

Albemarle Corporation First Quarter 2017 Earnings

Appendix & Non-GAAP Reconciliations

Conference Call/Webcast

Thursday, May 4th, 2017

9:00am ET



Forward-Looking Statements

Some of the information presented in this presentation and the conference call and discussions that follow, including, without limitation, statements with respect to 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 herein. 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.

Net Income

	Three Months Ended	
	March 31,	
	2017	2016
<i>(\$ in thousands)</i>		
Net income attributable to Albemarle Corporation	\$ 51,213	\$ 228,186
Add back:		
Income from discontinued operations (net of tax)	—	(17,312)
Earnings from continuing operations	51,213	210,874
Add back:		
Non-operating pension and OPEB items from continuing operations (net of tax)	(810)	119
Non-recurring and other unusual items from continuing operations (net of tax)	68,605	(103,828)
Adjusted net income from continuing operations	119,008	107,165
Pro-forma: Net impact of income from divested businesses (net of tax)	—	(1,827)
Pro-forma adjusted net income from continuing operations	119,008	105,338
Net impact of income from divested businesses (net of tax)	—	1,827
Income from discontinued operations (net of tax)	—	17,312
Add back:		
Non-operating pension and OPEB items from discontinued operations (net of tax)	—	89
Non-recurring and other unusual items from discontinued operations (net of tax)	—	1,235
Adjusted net income attributable to Albemarle Corporation	\$ 119,008	\$ 125,801
Adjusted diluted earnings per share from continuing operations	\$ 1.05	\$ 0.95
Pro-forma adjusted diluted earnings per share attributable to continuing operations	\$ 1.05	\$ 0.93
Weighted-average common shares outstanding – diluted	113,289	112,770

See above 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 listed above. 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.

EBITDA - Pro-forma

	Three Months Ended	
	March 31,	
	2017	2016
<i>(\$ in thousands)</i>		
Net income attributable to Albemarle Corporation	\$ 51,213	\$ 228,186
Add back:		
Income from discontinued operations (net of tax)	—	(17,312)
Interest and financing expenses	68,513	15,114
Income tax expense	11,971	25,485
Depreciation and amortization	45,070	43,609
EBITDA	176,767	295,082
Non-operating pension and OPEB items	(1,063)	(283)
Non-recurring and other unusual items (excluding items associated with interest expense)	35,672	(102,766)
Adjusted EBITDA	\$ 211,376	\$ 192,033
Pro-forma: Net impact of adjusted EBITDA from divested businesses	—	(2,058)
Pro-forma adjusted EBITDA	\$ 211,376	\$ 189,975
Net sales	\$ 722,063	\$ 657,211
Pro-forma: Net impact of net sales from divested businesses	—	(26,132)
Pro-forma net sales	\$ 722,063	\$ 631,079
EBITDA margin	24.5%	44.9%
Adjusted EBITDA margin	29.3%	29.2%
Year-over-year difference in adjusted EBITDA margin	5 bps	
Pro-forma adjusted EBITDA margin	29.3%	30.1%
Year-over-year difference in Pro-forma adjusted EBITDA margin	(83 bps)	

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 - 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 6 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

<i>(\$ in thousands)</i>	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	<u>\$ 99,852</u>	<u>\$ 20,170</u>	<u>\$ 120,022</u>
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	<u>\$ 63,834</u>	<u>\$ 22,640</u>	<u>\$ 86,474</u>

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

<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 8 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)

(\$ in thousands)	Twelve Months Ended				
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017
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	\$ 728,533	\$ 737,646	\$ 745,314	\$ 758,217	\$ 777,560
Pro-forma: Net impact of adjusted EBITDA from divested businesses	(28,000)	(18,571)	(9,837)	(2,059)	—
Pro-forma Adjusted EBITDA	\$ 700,533	\$ 719,075	\$ 735,477	\$ 756,158	\$ 777,560
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	\$ 2,554,214	\$ 2,572,018	\$ 2,606,070	\$ 2,651,071	\$ 2,742,055
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 supplemental¹

(\$ in thousands)

	Twelve Months Ended	Three Months Ended			
	Mar 31, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
Adjusted EBITDA	\$ 777,560	\$ 211,376	\$ 187,384	\$ 188,329	\$ 190,471
Net income attributable to noncontrolling interests	41,176	11,444	8,188	9,477	12,067
Adjusted equity in net income of unconsolidated investments (net of tax)	(64,817)	(21,171)	(14,847)	(14,953)	(13,846)
Dividends received from unconsolidated investments	46,110	2,551	8,777	3,460	31,322
Consolidated EBITDA	\$ 800,029	\$ 204,200	\$ 189,502	\$ 186,313	\$ 220,014
Total Long Term Debt (as reported)	\$ 1,712,886				
Off balance sheet obligations and other	47,100				
Consolidated Funded Debt	\$ 1,759,986				
Less Cash	1,254,536				
Consolidated Funded Net Debt	\$ 505,450				
Consolidated Funded Debt to Consolidated EBITDA Ratio	2.2				
Consolidated Funded Net Debt to Consolidated EBITDA Ratio	0.6				

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

Diluted EPS

	Three Months Ended	
	March 31,	
	2017	2016
Diluted earnings per share attributable to Albemarle Corporation	\$ 0.45	\$ 2.02
Add back:		
Non-operating pension and OPEB items from continuing operations (net of tax)	(0.01)	—
Non-recurring and other unusual items from continuing operations (net of tax)		
Utilization of inventory markup	0.08	—
Restructuring and other, net	0.09	—
Acquisition and integration related costs	0.11	0.12
Gain on sales of businesses, net	—	(1.02)
Gain on acquisition	(0.05)	—
Loss on extinguishment of debt	0.34	—
Other	0.03	—
Discrete tax items	0.01	(0.02)
Total non-recurring and other unusual items	0.61	(0.92)
Income from discontinued operations (net of tax)	—	(0.15)
Adjusted diluted earnings per share from continuing operations ¹	\$ 1.05	\$ 0.95
Income from discontinued operations (net of tax)	—	0.15
Add back:		
Non-operating pension and OPEB items from discontinued operations (net of tax)	—	—
Non-recurring and other unusual items from discontinued operations (net of tax)	—	0.01
Adjusted diluted earnings per share attributable to Albemarle Corporation ¹	\$ 1.05	\$ 1.12

¹Totals may not add due to rounding

Effective Tax Rate

	Income from continuing operations before income taxes and equity in net income of unconsolidated investments	Income tax expense	Effective income tax rate
Three months ended March 31, 2017:			
As reported	\$ 53,457	\$ 11,971	22.4%
Non-recurring, other unusual and non-operating pension and OPEB items from continuing operations	87,410	19,615	
As adjusted	<u>\$ 140,867</u>	<u>\$ 31,586</u>	22.4%
Three months ended March 31, 2016:			
As reported	\$ 227,730	\$ 25,485	11.2%
Non-recurring, other unusual and non-operating pension and OPEB items from continuing operations	(103,049)	660	
As adjusted	<u>\$ 124,681</u>	<u>\$ 26,145</u>	21.0%

See above for a reconciliation of the adjusted effective income tax rate, the non-GAAP financial measure, to the effective income tax rate, the most directly comparable financial measure calculated and reporting in accordance with GAAP.

Equity Income and Non-controlling Interest

	Three Months Ended March 31,			
	2017		2016	
	Equity Income	Non-Controlling Interest	Equity Income	Non-Controlling Interest
<i>(\$ in thousands)</i>				
Bromine Specialties	\$ —	\$ (11,444)	\$ —	\$ (7,362)
Lithium and Advanced Materials	13,677	—	9,419	—
Refining Solutions	7,494	—	5,614	—
All Other	—	—	958	—
Corporate	—	—	—	—
Total Company ¹	<u>\$ 21,171</u>	<u>\$ (11,444)</u>	<u>\$ 15,991</u>	<u>\$ (7,362)</u>

¹Totals may not add due to rounding

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