	△
Net Sales	\$185	\$141	30.9%
Segment Income	\$37	\$18	113.4%
Segment Income Margin	20.2%	12.4%	780bps

2nd Qtr Y/Y Sales Comparison

Sales Growth	30.9%
Volume	13.5%
Price	15.1%
Currency	2.3%

Key Business Highlights

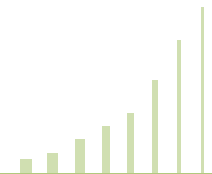
- Record quarterly sales, up 31% and record segment income, up 113% Y/Y
- Record quarterly performance from Jordan Bromine Company (JV)
- Strong performance by custom manufacturing driven by products/projects for customers like Exxon, Agrotain, Milliken

Business Outlook

- Government legislation driving growth opportunities in mercury control markets
- Continued strength in international demand for completion fluids
- Growing pipeline for new pharma opportunities (e.g. SIGA's smallpox antiviral, ST-246)



Polymer Solutions



2nd Qtr Performance

<i>In millions</i>	2Q 2011	2Q 2010	△
Net Sales	\$290	\$235	23.4%
Segment Income	\$77	\$47	64.1%
Segment Income Margin	26.6%	20.0%	660bps

2nd Qtr Y/Y Sales Comparison

Sales Growth	23.4%
Volume	(1.5)%
Price	20.6%
Currency	4.3%

Key Business Highlights

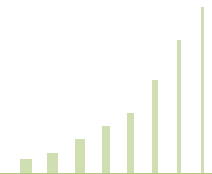
- Strong sequential and Y/Y performance resulting in record quarterly net sales and segment income
- Pricing initiatives in brominated and mineral FRs helping to offset higher raw material costs
- Still showing signs of minimal impact from Japanese earthquake

Business Outlook

- Slight softening in brominated flame retardant orders due to weakening demand from China
- Customers looking to closely manage inventories due to concern over weakening in global economy
- End market demand (automotive, electronics) is still relatively robust



Catalysts



2nd Qtr Performance

<i>In millions</i>	2Q 2011	2Q 2010	△
Net Sales	\$267	\$216	23.5%
Segment Income*	\$66	\$66	(1.0)%
Segment Income Margin	24.6%	30.7%	(610)bps

* Segment income calculation based on \$65,603 for 2Q 2011 and \$66,238 for 2Q 2010.

Key Business Highlights

- Sales growth in Polyolefin, HPC and FCC Catalysts businesses, slightly offset by weaker FCC volumes
- Solid Y/Y performance resulting in record quarterly revenue for Polyolefin Catalyst segment
- Segment margins down due to rare earth dilution



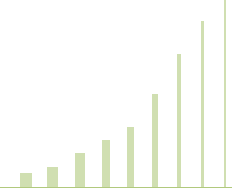
2nd Qtr Y/Y Sales Comparison

Sales Growth	23.5%
Volume	7.3%
Price	14.3%
Currency	1.9%

Business Outlook

- Continued, steady improvements in global fuel demand and in refinery utilization rates
- New products strength – metal alkyls for electronics, new HPC's, low rare earth FCC
- Continued efforts to manage rare earth supply and price pass-through
- Growing global demand for catalysts, especially in Asia and the Middle East

Financial Performance



Free Cash Flow (\$ in millions)

Six Months Ended June 30		
	<u>2011</u>	<u>2010</u>
Net Income ¹	\$221	\$145
Depreciation & Amortization	47	48
Change in Working Capital	(99)	(78)
Other ²	(23)	19
Net Cash from Operations	146	134
Less: Capital Expenditures	(68)	(34)
Add Back: Pension Contributions	56	24
Free Cash Flow	\$134	\$124

1H11 Financial Highlights (\$ in millions)

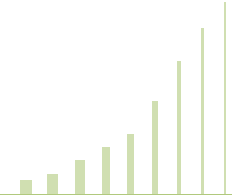
- **Working Capital: \$600**
- **Dividends Paid: \$28**
- **Dividends per share up: 18%**
- **Pension Contributions: \$56**
- **Cash balance at 6/30/11: \$491**
- **Effective Tax Rate: 22.9%**

¹Reflects Net Income attributable to Albemarle Corporation

²Includes pension contributions of \$56 for 2011 and \$24 for 2010

Superior Financial Performance; Strong Cash from Operations



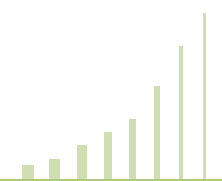


APPENDIX

Non-GAAP Reconciliations



Segment Operating Profit & Segment Income

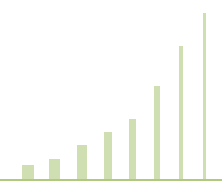


<i>(in thousands)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Total segment operating profit	\$ 174,923	\$ 124,355	\$ 340,844	\$ 224,281
Corporate & other *	(25,828)	(17,720)	(49,387)	(34,424)
Restructuring and other charges	—	—	—	(6,958)
GAAP Operating profit	\$ 149,095	\$ 106,635	\$ 291,457	\$ 182,899
Total segment income	\$ 180,180	\$ 130,800	\$ 351,780	\$ 239,441
Corporate & other	(25,833)	(18,005)	(49,427)	(34,754)
Restructuring and other charges	—	—	—	(6,958)
Interest and financing expenses	(9,274)	(5,984)	(18,866)	(11,920)
Other (expenses) income, net	(760)	(729)	(422)	281
Income tax expense	(30,154)	(24,331)	(62,326)	(41,031)
GAAP Net income attributable to Albemarle Corporation	\$ 114,159	\$ 81,751	\$ 220,739	\$ 145,059

* Excludes corporate equity income and noncontrolling interest adjustments of \$(5) and \$(285) for the three-month periods ended June 30, 2011 and 2010, respectively, and \$(40) and \$(330) for the six-month periods ended June 30, 2011 and 2010, respectively.

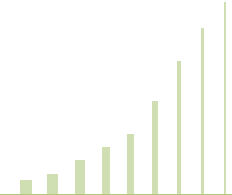


EBITDA



<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net income attributable to Albemarle Corporation	<u>\$ 114,159</u>	<u>\$ 81,751</u>	<u>\$ 220,739</u>	<u>\$ 145,059</u>
Add:				
Interest and financing expenses	9,274	5,984	18,866	11,920
Income tax expense	30,154	24,331	62,326	41,031
Depreciation and amortization	<u>24,306</u>	<u>23,710</u>	<u>47,310</u>	<u>48,411</u>
EBITDA	<u>177,893</u>	<u>135,776</u>	<u>349,241</u>	<u>246,421</u>
Restructuring and other charges	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,958</u>
EBITDA excluding special item	<u>\$ 177,893</u>	<u>\$ 135,776</u>	<u>\$ 349,241</u>	<u>\$ 253,379</u>
Net sales	<u>\$ 742,108</u>	<u>\$ 592,483</u>	<u>\$ 1,438,638</u>	<u>\$ 1,172,753</u>
EBITDA Margin	<u>24.0%</u>	<u>22.9%</u>	<u>24.3%</u>	<u>21.0%</u>
EBITDA Margin excluding special item	<u>24.0%</u>	<u>22.9%</u>	<u>24.3%</u>	<u>21.6%</u>





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