

Albemarle Corporation

Investor Presentation

May 2017



Forward-Looking Statements

Some of the information presented in this presentation and the conference call and discussions that follow, including, without limitation, product development, changes in productivity, market trends, price, expected growth and earnings, input costs, surcharges, tax rates, stock repurchases, dividends, cash flow generation, costs and cost synergies, portfolio diversification, economic trends, outlook and all other information relating to matters that are not historical facts may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There can be no assurance that actual results will not differ materially.

Factors that could cause actual results to differ materially include, without limitation: changes in economic and business conditions; changes in financial and operating performance of our major customers and industries and markets served by us; the timing of orders received from customers; the gain or loss of significant customers; competition from other manufacturers; changes in the demand for our products; limitations or prohibitions on the manufacture and sale of our products; availability of raw materials; changes in the cost of raw materials and energy; changes in our markets in general; fluctuations in foreign currencies; changes in laws and government regulation impacting our operations or our products; the occurrence of regulatory proceedings, claims or litigation; the occurrence of cyber security breaches, terrorist attacks, industrial accidents, natural disasters, or climate change; the inability to maintain current levels of product or premises liability insurance or the denial of such coverage; political unrest affecting the global economy; 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 and changes in tax laws and rates; changes in monetary policies, inflation or interest rates; volatility and substantial uncertainties in the debt and equity markets; technology or intellectual property infringement; decisions we may make in the future; the ability to successfully execute, operate and integrate acquisitions and divestitures, and realize estimated synergies; and the other factors detailed from time to time in the reports we file with the SEC, including those described under "Risk Factors" in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this presentation. We assume no obligation to provide any revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

Non-GAAP Financial Measures

It should be noted that adjusted net income attributable to Albemarle Corporation (“adjusted earnings”), adjusted net income from continuing operations, adjusted diluted earnings per share attributable to Albemarle Corporation, adjusted diluted earnings per share from continuing operations, adjusted effective income tax rates, segment operating profit, segment income, pro-forma net sales, net sales excluding the impact of foreign exchange translation (“ex FX”), EBITDA, adjusted EBITDA, adjusted EBITDA by operating segment, EBITDA margin, adjusted EBITDA margin, pro-forma adjusted EBITDA, pro-forma adjusted EBITDA margin, adjusted EBITDA excluding the impact of foreign exchange translation (“ex FX”), adjusted EBITDA margin excluding the impact of foreign exchange translation (“ex FX”), net debt to adjusted EBITDA, gross debt to adjusted EBITDA, free cash flow, and adjusted free cash flow are financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States, or GAAP. These measures are presented here to provide additional useful measurements to review our operations, provide transparency to investors and enable period-to-period comparability of financial performance. The Company’s chief operating decision maker uses these measures to assess the ongoing performance of the Company and its segments, as well as for business and enterprise planning purposes.

A description of these and other non-GAAP financial measures that we use to evaluate our operations and financial performance, and reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, can be found in the Appendix to this presentation, which is posted in the Investors section of our website at www.albemarle.com, under “Non-GAAP Reconciliations” under “Financials.” The Company does not provide a reconciliation of forward looking non-GAAP financial measures to the most directly comparable financial measures calculated and reported in accordance with GAAP, as the Company is unable to estimate significant non-recurring or unusual items without unreasonable effort. The amounts and timing of these items are uncertain and could be material to the Company's results calculated in accordance with GAAP.

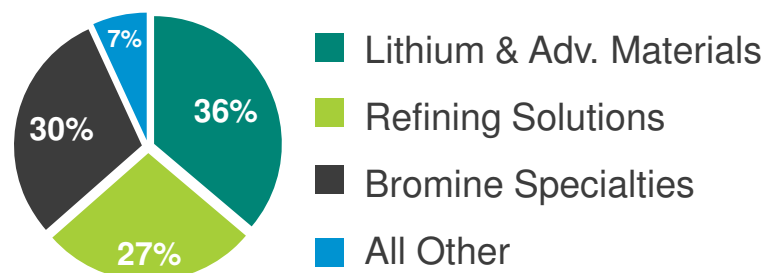
Albemarle Snapshot

Founded	1887
Global Employees	~5,000
Countries¹	~100
Dividend Yield²	1.3%
Market Cap³	\$11.5B

2016 Financial Highlights

Net Sales	\$2.7B
Adj. EBITDA Margin^{4,5}	28%
Adj. EPS^{4,5}	\$3.57
Adj. Free Cash Flow⁴	\$672M

2016 Net Sales by Segment



Providing innovative solutions to power the potential of energy efficiency

¹ Based on destinations of FY2016 product sales.

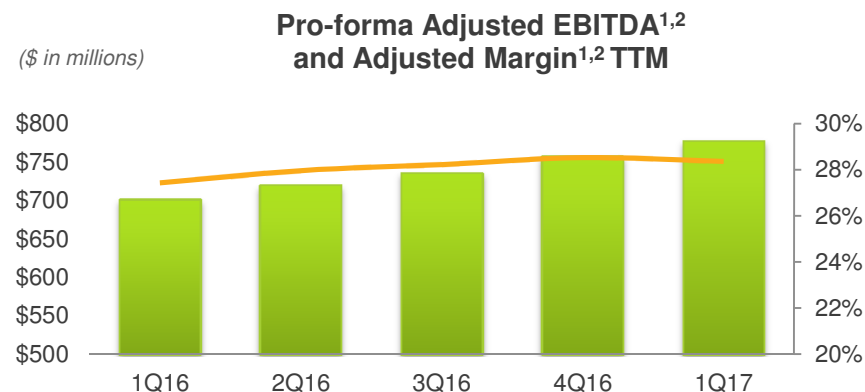
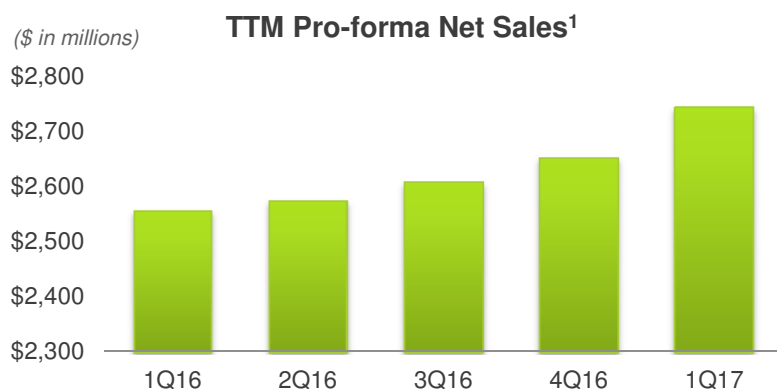
² Closing price as of Mar. 9, 2017; annualized dividend announced Feb. 23, 2017.

³ Closing price as of Mar. 9, 2017; diluted shares outstanding as of Dec. 31, 2016.

⁴ Non-GAAP measure. See Appendix for definition and Non-GAAP reconciliations of historical measures.

⁵ Continuing operations only.

Financial Update



Core Business Performance - First Quarter 2017

Lithium – \$100M adjusted EBITDA², up 56% YoY; 46% adjusted EBITDA² margin









Bromine – \$68M adjusted EBITDA², up 11% YoY

Refining Solutions – \$50M adjusted EBITDA²

¹ Excludes net impact of divested businesses (Minerals, Metal Sulfides), discontinued operations (Chemetall®). See pro-forma reconciliations in Appendix.

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

Leadership Across Businesses Is Driven By Core Strengths

	Lithium & Advanced Materials (LAM)		Refining Solutions	Bromine Specialties
	Lithium	PCS ¹		
Global Ranking	#1	#1/2	#1/2	#1/2
Industry Growth (Relative to GDP)	2.0 – 3.0x	1.0 – 1.5x	1.0 – 1.5x	~1.0x
Key Competitors	 	 	 	 
Advantages	Diversity and Quality of Resources; Processing and Application Expertise; Customer Relationships	Product Stewardship; Customer Relationships	Leading Technology; Application Expertise; Customer Relationships	Diverse Portfolio; Diversity and Quality of Resources

¹ PCS segment also includes Curatives.

Lithium Franchise Snapshot

1Q17 TTM Financials

Net Sales	\$749M
Adj. EBITDA¹	\$322M
Adj. EBITDA Margin¹	43%

Characteristics

- Mining and specialty chemicals capability
- Vertically integrated from natural resource to specialty performance products
- Low cost position globally

Applications

- Energy storage (Batteries)
- Glasses and Ceramics
- Greases and Lubricants
- Pharmaceutical Synthesis
- Polyolefins and Elastomers



Business Environment

- Volume growth driven by energy storage
- Public policy accelerating e-mobility / renewables
- Battery cost declining / performance improving
- Long-term supply agreements becoming industry standard

Best-In-Class Resources Coupled with Derivatives Expertise Are Differentiators

¹ Non-GAAP measure. See Appendix for definition and Non-GAAP reconciliations of historical measures.

Battery Markets Continue to Accelerate

Battery Market Expectations



Consumer Products

CAGR (2016-21): ~8%
LCE Content: < 0.1 kgs



Transportation

CAGR (2016-21): 30 – 35 %
LCE Content: 40 – 100 kgs



Grid Storage

CAGR (2016-21): > 40%
LCE Content: > 1,000 kgs

Source: Based on Internal Albemarle Demand Model and third-party data

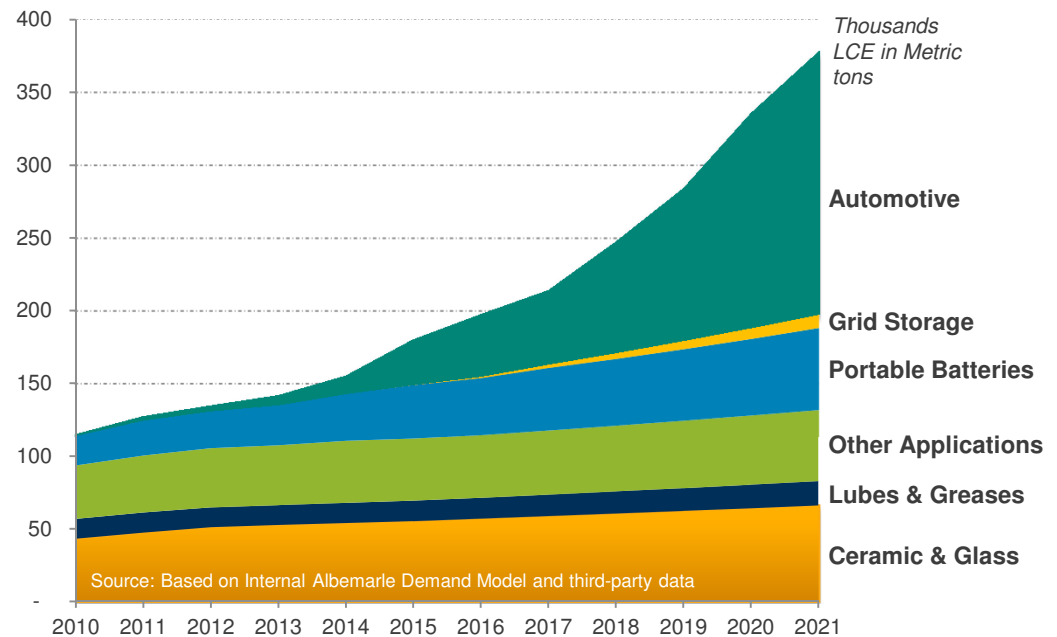
Demand Forecast Raised due to Faster BEV/PHEV Penetration

Forecast Drivers

- BEV / PHEV penetration rate forecast
- New EV model launches
- Battery size / energy density requirements increasing

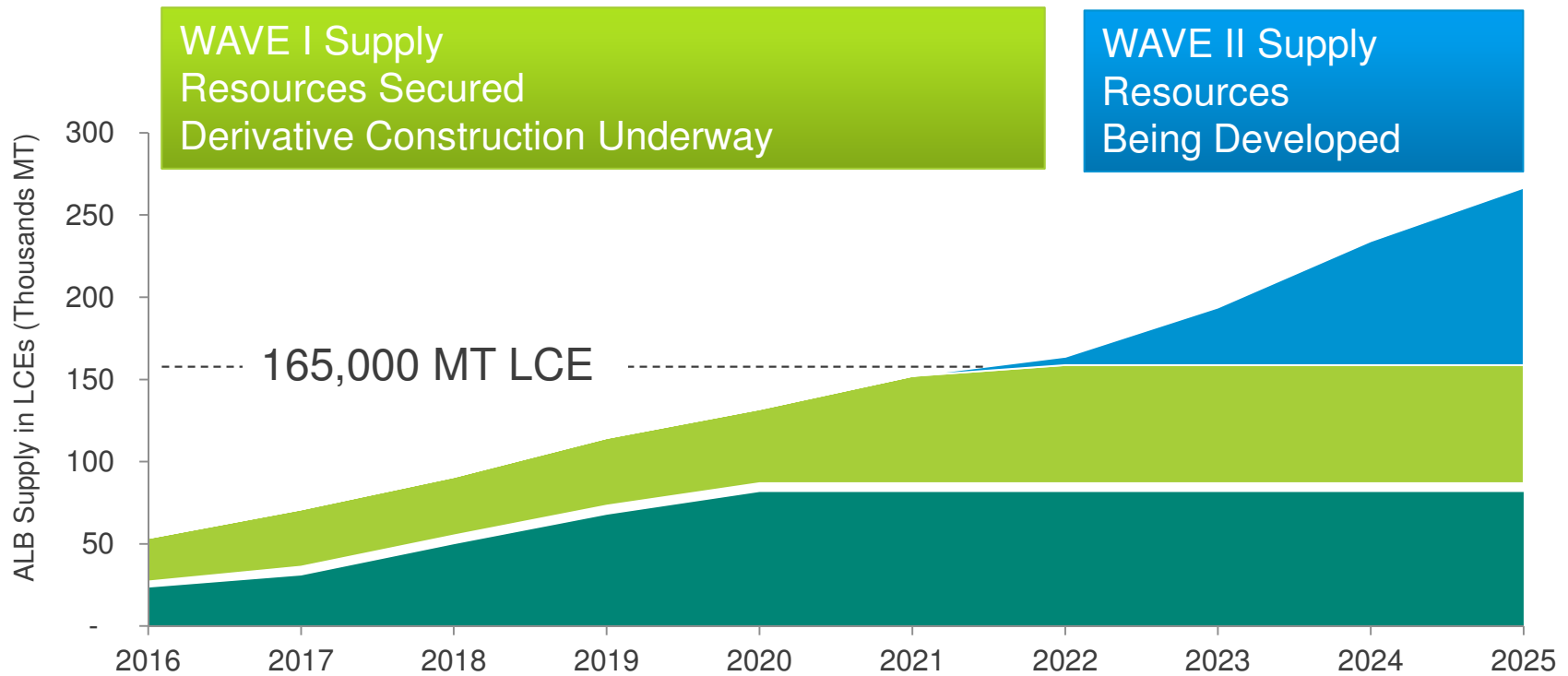
Penetration Rate Assumptions and Corresponding LCE Demand (thousands MT)

Year	BEV Pen. Rate	BEV MT LCE	PHEV Pen. Rate	PHEV MT LCE
2016	0.6%	21	0.4%	4
2021	2.3%	111	2.7%	30



Modeling Demand Growth of 35,000 MT LCE Annually Through 2021
up from 20,000 MT LCE through 2020

ALB Targets 165,000 MT LCE Installed Capacity by End of 2021



Our Execution Focus....Bring New Capacity Online When Our Customers Need It

Refining Solutions Snapshot

1Q17 TTM Financials	Characteristics
---------------------	-----------------

Net Sales	\$747M
Adj. EBITDA¹	\$233M
Adj. EBITDA Margin¹	31%

- Leading positions in FCC and HPC catalysts
- Technology and applications knowledge
- Focused on value creation for refiners
- Long-term, collaborative customer relationships
- High barriers-to-entry
- Strong free cash flow¹ generation with growth

Fluid Cracking Catalysts (FCC)	Clean Fuels Technology (CFT)
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FCC Catalyst

- Cracks oil feedstock
- Makes gasoline
- Makes propylene



HPC Catalyst

- Removes sulfur and contaminants
- Makes clean diesel
- Makes clean oil-feedstock



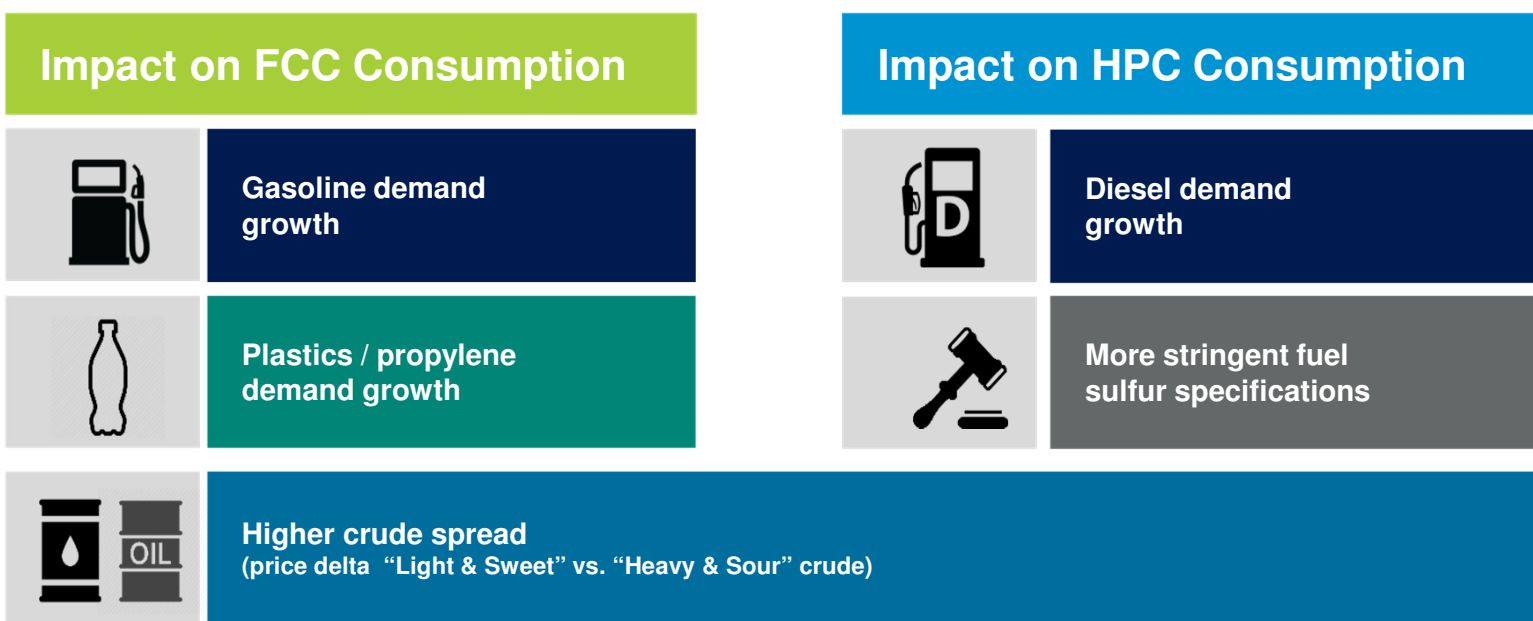
Alkylation & Isomerization Catalyst

- Makes clean high-octane gasoline

¹ Non-GAAP measure. See Appendix for definition and Non-GAAP reconciliations of historical measures.

Leadership in a High Margin Business with High Barriers-to-Entry

Major Dynamics Accelerating Catalyst Demand



Bromine Specialties Snapshot

1Q17 TTM Financials

Net Sales	\$815M
Adj. EBITDA¹	\$234M
Adj. EBITDA Margin¹	29%

Characteristics

- Mineral extraction and processing
- Low-cost position on global cost curve
- Vertically integrated
- Stable and sustainable cash flow

Applications



- Flame retardants for electronics and construction materials
- Completion fluids for oilfield
- Industrial water treatment
- Plastic and synthetic rubber
- Ag and pharma synthesis

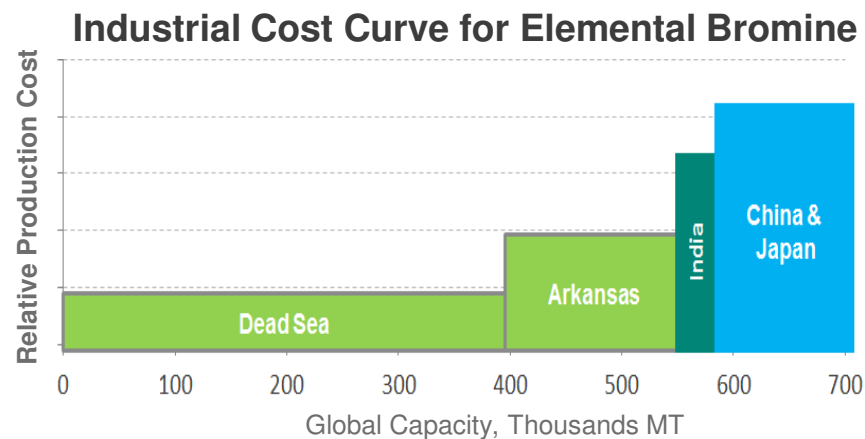
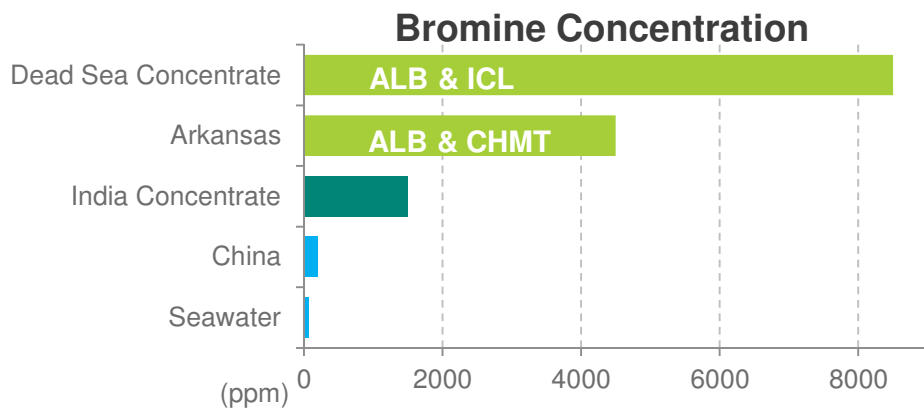
Business Environment

- Stable flame retardants demand across electronics, construction and automotive
- Current completion fluid weakness due to oil prices, with a favorable and long-term outlook
- Excess bromine capacity is limited to few suppliers

¹ Non-GAAP measure. See Appendix for definition and Non-GAAP reconciliations of historical measures.

Advantaged Position. Stable End Markets. Strong Sustainable Cash Flow.

Our Cost Position Begins With Our Advantaged Bromine Reserves



Source: Internal ALB and company public documents

Albemarle Operates from the Two Best Bromine Resources

The Path to Achieve Growth

2016

Diversified specialty chemical company with strong free cash flow¹ to fund growth

Lithium Wave I: Expand battery grade lithium salt capacity

Lithium Wave II: Develop new lithium resources

Refining Solutions: Strengthen and expand

Mature Businesses: Generate strong free cash flow

Supported by Productivity and Operational Excellence

2021

- 165,000 MT LCE annual capacity
- New Lithium resource in development with goal of mid-2020s production
- Stronger overall product portfolio offering in refinery catalyst
- Strong free cash flow¹ to reinvest in growth businesses
- Ability to sustain margins in mature businesses

CORPORATE GOALS
Sales Growth: 7-10% annualized
Adj. EBITDA Margins¹: 32 – 35%

Every Part of the Portfolio Contributes to the Strategy

Disciplined Capital Allocation Strategy – Our Priorities

Invest for Growth, Maintain Flexibility and Deliver Shareholder Value

Invest for Growth in High Return Projects

- Strategically grow Lithium & Refining Solutions

Disciplined M&A Strategy

- Must support or accelerate our strategy

Maintain Investment Grade Rating

- Long-term Net Debt to Adjusted EBITDA^{1,2} Target: 2.0x – 2.5x
- Short-term target lower to stay flexible for investment

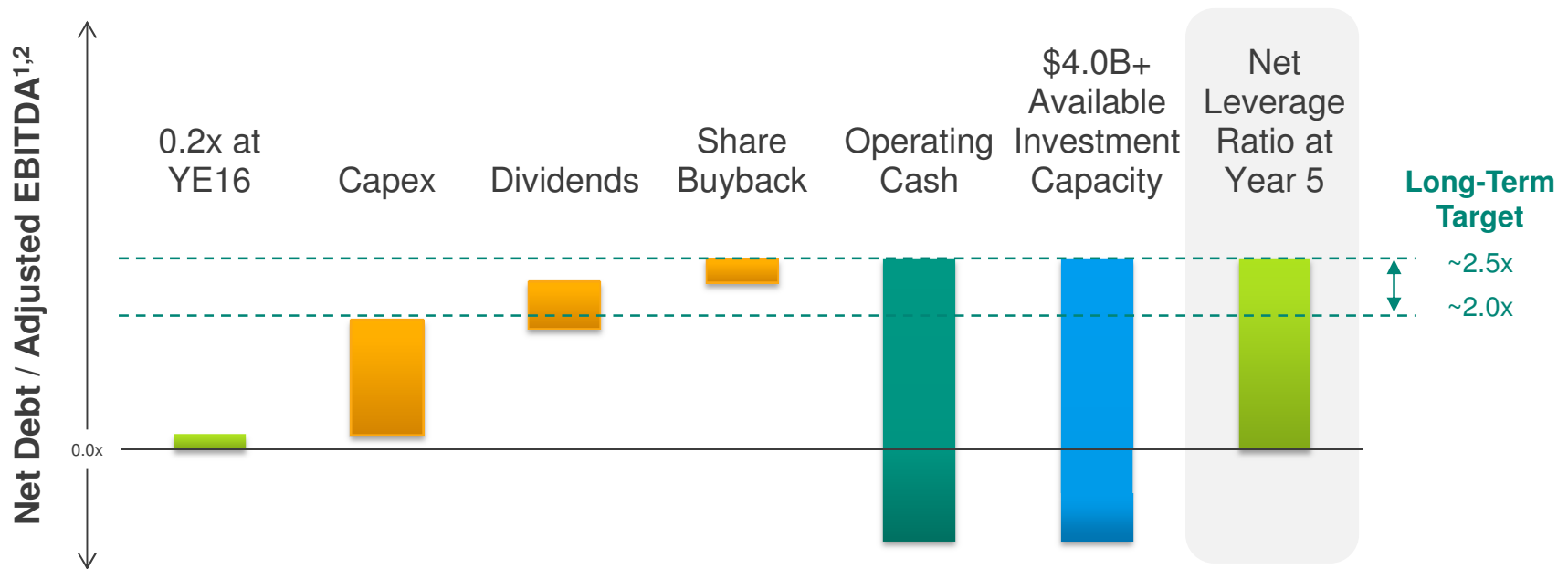
Fund Dividend Growth

- Increase dividend annually: 23 consecutive years since going public in 1994

Repurchase Shares

- Repurchase program of ~\$250 million announced Mar. 1st, 2017

Balance Sheet and Cash Flow Provides Flexibility for Investment or Return to Shareholders



\$4.0B+ Available for Investment or Return of Capital

Albemarle Is Well Positioned to Maximize Long-Term Shareholder Value Creation

- 1 Multi-year journey has resulted in a more focused and growth-oriented portfolio underpinned by energy efficiency macro drivers
- 2 Clearly articulated and well understood strategy with the people, free cash flow and additional resources necessary to implement the strategy
- 3 Experienced and focused management team with clear deliverables
- 4 Actively managing our portfolio in a disciplined and focused manner to drive shareholder value
- 5 Strong balance sheet and disciplined approach to capital allocation with focus on highest return: reinvestment, strategic acquisitions and returns to shareholders

Full Year 2017 Business Guidance vs 2016

GBU	Division	Initial Outlook	1Q17 Updated Outlook	Business Environment
Refining Solutions	Fluid Catalytic Catalysts	↔	↔	<ul style="list-style-type: none"> Sustained demand for FCC catalysts continues into 2017 offset by unfavorable product mix Negative impact in 1H17 from increased customer turnarounds and competitive trials
	Clean Fuel Technologies	↑	↔	<ul style="list-style-type: none"> Typical customer buying patterns continue Less favorable outlook driven by unfavorable product mix and increased input costs
Bromine Specialties	Bromine Specialties	↔	↑	<ul style="list-style-type: none"> Full-year adjusted EBITDA expected to increase by mid to high single digits on a percentage basis vs prior year Elevated demand in flame retardants, elemental bromine, and specialty bromine derivatives, and productivity improvements partially offset by uncertain demand for clear brine fluids and cost pressures in certain raw materials
Lithium and Advanced Materials	Lithium	↑	↑	<ul style="list-style-type: none"> Lithium adjusted EBITDA now expected to increase by greater than 35% compared to 2016. Improved outlook driven by strong volume and price improvements, primarily in battery grade product portfolio. Focused on executing 'Wave 1' expansion projects and actively working to evaluate and develop 'Wave 2' lithium resources (startups beyond FY2021) Lithium adjusted EBITDA margins expected to remain above 40% despite additional \$60-70M of costs from royalty and community payments in Chile and expenses related to 'Wave 2' resource evaluation
	PCS / Curatives	↔	↔	<ul style="list-style-type: none"> Adjusted EBITDA expected to be relatively flat vs 2016 Competitive pressure in organometallics continues to be greatest challenge partially offset by focused cost and productivity improvements

 Better than 2016
  Similar to 2016

Full Year 2017 Guidance

	Initial FY 2017 Guidance		1Q17 Updated FY 2017 Guidance
Net Sales	\$2.80 – 2.95B	▲	\$2.90 – 3.05B
Adjusted EBITDA ^{1,2}	\$800 – 840M	▲	\$835 – 875M
Adjusted EBITDA Margin ^{1,2}	28 - 29%	=	28 - 29%
Adjusted Diluted EPS ^{1,3}	\$4.00 – 4.25	▲	\$4.20 – 4.40
D&A	\$175 – 195M	=	\$175 – 195M
Net Cash from Operations ^{4,5}	\$225 – 325M	=	\$225 – 325M
Capital Expenditures	\$350 – 400M	=	\$350 – 400M
Adjusted Free Cash Flow ^{4,5}	\$200 – 300M	=	\$200 – 300M

¹ Non-GAAP measure. See Appendix for Non-GAAP reconciliations.

² Reflects EBITDA attributable to Albemarle Corporation, before discontinued operations and the special and non-operating pension and OPEB items.

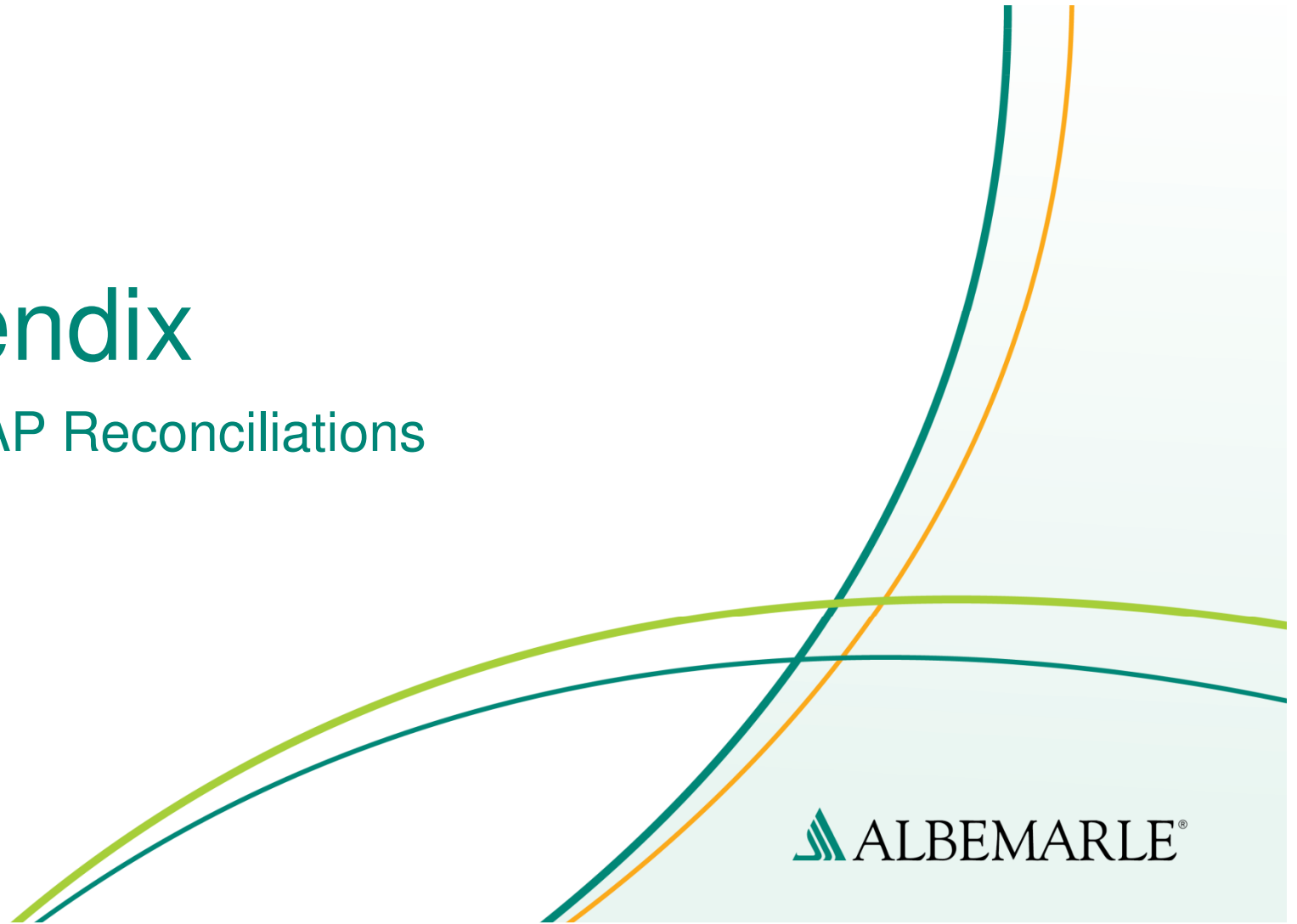
³ Reflects Net Income attributable to Albemarle Corporation, before discontinued operations and the special and non-operating pension and OPEB items.

⁴ Net Cash from Operations and Adjusted Free Cash Flow include discontinued operations (Chemetall®). Free Cash Flow is a non-GAAP measure defined as Net Cash from Operations, add back pension and post-retirement contributions and subtract capital expenditures.

⁵ FY 2017 Net Cash from Operations guidance includes \$325-375M of expected one-time cash expenses and taxes, including premiums paid to extinguish debt, integration related cash expenses (*Jiangxi Jiangli*) and cash taxes on the sale of Chemetall® that are excluded from Adjusted Free Cash Flow guidance.

Appendix

Non-GAAP Reconciliations



Net Income

See right for a reconciliation of adjusted net income attributable to Albemarle Corporation ("adjusted earnings"), adjusted net income from continuing operations, and pro-forma adjusted net income, the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP. Adjusted net income attributable to Albemarle Corporation is defined as Net income attributable to Albemarle Corporation before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as shown. Pro-forma adjusted net income is defined as Net income attributable to Albemarle Corporation before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items, and the net impact of divested businesses.

(\$ in thousands)	Year Ended December 31,	
	2016	2015
Net income attributable to Albemarle Corporation	\$ 643,675	\$ 334,906
Add back:		
Income from discontinued operations (net of tax)	(202,131)	(32,476)
Earnings from continuing operations	441,544	302,430
Add back:		
Non-operating pension and OPEB items from continuing operations (net of tax)	17,608	(24,588)
Non-recurring and other unusual items from continuing operations (net of tax)	(55,374)	114,336
Adjusted net income from continuing operations	403,778	392,178
Pro-forma: Net impact of (income) from non-cash FX gain (net of tax)	—	(40,160)
Pro-forma: Net impact of income from divested businesses (net of tax)	—	(21,608)
Pro-forma adjusted net income from continuing operations	403,778	330,410
Net impact of income from non-cash FX gain (net of tax)	—	40,160
Net impact of income from divested businesses (net of tax)	—	21,608
Income from discontinued operations (net of tax)	202,131	32,476
Add back:		
Non-operating pension and OPEB items from discontinued operations (net of tax)	5,798	(7,738)
Non-recurring and other unusual items from discontinued operations (net of tax)	(128,340)	22,471
Adjusted net income attributable to Albemarle Corporation	\$ 483,367	\$ 439,387
Adjusted diluted earnings per share from continuing operations	\$ 3.57	\$ 3.52
Adjusted diluted earnings per share attributable to Albemarle Corporation	\$ 4.27	\$ 3.94
Pro-forma adjusted diluted earnings per share attributable to Albemarle Corporation	\$ 3.57	\$ 2.96
Weighted-average common shares outstanding – diluted	113,239	111,556

EBITDA - Pro-forma

See right for a reconciliation of EBITDA, adjusted EBITDA, and pro-forma adjusted EBITDA, the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP. EBITDA is defined as Net income attributable to Albemarle Corporation before interest and financing expenses, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as shown. Pro-forma adjusted EBITDA is defined as adjusted EBITDA before the net impact of EBITDA from divested businesses.

See right for a reconciliation of pro-forma net sales, the non-GAAP financial measure, to net sales, the most directly comparable financial measure calculated and reported in accordance with GAAP. Pro-forma net sales is defined as net sales before the net impact of net sales from divested businesses.

(\$ in thousands)	Year Ended December 31,	
	2016	2015
Net income attributable to Albemarle Corporation	\$ 643,675	\$ 334,906
Add back:		
Income from discontinued operations (net of tax)	(202,131)	(32,476)
Interest and financing expenses	65,181	81,650
Income tax expense	96,263	11,134
Depreciation and amortization	190,975	181,173
EBITDA	793,963	576,387
Non-operating pension and OPEB items	25,589	(35,300)
Non-recurring and other unusual items (excluding items associated with interest expense)	(61,335)	214,913
Adjusted EBITDA	\$ 758,217	\$ 756,000
Pro-forma: Net impact of adjusted EBITDA from divested businesses	—	(86,640)
Pro-forma adjusted EBITDA	\$ 758,217	\$ 669,360
Net sales	\$ 2,677,203	\$ 2,826,429
Pro-forma: Net impact of net sales from divested businesses	—	(265,296)
Pro-forma net sales	\$ 2,677,203	\$ 2,561,133
EBITDA margin	29.7%	20.4%
Adjusted EBITDA margin	28.3%	26.7%
Year-over-year difference in Adjusted EBITDA margin	157 bps	
Pro-forma adjusted EBITDA margin	28.3%	26.1%
Year-over-year difference in Pro-forma adjusted EBITDA margin	219 bps	

Free Cash Flow - without restatement for subsequent acquisitions & divestitures

(\$ in millions)	Year Ended December 31,			
	2016	2015	2014	2013
Net Cash from Operations	\$ 733	\$ 361	\$ 459	\$ 433
Less: Capital Expenditures	(197)	(228)	(111)	(155)
Add Back: Pension Contributions	20	22	14	13
Free Cash Flow¹	\$ 557	\$ 155	\$ 361	\$ 291
Acquisition and integration related costs	85	146	—	—
Cash taxes on repatriation	20	108	—	—
Other cash adjustments	10	97	—	—
Adjusted Free Cash Flow¹	\$ 672	\$ 506	\$ 361	\$ 291

See above for a reconciliation of Free Cash Flow and Adjusted Free Cash Flow, the non-GAAP measures, to Net Cash from Operations, the most directly comparable financial measure calculated and reporting in accordance with GAAP. Free Cash Flow and Adjusted Free Cash Flow include discontinued operations (Chemetall®). Free Cash Flow is defined as Net Cash from Operations, add back pension and post-retirement contributions and subtract capital expenditures. Adjusted Free Cash Flow is defined as Free Cash Flow excluding non-recurring cash expenses and cash taxes on repatriation as listed above.

¹Totals may not add due to rounding.

Diluted EPS

	Year Ended December 31,	
	2016	2015
Diluted earnings per share attributable to Albemarle Corporation	\$ 5.68	\$ 3.00
Add back:		
Non-operating pension and OPEB items from continuing operations (net of tax)	0.16	(0.22)
Non-recurring and other unusual items from continuing operations (net of tax)		
Utilization of inventory markup	—	0.60
Write-off of research and development fixed assets	0.01	—
Restructuring and other, net	—	(0.05)
Gain on sales of businesses, net	(1.02)	—
Acquisition and integration related costs	0.31	0.76
Loss on extinguishment of debt	0.01	0.03
Interest and financing expenses related to Rockwood acquisition	—	0.01
Other	0.02	0.03
Impairment of unconsolidated investment	—	0.02
Discrete tax items	0.18	(0.37)
Total non-recurring and other unusual items	(0.49)	1.03
Income from discontinued operations (net of tax)	(1.78)	(0.29)
Adjusted diluted earnings per share from continuing operations ¹	\$ 3.57	\$ 3.52
Income from discontinued operations (net of tax)	1.78	0.29
Add back:		
Non-operating pension and OPEB items from discontinued operations (net of tax)	0.05	(0.07)
Non-recurring and other unusual items from discontinued operations (net of tax)	(1.13)	0.20
Adjusted diluted earnings per share attributable to Albemarle Corporation ¹	\$ 4.27	\$ 3.94

¹Totals may not add due to rounding

EBITDA - by Segment *(three months ended March 31)*

(\$ in thousands)

	Lithium and Advanced Materials	Bromine Specialties	Refining Solutions	Reportable Segments Total	All Other	Corporate	Consolidated Total
Three months ended March 31, 2017:							
Net income (loss) attributable to Albemarle Corporation	\$ 94,106	\$ 58,694	\$ 40,474	\$ 193,274	\$ 3,246	\$ (145,307)	\$ 51,213
Depreciation and amortization	22,743	9,794	9,105	41,642	1,910	1,518	45,070
Non-recurring and other unusual items (excluding items associated with interest expense)	3,173	—	—	3,173	—	32,499	35,672
Interest and financing expenses	—	—	—	—	—	68,513	68,513
Income tax expense	—	—	—	—	—	11,971	11,971
Non-operating pension and OPEB items	—	—	—	—	—	(1,063)	(1,063)
Adjusted EBITDA	\$ 120,022	\$ 68,488	\$ 49,579	\$ 238,089	\$ 5,156	\$ (31,869)	\$ 211,376
Three months ended March 31, 2016:							
Net income (loss) attributable to Albemarle Corporation	\$ 63,327	\$ 51,853	\$ 46,314	\$ 161,494	\$ 130,709	\$ (64,017)	\$ 228,186
Depreciation and amortization	23,147	9,755	8,760	41,662	612	1,335	43,609
Non-recurring and other unusual items	—	—	—	—	(122,857)	20,091	(102,766)
Interest and financing expenses	—	—	—	—	—	15,114	15,114
Income tax expense	—	—	—	—	—	25,485	25,485
Income from discontinued operations (net of tax)	—	—	—	—	—	(17,312)	(17,312)
Non-operating pension and OPEB items	—	—	—	—	—	(283)	(283)
Adjusted EBITDA	\$ 86,474	\$ 61,608	\$ 55,074	\$ 203,156	\$ 8,464	\$ (19,587)	\$ 192,033

See above for a reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP. Adjusted earnings on a segment basis is defined as earnings before discontinued operations and the special and non-operating pension and OPEB items as listed above. EBITDA is defined as earnings before interest and financing expenses, income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as listed above.

EBITDA - Margin by Segment (*three months ended March 31*)

(\$ in thousands)

	Lithium and Advanced Materials	Bromine Specialties	Refining Solutions	Reportable Segments Total	All Other	Consolidated Total
Three months ended March 31, 2017:						
Net sales	\$ 284,375	\$ 219,191	\$ 185,412	\$ 688,978	\$ 32,419	\$ 722,063
Net income (loss) attributable to Albemarle Corporation	33.1%	26.8%	21.8%	28.1%	10.0%	7.1%
Depreciation and amortization	8.0%	4.5%	4.9%	6.0%	5.9%	6.2%
Non-recurring and other unusual items (excluding items associated with interest expense)	1.1%	—%	—%	0.5%	—%	4.9%
Interest and financing expenses	—%	—%	—%	—%	—%	9.5%
Income tax expense	—%	—%	—%	—%	—%	1.7%
Non-operating pension and OPEB items	—%	—%	—%	—%	—%	(0.1)%
Adjusted EBITDA Margin	42.2%	31.2%	26.7%	34.6%	15.9%	29.3%
Three months ended March 31, 2016:						
Net sales	\$ 216,173	\$ 196,553	\$ 170,579	\$ 583,305	\$ 72,089	\$ 657,211
Net income (loss) attributable to Albemarle Corporation	29.3%	26.4%	27.2%	27.7%	181.3%	34.7%
Depreciation and amortization	10.7%	5.0%	5.1%	7.1%	0.8%	6.6%
Non-recurring and other unusual items	—%	—%	—%	—%	(170.4)%	(15.6)%
Interest and financing expenses	—%	—%	—%	—%	—%	2.3%
Income tax expense	—%	—%	—%	—%	—%	3.9%
Income from discontinued operations (net of tax)	—%	—%	—%	—%	—%	(2.6)%
Adjusted EBITDA Margin	40.0%	31.3%	32.3%	34.8%	11.7%	29.2%

See above for adjusted EBITDA margin, a non-GAAP financial measure defined as adjusted EBITDA divided by net sales. See slide 26 for the related reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP.

Consolidated Total includes net sales from Corporate (not shown) of \$666 and \$1,817 in the three months ended March 31, 2017 and March 31, 2016, respectively.

EBITDA - Lithium & Adv. Materials *(three-months ended March 31)*

(\$ in thousands)

	Lithium	PCS	Total Lithium and Advanced Materials
Three months ended March 31, 2017:			
Net income attributable to Albemarle Corporation	\$ 77,614	\$ 16,492	\$ 94,106
Depreciation and amortization	19,065	3,678	22,743
Non-recurring and other unusual items	3,173	—	3,173
Adjusted EBITDA	\$ 99,852	\$ 20,170	\$ 120,022
Three months ended March 31, 2016:			
Net income attributable to Albemarle Corporation	\$ 44,346	\$ 18,981	\$ 63,327
Depreciation and amortization	19,488	3,659	23,147
Adjusted EBITDA	\$ 63,834	\$ 22,640	\$ 86,474

See above for a reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP. Adjusted earnings on a segment basis is defined as earnings before discontinued operations and the special and non-operating pension and OPEB items as listed above. EBITDA is defined as earnings before interest and financing expenses, income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as listed above.

EBITDA - Lithium & Adv. Materials Margins (*three months ended Mar. 31*)

<i>(\$ in thousands)</i>	Lithium	PCS	Total Lithium and Advanced Materials
Three months ended March 31, 2017:			
Net sales	\$ 216,229	\$ 68,146	\$ 284,375
Net income attributable to Albemarle Corporation	35.9 %	24.2 %	33.1 %
Depreciation and amortization	8.8 %	5.4 %	8.0 %
Non-recurring and other unusual items	1.5 %	— %	1.1 %
Adjusted EBITDA	46.2 %	29.6 %	42.2 %
Three months ended March 31, 2016:			
Net sales	\$ 136,560	\$ 79,613	\$ 216,173
Net income attributable to Albemarle Corporation	32.5 %	23.8 %	29.3 %
Depreciation and amortization	14.3 %	4.6 %	10.7 %
Adjusted EBITDA	46.7 %	28.4 %	40.0 %

See above for adjusted EBITDA margin, a non-GAAP financial measure defined as adjusted EBITDA divided by net sales. See slide 28 for the related reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP.

EBITDA - Continuing Operations *(twelve months ended)*

	Twelve Months Ended				
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017
<i>(\$ in thousands)</i>					
Continuing Operations					
Net income attributable to Albemarle Corporation	\$ 519,977	\$ 153,009	\$ 215,837	\$ 643,675	\$ 466,702
Depreciation and amortization	178,992	180,325	179,656	190,975	192,436
Non-recurring and other unusual items (excluding items associated with interest expense)	18,648	(20,329)	(59,662)	(61,335)	77,103
Interest and financing expenses	74,464	69,665	66,317	65,181	118,580
Income tax expense	22,834	31,639	30,889	96,263	82,749
(Income) loss from discontinued operations (net of tax)	(51,886)	356,576	344,441	(202,131)	(184,819)
Non-operating pension and OPEB items	(34,496)	(33,239)	(32,164)	25,589	24,809
Adjusted EBITDA	<u>\$ 728,533</u>	<u>\$ 737,646</u>	<u>\$ 745,314</u>	<u>\$ 758,217</u>	<u>\$ 777,560</u>
Pro-forma: Net impact of adjusted EBITDA from divested businesses	(28,000)	(18,571)	(9,837)	(2,059)	—
Pro-forma Adjusted EBITDA	<u>\$ 700,533</u>	<u>\$ 719,075</u>	<u>\$ 735,477</u>	<u>\$ 756,158</u>	<u>\$ 777,560</u>
Net Sales	\$ 2,791,325	\$ 2,742,363	\$ 2,703,157	\$ 2,677,203	\$ 2,742,055
Pro-forma: Net impact of net sales from divested businesses	(237,111)	(170,345)	(97,087)	(26,132)	—
Pro-forma Net Sales	<u>\$ 2,554,214</u>	<u>\$ 2,572,018</u>	<u>\$ 2,606,070</u>	<u>\$ 2,651,071</u>	<u>\$ 2,742,055</u>
Pro-forma Adjusted EBITDA Margin	27%	28%	28%	29%	28%

See above for a reconciliation of EBITDA, adjusted EBITDA, and pro-forma adjusted EBITDA, the non-GAAP financial measures, to Net income attributable to Albemarle Corporation, the most directly comparable financial measure calculated and reported in accordance with GAAP. EBITDA is defined as Net income attributable to Albemarle Corporation before interest and financing expenses, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as listed below. Pro-forma adjusted EBITDA is defined as adjusted EBITDA before the net impact of EBITDA from divested businesses.

See above for a reconciliation of pro-forma net sales, the non-GAAP financial measure, to net sales, the most directly comparable financial measure calculated and reported in accordance with GAAP. Pro-forma net sales is defined as net sales before the net impact of net sales from divested businesses.

EBITDA - Lithium & Adv. Materials (twelve months ended)

(\$ in thousands)	Twelve Months Ended				
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017
Lithium and Advanced Materials					
Net income attributable to Albemarle Corporation	\$ 184,957	\$ 219,307	\$ 246,975	\$ 261,394	\$ 292,173
Depreciation and amortization	85,394	87,550	91,027	101,966	101,562
Non-recurring and other unusual items (excluding items associated with interest expense)	51,395	17,572	738	—	3,173
Adjusted EBITDA	321,746	324,429	338,740	363,360	396,908
Net Sales	851,877	872,339	903,943	968,216	1,036,418
Adjusted EBITDA Margin	38%	37%	37%	38%	38%
Lithium					
Net income attributable to Albemarle Corporation	\$ 103,891	\$ 146,233	\$ 176,574	\$ 198,852	\$ 232,120
Depreciation and amortization	71,434	73,416	76,436	86,862	86,439
Non-recurring and other unusual items (excluding items associated with interest expense)	51,395	17,572	738	—	3,173
Adjusted EBITDA	226,720	237,221	253,748	285,714	321,732
Net Sales	531,018	561,683	599,685	668,852	748,520
Adjusted EBITDA Margin	43%	42%	42%	43%	43%
PCS					
Net income attributable to Albemarle Corporation	\$ 81,066	\$ 73,074	\$ 70,401	\$ 62,542	\$ 60,053
Depreciation and amortization	13,960	14,134	14,591	15,104	15,123
Adjusted EBITDA	95,026	87,208	84,992	77,646	75,176
Net Sales	320,859	310,656	304,257	299,364	287,897
Adjusted EBITDA Margin	30%	28%	28%	26%	26%

See above for a reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP. Adjusted earnings on a segment basis is defined as earnings before discontinued operations and the special and non-operating pension and OPEB items as listed above. EBITDA is defined as earnings before interest and financing expenses, income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as listed above.

EBITDA - Bromine Specialties & Refining Solutions (*twelve months ended*)

(\$ in thousands)	Twelve Months Ended				
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017
Bromine Specialties					
Net income attributable to Albemarle Corporation	\$ 193,855	\$ 190,116	\$ 182,342	\$ 187,364	\$ 194,205
Depreciation and amortization	37,473	39,077	39,857	39,562	39,601
Adjusted EBITDA	231,328	229,193	222,199	226,926	233,806
Net Sales	782,802	765,593	769,374	792,425	815,063
Adjusted EBITDA Margin	30%	30%	29%	29%	29%
Refining Solutions					
Net income attributable to Albemarle Corporation	\$ 173,816	\$ 186,571	\$ 196,839	\$ 202,874	\$ 197,034
Depreciation and amortization	34,689	35,320	35,495	36,089	36,434
Non-recurring and other unusual items	1,971	1,971	1,971	—	—
Adjusted EBITDA	210,476	223,862	234,305	238,963	233,468
Net Sales	720,675	734,113	739,464	732,137	746,969
Adjusted EBITDA Margin	29%	30%	32%	33%	31%

See above for a reconciliation of adjusted EBITDA on a segment basis, the non-GAAP financial measure, to net income attributable to Albemarle Corporation ("earnings"), the most directly comparable financial measure calculated and reporting in accordance with GAAP. Adjusted earnings on a segment basis is defined as earnings before discontinued operations and the special and non-operating pension and OPEB items as listed above. EBITDA is defined as earnings before interest and financing expenses, income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA before discontinued operations and the non-recurring, other unusual and non-operating pension and OPEB items as listed above.

EBITDA supplemental

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Dec 31, 2016	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016
Adjusted EBITDA	\$ 758,217	\$ 187,384	\$ 188,329	\$ 190,471	\$ 192,033
Net income attributable to noncontrolling interests	37,094	8,188	9,477	12,067	7,362
Adjusted equity in net income of unconsolidated investments (net of tax)	(59,637)	(14,847)	(14,953)	(13,846)	(15,991)
Dividends received from unconsolidated investments	43,759	8,777	3,460	31,322	200
Consolidated EBITDA	\$ 779,433	\$ 189,502	\$ 186,313	\$ 220,014	\$ 183,604
Total Long Term Debt (as reported)	\$ 2,369,262				
Off balance sheet obligations and other	51,300				
Consolidated Funded Debt	\$ 2,420,562				
Less Cash	2,269,756				
Consolidated Funded Net Debt	\$ 150,806				
Consolidated Funded Debt to Consolidated EBITDA Ratio	3.1				
Consolidated Funded Net Debt to Consolidated EBITDA Ratio	0.2				

¹ This supplemental is for net-debt-to-adjusted EBITDA ratio based on the bank covenant definition.

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