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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(NO FEE REQUIRED)

For the fiscal year ended December 31, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(NO FEE REQUIRED)

For the transition period from________to________

Commission file number 1-12658

ALBEMARLE CORPORATION

(Exact name of registrant as specified in its charter)

VIRGINIA	54-1692118
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

330 SOUTH FOURTH STREET

P. O. BOX 1335

RICHMOND, VIRGINIA 23210

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 804-788-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
COMMON STOCK, $.01 Par Value	NEW YORK STOCK EXCHANGE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. Yes _X_ No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K _X_

Aggregate market value of voting stock held by non-affiliates of the registrant as of January 31, 2000: $504,123,779*

Number of shares of Common Stock outstanding as of January 31, 2000: 46,191,477.

* In determining this figure, an aggregate of 18,281,510 shares of Common Stock treated as beneficially owned by Floyd D. Gottwald, Jr., Bruce C. Gottwald and members of their families have been excluded and treated as shares held by affiliates. See Item 12 herein. The aggregate market value has been computed on the basis of the closing price in the New York Stock Exchange Composite Transactions on January 31, 2000, as reported by The Wall Street Journal.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Albemarle Corporation's definitive Proxy Statement for its 2000 Annual Meeting of Shareholders filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934 (the "Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS

Albemarle Corporation ("the Company" or "Albemarle") was incorporated under the laws of the Commonwealth of Virginia on November 24, 1993, as a wholly-owned subsidiary of Ethyl Corporation ("Ethyl"). Ethyl thereafter transferred to Albemarle, Ethyl's olefins and derivatives, bromine chemicals and specialty chemicals businesses, and, as of the close of business on February 28, 1994, Ethyl distributed to its common shareholders all of the outstanding shares of Albemarle. Since February 28, 1994, the Company has been a publicly held operating company.

DESCRIPTION OF BUSINESS

Albemarle is a major producer of polymer and fine chemicals including polymer intermediates, cleaning product intermediates and additives, agrichemical intermediates, pharmachemical intermediates and bulk actives, catalysts, brominated flame retardants, bromine chemicals and potassium and chlorine chemicals. Albemarle employs approximately 2,550 people.

The following discussion of the Company's businesses as of December 31, 1999, should be read in conjunction with the information contained in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations on page 17.

The Company's worldwide chemicals operations are reported as two separate and distinct operating segments Polymer Chemicals and Fine Chemicals, in conformity with the Financial Accounting Standards Board's ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 131 "Disclosures about Segments of an Enterprise and Related Information."

Albemarle manufactures a broad range of chemicals, most of which are additives to or intermediates for plastics, polymers and elastomers, cleaning products, agricultural compounds, pharmaceuticals, photographic chemicals, drilling compounds and biocides. Most sales of the Company's products are made directly to manufacturers of the aforementioned products, including chemical and polymer companies, pharmaceutical companies, cleaning product manufacturers, paper and photographic companies, drilling companies and water treatment companies.

The Company produces the majority of its products in the United States, but also has production facilities in France and the United Kingdom and has aluminum alkyls produced for it by BP Amoco [formerly Amoco Chemical Company ("Amoco")] at the Company's former Feluy, Belgium plant. The processes and technology for many of these products were developed in the Company's or its predecessor's research and development laboratories.

The Polymer Chemicals' operating segment produces a broad range of chemicals, including flame retardants, catalysts, polymer curatives and antioxidants.

Albemarle's flame retardants are manufactured to help polymers and other materials meet fire-safety requirements in finished products which serve a variety of end use markets including electronic enclosures, printed circuit boards, electrical connectors and construction. During the fourth quarter of 1999, the Company started up a world-class six-sigma SAYTEX(r) CP-2000 flame retardant [tetrabromobisphenol-A] plant in Magnolia, Arkansas.

Aluminum alkyls are used as co-catalysts in the production of polyolefins, such as polyethylene and polypropylene, elastomers, alpha olefins such as hexene, octene and decene, and organotin heat stabilizers and in the preparation of organic intermediates. The Company has continued to expand and debottleneck its production units at Pasadena, Texas and Orangeburg, South Carolina. It also has strengthened its supply chain for methylaluminoxane ("MAO"), a co-catalyst used in metallocene catalyst systems, by increasing capacity for MAO and the key raw materials needed to make MAO. The Company has continued to build on its organometallics base and expand the portfolio of products and capabilities it offers its customers pursuing the development and commercialization of polymers based on metallocenes/single-site catalysts.

The Company also is expanding its efforts in polymer curatives, products used to control polyurethane and epoxy system polymerization. Also produced are antioxidants and alkylated hindered phenolics that are used to maintain the performance integrity of thermoplastic resins.

The Company continues to focus on expansion of its bromine production capabilities. The expansion of brine field and bromine capacities at the Company's Magnolia, Arkansas, facility that started in 1995, continued. The result of the current phase of the program will be an approximate 30% bromine production capacity increase.

Products of the Fine Chemicals' operating segment include pharmaceutical, agricultural intermediates, elemental bromine, alkyl bromides, inorganic bromides, and a number of bromine fine chemicals. Applications for these products primarily exist in chemical synthesis, oil and gas well drilling and completion fluids, water purification, glass making, cleaning products, soil fumigation and chemical intermediates for pharmaceutical, photographic and agricultural chemicals. Other Fine Chemicals' products include tertiary amines for surfactants and biocides, disinfectants and sanitizers; zeolite A (sodium alumina silicate) used as a phosphate replacement in laundry detergent builders; and alkenyl succinic anhydride (ASA) used in paper-sizing formulations. These products have many varied customers. They are sold to suppliers for use in household, institutional and industrial cleaners, personal care products and industrial products.

The Company's primary bulk actives, ibuprofen and naproxen, are widely-used pharmaceuticals that provide fever reduction and temporary relief of aches and pains and menstrual cramps. Bulk ibuprofen is formulated by

pharmaceutical companies who sell to customers in both the prescription and over-the-counter markets. Ibuprofen products accounted for more than 25% of the U.S. over-the-counter analgesic market in 1999. They compete against other painkillers containing aspirin, acetaminophen, ketoprofen and naproxen. The Company is one of the world's largest producers of ibuprofen. In 1999, the U.S. Food and Drug Administration granted approval for additional customers to use the naproxen product.

Agricultural intermediates are sold to chemical companies that supply finished products to farmers, governments and others. These products include orthoalkylated anilines for the acetanilide family of pre-emergent herbicides used on corn, soybeans and other crops and organophosphorus products for insecticide use.

The Company's subsidiary, Albemarle PPC ("APPC"), operates a plant in Thann, France. APPC is one of the world's largest producers of organic and inorganic brominated compounds used mainly in pharmaceutical, photographic and agricultural chemical intermediates. APPC also operates an electrolysis unit to produce high-purity caustic potash and potassium carbonate used in the glass, water treatment, cleaning product and food industries. APPC strengthens the Company's position in Fine Chemicals and provides additional manufacturing and research and development capabilities in Europe.

In Polymer Chemicals' product lines, some of the Company's flame retardant and aluminum alkyl plants operated below capacity during 1999. In the Fine Chemicals' product lines, most plants operated near capacity during 1999, with the exception of bulk naproxen, ibuprofen and certain agrichemical products which had excess capacity due to low customer demand.

The Company operates on a worldwide basis with (i) manufacturing plants located in France and the United Kingdom, in addition to facilities in the United States, (ii) offices and distribution terminals in Belgium, France, Japan and Singapore, as well as the United States and (iii) offices in Shanghai and Beijing, China. The Company does not believe it has significant assets in countries in which those assets would be deemed to be exposed to substantial risk. See Note 16, "Operating Segments and Geographic Area Information" of notes to the consolidated financial statements in Item 8 on page 40.

COMPETITION

The Company operates in a highly competitive marketplace, competing against a number of other companies in each of its product lines. Some markets involve a significant number of competitors, while others involve only a few. The competitors of the Company are varied in terms of size, resources and market share. Competition generally is based on product performance and availability, reputation for quality, price and customer service and support. The degree and nature of competition depends on the type of product involved.

In general, the Company competes in all of its markets on the basis of the quality and price of its products as well as customer services by maintaining a broad range of products and by focusing resources on products in which the Company has a competitive advantage. The Company endeavors to improve its reputation for quality products, competitive prices and excellent customer service and support. Competition in connection with all of the Company's products requires continuing investments in research and development, product and process improvements and specialized customer services. Through research and development, the Company and its subsidiaries continue to seek to increase margins by introducing value-added products and products based on proprietary technologies.

RAW MATERIALS

Raw materials used by the Company include ethylene, potassium chloride, aluminum, ortho-toluidine, bisphenol-A, chlorine, phenol, isobutylene, caustic soda, toluene, diphenyl oxide, alumina trihydrate, dimethlyamine, phthalic anhydride, alpha olefins, maleic anhydride, ethanol, phosphorus, sulfuric acid and nitrogen, as well as electricity and natural gas as fuels, most of which are readily available from numerous suppliers and are purchased or provided under contracts at prices the Company believes are competitive. The Company also produces bromine in Arkansas from its extensive brine reserves backed by an active leasing program. The Company has supply agreements with the Dead Sea Bromine group of companies. The contracts essentially cover the bromine requirements for the production of bromine fine chemicals in our Thann, France, facility and provide additional bromine if requested for the Company's other bromine needs.

MAJOR CUSTOMERS

Due to the diversity of product lines in which the Company competes, no major portion of the Company's sales or earnings was generated by one customer nor is the Company overly reliant on contracts with any one public, private or governmental entity, although loss of one or more major customers could have a substantial financial impact.

Several of the Company's customers manufacture products for cyclical industries such as the agricultural, pharmaceutical, automotive, electronics and building and construction industries. As a result, demand for the products of the Company from customers in such industries also is cyclical. In addition, the profitability of sales of certain of the Company's products depends on the level of industry plant capacity utilization.

Due to the diversity and size of the Company's operations, there is little seasonal variation in revenues or earnings, except for certain agricultural and pharmaceutical products.

OTHER MATTERS

On May 4, 1999, the Company's subsidiary, Albemarle Holdings Company Limited ("AHC"), signed a joint venture agreement with The Arab Potash Company Limited ("APC") and Jordan Dead Sea Industries Company Limited ("JODICO") to form the Jordan Bromine Company Limited ("JBC"). AHC owns 50%, JODICO owns 40% and APC owns 10% of JBC. JBC will manufacture and market bromine and bromine derivatives from a world-scale complex to be built in Jordan, near the Dead Sea. JBC will build units near Safi, Jordan, to produce bromine, CP-2000 flame retardant, calcium bromide and other derivatives plus chlorine and potassium hydroxide. The project continues on schedule, with the facilities slated to begin production within approximately two years. In conjunction with the joint venture agreement, AHC has entered into a Know-How and Technology Agreement with JBC whereby AHC will license to JBC know-how and technology for the production of bromine and bromine derivatives in Jordan. Albemarle Marketing Company Limited ("Albemarle Marketing"), a subsidiary of Albemarle, has entered into a Marketing Agreement whereby Albemarle Marketing will market bromine and bromine derivatives for JBC. Albemarle Services Company Limited, a subsidiary of Albemarle, has entered into a Training and Start-Up and Construction Services Agreement with JBC to assist JBC and JBC's contractors in the construction, start-up and operation of the bromine and bromine derivatives facilities. Finally, the Company has entered into an Isotank Agreement with JBC whereby Albemarle will lease to JBC isotanks for the transportation of bromine.

During 1999, the Company purchased in market transactions 857,400 shares of its common stock for approximately $15.5 million, at an average price of $18.05 per share. As of December 31, 1999, the Company had authorization to purchase an additional 2,651,300 shares of its common stock.

During the last three quarters of 1999, the Company incurred special charges of $10.7 million ($6.7 million after income taxes) that resulted primarily from voluntary separation offers made to various employees throughout the Company. The program impacted a total of 122 salaried and wageroll employees. The Company expects to recover the costs of the reductions in force in approximately one year.

On January 20, 2000, the Company and Ferro Corporation ("Ferro") announced that an agreement in principle had been reached whereby the Company would purchase the PYRO-CHEK(r) flame retardant business of Ferro along with an operating plant at Port-de-Bouc, France.

RESEARCH AND PATENTS

The Company's research and development ("R&D") efforts support each operating segment. With respect to Polymer Chemicals, the research focus is divided between new and improved flame retardants, polymerization catalysts and new polymer additives. Flame retardant research is targeted to satisfy increasing market needs for performance and quality in products manufactured from polystyrene, acrylonitrilebutadiene-styrene (ABS) and engineered thermoplastics. Catalysts research is targeted to meet the market needs for cost-effective metallocene catalyst systems for the production of improved polyolefin polymers. Development efforts are focused on efficiently debottlenecking pilot plant capacity to meet the expected demand for these businesses and to inventory new molecules to meet the expanding needs of our customers. These efforts are expected to continue into 1999 and beyond.

The primary focus of the Company's Fine Chemicals research program is the development of efficient processes for the manufacture of chemical intermediates for the pharmaceutical and agrichemical industries. A second area of focus is the development of efficient manufacturing processes for pharmaceutical and agricultural bulk active compounds which are no longer covered by patents. Another area of research is the development of biocides for industrial and recreational water treatment and other applications, especially products based on bromine chemistry. These efforts are expected to continue into 2000 and beyond. In addition to the U.S. research facility in Baton Rouge, Louisiana, the Company's European businesses are supported by the research and development facilities at Louvain-la-Neuve, Belgium, and Thann, France.

The Company spent approximately $34.3 million, $29.7 million and $31.4 million in 1999, 1998 and 1997, respectively, on research and development, which amounts qualified under the technical accounting definition of research and development. Total R&D department spending for 1999 was about $39.4 million, including $5.1 million related to technical services support to customers and the Company's plants, testing of existing products, quality improvement and environmental studies.

The Company considers patents, licenses and trademarks to be of significance to its businesses. As of December 31, 1999, the Company owned 1,455 active United States and foreign patents, including 45 U.S. patents and 154 foreign patents issued in 1999. Some of these patents are licensed to others. In addition, rights under the patents and inventions of others have been acquired by the Company through licenses. The Company's patent position is actively managed and is deemed by it to be adequate for the conduct of its business.

ENVIRONMENTAL REGULATION

The Company maintains and operates manufacturing and distribution facilities and equipment which are used in the Polymer and Fine Chemicals' segments. These are subject to environmental risks and regulations, which are discussed more fully in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading "Environmental Matters" on page 21.

FINANCIAL INFORMATION AS TO INDUSTRY SEGMENTS AND GEOGRAPHIC AREAS

The Company's operations are substantially all in the chemicals industry. Industry segments and geographic area information for the Company's operations for the three years ended December 31, 1999, is presented in Note 16, "Operating Segments and Geographical Area Information" of the notes to the consolidated financial statements in Item 8 on page 40.

FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

Financial information about the Company's foreign and domestic operations and export sales for the three years ended December 31, 1999, is set forth in Note 16, "Operating Segments and Geographical Area Information" of the notes to the consolidated financial statements in Item 8 on page 40. Domestic export sales to non-affiliates may be made worldwide but are made primarily in the Asia Pacific region and Europe. Foreign unaffiliated net sales are primarily in Europe, the Middle East, Japan and the Asia Pacific region.

ITEM 2. PROPERTIES

The Company's principal executive offices are located at 330 South Fourth Street, Richmond, Virginia, 23219, and its principal operations offices are located at 451 Florida Street, Baton Rouge, Louisiana, 70801. The Company leases its executive offices and operations offices in Richmond, Virginia and Baton Rouge, Louisiana, respectively; and its regional offices in Singapore; Tokyo, Japan; and Shanghai and Beijing, China; as well as various other offices.

The following is a brief description of the principal plants and related facilities of the Company, all of which are owned except as stated below.

LOCATION	PRINCIPAL OPERATIONS
Baton Rouge, Louisiana (2 facilities, one on leased land)	Research and product development activities

Louvain-la-Neuve, Belgium	Regional offices and research and customer technical service activities
Magnolia, Arkansas (South Plant)	Production of flame retardants, bromine, several inorganic bromides, agrichemical intermediates and tertiary amines
Magnolia, Arkansas (West Plant)	Production of flame retardants and bromine
Orangeburg, South Carolina	Production of flame retardants, aluminum alkyls and fine chemicals, including pharmaceutical intermediates, fuel additives, orthoalkylated phenols and polymer modifiers
Pasadena, Texas	Production of aluminum alkyls, alkenyl succinic anhydride, orthoalkylated anilines, zeolite A and other chemicals
Teesport, United Kingdom	Production of fine chemicals, including emulsifiers, corrosion inhibitors, scale inhibitors and esters
Thann, France	Production of organic and inorganic brominated pharmaceutical intermediates, photographic and agrichemical intermediates, high-purity caustic potash, potassium carbonate and chlorine; research and product development activities
Takaishi City, Osaka, Japan (50% joint venture with Mitsui Chemicals, Inc.)	Production of aluminum alkyls
Feluy, Belgium (Leased by Amoco in 1996 under a 99-year lease but operated for the Company)	Production of aluminum alkyls

The Company currently is adding capacity in the flame retardants and fine chemicals areas. The Company believes that its plants, including planned expansions, will be adequate at projected sales levels for 2000. Operating rates of certain plants vary with product mix and normal seasonal sales swings. The Company believes that its plants generally are well maintained and in good operating condition.

CERTAIN AGREEMENTS BETWEEN ALBEMARLE AND ETHYL

Albemarle and Ethyl entered into agreements, dated as of February 28, 1994, pursuant to which the Company and Ethyl agreed to coordinate certain facilities and services of adjacent operating facilities at plants in Pasadena, Texas and Feluy, Belgium. Effective March 1, 1996, certain of these agreements or portions thereof were transferred to Amoco as part of the Olefins Business sale. In addition, Albemarle and Ethyl entered into agreements (term: 10 years - Ethyl has the right to extend for one additional 10-year term), dated as of February 28, 1994 providing for the blending by Albemarle for Ethyl of certain products and the production of others at the Company's Orangeburg, South Carolina, plant.

CERTAIN AGREEMENTS BETWEEN ALBEMARLE AND MEMC PASADENA, INC. ("MEMC")

Albemarle and MEMC entered into agreements, dated as of July 31, 1995, and subsequently revised effective May 31, 1997, pursuant to which Albemarle currently provides support services to MEMC at its Pasadena, Texas, plant which consists of facilities for the production of electronic materials products. Effective May 31, 1997, Albemarle supplies certain utilities and services to the MEMC Pasadena plant site pursuant to a utilities and services agreement (the "Utilities and Services Agreement"). All of the utilities and services are supplied at Albemarle's cost plus a percentage fee. Albemarle furnishes certain utilities and services for a minimum of five years from the effective date (May 31, 1997) of the Utilities and Services Agreement, subject to the right of MEMC to terminate any one or more utilities or services on twelve months' notice. Albemarle will make available to MEMC certain other utilities and services for the duration of MEMC's lease of the property upon which the MEMC Pasadena plant site is located.

CERTAIN AGREEMENTS BETWEEN ALBEMARLE AND AMOCO

Albemarle and Amoco entered into agreements, dated as of March 1, 1996, pursuant to which the Company provides operating and support services, certain utilities and products to Amoco, and Amoco provides operating and support services, certain utilities and products to Albemarle.

PASADENA, TEXAS AGREEMENTS

After the sale, Amoco owns and operates the linear alpha olefins and synthetic alcohols facilities ("Amoco Pasadena plant"). Albemarle owns and operates all remaining Albemarle plants ("Albemarle Pasadena plant"). As a result of the sale, Albemarle supplies to Amoco certain utilities utilized by Amoco at the Amoco Pasadena plant and Amoco supplies to Albemarle certain utilities utilized by Albemarle at the Albemarle Pasadena plant.Virtually all of the utilities, services and products supplied by Albemarle to Amoco and by Amoco to Albemarle in Pasadena, Texas, are supplied at the provider's cost plus a percentage fee. Most of the utilities, services and products supplied by Albemarle to Amoco and by Amoco to Albemarle have an initial term of 10 years, with an automatic extension for an additional 10-year term, unless terminated by either party at the end of the initial term upon two years notice.

With respect to products supplied by Albemarle to Amoco, and conversely Amoco to Albemarle, each may terminate the supply of such product to the other on 180 days notice.

FELUY, BELGIUM AGREEMENTS

After the sale, Amoco possesses (under a 99-year lease, with certain purchase options) and operates the linear alpha olefins and poly alpha olefin facilities. In addition, Amoco possesses (under the same lease) and operates the aluminum alkyls facilities exclusively for Albemarle (term: 10 years - Albemarle has the right to extend for one additional 10-year term). Albemarle supplies aluminum alkyl products to Amoco for use in the linear alpha olefins facility (term: 10 years - Amoco has the right to extend for one additional 10-year term). The services and products supplied by Albemarle to Amoco and by Amoco to Albemarle are at the provider's cost plus a percentage fee.

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are involved from time to time in legal proceedings of types regarded as common in the Company's businesses, particularly administrative or judicial proceedings seeking remediation under environmental laws, such as Superfund, and products liability litigation.

While it is not possible to predict or determine the outcome of the proceedings presently pending, in the Company's opinion they will not result ultimately in any liability that is likely to have a material adverse effect upon the results of operations or financial condition of the Company and its subsidiaries on a consolidated basis.

In early January 1999, the U.S. Environmental Protection Agency ("EPA"), Region 6, issued an administrative complaint under section 113 of the Clean Air Act, alleging violations of EPA's rule regarding leaks and repairs of appliances containing hydrochlorofluorocarbons. EPA proposed a civil penalty of $162,000. The Company has filed an answer and request for an administrative hearing. The Company is vigorously contesting the complaint, but is also engaging in settlement negotiations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded primarily on the New York Stock Exchange under the symbol ALB. The market price highs and lows (per the New York Stock Exchange) by quarters for the years 1999 and 1998 are listed below:

	1999		1998	
Quarter	High	Low	High	Low
First	25 5/16	18 7/8	25 15/16	21 1/8
Second	24 5/16	19 5/16	26 3/16	21 5/16

Third	23 1/8	16 5/8	25 1/16	16 3/4
Fourth	19 15/16	17 3/16	23 3/4	16

There were 46,191,477 shares of common stock held by 8,069 shareholders of record as of January 31, 2000.

On February 23, 2000, the Company's Board of Directors increased the quarterly dividend rate by 10%, from $.10 per share to $.11 per share, payable April 1, 2000.

During 1999, the quarterly dividend rate was $.10 per share or $.40 per share on an annual basis. The Company's Board of Directors increased the quarterly dividend rate, on November 20, 1998, by 11%, from $.09 to $.10 per share payable January 1, 1999.

Shareholders' equity per share at December 31, 1999, was $10.62, up from $9.61 at December 31, 1998. Shareholders' equity per share at December 31, 1998, of $9.61 was up slightly from $9.60 at December 31, 1997, primarily reflecting the purchase of 5,738,241 common shares through a tender offer finalized on September 30, 1998, and additional 1998 repurchases of 1,174,500 shares.

ITEM 6. SELECTED FINANCIAL DATA

The information for the five years ended December 31, 1999, is contained in the "Five-Year Summary" included in Part IV, Item 14, Exhibit 99 on page 46.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following financial data and discussion provides an analysis of certain significant factors affecting the results of operations of the Company for years ended December 31, 1999, 1998 and 1997. In addition, a discussion of consolidated financial condition and sources of additional capital is included under a separate heading, "Financial Condition and Liquidity" on page 20.

Some of the information presented in the following discussion may constitute forward-looking comments within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that actual results will not differ materially from its expectations. Factors that could cause actual results to differ from expectations include, without limitation, the timing of orders received from customers, the gain or loss of significant customers, competition from other manufacturers, changes in the demand for the Company's products, increases in the cost of the product, changes in the markets in general, fluctuations in foreign currencies and significant changes in new product introductions resulting in increases in capital project requests and approvals leading to additional capital spending.

RESULTS OF OPERATIONS

Net sales by operating segments for the three years ended December 31, are as follows:

Net Sales (In Thousands)	1999	1998	1997
Polymer Chemicals	$449,156	$417,998	$411,134
Fine Chemicals	396,769	402,864	418,716
Segment totals	$845,925	$820,862	$829,850

NET SALES

Net sales for 1999 amounted to $845.9 million, up $25.0 million (3%) from $820.9 million in 1998. Polymer Chemicals' net sales were up $31.2 million, primarily due to higher shipments in flame retardants, organometallics and polymer additives and intermediates, offset in part, by unfavorable pricing. Fine Chemicals' net sales were down $6.1 million due to lower shipments in pharmachemicals and potassium and chlorine chemicals, product mix in agrichemicals, and lower sales of non-manufactured products in the Asia Pacific region, offset by higher shipments and lower prices in bromine and derivatives and surface actives.

Net sales for 1998 amounted to $820.9 million, down $9.0 million (1%)

from $829.9 million in 1997. Polymer Chemicals' net sales were up $6.9 million, due to higher shipments in flame retardants and organometallics, offset in part, by lower pricing and the effects of foreign exchange in Europe and the Asia Pacific region. Fine Chemicals' net sales were down $15.9 million, primarily due to lower shipments in agrichemicals and lower sales of non-manufactured products in the Asia Pacific region, offset in part, by higher shipments in pharmachemicals.

OPERATING COSTS AND EXPENSES

Cost of goods sold in 1999 increased $21.3 million (4%) from 1998, primarily due to higher operating costs associated with increased shipments over 1998, new product development costs including the startup costs incurred for our new six-sigma SAYTEX(r) CP-2000 flame retardant (tetrabromobisphenol-A) plant ("CP-2000 flame retardant") in Magnolia, Arkansas, and the write off of certain excess flame retardant plant assets ($7.7 million) in Magnolia, Arkansas, offset in part, by the favorable effects of foreign exchange

transaction gains of approximately $6.0 million in 1999 versus foreign exchange transaction losses of approximately $3.0 million in 1998, with the result that the gross profit margin decreased to 31.3% in 1999 from 31.8% in 1998. Overall, Albemarle's average 1999 raw material costs were lower than 1998 but most of the favorable raw material prices were realized during the first half of the year when commodity markets were very low. 1999 energy costs were just above 1998 levels due primarily to higher natural gas pricing.

Cost of goods sold in 1998 decreased $8.4 million from 1997 primarily due to improved plant utilizations, the impact of the Company's cost-reduction program, and lower shipments in certain products, offset in part by the unfavorable effects of foreign exchange transaction losses of approximately $3.0 million in 1998 versus foreign exchange transaction gains of approximately $8.3 million in 1997, with the result that the gross profit margin increased to 31.8% in 1998 from 31.5% in 1997. Overall, Albemarle's raw material costs were lower in 1998 than 1997 reflecting softness in many of the commodity markets. Average 1998 energy costs also were lower with both electricity and natural gas prices lower than 1997.

Selling, general and administrative expenses, combined with research and development expenses ("SG&A"), increased $4.6 million (3%) in 1999 from 1998, due primarily to higher research and development core technology charges and higher consulting costs and professional fees, offset in part, by lower employee related costs in 1999. The 1999 increase in SG&A compares to a reduction of $5.6 million (4%) in 1998 from 1997, due primarily to lower outside consulting costs and the effects of the Company's concerted efforts to lower costs as a percent of net sales. As a percentage of net sales, SG&A were 16.5% in 1999 and 1998 versus 17% in 1997.

OPERATING PROFIT

Operating profit by operating segments for the three years ended December 31, are as follows:

Operating Profit (In Thousands)	1999	1998	1997
Polymer Chemicals	$ 73,083	$ 76,608	$ 72,802
Fine Chemicals	60,187	69,619	65,274
Corporate and other expenses	(19,144)	(20,512)	(17,369)
Totals	$114,126	$125,715	$120,707

The Company's operating profit in 1999, including special work-force reduction charges of $10.7 million, decreased $11.6 million (9%) from 1998. Operating profit also was affected by higher new product development costs including the startup costs incurred for our new CP-2000 flame retardant plant in Magnolia, Arkansas, and the write off of certain excess flame retardant plant assets ($7.7 million) in Magnolia, Arkansas, offset, in part, by the favorable effects of foreign exchange in 1999 versus 1998. Albemarle's average 1999 raw material costs were lower than 1998, but most of the favorable raw material prices were realized during the first half of the year when commodity markets were very low. 1999 energy costs were just above 1998 levels due primarily to higher natural gas pricing. SG&A increased $4.6 million (3%) in 1999 from 1998 due primarily to higher research and development core technology charges and higher consulting costs and professional fees, offset in part, by lower employee related costs in 1999.

Polymer Chemicals' operating results decreased $3.5 million due to work-force-reduction charges of $4.6 million related to the segment businesses, offset however, by the favorable effects of foreign exchange in 1999 versus the 1998 period. Polymer Chemicals' operating results also were impacted by flame retardant shipments that were up over 1998 despite pricing pressure in the business. The increased revenue in flame retardants was more than offset by higher operating costs in 1999 over 1998 due to new product development costs including the startup costs incurred for our new CP-2000 flame retardant plant in Magnolia, Arkansas, and the write off of certain excess flame retardant plant assets ($7.7 million) in Magnolia. Polymer Chemicals' also were impacted by higher shipments in organometallics and polymer additives and intermediates, offset in part, by pricing pressures in the businesses.

Fine Chemicals' operating results decreased $9.4 million primarily due to lower shipments and product mix in agrichemicals. Pharmachemicals (ibuprofen) and potassium and chlorine chemicals operating results were affected by lower shipments and lower prices, offset in part, by higher shipments net of lower prices in bromine and derivatives and surface actives. Fine Chemicals operating results were also impacted due to work-force-reduction charges of $4.7 million related to the segment businesses, offset however, by the favorable effects of foreign exchange in 1999 versus the 1998 period.

Corporate and other expenses decreased $1.4 million in 1999 versus 1998, primarily due to lower employee-related costs, offset, in part, by work-force reduction charges of $1.4 million in 1999.

Operating profit in 1998 increased 4% from 1997. Albemarle's raw material costs were lower in 1998 than 1997, reflecting softness in many of the commodity markets. Average 1998 energy costs also were lower with both electricity and natural gas prices lower than 1997.

Polymer Chemicals' operating results in 1998 benefited from increased shipments in flame retardants and organometallics and catalysts and improved plant utilizations in flame retardants and the impact of the Company's cost-reduction program.

Fine Chemicals' operating results in 1998 benefited primarily from increased shipments (ibuprofen) and improved plant utilization in pharmachemicals. 1998 operating profit improvement, for both segments, was impacted by the unfavorable effects of foreign exchange versus the same period in 1997. (See Note 16, "Operating Segments and Geographic Area Information" of the notes to the consolidated financial statements in Item 8 on page 40.)

INTEREST AND FINANCING EXPENSES AND OTHER INCOME

Interest and financing expenses in 1999 increased $3.9 million from 1998 and $3.8 million in 1998 from 1997 primarily due to higher average debt outstanding. Other income, net, decreased to $.9 million in 1999 from $1.6 million in 1998, due primarily to lower interest income. Other income, net increased to $1.6 million in 1998 from $.9 million in 1997, due primarily to higher interest income.

GAIN ON SALE OF INVESTMENT

In May 1999, the Company sold all of its 58,394,049 common shares of Albright & Wilson plc ("Albright & Wilson"), a United Kingdom chemicals company, that were acquired in March 1999, as part of its friendly tender offer for Albright & Wilson, to ISPG, Plc, the competing bidder, for an aggregate consideration of $157.6 million, resulting in a gain of $22.1 million ($14.4 million after income taxes or 30 cents per share on a diluted basis), net of transaction expenses. The net proceeds from the sale of the common shares were primarily used to pay down debt under the Company's existing Credit Agreement.

INCOME TAXES

Income taxes in 1999 increased $1.8 million (5%) compared to 1998 due primarily to higher pre-tax income. The effective tax rate for 1999 was 31% which was consistent with the prior year.

Income taxes in 1998 decreased $2.9 million (7%) compared to 1997, due primarily to a lower effective income tax rate in 1998 of 31% versus an effective income tax rate of 33.8% in 1997. The lower effective income tax rate in 1998 reflected a nonrecurring tax benefit.

See Note 12, "Income Taxes" of the notes to the consolidated financial statements in Item 8 on pages 37 and 38 for details of changes in effective income tax rates.

2000 OUTLOOK

We enjoyed volume growth in a majority of our businesses during 1999 but were impacted by competitive lower pricing in a few, especially flame retardants. The Asian economy, that started out slow early in 1999, fueled a number of our businesses in the latter half of 1999 and continues into 2000.

The emphasis on reducing costs during 1999 that included employee work-force reductions, manufacturing cost improvements and reducing our cash-to-cash cycle, should payout during 2000 in the form of reduced SG&A, lower factory costs and reduced working capital.

In our operating segments, Polymer and Fine Chemicals, we are hopeful we will continue to see strong volumes and that the recently announced price increases, primarily in certain Polymer Chemicals' areas, will be successful. However, because of various customer contractual agreements, it is unlikely to expect much improvement in price until after the first quarter.

In Fine Chemicals, where a few of our businesses were negatively impacted throughout most of 1999 by either poor economic conditions (i.e., agrichemicals) or issues at major customers (i.e., pharmachemicals), we have some optimism there will be some improvement in 2000. However, we will need first to see some evidence these conditions are no longer affecting us.

Two new recent events, our joint development agreement with The Borax Flame Retardant Group on expanding our markets for flame retardants, and our just-announced plan to buy Ferro's PYRO-CHEK(r) flame retardants business, are either in an early stage or not yet completed and, therefore, it is premature to assess any impact in 2000. We did have new product sales in 1999 of approximately $70 million and expect this to grow in 2000. Our Polymer Chemicals' businesses likely will be providing the majority of the increase.

POLYMER CHEMICALS

Efforts to supply the leading polymer producers with winning solutions for their customers were quite successful in 1999. This was especially evident in flame retardants, where to a large extent, we believe our growth in volumes was a direct result of our customers' winning business in their markets. We will strive to continue to expand our global relationships with these strategic customers in 2000. The acceptance of our new, improved quality tetrabrombisphenol-A by approximately 75% of our customer base by the end of 1999, is a prime example of how this works. We expect to have essentially all our customers qualified on this new product in early 2000. Also at the end of 1999, we introduced NcendX(tm) P-30 flame retardant, our first halogen-free flame retardant. This product, commercialized in less than a year and targeted for engineering plastics, has been well received by our key customers and already is being considered for expansion to meet likely demand beyond 2000.

During the first half of 1999, we experienced significant pressures at strategic customers, dramatically reducing the global industry pricing on our largest volume flame retardants for the balance of the year. At the end of 1999, we announced price increases. Because of customer contractual commitments and the uncertainty of competitive persistence with these increases, it is premature to predict success but in any event, unlikely that we will see any impact until at least after the first quarter of 2000.

In our catalysts and additives businesses, we saw strong volume growth in 1999 and are hopeful that strong polymer market growth, new business development opportunities and the rapidly expanding metallocene and single site-catalyst demand in polyolefins, will continue to drive these products in 2000. This new catalysts area has been one of the Company's largest R&D programs for a number of years, and in 2000, we should achieve positive operating profit for the first time.

FINE CHEMICALS

In pharmachemicals, we are continuing to pursue our marketing strategy of seeking strategic customer relationships where we can build on our technical strengths and customer needs for a manufacturing (outsource) partner in bulk actives or advanced intermediates. There are some very attractive opportunities under development but due to the rigorous testing and regulations required to bring these to the consumer drug market, the benefit from these, if successful, will not be realized in 2000. In our commercial products, we will still be facing a slower than expected scale-up of our naproxen plant due to excess naproxen capacity, threats from imported products and a consumer marketplace that has an overabundance of competing analgesic products. Ibuprofen is entering 2000 from a low-volume year, having absorbed the impact of a major customer having excess inventory accumulated in late 1998 that was drawn down in 1999. It is our belief that volumes will return in 2000, consistent with a consumer ibuprofen market that continues to grow at 6-8% per year.

We faced the effects of a poor domestic farm economy during 1999, when lower volumes of agrichemicals were used by the American farmer. We are prepared for 2000 to be similar in consumption patterns and not a resumption to historic pre-1999 levels. We believe, however, we will have an opportunity in the future to expand our presence in Asia, especially China, where we formed an agrichemical joint venture in 1999 with Yanshan Petrochemical. We continue to produce methyl bromide under production limits set by the government as defined by the Montreal Protocol phase-down schedule (2000 limits are not changed from 1999 under the plan). In 2000, we will be producing methyl bromide using certain assets from the old tetrabrombisphenol-A plant that remained at the end of 1999 when the new CP-2000 flame retardant facility started up.

Bromine and derivatives results in 2000 will be determined largely by the oil industry, as our business has turned around significantly in the latter half of 1999 and is expected to continue into 2000 with the higher price of oil, the main driver for oil companies' well completions, where the majority of our products are used. Continued expansion of our oilfield chemicals business in the North Sea, leveraging our Teesport, United Kingdom location, plus developing new opportunities, will be a factor in 2000. The cost benefits from lower chlorine and other raw material prices during 1999 are not expected to be as favorable in 2000 due to recent price announcements. We expect later in 2000, site construction will begin in Jordan by JBC, on our joint venture facility that will produce bromine and derivatives.

The newest developments in our surface actives business are primarily based on our biocide products in our water treatment business. We received 21 registrations in 1999 and have eight more pending as we enter 2000. We introduced and are preparing for commercial sales of Stabrom(r) 909 biocide in early 2000, a new class of bromine biocides that simplifies industrial water treatment. Some key issues going into 2000 include competitive pressures in builders for detergents and startup costs associated with new product introductions.

Potassium and chlorine chemicals results in 2000 will be primarily dependent on competitive pricing opportunities and cost-reduction efforts.

2000 OUTLOOK

In summary, we believe we should be able to deliver mid single-digit sales revenue growth from our Polymer and Fine Chemicals' businesses plus new business development and small acquisitions and ventures. This assumes that some of the pricing improvements, cost-reduction efforts and new product developments as described above are successful. This also assumes that the volume growth currently seen in our business, supported by the strong global economy, continues without substantial change.

Some of the information presented in this 2000 Outlook constitutes forward-looking comments within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, there can be no assurance that actual results will not differ materially from its expectations. Factors that could cause actual results to differ from expectations include, without limitation, the timing of orders received from customers, the gain or loss of significant customers, competition from other manufacturers, changes in the demand for the Company's products, increases in the cost of the product, changes in the markets in general, fluctuations in foreign currencies and significant changes in new product introductions resulting in increases in capital project requests and approvals, leading to additional capital spending.

FINANCIAL CONDITION AND LIQUIDITY

Cash and cash equivalents at December 31, 1999 were $48.6 million, which represents an increase of $27.4 million from $21.2 million at year-end 1998.

Cash provided from operating activities was $164.3 million, which together with $157.5 million of proceeds from the sale of an investment in Albright & Wilson stock and $135.1 million of proceeds from borrowings were primarily used to cover operating activities in 1999, [net of a decrease in working capital excluding foreign currency translation of $25.2 million (mainly increased accounts payable and lower inventories)], repay $169.8 million of long-term debt, purchase 58,394,049 shares of Albright & Wilson common stock totaling $135.5 million, fund capital expenditures, pay quarterly dividends to common shareholders, purchase 857,400 shares of the Company's common stock for $15.5 million.

Cash and cash equivalents at December 31, 1998 were $21.2 million, which represents a decrease of $13.1 million from $34.3 million at year-end 1997.

Cash provided from operating activities was $137.9 million, which together with $110.5 million of proceeds from borrowings and existing cash and cash equivalents of $13.1 million, were used to cover operating activities in 1998, including a working capital increase (mainly reflecting higher inventories), capital expenditures, payment of quarterly dividends to common shareholders, purchase of 6,912,741 shares of the Company's common stock for $140.6 million, the acquisition of the Teesport, United Kingdom, facility and repayment of a portion of long-term debt.

The Company anticipates that cash provided from operating activities in the future will be sufficient to cover its operating expenses, debt service obligations, dividend payments to common shareholders and to fund its capital expenditures.

The noncurrent portion of the Company's long-term debt amounted to $159.0 million at December 31, 1999, compared to $192.5 million at the end of 1998. The Company's total long-term debt, including the current portion, as a percentage of total capitalization at December 31, 1999, was approximately 24.6%. (See Note 8, "Long-Term Debt" of the notes to the consolidated financial statements in Item 8 on pages 31 and 32 for details of the Company's long-term borrowings.)

The Company, at December 31, 1999, had the flexibility to borrow up to a total of $500 million ($115 million outstanding at December 31, 1999) under its Competitive Advance and Revolving Credit Facility Agreement ("Credit Agreement").

The Credit Agreement contains certain covenants typical for a credit agreement of its size and nature, including financial covenants requiring the Company to maintain consolidated indebtedness (as defined) of not more than 60% of the sum of the Company's consolidated shareholders' equity (as defined) and consolidated indebtedness. The amount and timing of any borrowings will depend on the Company's specific cash requirements.

The Company's foreign currency translation adjustments, net of related deferred taxes, included in accumulated other comprehensive (loss) income in the consolidated statement of changes in shareholders' equity on page 26 at December 31, 1999, decreased from December 31, 1998, primarily due to the weakening of foreign currencies against the U.S. dollar.

Capital expenditures in 1999 of $77.6 million were slightly higher than the 1998 level of $76.7 million. The Company's capital spending program is expected to be in the $60 - $70 million range over the next few years, with expenditures expected to expand capacities at existing facilities to support an expected increase in sales. Capital spending for environmental and safety projects is expected to be less than the current year. Future capital spending is expected to be financed primarily with cash provided from operating activities, with the balance, if necessary, provided by additional long-term debt. The Company continues to evaluate potential acquisitions of facilities and/or businesses, particularly in areas where our know-how adds value.

ENVIRONMENTAL MATTERS

The Company is subject to federal, state, local and foreign requirements regulating the handling, manufacture and use of materials (some of which may be classified as hazardous or toxic by one or more regulatory agencies), the discharge of materials into the environment and the protection of the environment. To the Company's knowledge, it is currently complying with and expects to continue to comply in all material respects with existing environmental laws, regulations, statutes and ordinances. Such compliance with federal, state, local and foreign environmental protection laws is not expected to have in the future a material effect on earnings or the competitive position of Albemarle.

Among other environmental requirements, the Company is subject to the federal Superfund law, and similar state laws, under which the Company may be designated as a potentially responsible party ("PRP") and may be liable for a share of the costs associated with cleaning up various hazardous waste sites. Management believes that in most cases, the Company's participation is de minimis. Further, almost all such sites represent environmental issues that are quite mature and have been investigated, studied and in many cases settled by the Company or its predecessor company. In de minimis PRP matters, the Company's policy generally is to negotiate a consent decree and to pay any apportioned settlement, enabling the Company to be effectively relieved of any further liability as a PRP, except for remote contingencies. In other than de minimis PRP matters, the Company's records indicate that unresolved exposures should be immaterial. The Company accrues and expenses its proportionate share of PRP costs in accordance with Statement of Financial Accounting Standards ("SFAS") No. 5 "Accounting for Contingencies" and Financial Accounting Standards Board's ("FASB") Interpretation No. 14, as clarified by the American Institute of Certified Public Accountant's Statement of Position 96-1. Because management has been actively involved in evaluating environmental matters, the

Company is able to conclude that the outstanding environmental liabilities for unresolved PRP sites should not be material to operations.

The Company's environmental and safety operating costs charged to expense were approximately $13.6 million in 1999 versus approximately $14.6 million in 1998 and $13.3 million in 1997, excluding depreciation of previous capital expenditures, and are expected to be in the same range in the next few years. Costs for remediation have been accrued and payments related to sites are charged against accrued liabilities, which at December 31, 1999, totaled approximately $10.0 million. There is a reasonable possibility that future remediation costs in excess of amounts already recorded could be up to $11.3 million before income taxes. However, the Company believes that any sum it may be required to pay in connection with environmental remediation matters in excess of the amounts recorded should occur over a period of time and should not have a material adverse impact on its financial condition or

results of operations, but could have a material adverse impact in a particular reporting period.

Capital expenditures for pollution-abatement and safety projects for the Company, including such costs that are included in other projects, were approximately $4.0 million, $8.5 million and $17.2 million in 1999, 1998 and 1997, respectively. For each of the next few years, capital expenditures for these types of projects are likely to be less than the current year expenditures. Management's estimates of the effects of compliance with governmental pollution-abatement and safety regulations are subject to (i) the possibility of changes in the applicable statutes and regulations or in judicial or administrative construction of such statutes and regulations, and (ii) uncertainty as to whether anticipated solutions to pollution problems will be successful, or whether additional expenditures may prove necessary.

YEAR 2000

Albemarle's company-wide Year 2000 Project ("Project") addressed the ability of computer programs and embedded computer chips to distinguish between the year 1900 and the year 2000. Re-engineering of the Company's business processes, which began in the mid-1990's, resulted in upgrades to Y2K-compliant business systems prior to the beginning of the Year 2000 Project. The Project's remediation and contingency planning functions were completed during the fourth quarter of 1999. Since the Company's products are not date aware, its Year 2000 issues revolved around its suppliers' ability to supply goods and services, its ability to produce, its business processes functioning properly, and its customers ability to purchase. As part of the Company's contingency planning, most production processes were interrupted intentionally as a precaution for the transition into the Year 2000. As of the date of filing of this document, the Company has experienced no significant internal or external Y2K problems affecting its manufacturing, business, financial or other operations.

The total cost associated with required modifications to become Year 2000 ready and Year 2000 related contingency planning was $2.9 million. While the Company does not track internal manpower costs for its Year 2000 Project, an estimate of these costs is included in the estimated total cost. The estimate does not include Albemarle's share of Year 2000 costs incurred by joint ventures in which the Company participates or entities in which the Company holds a minority interest. The Company did not significantly increase inventories for the transition into the Year 2000.

The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of certain normal business activities or operations, which could materially and adversely affect the Company's results of operations, liquidity and financial condition. Readers are referred to prior 10-Q and 10-K reports for further discussion of Year 2000 risks. From the world-wide successful transition into 2000, the Company believes that the transitions through the February 29th and December 31st, 2000, dates will be similarly non-eventful.

Readers are cautioned that to the extent legally permissible, this statement should be considered a Year 2000 Readiness Disclosure pursuant to the Year 2000 Information and Readiness Disclosure Act and that forward-looking statements contained in the Year 2000 Update should be read in conjunction with the Company's disclosures regarding the 'safe harbor' provisions of the Private Securities Litigation Reform Act of 1995 included on page 20.

NEW ACCOUNTING PRONOUNCEMENTS

The FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" in June 1998, which was effective for financial statements for all fiscal quarters beginning after June 15, 1999. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and

Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133", postponing SFAS No. 133's effective date to quarters beginning after June 15, 2000.

SFAS No. 133 established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. At the time of the Company's adoption, SFAS No. 133 is not expected to have a material impact on the financial position or results of operations of the Company.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of operations, the Company is exposed to changes in financial market conditions due to the denomination of its business transactions in diverse foreign currencies and the Company's ongoing manufacturing and funding activities. As a result, future earnings, cash flows and fair values of assets and liabilities are subject to uncertainty. The Company has established policies, procedures and internal processes governing its management of uncertain market conditions, and uses both operational and financial market actions in its risk management activities, which include the use of derivative instruments. The Company does not use derivative instruments for trading purposes. The Company only enters into derivative contracts based on economic analysis of underlying exposures anticipating that adverse impacts on future earnings, cash flows and fair values due to fluctuations in foreign currency exchange rates will be offset by the proceeds from and changes in fair value of the derivative instruments. The Company does not hedge its exposure to market risks in a manner that completely eliminates the effects of changing market conditions on earnings, cash flows and fair values.

Short-term exposures to changing foreign currency exchange rates are primarily due to operating cash flows denominated in foreign currencies. The Company covers

certain known and anticipated operating exposures by using forward contracts.

The primary currencies for which the Company has foreign currency exchange rate exposure are the euro, Japanese yen, British pound sterling and the U.S. dollar (in certain of its foreign locations). In response to the greater fluctuations in foreign currency exchange rates in recent periods, the Company has increased the degree of risk management activities to minimize their impact on earnings of future periods.

The Company's financial instruments, subject to foreign currency exchange risk, consist of foreign currency forward contracts and represented a net liability position of $.1 million at December 31, 1999. The Company conducted a sensitivity analysis on the fair value of its foreign currency hedge portfolio assuming instantaneous 10% changes in foreign currency exchange rates from their levels as of December 31, 1999, with all other variables held constant. A 10% appreciation of the U.S. dollar against foreign currencies would result in an increase of $1.0 million in the fair value of foreign currency exchange hedging contracts. A 10% depreciation of the U.S. dollar against foreign currencies would result in a decrease of $1.2 million in the fair value of foreign currency exchange hedging contracts.

The sensitivity in fair value of the foreign currency hedge portfolio represents changes in fair values estimated based on market conditions as of December 31, 1999, without reflecting the effects of underlying anticipated transactions.

When those anticipated transactions are realized, actual effects of changing foreign currency exchange rates could have a material impact on earnings and cash flows in future periods.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED BALANCE SHEETS

(In Thousands of Dollars Except Share Data)

December 31	1999	1998
ASSETS		
Current assets:		

	1999	1998
Cash and cash equivalents	$ 48,621	$ 21,180
Accounts receivable, less allowance for doubtful accounts (1999-$2,609; 1998-$2,782)	155,140	145,207
Inventories:		
Finished goods	82,415	97,684
Raw materials	10,889	11,684
Stores, supplies and other	17,512	17,838
	110,816	127,206
Deferred income taxes and prepaid expenses	18,022	17,937
Total current assets	332,599	311,530
Property, plant and equipment, at cost	1,287,507	1,259,340
Less accumulated depreciation and amortization	792,122	744,672
Net property, plant and equipment	495,385	514,668
Other assets and deferred charges	108,213	90,308
Goodwill and other intangibles net of amortization	17,897	21,291
Total assets	$ 954,094	$ 937,797

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 61,386	$ 45,073
Long-term debt, current portion	779	408
Accrued expenses	50,505	53,300
Dividends payable `	4,635	4,701
Income taxes payable	14,048	4,454
Total current liabilities	131,353	107,936
Long-term debt	158,981	192,530
Other noncurrent liabilities	81,185	75,664
Deferred income taxes	92,011	110,000
Shareholders' equity:		
Common stock, $.01 par value (authorized 150,000,000 shares) issued and outstanding- 46,199,639 in 1999 and 47,008,283 in 1998	462	470
Additional paid-in capital	63,904	78,724
Accumulated other comprehensive (loss) income	(9,013)	7,360
Retained earnings	435,211	365,113
Total shareholders' equity	490,564	451,667
Total liabilities and shareholders' equity	$ 954,094	$ 937,797

<FN>

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands Except Per-Share Amounts)

Years Ended December 31	1999	1998	1997
Net sales	$ 845,925	$ 820,862	$ 829,850
Cost of goods sold	581,380	560,057	568,424
Gross profit	264,545	260,805	261,426

Special charges	10,692	-	-
Selling, general and administrative expenses	105,439	105,435	109,273
Research and development expenses	34,288	29,655	31,446
Operating profit	114,126	125,715	120,707
Interest and financing expenses	(8,379)	(4,487)	(719)
Gain on sale of investment in Albright & Wilson stock, net	22,054	-	-
Other income, net	937	1,570	917
Income before income taxes	128,738	122,798	120,905
Income taxes	39,909	38,066	40,923
Net income	$ 88,829	$ 84,732	$ 79,982
Basic earnings per share	$ 1.89	$ 1.64	$ 1.45
Shares used to compute basic earnings per share	46,889	51,558	55,164
Diluted earnings per share	$ 1.87	$ 1.63	$ 1.44
Shares used to compute diluted earnings per share	47,513	52,136	55,668
Cash dividends declared per share of common stock	$ .40	$ .37	$ .32

<FN>

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In Thousands of Dollars Except Share Data)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income(Loss)	Retained Earnings	Total Share-holders' Equity
	Shares	Amounts				
Balance at January 1, 1997	55,046,183	$ 550	$ 250,890	$ 16,677	$ 237,081	$ 505,198
Comprehensive income:						
Net income for 1997					79,982	79,982
Foreign currency translation (net of deferred tax benefit of $11,072)				(18,122)		(18,122)
Total comprehensive income						61,860
Cash dividends declared for 1997					(17,662)	(17,662)
Exercise of stock options and SARs	400,919	4	5,451			5,455
Shares purchased and retired	(1,560,300)	(15)	(37,500)			(37,515)
Balance at December 31, 1997	53,886,802	539	218,841	(1,445)	299,401	517,336
Comprehensive income:						
Net income for 1998					84,732	84,732
Foreign currency translation (net of deferred taxes of $5,380)				8,805		8,805
Total comprehensive income						93,537
Cash dividends declared						

for 1998					(19,020)	(19,020)
Exercise of stock options	34,222		419			419
Shares purchased and retired	(6,912,741)	(69)	(140,536)			(140,605)
Balance at December 31, 1998	47,008,283	470	78,724	7,360	365,113	451,667
Comprehensive income:						
Net income for 1999					88,829	88,829
Foreign currency translation (net of deferred tax benefit of $9,735)				(16,555)		(16,555)
Other (net of deferred taxes of $104)				182		182
Total comprehensive income						72,456
Cash dividends declared for 1999					(18,731)	(18,731)
Exercise of stock options and SARs	48,756		646			646
Shares purchased and retired	(857,400)	(8)	(15,466)			(15,474)
Balance at December 31, 1999	46,199,639	$ 462	$ 63,904	$ (9,013)	$ 435,211	$ 490,564

<FN>

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of Dollars)

Years Ended December 31	1999	1998	1997
Cash and cash equivalents at beginning of year	$ 21,180	$ 34,322	$ 14,242
Cash flows from operating activities:			
Net income	88,829	84,732	79,982
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation and amortization	75,750	75,012	69,044
Gain on sale of investment in Albright & Wilson stock, net	(22,054)	-	-
Write off of plant facilities	7,706	-	-
Deferred income taxes	(2,887)	7,730	8,070
Change in assets and liabilities, net of effects of the purchase of business in 1998:			
(Increase) decrease in accounts receivable	(10,775)	14,528	(21,069)
Decrease (increase) in inventories	12,548	(31,557)	(11,378)
Increase (decrease) in accounts payable	18,503	(7,008)	(12,889)
Increase (decrease) in accrued expenses and income taxes	4,963	399	(11,423)
Other, net	(8,286)	(5,982)	(3,233)
Net cash provided from operating activities	164,297	137,854	97,104
Cash flows from investing activities:			
Capital expenditures	(77,569)	(76,747)	(85,284)
Cost of securities available for sale	(135,462)	-	-
Proceeds from sale of securities available for sale	157,516	-	-
Purchase of non-marketable investments	(7,791)	-	(7,789)
Restricted unexpended industrial revenue bond proceeds	(2,618)	-	-
Acquisition of business	-	(15,229)	-
Other, net	56	2,213	2,783
Net cash used in investing activities	(65,868)	(89,763)	(90,290)
Cash flows from financing activities:			
Purchases of common stock	(15,474)	(140,605)	(37,515)
Repayments of long-term debt	(169,758)	(11,652)	(413)
Proceeds from borrowings	135,060	110,516	61,102
Dividends paid	(18,797)	(19,271)	(16,563)

Proceeds from exercise of stock options	646	419	4,951
Net cash (used in) provided from financing activities	(68,323)	(60,593)	11,562
Net effect of foreign exchange on cash and cash equivalents	(2,665)	(640)	1,704
Increase (decrease) in cash and cash equivalents	27,441	(13,142)	20,080
Cash and cash equivalents at end of year	$ 48,621	$ 21,180	$ 34,322

<FN>

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands Except for Share Data and Per-Share Amounts)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION

The consolidated financial statements include the accounts and operations of Albemarle Corporation and all of its wholly-owned subsidiaries ("the Company" or "Albemarle"). All significant intercompany accounts and transactions are eliminated in consolidation.

ESTIMATES AND RECLASSIFICATIONS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Certain amounts in the accompanying consolidated financial statements and notes thereto have been reclassified to conform to the current presentation.

REVENUE RECOGNITION

Sales revenue is recognized based (1) upon delivery of product to customers (2) the price is fixed and determinable and (3) collectibility is reasonably assured. Revenue from services is recognized when costs of providing services are incurred.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the accompanying consolidated financial statements consist of cash and time deposits of the Company. Time deposits of 90 days or less are stated at cost, which approximates market value.

INVENTORIES

Inventories are stated at the lower of cost or market, with cost determined on the last-in, first-out ("LIFO") basis for substantially all domestic inventories except stores and supplies, and on either the weighted-average or first-in, first-out cost basis for other inventories. Cost elements included in finished goods inventories are raw materials, direct labor and manufacturing overhead. Raw materials include purchase and delivery costs. Stores and supplies include purchase costs.

PROPERTY, PLANT AND EQUIPMENT

Accounts include costs of assets constructed or purchased, related delivery and installation costs and interest incurred on significant capital projects during their construction periods. Expenditures for renewals and betterments also are capitalized, but expenditures for repairs and maintenance are expensed as incurred. The cost and accumulated depreciation applicable to assets retired or sold are removed from the respective accounts, and gains or losses thereon are included in income. Depreciation is computed primarily by the straight-line method based on the estimated useful lives of the assets.

The Company evaluates historical and expected undiscounted operating cash flows of the related business units or fair value of property, plant and equipment to determine the future recoverability of any property, plant and equipment recorded. For purposes of determining these evaluations, undiscounted cash flows are grouped at levels which management uses to operate the business, which in some cases include businesses on a worldwide basis. Recorded property, plant and equipment is reevaluated on the same basis at the end of each accounting period whenever any significant, permanent changes in business or circumstances have occurred which might impair recovery.

The costs of brine wells, leases and royalty interests are primarily amortized over the estimated average life of the well. On a yearly basis for all wells, this approximates a unit-of-production method based upon estimated reserves and production volumes.

ENVIRONMENTAL COMPLIANCE AND REMEDIATION

Environmental compliance costs include the cost of purchasing and/or constructing assets to prevent, limit and/or control pollution or to monitor the environmental status at various locations. These costs are capitalized and depreciated based on estimated useful lives.

Environmental compliance costs also include maintenance and operating costs with respect to pollution prevention and control facilities and other administrative costs. Such operating costs are expensed as incurred.

Environmental remediation costs of facilities used in current operations are generally immaterial and are expensed as incurred.

Remediation costs and post-remediation costs at facilities or off-plant disposal sites that relate to an existing condition caused by past operations are accrued as liabilities and expensed when such costs are reasonably estimated.

GOODWILL AND OTHER INTANGIBLES

Goodwill and other intangibles consist principally of goodwill, product licenses and patents. Goodwill amounting to $15,548 and $18,913 at December 31, 1999 and 1998, respectively, net of accumulated amortization and effects of foreign currency translation adjustments, arose from the 1993 acquisition of Potasse et Produits Chimiques SA ("PPC") and the 1998 acquisition of the Teesport, United Kingdom, operations of Hodgson Specialty Chemicals division of BTP plc and is being amortized on a straight-line basis over periods of 16 to 20 years. Intangible assets ($2,349 and $2,378 at December 31, 1999 and 1998, respectively, net of accumulated amortization and effects of foreign currency translation adjustments) are amortized on a straight-line basis over periods from three to 17 years. Amortization of goodwill and other intangibles amounted to $2,091, $2,097 and $2,754 for 1999, 1998 and 1997, respectively.

Accumulated amortization of goodwill and other intangibles was $16,886 and $14,795 at the end of 1999 and 1998, respectively. The Company evaluates historical and expected

undiscounted operating cash flows of the related business units to determine the future recoverability of any goodwill recorded. For purposes of determining these evaluations, undiscounted cash flows are grouped at levels which management uses to operate the business, which in some cases include businesses on a worldwide basis. Recorded goodwill is reevaluated on the same basis at the end of each accounting period whenever any significant, permanent changes in business or circumstances have occurred which might impair recovery.

RESEARCH AND DEVELOPMENT EXPENSES

The Company-sponsored research and development expenses related to present and future products are expensed currently as incurred.

PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

Annual costs of pension plans are determined actuarially based on SFAS No. 87, "Employers' Accounting for Pensions" ("SFAS No. 87"). The Company's policy is to fund U.S. pension plans at amounts not less than the minimum requirements of the Employee Retirement Income Security Act of 1974 and generally for obligations under its foreign plans to deposit funds with trustees and/or under insurance policies. Annual costs of other postretirement plans are accounted for based on SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions." The policy of the Company is to fund postretirement health benefits for retirees on a pay-as-you-go basis.

EMPLOYEE SAVINGS PLAN

Certain Company employees participate in the Albemarle-defined contribution 401(k) employee savings plan which is generally available to all U.S. full-time salaried and non-union hourly employees and to employees who are covered by a collective bargaining agreement which included such participation.

The plan is funded with contributions by participants and the Company. The Company's contributions to the 401(k) approximated $5,090, $5,100 and $4,900 in 1999, 1998 and 1997, respectively.

INCOME TAXES

The Company and its subsidiaries file consolidated U.S. Federal income tax returns and individual foreign income tax returns.

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial and income tax reporting purposes, using the liability or balance sheet method. Such temporary differences result primarily from differences between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. It is the Company's policy to record deferred income taxes on any undistributed earnings of foreign subsidiaries that are not deemed to be, or are not intended to be, permanently reinvested in those subsidiaries.

In connection with the spin-off of Ethyl Corporation's ("Ethyl") olefins and derivatives, bromine chemicals, and specialty chemicals businesses ("the predecessor businesses") into Albemarle Corporation in 1994, the Company and Ethyl entered into a tax sharing agreement whereby Ethyl agreed to indemnify and hold harmless the Company against all taxes attributable to the predecessor businesses prior to the spin-off, with the exception of certain of the Company's subsidiaries which remained responsible for their taxes.

EARNINGS PER SHARE

The Company calculates earnings per share ("EPS") as required by SFAS No. 128, "Earnings Per Share," which requires dual presentation of basic and diluted EPS.

ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 130 "Reporting Comprehensive Income," established rules for the reporting and the display of comprehensive income. Comprehensive income is defined as net income and other comprehensive income. The Company reflects foreign currency translation adjustments of ($26,290), $14,185 and ($29,194) in 1999, 1998 and 1997, respectively, net of deferred income taxes (tax benefits) as the primary component of other comprehensive income in accumulated other comprehensive (loss) income in the shareholders' equity section of the consolidated balance sheets and displays the components of comprehensive income in the consolidated statements of changes in shareholders' equity.

FOREIGN CURRENCY TRANSLATION

The assets and liabilities of all foreign subsidiaries were prepared in their respective local currencies and translated into U.S. dollars based on the current exchange rate in effect at the balance sheet dates, while income and expenses were translated at average rates for the periods presented. Translation adjustments have no effect on net income. Transaction adjustments are included in cost of goods sold. Foreign currency transaction adjustments resulted in gains (losses) of $6,034, ($3,023) and $8,325 in 1999, 1998 and 1997, respectively. Foreign currency transaction gains and losses herein are net of the foreign exchange gains and losses from financial instruments activity below.

FINANCIAL INSTRUMENTS

The Company manages its foreign currency exposures by maintaining certain assets and liabilities in approximate balance and through the use of foreign exchange contracts. The principal objective of such contracts is to minimize the risks and/or costs associated with global operating activities. The Company does not utilize financial instruments for trading or other speculative purposes. The counterparties to these contractual agreements are major financial institutions with which the Company generally also has other financial relationships. The Company is exposed to credit loss in the event of nonperformance by these

counterparties. However, the Company does not anticipate nonperformance by the other parties, and no material loss would be expected from their nonperformance.

The Company enters into forward currency exchange contracts, which typically expire within one year, in the regular course of business to assist in managing its exposure against foreign currency fluctuations on sales and intercompany transactions.

While these hedging contracts are subject to fluctuations in value, such fluctuations are generally offset by the value of the underlying foreign currency exposures being hedged. Gains and losses on forward contracts are recognized currently in income. The Company had outstanding forward exchange contracts at December 31, 1999, hedging Japanese yen receivables and revenues with a notional value totaling $10,623. The Company had outstanding forward exchange contracts at December 31, 1998, hedging Japanese yen receivables and revenues with a notional value totaling $6,512. For the years ended December 31, 1999, 1998 and 1997, the Company recognized (losses) gains of ($1,001), ($876) and $2,167, respectively, in income before income taxes on its forward exchange contracts.

STOCK-BASED COMPENSATION

SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS No. 123") encourages, but does not require, companies to record at fair value, compensation cost for stock-based employee compensation plans. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," ("APB Opinion No. 25") and related interpretations (See Note 9, "Capital Stock"). Under the intrinsic method, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock.

ENVIRONMENTAL

The Company accrues for environmental remediation costs and post-remediation costs on an undiscounted basis at facilities or off-plant disposal sites that relate to existing conditions caused by past operations in the accounting period in which responsibility is established and when the related costs are estimable. In developing these cost estimates, evaluation is given to currently available facts regarding each site, with consideration given to existing technology, presently enacted laws and regulations, prior experience in remediation of contaminated sites, the financial capability of other potentially responsible parties and other factors, subject to uncertainties inherent in the estimation process. Additionally, these estimates are reviewed periodically, with adjustments to the accruals recorded as necessary.

NEW ACCOUNTING PRONOUNCEMENTS

The FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" in June, 1998, which was effective for financial statements for all fiscal quarters beginning after June 15, 1999. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133", postponing SFAS No. 133's to quarters beginning after June 15, 2000. SFAS No. 133 established accounting and reporting standards for derivative instruments including certain derivative instruments embedded in other contracts and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. At the time of the Company's adoption, SFAS No. 133 is not expected to have a material impact on the financial position or results of operations of the Company.

NOTE 2 - SUPPLEMENTAL CASH FLOW INFORMATION:

Supplemental information for the consolidated statements of cash flows is as follows:

	1999	1998	1997
Cash paid during the year for:			
Income taxes	$31,285	$37,650	$37,475
Interest and financing expenses (net of capitalization)	8,236	4,492	574

NOTE 3 - EARNINGS PER SHARE:

Basic and diluted earnings per share are calculated as follows:

	1999	1998	1997
Basic earnings per share			
Numerator:			
Income available to			

stockholders, as reported	$88,829	$84,732	$79,982
Denominator:			
Average number of shares of common stock outstanding	46,889	51,558	55,164
Basic earnings per share	$ 1.89	$ 1.64	$ 1.45
Diluted earnings per share			
Numerator:			
Income available to stockholders, as reported	$88,829	$84,732	$79,982
Denominator:			
Average number of shares of common stock outstanding	46,889	51,558	55,164
Shares issuable upon exercise of stock options	624	578	504
Total shares	47,513	52,136	55,668
Diluted earnings per share	$ 1.87	$ 1.63	$ 1.44

NOTE 4 - INVENTORIES:

Domestic inventories stated on the LIFO basis amounted to $53,145 and $68,201 at December 31, 1999 and 1998, respectively, which are below replacement cost by approximately $32,663 and $34,766, respectively. During 1999, the Company's domestic inventory declined resulting in the liquidation of a portion of 1998's LIFO layer. The liquidation effect on income before income taxes was approximately $2,100 for 1999.

NOTE 5 - DEFERRED INCOME TAXES AND PREPAID EXPENSES:

Deferred income taxes and prepaid expenses consist of the following:

	1999	1998
Deferred income taxes - current	$14,547	$15,250
Prepaid expenses	3,475	2,687
Total	$18,022	$17,937

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment, at cost, consists of the following:

	1999	1998
Land	$ 18,913	$ 18,887
Land improvements	31,367	35,849
Buildings	89,469	87,186
Machinery and equipment	1,116,626	1,075,277
Construction in progress	31,132	42,141
Total	$1,287,507	$1,259,340

The cost of property, plant and equipment is depreciated, generally by the straight-line method, over the following useful lives: land improvements - 5 to 30 years; buildings - 10 to 40 years; and machinery and equipment - 3 to 25 years.

Interest capitalized on significant capital projects in 1999, 1998, and 1997 was $1,978, $1,598 and $1,826, respectively, while amortization of capitalized interest (which is included in depreciation expense) in 1999, 1998 and 1997 was $1,440, $1,460 and $1,382, respectively.

NOTE 7 - ACCRUED EXPENSES:

Accrued expenses consist of the following:

	1999	1998
Employee benefits, payroll and related taxes	$24,548	$25,592
Taxes other than income and payroll	6,298	6,860
Other	19,659	20,848
Total	$50,505	$53,300

NOTE 8 - LONG-TERM DEBT:

Long-term debt consists of the following:

	1999	1998
Variable-rate bank loans	$128,700	$169,600
Industrial revenue bonds	11,000	-
Foreign borrowings	18,966	22,216
Miscellaneous	1,094	1,122
Total	159,760	192,938
Less amounts due within one year	779	408
Long-term debt	$158,981	$192,530

Maturities of long-term debt for the next five years are as follows: 2000 - $779; 2001 - $322; 2002 - $146,256; 2003 - $332; 2004 - $160 and 2005 through 2021 - $11,911.

The Company has a five-year, $500,000 unsecured Competitive Advance and Revolving Credit Facility Agreement (the "Credit Agreement") that was entered into on September 24, 1996. The maturity date of the Credit Agreement has been extended to September 29, 2002. At December 31, 1999 and 1998, $115,000 and $140,000 in borrowings were outstanding under the Credit Agreement, respectively. The Credit Agreement contains certain covenants typical for a credit agreement of its size and nature, including financial covenants requiring the Company to limit consolidated indebtedness (as defined) to not more than 60% of the sum of the Company's consolidated shareholders' equity (as defined) and consolidated indebtedness. The average interest rate on 1999 and 1998 borrowings under the Credit Agreement was 5.35% and 5.70%, respectively, with a year-end interest rate of 6.67% and 5.67% on the balance outstanding at December 31, 1999 and 1998, respectively.

The Company has three additional agreements with domestic financial institutions which provide immediate, uncommitted credit lines, on a short-term basis, up to a maximum of $115,000 at the individual financial institution's money market rate. At December 31, 1999 and 1998, $13,700 and $29,600 in borrowings from these agreements were outstanding, respectively, which the Company has the ability to refinance with borrowings under the Credit Agreement; therefore, these amounts have been classified as long-term debt. The average interest rate on borrowings under these agreements was 5.27% and 5.51% in 1999 and 1998, respectively, with a year-end interest rate of 6.38% and 5.40% on balances outstanding at December 31, 1999 and 1998, respectively.

On March 10, 1999, the Company entered into a Loan Agreement with Columbia County, Arkansas ("the County"), which issued $11,000 in Tax-Exempt Solid Waste Disposal Revenue Bonds ("Tax-Exempt Bonds") for the purpose of financing various solid waste disposal facilities at the Company's Magnolia, Arkansas South Plant. The Tax-Exempt Bonds bear interest at a variable rate which approximates 65% of the federal funds rate. The average interest rate for

1999 was

3.59% with a year-end interest rate of 5.55%. The Tax-Exempt Bonds will mature on March 1, 2021 and are collateralized by a transferable irrevocable direct-pay letter of credit. Concurrently, the Company and the County entered into a series of agreements. Pursuant to these agreements, the Company will benefit from a ten-year property tax abatement on all new capital plant expansions, modifications and/or improvements (except for the restrictions on the $11,000 Tax-Exempt Bonds) constructed at the Company's Magnolia, Arkansas South Plant over the next three years, up to a total of $81,000, including the solid waste disposal facilities mentioned above.

One of the Company's foreign subsidiaries has an existing agreement with a foreign bank which provides immediate uncommitted credit lines, on a short-term basis, up to a maximum of approximately 2.5 billion Japanese yen ($24,475) at the individual bank's money market rate. At December 31, 1999 and 1998, borrowings under this agreement consisted of 1.8 billion Japanese yen ($17,230) and 2.3 billion Japanese yen ($19,617), respectively. The average interest rate on borrowings under this agreement was 1.50% and 1.62% in 1999 and 1998, respectively with a year-end interest rate of 1.375% and 1.55% at December 31, 1999 and 1998, respectively.

Certain of the Company's remaining foreign subsidiaries have three additional agreements with foreign institutions which provide immediate uncommitted credit lines, on a short term basis, up to a maximum of approximately $23,445 at the individual institution's money market rate. These agreements have been guaranteed by the Company. At December 31, 1999 and 1998, borrowings under these agreements were $461 and $734, respectively. The average interest rate on borrowings under these agreements was 5.82% and 7.60% in 1999 and 1998, respectively. The year-end interest rate was 6.25% and 6.725% at December 31, 1999 and 1998, respectively.

The Company has the ability to refinance borrowings from the foreign subsidiaries' agreements with borrowings under the Credit Agreement. Therefore, these amounts have been classified as long-term debt. Additional foreign borrowings at December 31, 1999 and 1998, consisted of 8.3 million French francs ($1,275) and 10.5 million French francs ($1,865), respectively. The average interest rate on these borrowings was 0.50% and 0.48% in 1999 and 1998, respectively. The year-end interest rate was 0.50% and 0.49% at December 31, 1999 and 1998, respectively.

NOTE 9 - CAPITAL STOCK:

PREFERRED STOCK

The Company has the authority to issue 15,000,000 shares of preferred stock, in one or more classes or series. No shares of the Company's preferred stock have been issued to date.

STOCK PURCHASES

During 1999, the Company purchased, in market transactions, 857,400 shares for $15,474, at an average price of $18.05 per share. On September 30, 1998, the Company finalized the purchase of 5,738,241 of its common shares through a self-tender offer at a price of $19.50 per share plus expenses for an aggregate cost of approximately $112,659. Earlier in 1998, the Company purchased, in market transactions, an additional 1,174,500 shares for $27,946, at an average price of $23.79 per share. During 1997, the Company purchased, in market transactions, 1,560,300 shares for $37,515, at an average price of $24.04 per share. As of December 31, 1999, the Company had authorization to purchase an additional 2,651,300 shares of its common stock.

STOCK OPTION PLANS

The Company has two incentive plans (1994 and 1998 plans). The plans provide for incentive awards payable in either cash or common stock of the Company, qualified and non-qualified stock options ("stock options"), stock appreciation rights ("SARs"), and restricted stock awards and performance awards ("stock awards"). Under the 1998 plan, a maximum of 3,000,000 shares of the Company's common stock may be issued as incentive awards, stock options, SARs or stock awards. Under the 1994 plan, a maximum of 3,200,000 shares of the Company's common stock could be issued pursuant to the exercise of stock options, SARs or the grant of stock awards. At December 31, 1999, 371,919 shares are available under the 1994 grant. However, it is not anticipated that any additional grants or awards will be made under the 1994 plan.

Stock options outstanding under the two plans have been granted at prices which are either equal to or above the market value of the stock on the date of grant and expire 7 to 10 years after issuance. The stock options become exercisable based upon growth in either operating earnings as defined from the base-year earnings, or the increase in fair market value ("FMV") of the Company's common stock, during a specified period, from the FMV on the date of grant. However, stock options for 428,500 shares granted from the 1998 plan become exercisable at the end of the sixth year.

Contingent restricted stock award agreements relating to 263,500 contingent restricted shares of Albemarle common stock were made with certain employees of the Company in 1998 and 1999. The fulfillment of the contingencies are determined over a two- or four-year period based on certain performance criteria, which, if exceeded, could result in as many as twice the 263,500 being issued as restricted stock, or none may be issued if the performance criteria are not met. The two-year contingent restricted stock award agreements totaling 122,000 ended at the end of 1999 at which time it was determined that 61,290 restricted shares would be issued to certain employees. Upon issuance, the restricted stock thereafter will vest based upon certain criteria over a period of three years. In addition, with regard to the two- and four-year plans, 4,860 restricted shares were issued, all of which vest without waiting the three years, as to certain employees who have retired from the Company.

Total compensation expense associated with the Company's incentive plans in 1999, 1998 and 1997 amounted to approximately $2,970, $5,570 and $3,154, respectively.

Presented below is a summary of the activity in the 1994 and 1998 plans:

	Shares Available for Grant	Options Activity	Options Price	Weighted-Average Exercise Price
January 1,1997	1,102,939	1,751,763	$ 9.45 - $17.38	$13.78
Exercised	-	(473,254)	$ 9.45 - $14.81	$13.03
December 31,1997	1,102,939	1,278,509	$ 9.45 - $17.38	$14.06
1998 Plan adoption	3,000,000			
Non-qualifying stock options granted	(591,000)	591,000*	$ 25.25 - $25.75	$25.71
Exercised	-	(34,222)	$ 9.45 - $13.47	$12.26
Restricted stock awards	(250,000)			
December 31, 1998	3,261,939	1,835,287	$ 10.36 - $25.75	$17.84
Non-qualifying stock options granted	(388,500)	388,500*	$ 20.00 - $25.75	$21.48
Exercised	-	(53,448)	$ 12.29 - $13.13	$12.89
Restricted stock awards	(13,500)			
Restricted stock awards canceled	69,350			
December 31, 1999	2,929,289	2,170,339	$ 10.36 - $25.75	$18.62

<FN>

*The weighted average fair values of options granted during 1999 and 1998 were $6.01 and $7.26, respectively.

The following table summarizes information about fixed-price stock options at December 31, 1999:

Options Outstanding				Options Exercisable	
Exercise Prices	Number Outstanding @ 12/31/99	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable @ 12/31/99	Weighted Average Exercise Price
$10.36	5,339	0.8 years	$ 10.36	5,339	$ 10.36
12.12	5,359	2.0 years	12.12	5,359	12.12
13.47	26,920	3.0 years	13.47	26,920	13.47

13.13	860,221	4.2 years	13.13	860,221	13.13
17.38	293,000	6.7 years	17.38	175,800	17.38
25.25	50,000	8.3 years	25.25	-	25.25
25.75	501,000	8.3 years	25.75	-	25.75
25.75	40,000	5.8 years	25.75	-	25.75
25.75	100,000	6.2 years	25.75	-	25.75
20.00	288,500	6.5 years	20.00	-	20.00
	2,170,339			1,073,639	

As discussed in Note 1, "Summary of Significant Accounting Policies", the Company accounts for stock-based compensation plans under APB Opinion No. 25. If compensation cost had been determined based on the fair value at the grant date for awards made in 1998 and 1996 under the Plans consistent with the method of SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

		1999	1998
Net income	as reported	$88,829	$84,732
	pro forma	$88,018	$83,924
Basic earnings per share	as reported	$ 1.89	$ 1.64
	pro forma	$ 1.88	$ 1.63
Diluted earnings per share	as reported	$ 1.87	$ 1.63
	pro forma	$ 1.85	$ 1.61

The fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for options granted in 1999 and 1998, respectively: dividend yield 2.68% and 1.94%; expected volatility of 31.44% and 30.44%; risk-free interest rate of 6.56% and 4.65%; and expected lives of seven years.

NOTE 10 - RENTAL EXPENSE AND OTHER DATA:

RENTAL EXPENSE

The Company has a number of operating lease agreements, primarily for office space, transportation equipment and storage facilities. Future minimum lease payments for the next five years for all noncancelable leases as of December 31, 1999 are $6,519 for 2000, $4,336 for 2001, $3,282 for 2002, $2,477 for 2003, $125 for 2004, and amounts payable after 2004 are $194. Rental expense was approximately $13,838 for 1999, $13,750 for 1998, and $14,228 for 1997.

CONTRACTUAL AND OTHER COMMITMENTS

Contractual obligations for plant construction, purchases of real property and equipment and various take or pay and throughput agreements amounted to approximately $14,000 at December 31, 1999.

SERVICE AGREEMENTS

The Company and Ethyl are parties to various agreements, dated as of February 28, 1994, pursuant to which the Company and Ethyl agreed to coordinate certain facilities and services of adjacent operating facilities at plants in Pasadena, Texas and Feluy, Belgium. In addition, the Company and Ethyl are parties to agreements providing for the blending by the Company of Ethyl's additive products and the production of antioxidants and manganese-based antiknock compounds at the Orangeburg, South Carolina plant. The Company's billings to Ethyl in 1999, 1998 and 1997 in connection with these agreements amounted to approximately $29,556, $31,423 and $29,051, respectively.

The Company and MEMC Pasadena, Inc. ("MEMC Pasadena") are parties to agreements dated as of July 31, 1995 and subsequently revised effective May 31, 1997, pursuant to which the Company provides certain utilities and services to the MEMC Pasadena site which is located at Albemarle's Pasadena plant and on which the electronic materials facility is located. MEMC Pasadena agreed to reimburse Albemarle for all the costs and expenses plus a percentage fee incurred as a result of these agreements. The Company's billings to MEMC Pasadena, in connection with these agreements amounted to approximately $6,339 in 1999, $9,430 in 1998 and $38,421 in 1997. The reduction in 1999 and 1998 from 1997 was the result of the Company providing fewer services as a result of the 1997 revision to the agreements, including, but not limited to, plant operations and engineering costs.

The Company and Amoco are parties to numerous operating and service agreements, dated as of March 1, 1996, pursuant to which the Company provides operating and support services, certain utilities and products to Amoco, and Amoco provides operating and support services, certain utilities and products to Albemarle. The Company's billings to Amoco in 1999, 1998 and 1997, in connection with these agreements, amounted to approximately $39,270, $40,985 and $41,520, respectively. Amoco's billings to the Company in 1999, 1998 and 1997, in connection with these agreements, amounted to $14,735, $16,611 and $14,647 million, respectively.

ENVIRONMENTAL

The Company has recorded liabilities of approximately $10,024 and $9,242 at December 31, 1999 and 1998, respectively, which represents management's best estimate of the Company's future remediation and other anticipated environmental costs relating to past operations.

Although it is difficult to quantify the potential financial impact of compliance with environmental protection laws, management estimates, based on the latest available information, that there is a reasonable possibility that future environmental remediation costs to be incurred over a period of time associated with the Company's past operations in excess of amounts already recorded, could be up to $11,289 before income taxes. However, the Company believes that any sum it may be required to pay in connection with environmental remediation matters in excess of the amounts recorded will not have a material adverse impact on its financial condition or results of operations, but could have a material adverse impact in a particular reporting period.

LITIGATION

The Company is, from time-to-time, subject to routine litigation incidental to its businesses. The Company is not party to any pending litigation proceedings that are expected to have a material adverse effect on the Company's results of operations or financial condition.

NOTE 11 - PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS:

The Company has noncontributory defined-benefit pension plans covering most employees. The benefits for these plans are based primarily on compensation and/or years of service. The funding policy for each plan complies with the requirements of relevant governmental laws and regulations. Plan assets consist principally of common stock, U.S. government and corporate obligations and group annuity contracts. The pension information for all periods presented includes amounts related to salaried and hourly plans. The prepaid benefit cost related to pensions is included in "Other assets and deferred charges" on the consolidated balance sheets.

The Company provides postretirement medical benefits and life insurance for certain groups of U.S. retired employees. Medical and life insurance benefit costs are funded principally on a pay-as-you-go basis. Although the availability of medical coverage after retirement varies for different groups of employees, the majority of employees who retire before becoming eligible for Medicare can continue group coverage by paying all or most of the cost of a composite monthly premium designed to cover the claims incurred by active and retired employees. The availability of group coverage for Medicare-eligible retirees also varies by employee group with coverage designed either to supplement or coordinate with Medicare. Retirees generally pay a portion of the cost of the coverage. Plan assets for retiree life insurance are held under an insurance contract and reserved for retiree life insurance benefits. The accrued postretirement benefit cost is included in "Other noncurrent liabilities" in the consolidated balance sheets.

Pension coverage for employees of the Company's foreign subsidiaries is provided through separate plans. Obligations under such plans are systematically provided for by depositing funds with trustees or under insurance policies. The pension cost, actuarial present value of benefit obligations and plan assets have been combined with the Company's other pension disclosure information presented.

The following provides a reconciliation of benefit obligations, plan assets and funded status of the plans, as well as a summary of significant assumptions:

	Pension Benefits		Other Postretirement Benefits	
	1999	1998	1999	1998
Change in benefit obligations				
Benefit obligation at January 1	$ 341,029	$ 302,807	$ 58,706	$ 50,060
Service cost	9,676	8,419	2,152	1,940
Interest cost	22,425	21,407	3,738	3,600
Plan amendments	1,234	236	-	14
Assumption changes	(20,952)	21,537	(4,592)	4,285
Actuarial loss(gain)	1,122	967	(2,847)	288
Benefits paid	(16,100)	(14,867)	(1,248)	(1,481)
Plan curtailments and termination benefits	351	-	-	-
Effect of foreign exchange	(671)	523	-	-
Benefit obligation at December 31	$ 338,114	$ 341,029	$ 55,909	$ 58,706
Change in plan assets				
Fair value of plan assets at January 1	$ 480,059	$ 435,172	$ 6,627	$ 6,708
Actual return on plan assets	75,182	57,356	570	471
Employer contributions	1,612	2,254	1,248	929
Benefits paid	(16,100)	(14,867)	(1,248)	(1,481)
Effect of foreign exchange	(303)	144	-	-
Fair value of plan assets at December 31	$ 540,450	$ 480,059	$ 7,197	$ 6,627
Funded status of plans				
Over (under) funded status	$ 202,336	$ 139,030	$(48,712)	$(52,079)
Unrecognized net gain	(128,653)	(73,406)	(11,525)	(4,227)
Unrecognized prior service cost	8,605	9,254	796	895
Unrecognized net transition asset	(5,342)	(7,693	-	-
Prepaid (accrued) benefit cost at December 31	$ 76,946	$ 67,185	$(59,441)	$(55,411)
Assumption percentages as of December 31				
Discount rate	7.25%	6.75%	7.25%	6.75%
Expected return on plan assets	9.50%	9.50%	7.00%	9.50%
Rate of compensation increase	4.50%	4.50%	4.50%	4.50%

The components of net periodic pension and postretirement benefit (income) expense are as follows:

	Pension Benefits			Other Postretirement Benefits		
	1999	1998	1997	1999	1998	1997
Service cost	$ 9,676	$ 8,419	$ 7,350	$ 2,152	$ 1,940	$ 1,765
Interest cost	22,425	21,407	20,361	3,738	3,600	3,286
Expected return on assets	(40,100)	(35,984)	(32,714)	(439)	(588)	(610)
Plan curtailments/- termination benefits	713	-	-	-	-	-
Amortization of prior service cost	1,553	1,466	1,445	99	99	98
Amortization of (gain) loss	102	58	37	(271)	(381)	(573)
Amortization of transition asset	(2,351)	(2,718)	(2,719)	-	-	-

Benefit (income) expense	$(7,982)	$(7,352)	$(6,240)	$ 5,279	$ 4,670	$ 3,966

The Company has a Supplemental Retirement Plan ("SRP"), which provides unfunded supplemental retirement benefits to certain management or highly compensated employees of the Company. The SRP provides for incremental pension payments partially to offset the reduction in amounts that would have been payable from the Company's principal pension plan if it were not for limitations imposed by federal income tax regulations. Expense relating to the plan of $934, $785 and $777 was recorded for the years ended December 31, 1999, 1998 and 1997, respectively. The accumulated benefit obligation recognized in the Company's consolidated balance sheet at December 31, 1999 and 1998 was $8,548 and $8,193, respectively. The benefit expenses and obligations of this SRP are included in the tables on the preceding page.

In 1999, the Company recognized a one-time curtailment loss and special termination benefits charge related to pension plans of $713, which were both included in special charges (See Note 13, "Special Items"), as required by SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," reflecting the voluntary separation offers accepted by 122 salaried and wageroll employees throughout the Company.

The assumed health care cost trend rate was 8% in 1999, 9% in 1998 and 10% in 1997, declining by 1% per year to an ultimate rate of 7%, except that managed care costs were assumed to be 6% in 1999, 6% in 1998 and 7% in 1997.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. A one-percentage-point change in assumed health care cost trend rates at December 31, 1999 would have the following effects:

	One-Percentage-Point Increase	One-Percentage Point Decrease
Effect on total of service and interest cost components	$ 900	$ (700)
Effect on postretirement benefit obligation	$ 7,400	$ (5,900)

OTHER POSTEMPLOYMENT BENEFITS

The Company also provides certain postemployment benefits to former or inactive employees who are not retirees. The Company funds postemployment benefits on a pay-as-you-go basis. These benefits include salary continuance, severance and disability health care and life insurance which are accounted for under SFAS No. 112 "Employers' Accounting for Postemployment Benefits." The accrued postemployment benefit liability was approximately $1,734 and $1,656 at December 31, 1999 and 1998, respectively.

NOTE 12 - INCOME TAXES:

Income before income taxes and current and deferred income taxes (benefits) are composed of the following:

Years ended December 31	1999	1998	1997
Income before income taxes:			
Domestic	$ 98,395	$110,877	$100,157
Foreign	30,343(a)	11,921	20,748
Total	$ 128,738	$122,798	$120,905
Current income taxes (benefits):			

Federal	$ 27,336	$ 29,413	$ 26,586
State	1,351	1,516	1,981
Foreign	14,109	(593)	4,286
Total	42,796	30,336	32,853
Deferred income taxes (benefits):			
Federal	2,542	7,456	7,568
State	(4,406)	835	1,042
Foreign	(1,023)	(561)	(540)
Total	(2,887)	7,730	8,070
Total income taxes	$ 39,909	$ 38,066	$ 40,923

<FN>
(a) Includes the gain on sale of investment in Albright & Wilson stock, net totaling $22,054 ($14,381 net of income tax).

The significant differences between the U.S. federal statutory rate and the effective income tax rate are as follows:

	% of Income Before Income Taxes		
	1999	1998	1997
Federal statutory rate	35.0%	35.0%	35.0%
Foreign sales corporation benefit	(2.4)	(2.1)	(1.9)
State taxes, net of federal tax benefit	0.9	1.3	1.5
Depletion	(1.0)	(1.1)	(1.1)
Other items, net	(1.5)	(2.1)	0.3
Effective income tax rate	31.0%	31.0%	33.8%

The deferred income tax assets and deferred income tax liabilities recorded on the consolidated balance sheets as of December 31, 1999 and 1998, consist of the following:

	1999	1998
Deferred tax assets:		
Postretirement benefits other than pensions	$ 21,728	$ 20,760
Accrued employee benefits	5,906	7,048
LIFO inventories	4,884	5,103
Foreign tax benefit	3,215	-
Accrued liabilities	1,666	3,476
Intercompany profit in inventories	2,608	2,957
Environmental reserves	3,095	2,936
U.K. subsidiary net operating loss carryforwards	494	-
Foreign currency translation adjustments	5,283	-
Other	3,396	4,136
Net deferred tax assets	52,275	46,416
Deferred tax liabilities:		
Depreciation	91,466	100,876
Pensions	27,897	24,709
Gain on Belgian intercompany loan	7,321	7,648
Foreign currency translation adjustments	-	4,452
Capitalization of interest	2,296	2,116
Other	759	1,365

Gross deferred tax liabilities	129,739	141,166
Net deferred tax liabilities	$ 77,464	$ 94,750
Reconciliation to consolidated balance sheets:		
Current deferred tax assets	$ 14,547	$ 15,250
Deferred tax liabilities	92,011	110,000
Net deferred tax liabilities	$ 77,464	$ 94,750

Approximately $23,000 of accumulated operating loss carryforwards from the Company's Belgian subsidiary (approximately $9,400 tax benefit) were utilized in 1998 to offset Belgian taxable income. Valuation allowances of approximately $2,100, related to accumulated operating loss carryforwards were reversed in 1998.

NOTE 13 - SPECIAL ITEMS:

In May 1999, the Company sold all of its 58,394,049 common shares of Albright & Wilson plc ("Albright & Wilson"), a United Kingdom chemicals company, that were acquired in March 1999, as part of its friendly tender offer for Albright & Wilson, to ISPG, Plc, the competing bidder, for an aggregate consideration of $157,516, resulting in a gain of $22,054 ($14,381 after income taxes or 30 cents per share on a diluted basis), net of transaction expenses. The net proceeds from the sale of the common shares were primarily used to pay down debt under the Company's existing Credit Agreement.

During the last three quarters of 1999, the Company incurred special charges of $10,692 ($6,717 after income taxes or 14 cents per share on a diluted basis) that resulted primarily from voluntary separation offers made to various employees throughout the Company. The program impacted a total of 122 salaried and wageroll employees.

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

In assessing the fair value of financial instruments, the Company uses methods and assumptions that are based on market conditions and other risk factors existing at the time of assessment. Fair value information for the Company's financial instruments is as follows:

Cash and Cash Equivalents - The carrying value approximates fair value due to their short-term nature.

Long-term Debt - The carrying value of the Company's long-term debt reported in the accompanying consolidated balance sheets at December 31, 1999 and 1998, approximates fair value since substantially all of the Company's long-term debt bears interest based on prevailing variable market rates currently available in the countries in which the Company has borrowings.

Foreign Currency Exchange Contracts - The fair values of the Company's forward currency exchange contracts are estimated based on current settlement values. The fair value of the forward contracts represent a net liability position of $141 and $435 at December 31, 1999, and December 31, 1998, respectively.

NOTE 15 - QUARTERLY FINANCIAL SUMMARY (UNAUDITED):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1999				
Net sales	$208,345	$200,811	$212,086	$224,683
Gross profit	$ 73,459	$ 59,370	$ 61,163	$ 70,553
Special charges(a)	$ -	$ (5,779)	$ (852)	$ (4,061)
Gain on sale of investment in Albright & Wilson (b)	$ -	$ 22,054	$ -	$ -
Net income	$ 23,172	$ 24,613	$ 17,139	$ 23,905
Basic earnings per share	$ .49	$ .52	$ .37	$ .51
Shares used to compute basic earnings per share(c)	47,016	47,033	46,949	46,557
Diluted earnings per share	$ .49	$ .52	$ .36	$ .51
Shares used to compute diluted earnings per share(c)	47,746	47,731	47,475	47,102
1998				
Net sales	$215,149	$204,103	$196,192	$205,418

Gross profit	$ 67,821	$ 66,178	$ 57,509	$ 69,297
Net income	$ 22,649	$ 21,811	$ 17,577	$ 22,695
Basic earnings per share	$ .42	$ .41	$ .33	$ .48
Shares used to compute basic earnings per share(c)	53,469	53,069	52,695	46,999
Diluted earnings per share	$ .42	$ .41	$ .33	$ .48
Shares used to compute diluted earnings per share(c)	53,981	53,681	53,293	47,590

<FN>

Notes:

(a) Represents second quarter charge of $5,779 ($3,587 after income taxes), third quarter charge of $852 ($543 after income taxes) and fourth quarter charge of $4,061 ($2,587 after income taxes) related to work-force reduction programs at certain of the Company's facilities.

(b) Includes the second quarter gain on sale of investment in Albright & Wilson stock, net totaling $22,054 ($14,381 net of income taxes).

(c) Includes the effects of the purchase of 182,000 and 675,400 common shares in the third and fourth quarters of 1999 and 772,100, 338,600 and 5,802,041 common shares purchased during the first, second and third quarters of 1998, respectively.

NOTE 16 - OPERATING SEGMENTS AND GEOGRAPHIC AREA INFORMATION:

The Company is a global manufacturer of specialty polymer and fine chemicals, grouped into two operating segments: Polymer Chemicals and Fine Chemicals. The operating segments were determined based on management responsibility. The Polymer Chemicals' operating segment is comprised of flame retardants, organometallics and catalysts, and polymer additives and intermediates. The Fine Chemicals' operating segment is comprised of agrichemicals, bromine and derivatives, pharmachemicals, potassium and chlorine chemicals, and surface actives.

The accounting policies of the segments are the same as those described in Note 1, "Summary of Significant Accounting Policies." The Company evaluates the performance of its operating segments based on operating profit which represents income before income taxes, before gain on sale of investment in Albright & Wilson stock, net and before interest and financing expenses and other income, net. Segment data includes intersegment transfers of raw materials at cost and foreign exchange transaction gains and losses, as well as allocations for certain corporate costs.

Summarized financial information concerning the Company's reportable segments is shown in the following table. The "Corporate & Other" column includes corporate-related items not allocated to the reportable segments.

Operating Segment Results	Polymer Chemicals	Fine Chemicals	Corporate & Other	Total
1999				
Net sales	$ 449,156	$ 396,769	-	$ 845,925
Operating profit(a)	73,083	60,187	$ (19,144)	114,126
Identifiable assets	331,505	436,669	185,920	954,094
Depreciation and amortization	29,027	45,452	1,271	75,750
Capital expenditures	43,289	31,119	3,161	77,569
1998				
Net sales	417,998	402,864	-	820,862
Operating profit(a)	76,608	69,619	(20,512)	125,715
Identifiable assets	322,944	475,810	139,043	937,797
Depreciation and amortization	29,807	43,800	1,405	75,012
Capital expenditures	40,012	30,147	6,588	76,747
1997				
Net sales	411,134	418,716	-	829,850
Operating profit(a)	72,802	65,274	(17,369)	120,707
Identifiable assets	281,616	472,283	134,282	888,181
Depreciation and amortization	26,728	40,965	1,351	69,044
Capital expenditures	28,115	55,537	1,632	85,284

Net Sales(b)	1999	1998	1997
United States	$ 480,070	$ 470,818	$ 453,211
Foreign	365,855	350,044	376,639

Total	$ 845,925	$ 820,862	$ 829,850

Long-Lived Assets as of December 31	1999	1998	1997
United States	$ 410,626	$ 406,928	$ 399,357
France	85,696	109,206	109,841
Other foreign countries	16,960	19,825	5,043
Total	$ 513,282	$ 535,959	$ 514,241

<FN>

Notes: (a) Includes the effects of foreign exchange transaction (losses) gains of $6,034, ($3,023)and $8,325 in 1999, 1998 and 1997, respectively.

(b) No foreign country exceeds 10% of total Company net sales.

NOTE 17 - ACQUISITIONS:

As of the close of business on October 30, 1998, the Company, through Albemarle UK Limited, a newly created subsidiary, acquired the Teesport, United Kingdom, operations of Hodgson Specialty Chemicals division of BTP plc for approximately $15,229. The purchase price for this acquisition consisted primarily of property, plant and equipment, goodwill and inventory. No pro forma financial information is provided for this acquisition for the period presented since its impact was immaterial to the Company's consolidated results of operations and financial position.

NOTE 18 - SUBSEQUENT EVENT:

On January 20, 2000, the Company and Ferro Corporation ("Ferro") announced that an agreement in principle had been reached whereby the Company would purchase the PYRO-CHEK(r) flame retardant business of Ferro along with an operating plant at Port-de-Bouc, France.

MANAGEMENT'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Albemarle Corporation's management has prepared the consolidated financial statements and related notes appearing on pages 24 through 41 in conformity with accounting principles generally accepted in the United States. In so doing, management makes informed judgments and estimates of the expected effects of events and transactions. Actual results may differ from management's judgments and estimates. Financial data appearing elsewhere in this annual report are consistent with these consolidated financial statements.

Albemarle maintains a system of internal controls to provide reasonable, but not absolute, assurance of the reliability of the financial records and the protection of assets. The internal control system is supported by written policies and procedures, careful selection and training of qualified personnel and an extensive internal audit program.

These consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent certified public accountants. Their audit was made in accordance with auditing standards generally accepted in the United States and included an evaluation of Albemarle's internal accounting controls to the extent considered necessary to determine audit procedures.

The audit committee of the Board of Directors, composed only of non-employee directors, meets with management, internal auditors and the independent accountants to review accounting, auditing and financial reporting matters. The independent accountants are appointed by the board on recommendation of the audit committee, subject to shareholder approval.

REPORT OF INDEPENDENT ACCOUNTANTS

PRICEWATERHOUSECOOPERS

To the Board of Directors and Shareholders of Albemarle Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Albemarle Corporation and subsidiaries (the "Company") at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/PricewaterhouseCoopers LLP

February 4, 2000
Richmond, Virginia

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND OFFICERS OF THE REGISTRANT

The information contained in the Proxy Statement under the caption "Election of Directors" concerning directors and persons nominated to become directors of the Company is incorporated herein by reference. The names and ages of all officers of the Company as of March 1, 2000 are set forth below:

Name	Age	Office
Floyd D. Gottwald, Jr.*	77	Chairman of the Board and of the Executive Committee, Chief Executive Officer and Director
Charles B. Walker*	61	Vice Chairman of the Board, Chief Financial Officer and Director
Mark C. Rohr	48	President and Chief Operating Officer
E. Whitehead Elmore	61	Senior Vice President, General Counsel and Corporate Secretary
John G. Dabkowski	51	Vice President - Global Business
Dixie E. Goins	49	Vice President Research and Development
William M. Gottwald*	52	Vice President - Corporate Strategy, Secretary to the Executive Committee and Director
Jack P. Harsh	47	Vice President - Human Resources
Robert G. Kirchhoefer	59	Treasurer and Chief Accounting Officer
George A. Newbill	56	Vice President - Sourcing
Gary L. Ter Haar	63	Vice President - Health and Environment
Michael D. Whitlow	48	Vice President - Americas Sales and Global Accounts
Edward G. Woods	58	Vice President Corporate Development

* Member of the Executive Committee

ADDITIONAL INFORMATION - OFFICERS OF THE COMPANY

The term of office of each such officer is until the meeting of the Board of Directors following the next annual shareholders' meeting (April 26, 2000). All such officers have been employed by the Company or its predecessor for at least the last five years, with the exception of William M. Gottwald, Jack P. Harsh and Mark C. Rohr. William M. Gottwald joined Albemarle after being associated with the Company's predecessor since 1981, most recently as senior vice president responsible for finance, planning and information resources. Jack P. Harsh joined Albemarle effective November 16, 1998, from Union Carbide Corporation in Danbury, Connecticut, where he directed human resources for the solvents, intermediates and monomers business and supply-chain planning organization. He was elected vice president - human resources, effective December 1, 1998. Mark C. Rohr was elected executive vice president operations on April 1, 1999 and assumed the position of president and chief operating officer on January 1, 2000.

Prior to joining Albemarle, Mr. Rohr was senior vice president for the Specialty Chemicals group of Occidental Chemical Corporation in Dallas, Texas.

ITEM 11. EXECUTIVE COMPENSATION

The information contained in the Proxy Statement under the caption "Compensation of Executive Officers and Directors" concerning executive compensation is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information contained in the Proxy Statement under the caption "Stock Ownership" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information contained in the Proxy Statement under the captions "Certain Relationships and Related Transactions" and "Stock Ownership" is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) The following consolidated financial and informational statements of the registrant are included in Part II Item 8 on pages 24 to 42:

Consolidated Balance Sheets as of December 31, 1999 and 1998

Consolidated Statements of Income, Changes in Shareholders' Equity and Cash Flows for the years ended December 31, 1999, 1998, and 1997

Notes to the Consolidated Financial Statements

Management's Report on the Consolidated Financial Statements

Report of Independent Accountants

(a)(2) No Financial Statement Schedules are provided in accordance with Item 14(a)(2) as the information is either not applicable, not required or has been furnished in the Consolidated Financial Statements or Notes thereto.

(a)(3) Exhibits

The following documents are filed as exhibits to this Form 10-K pursuant to Item 601 of Regulation S-K:

3.1 Amendment to Restated Articles of Incorporation of the registrant [filed as Exhibit 3.1 to the Company's Form 10-K for 1994 (No. 1-12658), and incorporated herein by reference].

3.2 Amended By-laws of the registrant, adopted February 23, 2000.

10.1 Credit Agreement, dated as of September 24, 1996, between the Company, NationsBank, N.A., as administrative agent and Bank of America National Trust and Savings Association (formerly Bank of America Illinois), The Bank of New York and the Chase Manhattan Bank, as co-agents and certain commercial banks [filed as Exhibit 10.1 to the Company's Third Quarter 1996 Form 10-Q (No. 1-12658) and incorporated herein by reference].

10.2 The Company's 1994 Omnibus Stock Incentive Plan, adopted on February 8, 1994 [filed as Exhibit 10.1 to the Company's Form S-1 (No. 33-77452), and incorporated herein by reference].

10.3 The Company's Bonus Plan, adopted on February 8, 1994 [filed as Exhibit 10.8 to the Company's Form 10 (No. 1-12658), and incorporated herein by reference].

10.4 Savings Plan for the Employees of the Company, adopted on February 8, 1994 [filed as Exhibit 10.9 to the Company's Form 10 (No. 1-12658), and incorporated herein by reference].

10.5 The Company's Excess Benefit Plan [filed as Exhibit 10.10 to the Company's Form 10 (No. 1-12658), and incorporated herein by reference].

10.6 The Company's Supplemental Retirement Plan [filed as Exhibit 10.11 to the Company's Form 10 (No. 1-12658), and incorporated herein by reference].

10.7 The Company's Agreement between Certain Executives [filed as Exhibit 10.12 to the Company's Form 10 (No. 1-12658), and incorporated herein by reference].

10.8 The Company's 1998 Incentive Plan, adopted April 22, 1998 [filed as Exhibit 10.8 to the Company's Form 10-K for 1998 (No. 1-12658), and incorporated herein by reference].

10.9 The Company's compensation arrangement with Mark C. Rohr dated February 26, 1999 filed herewith.

11. Statements re: Computation of Pro Forma Earnings Per Share for years ended December 31, 1999 and 1998.

21. Subsidiaries of the Company.

99. Five-Year Summary (see page 46).

(b) No report on Form 8-K was filed in the last quarter of the period covered by this report.

(c) Exhibits - The response to this portion of Item 14 is submitted as a separate section of this report.

Note: Part IV Item 14(1) 5 documents 3.2, 10.9, 11, 21 and Item 14(c) are not included herein. They will be filed in the Securities and Exchange Commission EDGAR filing of the Form 10-K document only.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALBEMARLE CORPORATION
(Registrant)
By: /s/ Floyd D. Gottwald,Jr.

Floyd D. Gottwald, Jr., Chairman of the Board

Dated: March 1, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of March 1, 2000.

SignatureTitle	
/s/ Floyd D. Gottwald, Jr. (Floyd D. Gottwald, Jr.	Chairman of the Board, Chairman of the Executive Committee, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Charles B. Walker (Charles B. Walker)	Vice Chairman of the Board, Chief Financial Officer and Director (Principal Financial Officer)
/s/ Robert G. Kirchhoefer (Robert G. Kirchhoefer)	Treasurer and Chief Accounting Officer (Principal Accounting Officer)
/s/ Craig R. Andersson (Craig R. Andersson)	Director
/s/ John D. Gottwald (John D. Gottwald)	Director
/s/ William M. Gottwald (William M. Gottwald)	Vice President - Corporate Strategy and Director
/s/ Seymour S. Preston III	Director

(Seymour S. Preston, III)

/s/ Emmett J. Rice -------------------------- (Emmett J. Rice)	Director
/s/ Charles E. Stewart -------------------------- (Charles E. Stewart)	Director
/s/ Anne M. Whittemore -------------------------- (Anne M. Whittemore)	Director

EXHIBIT INDEX

3.1	Restated Articles of Incorporation	Incorporated by reference see page 34
3.2	By-laws	Page 37
10.1	Credit Agreement, dated September 24, 1996	Incorporated by reference see page 34
10.2	Omnibus Stock Incentive Plan	Incorporated by reference see page 34
10.3	Bonus Plan	Incorporated by reference see page 34
10.4	Savings Plan	Incorporated by reference see page 34
10.5	Excess Benefit Plan	Incorporated by reference see page 34
10.6	Supplement Retirement Plan	Incorporated by reference see page 34
10.7	Agreement Between Certain Executives	Incorporated by reference see page 34
10.8	1998 Incentive Plan	Incorporated by reference see page 34
10.9	Compensation Agreement with Mark Rohr	Page 47
11	Computation of Pro Forma Earnings Per Share-years ended 1999 and 1998	Page 50
21	Subsidiaries of Company	Page 51
23	Consent of Independent Certified Public Accountants	Page 52
27	Financial Data Schedule	Page 53
99	Five Year Summary	Page 54

Exhibit 3.2

ALBEMARLE CORPORATION

BY-LAWS

ARTICLE I

Meeting of Shareholders

SECTION 1. PLACES OF MEETINGS. All meetings of the shareholders shall be held at such place, either within or without the Commonwealth of Virginia, as may, from time to time, be fixed by the Board of Directors.

SECTION 2. ANNUAL MEETINGS. The annual meeting of the shareholders, for the election of directors and transaction of such other business as may come before the meeting, shall be held each year in Richmond, Virginia at 11:00 a.m. EDT on the fourth Wednesday in April or at such other date and time as the Board of Directors of the Corporation may designate from time to time.

SECTION 3. SPECIAL MEETINGS. Special meetings of shareholders for any purpose or purposes may be called at any time by the Chairman of the Board or by a majority of the Board of Directors. At a special meeting, no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting.

SECTION 4. NOTICE OF MEETINGS. Except as otherwise required by law, written or printed notice stating the place, day and hour of every meeting of the shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed not less than ten (10) nor more than sixty (60) days before the date of the meeting to each shareholder of record entitled to vote at such meeting, at his or her address which appears in the share transfer books of the Corporation. Meetings may be held without notice if all the shareholders entitled to vote at the meeting are present in person or by proxy or if notice is waived in writing by those not present, either before or after the meeting.

SECTION 5. QUORUM. Except as otherwise required by the Articles of Incorporation, any number of shareholders together holding at least a majority of the outstanding shares of capital stock entitled to vote with respect to the business to be transacted, who shall be present in person or represented by proxy at any meeting duly called, shall constitute a quorum for the transaction of business. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the shareholders present or represented by proxy without notice other than by announcement at the meeting.

SECTION 6. VOTING. At any meeting of the shareholders each shareholder of a class entitled to vote on the matters coming before the meeting shall have one vote, in person or by proxy, for each share of capital stock standing in his or her name on the books of the Corporation at the time of such meeting or on any date fixed by the Board of Directors not more than seventy (70) days prior to the meeting. Every proxy shall be in writing, dated and signed by the shareholder entitled to vote or his duly authorized attorney-in-fact.

SECTION 7. VOTING LIST. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, with the address of and the number of shares held by each. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation or at its principal place of business or at the office of its transfer agent or registrar and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders. If the requirements of this section have not been substantially complied with, the meeting shall, on the demand of any shareholder in person or by proxy, be adjourned until the requirements are complied with.

SECTION 8. SHAREHOLDER PROPOSALS. To be properly brought before an annual meeting of shareholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than ninety (90) days in advance of the annual meeting. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting (including the specific proposal to be presented) and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the shareholder proposing such business, (iii) the class and number of shares of the Corporation that are beneficially owned by the shareholder, and (iv) any material interest of the shareholder in such business.

In the event that a shareholder attempts to bring business before an annual meeting without complying with the provisions of this Section 8, the Chairman of the meeting shall declare to the meeting that the business was not properly brought before the meeting in accordance with the foregoing procedures, and such business shall not be transacted.

No business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 8, provided, however, that nothing in this Section 8 shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting.

SECTION 9. INSPECTORS. An appropriate number of inspectors for any meeting of shareholders may be appointed by the Chairman of such meeting. Inspectors so appointed will open and close the polls, will receive and take charge of proxies and ballots, and will decide all questions as to the qualifications of voters, validity of proxies and ballots, and the number of votes properly cast.

ARTICLE II

Directors

SECTION 1. GENERAL POWERS. The property, affairs and business of the Corporation shall be managed under the direction of the Board of Directors, and except as otherwise expressly provided by law, the Articles of Incorporation or these By-laws, all of the powers of the Corporation shall be vested in such Board.

Any contract to which the Corporation is a party that is (i) not in the ordinary course of business or (ii) is in the ordinary course of business and involves a commitment by the Corporation of more than $100,000 and is not executed by the Chairman of the Board, must be approved by the Board of Directors or the Executive Committee prior to delivery.

SECTION 2. NUMBER OF DIRECTORS. The Board of Directors shall be nine (9) in number.

SECTION 3. ELECTION OF DIRECTORS.

(a) Directors shall be elected each year at the annual meeting of shareholders.

(b) Directors shall hold their offices for a term of one year and until their successors are elected. Any director may be removed from office as set forth in the Articles of Incorporation.

(c) Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum of the Board of Directors.

(d) A majority of the number of directors fixed by these By-laws shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 4. MEETINGS OF DIRECTORS. Meetings of the Board of Directors shall be held at places within or without the Commonwealth of Virginia and at times fixed by resolution of the Board or upon call of the Chairman of the Board, and the Secretary or officer performing the Secretary's duties shall give not less than twenty-four (24) hours' notice by letter, telegraph or telephone (or in person) of all meetings of the directors, provided that notice need not be given of regular meetings held at times and places fixed by resolution of the Board. An annual meeting of the Board of Directors shall be held as soon as practicable after the adjournment of the annual meeting of shareholders. Meetings may be held at any time without notice if all of the Directors are present, or if those not present waive notice in writing either before or after the meeting. Directors may be allowed, by resolution of the Board, a reasonable fee and expenses for attendance at meetings.

SECTION 5. NOMINATIONS. Subject to the rights of holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation, nominations for the election of Directors shall be made by the Board of Directors or a committee appointed by the Board of Directors or by any shareholder entitled to vote in the election of Directors generally. However, any shareholder entitled to vote in the

election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such shareholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of shareholders, ninety (90) days in advance of such meeting, and (ii) with respect to an election to be held at a special meeting of shareholders for the election of Directors, the close of business on the seventh (7th) day following the date on which notice of such meeting is first given to shareholders. Each notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (d) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a Director of the Corporation if so elected. The Chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

ARTICLE III

Committees

SECTION 1. EXECUTIVE COMMITTEE. The Board of Directors shall, by vote of a majority of the number of Directors fixed by these By-laws, designate an Executive Committee which shall consist of three or more Directors, including the Chairman of the Board. The members of the Executive Committee shall serve until their successors are designated by the Board of Directors, until removed or until the Executive Committee is dissolved by the Board of Directors. All vacancies which may occur in the Executive Committee shall be filled by the Board of Directors.

When the Board of Directors is not in session, the Executive Committee shall have all power vested in the Board of Directors by law, the Articles of Incorporation or these By-laws, except as otherwise provided in the Virginia Stock Corporation Act. The Executive Committee shall report at the next regular or special meeting of the Board of Directors all action which the Executive Committee may have taken on behalf of the Board since the last regular or special meeting of the Board of Directors.

Meetings of the Executive Committee shall be held at such places and at such times fixed by resolution of the Committee, or upon call of the Chairman of the Board. Not less than twelve (12) hours' notice shall be given by letter, telegraph or telephone (or in person) of all meetings of the Executive Committee, provided that notice need not be given of regular meetings held at times and places fixed by resolution of the Committee and that meetings may be held at any time without notice if all of the members of the Committee are present or if those not present waive notice in writing either before or after the meeting. A majority of the members of the Executive

Committee then serving shall constitute a quorum for the transaction of business at any meeting.

SECTION 2. EXECUTIVE COMPENSATION COMMITTEE. The Board of Directors, at its regular annual meeting, shall designate an Executive Compensation Committee which shall consist of two or more Directors who shall not be eligible for bonus, stock option or stock appreciation rights. In addition, the Board at any time may designate one or more alternate members of such Committee who shall be Directors not eligible for bonus, stock option or stock appreciation rights who may act in place of any absent regular member upon invitation by the Chairman or Secretary of the Committee.

With respect to bonuses, the Executive Compensation Committee shall have and may exercise the powers to determine the amounts annually available for bonuses pursuant to any bonus plan or formula approved by the Board, to determine bonus awards to executive officers and to exercise such further powers with respect to bonuses as may from time to time be conferred by the Board of Directors.

With respect to salaries, the Executive Compensation Committee shall have and may exercise the power to fix and determine from time to time all salaries of the executive officers of the Corporation, and such further powers with respect to salaries as may from time to time be conferred by the Board of Directors.

The Executive Compensation Committee shall administer the Corporation's Incentive Stock Option Plan (the Plan) and from time to time may grant, consistent with the Plan, stock options and stock appreciation rights and authorize the granting of restricted stock awards.

Vacancies in the Executive Compensation Committee shall be filled by the Board of Directors, and members shall be subject to removal by the Board at any time.

The Executive Compensation Committee shall fix its own rules of procedure. A majority of the number of regular members then serving shall constitute a quorum; and regular and alternate members present shall be counted to determine whether there is a quorum. The Executive Compensation Committee shall keep minutes of its meetings, and all action taken by it shall be reported to the Board of Directors.

SECTION 3. AUDIT COMMITTEE. The Board of Directors at its regular annual meeting shall designate an Audit Committee which shall consist of two or more Directors whose membership on the Committee shall meet the requirements set forth in the rules of the New York Stock Exchange, as amended from time to time. Vacancies in the Committee shall be filled by the Board of Directors with Directors meeting the requirements set forth above, giving consideration to continuity of the Committee, and members shall be subject to removal by the Board at any time. The Committee shall fix its own rules of procedure and a majority of the members serving shall constitute a quorum. The Committee shall meet at least twice a year with both the internal and the Corporation's outside auditors present at each meeting and shall keep minutes of its meetings and all action taken shall be reported to the Board of Directors. The Committee shall review the reports and minutes of any audit committees of the Corporation's subsidiaries. The Committee shall review the Corporation's financial reporting process, including accounting policies and procedures. The Committee shall examine the report of the Corporation's outside auditors, consult with them with respect to their report and the standards and procedures employed by them in their audit,

report to the Board the results of its study and recommend the selection of auditors for each fiscal year.

SECTION 4. NOMINATING COMMITTEE. The Board of Directors shall designate a Nominating Committee which shall consist of three or more Directors. The Committee shall make recommendations to the Board regarding nominees for election as Directors by the shareholders at each Annual Shareholders' Meeting and make such other recommendations regarding tenure, classification and compensation of Directors as the Committee may deem advisable from time to time. The Committee shall fix its own rules of procedure and a majority of the members serving shall constitute a quorum.

SECTION 5. OTHER COMMITTEES OF THE BOARD. The Board of Directors, by resolution duly adopted, may establish such other committees of the Board as it may deem advisable and the members, terms and authority of such committees shall be as set forth in the resolutions establishing the same.

ARTICLE IV

Officers

SECTION 1. ELECTION. The officers of the Corporation shall consist of a Chairman of the Board, a Vice Chairman of the Board, a President, one or more Vice Presidents (any one or more of whom may be designated as Executive Vice Presidents or Senior Vice Presidents), a Secretary and a Treasurer. In addition, such other officers as are provided in Section 3 of this Article may from time to time be elected by the Board of Directors. All officers shall hold office until the next annual meeting of the Board of Directors or until their successors are elected. The Chairman of the Board, the Vice Chairman of the Board and the President shall be chosen from among the Directors. Any two officers may be combined in the same person as the Board of Directors may determine, except that the President and Secretary may not be the same person.

SECTION 2. REMOVAL OF OFFICERS; VACANCIES. Any officer of the Corporation may be removed summarily with or without cause, at any time by a resolution passed at any meeting by affirmative vote of a majority of the number of Directors fixed by these By-laws. Vacancies may be filled at any meeting of the Board of Directors.

SECTION 3. OTHER OFFICERS. Other officers may from time to time be elected by the Board, including, without limitation, one or more Assistant Secretaries and Assistant Treasurers.

SECTION 4. DUTIES. The officers of the Corporation shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are hereinafter provided and as from time to time shall be conferred by the Board of Directors. The Board of Directors may require any officer to give such bond for the faithful performance of his duties as the Board may see fit.

SECTION 5. DUTIES OF THE CHAIRMAN OF THE BOARD. The Chairman of the Board shall be the chief executive officer of the Corporation. He shall be responsible for the execution of the policies of the Board of Directors, shall serve as the Chairman of the Executive Committee and shall have direct supervision over the business of the

Corporation and its several officers, subject to the authority of the Board of Directors. Except as otherwise provided in these By-laws or the resolutions establishing such committees, he shall be ex officio a member of all committees of the Board with the power to vote. He shall preside at all meetings of shareholders, the Board of Directors and the Executive Committee. In the incapacity or absence of the President, the Chairman of the Board shall perform the duties and have the authority of the President. The Chairman of the Board may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In addition, he shall perform all duties incident to the office of the Chairman of the Board and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6. DUTIES OF THE VICE CHAIRMAN OF THE BOARD. The Vice Chairman of the Board shall perform all duties incident to the office of the Vice Chairman of the Board and shall have such other powers and duties as may from time to time be assigned to him by the Board of Directors or the Chairman of the Board. The Vice Chairman of the Board shall perform the duties of the Chairman of the Board in the absence of the Chairman of the Board. The Vice Chairman of the Board may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed.

SECTION 7. DUTIES OF THE PRESIDENT. The President shall be the Chief Operating Officer of the Corporation and shall have direct supervision over the business of the Corporation and its several officers, subject to the authority of the Board of Directors and the Chairman of the Board, and shall consult with and report to the aforementioned officer. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In addition, he shall perform all duties incident to the office of the President and such other duties as from time to time may be assigned to him by the Board of Directors or the Chairman of the Board.

SECTION 8. DUTIES OF THE VICE PRESIDENTS. Each Vice President of the Corporation (including any Executive Vice President and Senior Vice President) shall have powers and duties as may from time to time be assigned to him by the Board of Directors, the Chairman of the Board or the President. When there shall be more than one Vice President of the Corporation, the Board of Directors may from time to time designate one of them to perform the duties of the President in the absence of the President. Any Vice President of the Corporation may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed.

SECTION 9. DUTIES OF THE TREASURER. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, and shall cause all such funds and securities to be deposited in such banks and depositories as

the Board of Directors from time to time may direct. He shall maintain adequate accounts and records of all assets, liabilities and transactions of the Corporation in accordance with generally accepted accounting practices; shall exhibit his accounts and records to any of the Directors of the Corporation at any time upon request at the office of the Corporation; shall render such statements of his accounts and records and such other statements to the Board of Directors and officers as often and in such manner as they shall require; and shall make and file (or supervise the making and filing of) all tax returns required by law. He shall in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board or the President.

SECTION 10. DUTIES OF THE SECRETARY. The Secretary shall act as secretary of all meetings of the Board of Directors, the Executive Committee and all other Committees of the Board, and the shareholders of the Corporation, and shall keep the minutes thereof in the proper book or books to be provided for that purpose. He shall see that all notices required to be given by the Corporation are duly given and served; shall have custody of the seal of the Corporation and shall affix the seal or cause it to be affixed to all certificates for stock of the Corporation and to all documents the execution of which on behalf of the Corporation under its corporate seal is duly authorized in accordance with the provisions of these By-laws; shall have custody of all deeds, leases, contracts and other important corporate documents; shall have charge of the books, records and papers of the Corporation relating to its organization and management as a Corporation; shall see that the reports, statements and other documents required by law (except tax returns) are properly filed; and shall, in general, perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board or the President.

SECTION 11. OTHER DUTIES OF OFFICERS. Any officer of the Corporation shall have, in addition to the duties prescribed herein or by law, such other duties as from time to time shall be prescribed by the Board of Directors, the Chairman of the Board or the President.

ARTICLE V

Capital Stock

SECTION 1. CERTIFICATES. The shares of capital stock of the Corporation shall be evidenced by certificates in forms prescribed by the Board of Directors and executed in any manner permitted by law and stating thereon the information required by law. Transfer agents and/or registrars for one or more classes of the stock of the Corporation may be appointed by the Board of Directors and may be required to countersign certificates representing stock of such class or classes. In the event that any officer whose signature or facsimile thereof shall have been used on a stock certificate shall for any reason cease to be an officer of the Corporation and such certificate shall not then have been delivered by the Corporation, the Board of Directors may nevertheless adopt such certificate and it may then be issued and delivered as though such person had not ceased to be an officer of the Corporation.

SECTION 2. LOST, DESTROYED AND MUTILATED CERTIFICATES. Holders of the stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Board of Directors may, in its discretion, cause one or more new certificates for the same number of shares in the aggregate to be issued to such stockholder upon the surrender of the mutilated certificate or upon satisfactory proof of such loss or destruction, and the deposit of a bond in such form and amount and with such surety as the Board of Directors may require.

SECTION 3. TRANSFER OF STOCK. The stock of the Corporation shall be transferable or assignable only on the books of the Corporation by the holders in person or by attorney on surrender of the certificate for such shares duly endorsed and, if sought to be transferred by attorney, accompanied by a written power of attorney to have the same transferred on the books of the Corporation. The Corporation will recognize the exclusive right of the person registered on its books as the owner of shares to receive dividends and to vote as such owner.

SECTION 4. FIXING RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, or entitled to receive payment for any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than seventy (70) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section such determination shall apply to any adjournment thereof.

ARTICLE VI

Miscellaneous Provisions

SECTION 1. SEAL. The seal of the Corporation shall consist of a flat-face circular die, of which there may be any number of counterparts, on which there shall be engraved in the center the words "Albemarle Corporation."

SECTION 2. FISCAL YEAR. The fiscal year of the Corporation shall end on December 31st of each year, and shall consist of such accounting periods as may be recommended by the Treasurer and approved by the Executive Committee.

SECTION 3. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders and Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar a record of its shareholders, giving the names and addresses of all shareholders, and the number, class and series of the shares being held.

Any person who shall have been a shareholder of record for at least six months immediately preceding his demand or who shall be the holder of record of at least five

percent (5%) of all the outstanding shares of the Corporation, upon written demand stating the purpose thereof, shall have the right to examine, in person, or by agent or attorney at any reasonable time or times, for any proper purpose, its books and records of account, minutes and records of shareholders and to make extracts therefrom. Upon the written request of a shareholder, the Corporation shall mail to such shareholder its most recent published financial statements showing in reasonable detail its assets and liabilities and the results of its operations.

The Board of Directors shall, subject to the provisions of the foregoing paragraph of this section, to the provisions of Section 7 of Article I and to the laws of the Commonwealth of Virginia, have the power to determine from time to time whether and to what extent and under what conditions and limitations the accounts, records and books of the Corporation, or any of them, shall be open to the inspection of the shareholders.

SECTION 4. CHECKS, NOTES AND DRAFTS. Checks, notes, drafts and other orders for the payment of money shall be signed by such persons as the Board of Directors from time to time may authorize. When the Board of Directors so authorizes, however, the signature of any such person may be a facsimile.

SECTION 5. AMENDMENT OF BY-LAWS. These By-laws may be amended or altered at any meeting of the Board of Directors by affirmative vote of a majority of the number of Directors fixed by these By-laws. The shareholders entitled to vote in respect of the election of directors, however, shall have the power to rescind, alter, amend or repeal any By-laws and to enact By-laws which, if expressly so provided, may not be amended, altered or repealed by the Board of Directors.

SECTION 6. VOTING OF STOCK HELD. The Chairman of the Board or such other officer or officers as may be designated by the Board of Directors or the Executive Committee shall from time to time appoint an attorney or attorneys or agent or agents of this Corporation, in the name and on behalf of this Corporation, to cast the vote which this Corporation may be entitled to cast as a shareholder or otherwise in any other corporation any of whose stock or securities may be held in this Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing to any action by any of such other corporation, and shall instruct the person or persons so appointed as to the manner of casting such votes or giving such consent and may execute or cause to be executed on behalf of this Corporation and under its corporate seal or otherwise, such written proxies, consents, waivers or other instruments as may be necessary or proper in the premises; or, in lieu of such appointment, the Chairman of the Board or any such designated officer or officers may attend in person any meetings of the holders of stock or other securities of any such other corporation and there vote or exercise any or all power of this Corporation as the holder of such stock or other securities of such other corporation.

SECTION 7. CONTROL SHARE ACQUISITION STATUTE. Article 14.1 of the Virginia Stock Corporation Act ("Control Share Acquisitions") shall not apply to acquisitions of shares of stock of the Corporation.

Updated 2/23/00

Exhibit 10.9

February 26, 1999

Mark C. Rohr
6103 Stefani
Dallas, Texas 75225

Dear Mark:

I will summarize Albemarle's offer to you to join the company as Executive Vice-President responsible for operations. Since there are several components, I will address each separately.

1. Salary - $275,000.

2. Bonuses - Target is 50% of base salary under the Annual Incentive Plan of the corporation, which is performance based. For 1999 performance (bonus to be paid in 2000), the minimum payment will be $90,000. A copy of the plan is attached for your reference (Attachment I).

3. Albemarle will award one hundred thousand performance-based stock options under the company's existing plan. A copy of the plan description is also enclosed (Attachment II). Since our awards for 1998 were fixed at April 22, 1998, the company will admit you at this time using the market and conditions as of April 22, 1998, unless the market price is higher at the time your employment begins with Albemarle. The price of those options is $25.75. If higher, the option price will equal the market price at that time.

4. The company will issue to you performance-based contingent restricted stock which conforms with the provisions set forth in the materials accompanying this summary (Attachment III).

   Under the provision for the two-year grants you will receive 7,500 contingent restricted shares and 6,000 contingent restricted shares under the four-year grants. Midterm admittance will conform to the April 22, 1998 awards made to our management team in 2nd quarter 1998.

5. Albemarle's retirement program provides a bridge for mid-career senior executives joining the company. The idea behind this provision assures the executive who works 15 years for Albemarle a retirement equal to 60 percent of final average pay. You would accumulate four percent for each year of service with a cap of 60 percent. This is then offset by benefits from other qualified pension plans, social security, etc. To develop this more thoroughly, I will need to see the details of your existing plan with Oxy.

6. You will participate in Albemarle's savings plan which provides a company match of 50% on personal savings contributed by you of up to ten percent. Should the amounts exceed so-called high income caps, such excess will be carried by the company until paid out at retirement.

7. Relocation allowances provide full coverage for moving and packing household goods. A copy of the company's relocation policy is attached (Attachment IV) and cover the circumstances of the move. You will be entitled to the provisions of the policy as are transferred employees.

   If you can sell your residence, the company prefers you do so. In the event you cannot do so in a reasonable time, the company will buy the house based on the average of two appraisals. The mechanics of this transaction are also covered in the relocation policy.

8. Albemarle will provide a company car.

9. Information on health and life insurance is attached (Attachments V and VI).

10. Upon separation from your current employer, to begin with Albemarle, you will incur taxes resulting from the roll-over of deferred compensation estimated to be approximately $100,000. Albemarle will reimburse the tax incurred by this event. You will need to provide appropriate documentation from your current plans to allow computation of the tax gross up payable.

11. In the event that your employment is terminated within the first five years for reasons other than for cause, Albemarle will pay you a severance equal to two times your then current annual compensation including both base salary and annual incentive compensation at target.

12. In the event a Change of Control were to occur and one or more of the following events happen with respect to your employment within a period of 24 months hereafter, you may resign and receive a lump sum payment and other benefits as described below. The events include: (1) a change or diminution of responsibilities or compensation, (2) relocation, (3) a reduction of benefit eligibility or level, and (4) failure by a successor company to assume this severance agreement. The benefits described below also apply in the event of termination of your employment following a Change of Control.

    If you resign or are terminated as described above, you will receive: (1) a lump sum payment equal to two times your annual salary and Annual Incentive at the previous year's payment amount, (2) all vested outstanding stock options become exercisable, (3) all restricted stock becomes non-forfeitable, and (4) as a mid-career hire, should a Change of Control or conditions as described in the paragraph above occur during the first ten years of employment, you will receive an adjusted benefit payable at normal retirement age under the pension plan described in item 5 of this letter calculated without offset from other benefits.

13. Albemarle will provide you with the use of a corporate membership in a local country club.

14. Should you accept our offer of employment, your expected date of employment shall be on or about March 31, 1999.

This offer is subject to a pre-employment physical examination and substance screening under the company's policy. Upon your acceptance of this offer and start of employment with Albemarle, this letter will represent our mutual agreement relating to the terms of your employment with Albemarle.

Sincerely,

Charles B. Walker

Enclosures

cc:Floyd D. Gottwald

Exhibit 11

ALBEMARLE CORPORATION
COMPUTATION OF PRO FORMA EARNINGS PER SHARE
for the years ended December 31, 1999 and 1998
(In thousands except per share amounts)

	Pro Forma 1999	Pro Forma 1998
BASIC EARNINGS PER SHARE		
Numerator:		
Net income after effect of applying SFAS No. 123 "Accounting for Stock Based Compensation"	$88,018	$83,924
Denominator:		
Average number of shares of common stock outstanding	46,889	51,558
Basic earnings per share	$1.88	$1.63
DILUTED EARNINGS PER SHARE		
Numerator:		
Net income after effect of applying SFAS No. 123 "Accounting for Stock Based Compensation"	$88,018	$83,924
Denominator:		
Average number of shares of common stock outstanding	46,889	51,558
Shares issuable upon the assumed exercise of outstanding stock options	624	623
Total pro forma shares	47,513	52,181
Diluted earnings per share	$1.85	$1.61

Exhibit 21

LIST OF ALBEMARLE CORPORATION SUBSIDIARIES

Albemarle Asano Corporation

Albemarle Asia Pacific Company

Albemarle Asia Pacific Company LLC

Albemarle Chemicals SAS

Albemarle Chimie

Albemarle China Corporation

Albemarle Europe SPRL

Albemarle Foreign Sales Corporation

Albemarle France S.A.R.L.

Albemarle Holdings Company Limited

Albemarle International Corporation

Albemarle International Company LLC

Albemarle Marketing Company Limited

Albemarle Overseas Development Corporation

Albemarle Overseas Development Company LLC

Albemarle PPC

Albemarle Services Company Limited

Albemarle TCI Limited

Albemarle U.K. Holdings, Inc.

Albemarle U.K. Holdings Limited

Albemarle UK Limited

Albemarle Ventures Company Limited

Albemarle Virginia Corporation

Albemarle Virginia L.P.

ANY, Inc.

Exhibit 23

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Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 33-75622) of Albemarle Corporation and Subsidiaries as of our report dated February 4, 2000 relating to the financial statements, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP

Richmond, Virginia
March 22, 2000

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THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED STATEMENT OF INCOME FILED AS PART OF THE ANNUAL REPORT ON FORM 10-K AND IS QUALIFIED IN ITS ENTIRETY BY SUCH ANNUAL REPORT ON FORM 10-K.
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Exhibit 99

ALBEMARLE CORPORATION AND SUBSIDIARIES
FIVE-YEAR SUMMARY

(In Thousands Except Per-Share Amounts) Years Ended December 31	1999	1998	1997	1996	1995
RESULTS OF OPERATIONS					
Net sales	$845,925	$820,862	$829,850	$854,481	$1,244,222
Costs and expenses(1)	731,799	695,147	709,143	761,055	1,127,259
Operating profit	114,126	125,715	120,707	93,426	116,963
Interest and financing expenses (2)	8,379	4,487	719	2,529	13,265
Gain on sales of investments/businesses (3)	(22,054)	-	-	(158,157)	(23,427)
Other income, net	(937)	(1,570)	(917)	(4,025)	(4,468)
Income before income taxes	128,738	122,798	120,905	253,079	131,593
Income taxes	39,909	38,066	40,923	97,020	53,363
Net income	$ 88,829	$ 84,732	$ 79,982	$156,059	$ 78,230
FINANCIAL POSITION AND OTHER DATA					
Total assets	$954,094	$937,797	$888,181	$846,261	$1,204,491
Operations:					
Working capital	$201,246	$203,594	$184,176	$111,193	$ 234,568
Current ratio	2.53 to 1	2.89 to 1	2.64 to 1	1.75 to 1	2.21 to 1
Depreciation and amortization	$ 75,750	$ 75,012	$ 69,044	$ 71,044	$ 94,131
Capital expenditures	$ 77,569	$ 76,747	$ 85,284	$ 90,439	$ 112,412
Research and development expenses	$ 34,288	$ 29,655	$ 31,446	$ 30,442	$ 29,541
Gross margin as a % of net sales	31.3	31.8	31.5	28.5	22.3
Total long-term debt (2)	$159,760	$192,938	$ 91,793	$ 31,863	$ 217,112
Equity (4)	$490,564	$451,667	$517,336	$505,198	$ 622,566
Total long-term debt as a % of total capitalization	24.6	29.9	15.1	5.9	25.9
COMMON STOCK					
Basic earnings per share	$ 1.89	$ 1.64	$ 1.45	$ 2.67	$ 1.18
Shares used to compute basic earnings per share (4)	46,889	51,558	55,164	58,353	66,069
Diluted earnings per share	$ 1.87	$ 1.63	$ 1.44	$ 2.65	$ 1.18
Shares used to compute diluted earnings per share(4)	47,513	52,136	55,668	58,842	66,352
Cash dividends declared per share	$ .40	$ .37	$ .32	$ .25	$ .21
Shareholders' equity per share (4)	$ 10.62	$ 9.61	$ 9.60	$ 9.18	$ 9.42
Return on average shareholders' equity	18.9%	17.5%	15.6%	27.7%	13.4%

<FN>

(1) 1999 costs and expenses include a special charge of $10,692 ($6,717 after income taxes) for work-force reductions at certain of the Company's facilities.

(2) Total long-term debt and interest and financing expenses for 1996 reflect the paydown of debt from the proceeds received from the March 1, 1996, sale of the alpha olefins, poly alpha olefins and synthetic alcohols businesses (Olefins Business).

(3) 1999 gain on the sale of investment in Albright & Wilson stock ($14,381 after income taxes). 1996 gain on the sale of the Olefins Business ($94,377 after income taxes). 1995 gain on the sale of the electronic materials business ($14,542 after income taxes).

(4) 1999 equity includes the effect of third and fourth quarter purchases of 182,000 and 675,400 common shares, respectively. 1998 equity includes the effect of the purchase of 5,738,241 common shares through a tender offer finalized on September 30, 1998, and additional first, second and third quarter purchases of 772,100, 338,600 and 63,800 common shares, respectively. 1997 equity includes the effect of the fourth quarter purchase of 1,560,300 common shares. 1996 equity includes the effects of the purchase of 9,484,465 common shares through a tender offer concluded on April 1, 1996, and additional second and third quarter purchases of 275,400 and 1,481,100 common shares, respectively.