

ALBEMARLE CORP
Form 424B3
October 01, 2014
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Registration No. 333-198415

JOINT PROXY STATEMENT/PROSPECTUS

Dear Shareholders:

We are pleased to report that Albemarle Corporation (which we refer to as Albemarle) and Rockwood Holdings, Inc. (which we refer to as Rockwood) have entered into an agreement and plan of merger (which we refer to as the merger agreement) pursuant to which Albemarle Holdings Corporation, a wholly-owned subsidiary of Albemarle (which we refer to as Merger Sub), will merge with and into Rockwood and Rockwood will become a wholly-owned subsidiary of Albemarle (which we refer to as the merger).

In the merger, each outstanding share of Rockwood common stock (other than shares owned, directly or indirectly, by Albemarle, Merger Sub or Rockwood and shares with respect to which appraisal rights are properly exercised and not withdrawn) will be converted into the right to receive the following (which we refer to collectively as the merger consideration):

\$50.65 in cash, without interest; and

0.4803 of a share of Albemarle common stock.

Albemarle intends to apply to list the shares of Albemarle common stock to be issued in the merger on the New York Stock Exchange where, subject to official notice of issuance, they will trade under the symbol ALB, under which existing shares of Albemarle common stock already trade. Based on the number of shares of Rockwood common stock outstanding and the number of shares of Rockwood common stock issuable pursuant to outstanding Rockwood stock options and restricted stock units, in each case as of September 30, 2014, the total number of shares of Albemarle common stock expected to be issued in connection with the merger is approximately 34.8 million.

Before the merger can be completed, the shareholders of Albemarle must vote to approve the issuance of shares of Albemarle common stock to shareholders of Rockwood on the terms and conditions set out in the merger agreement and the shareholders of Rockwood must vote to adopt the merger agreement. Albemarle and Rockwood are sending you this joint proxy statement/prospectus to ask you to vote in favor of these matters.

Albemarle will hold a special meeting of its shareholders on Friday, November 14, 2014, at the time and place indicated in the enclosed notice of special meeting to Albemarle shareholders to consider and vote on (i) the issuance of the shares of Albemarle common stock and (ii) a proposal to adjourn the Albemarle special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the meeting to approve the issuance of the shares of Albemarle common stock.

Rockwood will hold a special meeting of its shareholders on Friday, November 14, 2014, at the time and place indicated in the enclosed notice of special meeting to Rockwood shareholders to consider and vote on (i) the adoption of the merger agreement, (ii) a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Rockwood's named executive officers in connection with the merger and (iii) a proposal to adjourn the Rockwood special meeting, if necessary or appropriate, including to solicit additional proxies if there are not sufficient votes at the time of the meeting to adopt the merger agreement.

The receipt of the merger consideration in exchange for Rockwood common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes and may also be taxable under state, local and non-U.S. income and other tax laws. We encourage shareholders of Rockwood to read the discussion of the material U.S. tax considerations of the merger in this joint proxy statement/prospectus under the caption *The Merger Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 81.

YOUR VOTE IS VERY IMPORTANT. We cannot complete the merger unless both (i) Albemarle shareholders approve the issuance of the shares of Albemarle common stock and (ii) Rockwood shareholders adopt the merger agreement. Whether or not you plan to attend your special meeting, please take the time to submit your proxy by completing, signing, dating and returning the accompanying proxy card or by appointing your proxy by telephone or via the Internet as soon as possible. If you hold your shares in street name, you should instruct your bank, broker or other nominee how to vote in accordance with the voting instruction form you receive from your bank, broker or other nominee. Returning the proxy card does NOT deprive you of your right to attend your special meeting and to vote your shares in person.

This joint proxy statement/prospectus provides detailed information concerning the merger, the merger agreement and the proposals to be considered at the special meetings. Additional information regarding Albemarle and Rockwood has been filed with the Securities and Exchange Commission and is publicly available. **We encourage you to read carefully this entire joint proxy statement/prospectus, including all of its annexes, the section entitled Risk Factors beginning on page 23 and the documents incorporated by reference herein.**

We enthusiastically support the proposed combination of Albemarle and Rockwood. The Albemarle board of directors unanimously (excluding one director who recused herself) approved the merger agreement and the issuance of shares of Albemarle common stock and declared their advisability and recommends that Albemarle shareholders vote **FOR** the issuance of the shares of Albemarle common stock. The Rockwood board of directors unanimously approved the merger agreement and the consummation of the merger and declared the merger agreement advisable and recommends that Rockwood shareholders vote **FOR** the adoption of the merger agreement.

Luther C. Kissam IV
President and Chief Executive Officer

Robert J. Zatta
Acting Chief Executive Officer

Albemarle Corporation

and Chief Financial Officer

Rockwood Holdings, Inc.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved any of the transactions described in this joint proxy statement/prospectus or the shares of Albemarle common stock to be issued by Albemarle under this document or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated October 1, 2014 and is first being mailed to

Albemarle shareholders and Rockwood shareholders on or about October 3, 2014.

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about Albemarle and Rockwood from documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Albemarle Corporation
451 Florida Street
Baton Rouge, Louisiana 70801
Attention: Investor Relations
Telephone: 225-388-7322

Rockwood Holdings, Inc.
100 Overlook Center
Princeton, New Jersey 08540
Attention: Investor Relations
Telephone: 609-524-1101

If you would like to request documents, please do so by Thursday, November 6, 2014, in order to receive them before the Albemarle special meeting or Rockwood special meeting, as applicable.

For more information, see *Where You Can Find More Information* beginning on page 148.

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated October 1, 2014. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than such date. You should also not assume that the information incorporated by reference in this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to Albemarle shareholders or Rockwood shareholders nor the issuance of shares of Albemarle common stock in connection with the merger will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 14, 2014

October 1, 2014

To the shareholders of Albemarle Corporation:

NOTICE IS HEREBY GIVEN of a special meeting of the shareholders of Albemarle Corporation (which we refer to as Albemarle) to be held on Friday, November 14, 2014, at 8:00 a.m., local time, at Albemarle's offices located at 451 Florida Street, Baton Rouge, Louisiana 70801, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Albemarle common stock (which we refer to as the Albemarle share issuance) to shareholders of Rockwood Holdings, Inc. (which we refer to as Rockwood) on the terms and conditions set out in an agreement and plan of merger dated as of July 15, 2014, as it may be amended from time to time (which we refer to as the merger agreement), among Albemarle, Albemarle Holdings Corporation and Rockwood.
2. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the Albemarle special meeting to approve the Albemarle share issuance (which we refer to as the Albemarle adjournment proposal).

The close of business on Tuesday, September 30, 2014, is the record date for determining which shareholders are entitled to notice of, and to vote at, the special meeting and at any subsequent adjournments or postponements thereof.

We cannot complete the merger unless the Albemarle share issuance is approved by a majority of the votes cast on the Albemarle share issuance at the Albemarle special meeting (assuming a quorum is present). The joint proxy statement/prospectus accompanying this notice explains the merger, the merger agreement and the proposals to be considered at the special meeting. Please review the joint proxy statement/prospectus carefully.

The Albemarle board of directors unanimously (excluding one director who recused herself) approved the merger agreement and the Albemarle share issuance and declared their advisability and recommends that Albemarle shareholders vote FOR the Albemarle share issuance.

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and mail the enclosed proxy card in the postage-paid envelope provided at your earliest convenience. You may also submit a proxy by telephone or via the Internet by following the instructions printed on your proxy card. If you hold your shares through a bank, broker or other nominee, you should direct the vote of your shares in accordance with the voting instruction form received from your bank, broker or other nominee.

If you have any questions or need assistance with voting, please contact our proxy solicitor, Georgeson, toll-free at 888-505-6583.

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If you plan to attend the special meeting, you will be required to bring certain documents with you to be admitted to the meeting. Please read carefully the sections in the joint proxy statement/prospectus regarding attending and voting at the special meeting to ensure that you comply with these requirements.

By Order of the Board of Directors,

Karen G. Narwold
Secretary

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 14, 2014

October 1, 2014

To the shareholders of Rockwood Holdings, Inc.:

NOTICE IS HEREBY GIVEN of a special meeting of the shareholders of Rockwood Holdings, Inc. (which we refer to as Rockwood) to be held on Friday, November 14, 2014, at 9:00 a.m., local time, at Rockwood's offices located at 100 Overlook Center, Princeton, New Jersey 08540, for the following purposes:

1. To consider and vote upon a proposal to adopt an agreement and plan of merger dated as of July 15, 2014, as it may be amended from time to time (which we refer to as the merger agreement), among Albemarle Corporation (which we refer to as Albemarle), Albemarle Holdings Corporation, a wholly-owned subsidiary of Albemarle (which we refer to as Merger Sub), and Rockwood, pursuant to which, among other things, Merger Sub will merge with and into Rockwood, Rockwood will become a wholly-owned subsidiary of Albemarle, and each outstanding share of Rockwood common stock (other than shares owned directly or indirectly by Albemarle, Merger Sub or Rockwood and shares with respect to which appraisal rights are properly exercised and not withdrawn) will be converted into the right to receive the following (which we refer to collectively as the merger consideration): (a) \$50.65 in cash, without interest; and (b) 0.4803 of a share of Albemarle common stock.
2. To consider and vote upon a proposal to approve, on an advisory non-binding basis, the compensation that may be paid or become payable to Rockwood's named executive officers in connection with the merger (which we refer to as the Rockwood merger-related compensation proposal).
3. To consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement (which we refer to as the Rockwood adjournment proposal).

The close of business on Tuesday, September 30, 2014, is the record date for determining which shareholders are entitled to notice of, and to vote at, the special meeting and at any subsequent adjournments or postponements thereof.

We cannot complete the merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the shares of Rockwood common stock outstanding on the record date for the special meeting and entitled to vote thereon. The joint proxy statement/prospectus accompanying this notice explains the merger, the merger agreement and the proposals to be considered at the special meeting. Please review the joint proxy statement/prospectus carefully.

The Rockwood board of directors unanimously approved the merger agreement and the consummation of the merger and declared the merger agreement advisable and recommends that Rockwood shareholders vote FOR the adoption of the merger agreement.

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and mail the enclosed proxy card in the postage-paid envelope provided at your earliest convenience. You may also submit a proxy by telephone or via the Internet by following the instructions printed on your proxy card. If you hold your shares through a bank, broker or other nominee, you should direct the vote of your shares in accordance with the voting instruction form received from your bank, broker or other nominee.

If you have any questions or need assistance with voting, please contact our proxy solicitor, Innisfree M&A Incorporated, toll-free at 877-750-9498 (banks and brokers may call collect at 212-750-5833).

Please do not send any stock certificates at this time.

If you plan to attend the special meeting, you will be required to bring certain documents with you to be admitted to the meeting. Please read carefully the sections in the joint proxy statement/prospectus regarding attending and voting at the special meeting to ensure that you comply with these requirements.

By Order of the Board of Directors,

Thomas J. Riordan
Executive Vice President and

Chief Administrative Officer and

Corporate Secretary

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

*The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the special meetings. These questions and answers only highlight some of the information contained in this joint proxy statement/prospectus and may not contain all the information that is important to you. You should read carefully this entire joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference into this joint proxy statement/prospectus, to understand fully the proposed merger and the voting procedures for the special meetings. See *Where You Can Find More Information* beginning on page 148.*

Q1: Why am I receiving this joint proxy statement/prospectus?

A: You are receiving this joint proxy statement/prospectus in connection with the proposed acquisition of Rockwood Holdings, Inc. (which we refer to in this joint proxy statement/prospectus as Rockwood) by Albemarle Corporation (which we refer to in this joint proxy statement/prospectus as Albemarle). The proposed acquisition is contemplated by an agreement and plan of merger dated as of July 15, 2014, as it may be amended from time to time (which we refer to in this joint proxy statement/prospectus as the merger agreement), entered into among Albemarle, Albemarle Holdings Corporation (which we refer to in this joint proxy statement/prospectus as Merger Sub) and Rockwood.

In order to complete the transactions contemplated by the merger agreement, the shareholders of Albemarle must approve the issuance of shares of Albemarle common stock as part of the merger consideration paid to shareholders of Rockwood pursuant to the merger agreement (which we refer to in this joint proxy statement/prospectus as the Albemarle share issuance) and the shareholders of Rockwood must adopt the merger agreement. Albemarle and Rockwood will hold separate special meetings of their shareholders to obtain the required approvals, and you are receiving this joint proxy statement/prospectus in connection with those special meetings. For a summary of certain provisions of the merger agreement, see the section entitled *The Merger Agreement* beginning on page 95. In addition, a copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. We urge you to read carefully this joint proxy statement/prospectus and the merger agreement in their entirety.

Q2: What are Albemarle shareholders being asked to vote on and how many votes are required?

A: Albemarle shareholders are being asked to vote to:

approve the Albemarle share issuance, which requires approval by a majority of the votes of shares of common stock, par value \$0.01 per share, of Albemarle (which we refer to in this joint proxy statement/prospectus as Albemarle common stock) cast (in person or by proxy) on the Albemarle share issuance at the Albemarle special meeting (assuming a quorum is present); and

approve the Albemarle adjournment proposal, if necessary or appropriate, which requires that the votes cast favoring the Albemarle adjournment proposal exceed the votes cast opposing the Albemarle adjournment proposal at the Albemarle special meeting (whether or not a quorum is present).

Q3: What are Rockwood shareholders being asked to vote on and how many votes are required?

A: Rockwood shareholders are being asked to vote to:

adopt the merger agreement, which requires the affirmative vote of the holders of a majority of the shares of common stock, par value \$0.01 per share, of Rockwood (which we refer to in this joint proxy statement/prospectus as Rockwood common stock) that are outstanding as of the record date for the Rockwood special meeting and entitled to vote on the adoption of the merger agreement (whether or not present) at the Rockwood special meeting;

approve, on an advisory non-binding basis, the Rockwood merger-related compensation proposal, which requires the affirmative vote of holders of a majority of the shares of Rockwood common stock present (in person or by proxy) and entitled to vote on the proposal at the Rockwood special meeting (assuming a quorum is present); and

approve the Rockwood adjournment proposal, if necessary or appropriate, which requires the affirmative vote of holders of a majority of the shares of Rockwood common stock present (in person or by proxy) and entitled to vote on the proposal at the Rockwood special meeting (assuming a quorum is present).

Q4: What will Rockwood shareholders receive in the merger?

A: At the effective time of the merger, each share of Rockwood common stock (other than Rockwood excluded shares, as described below) will be converted into the right to receive the following (which we collectively refer to in this joint proxy statement/prospectus as the merger consideration):

\$50.65 in cash, without interest; and

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0.4803 of a share of Albemarle common stock (which we refer to in this joint proxy statement/prospectus as the exchange ratio).

Shares of Rockwood common stock owned by Rockwood as treasury stock or that are owned, directly or indirectly, by Albemarle, Merger Sub or Rockwood (other than shares held by any wholly-owned subsidiary of Rockwood), which will automatically be canceled in the merger, shares of Rockwood common stock held by any wholly-owned subsidiary of Rockwood, which will remain outstanding as shares of Rockwood as the surviving corporation, and shares of Rockwood common stock with respect to which appraisal rights are properly exercised and not withdrawn (which we collectively refer to in this joint proxy statement/prospectus as the Rockwood excluded shares) will not be converted into the right to receive the merger consideration.

Q5: Does the Albemarle board of directors support the merger and the Albemarle share issuance?

A: Yes. The Albemarle board of directors unanimously (excluding one director who recused herself) approved the merger agreement and the Albemarle share issuance, declared their advisability and recommends that Albemarle shareholders vote **FOR** the Albemarle share issuance.

The Albemarle board of directors also unanimously (excluding one director who recused herself) recommends that Albemarle shareholders vote **FOR** the Albemarle adjournment proposal.

Q6: Does the Rockwood board of directors support the merger and the Rockwood merger-related compensation proposal?

A: Yes. The Rockwood board of directors unanimously approved the merger agreement and the consummation of the merger, declared the merger agreement advisable and recommends that Rockwood shareholders vote **FOR** the adoption of the merger agreement.

The Rockwood board of directors also unanimously recommends that Rockwood shareholders vote **FOR** the Rockwood merger-related compensation proposal and **FOR** the Rockwood adjournment proposal.

Q7: Are there risks involved in undertaking the merger?

A: Yes. In evaluating the merger contemplated by the merger agreement, you should carefully consider the factors discussed in the section of this joint proxy statement/prospectus entitled *Risk Factors* beginning on page 23, as well as the other information about Albemarle and Rockwood contained or included in the documents incorporated by reference in this joint proxy statement/prospectus.

Q8: When and where is the Albemarle special meeting?

A:

The Albemarle special meeting will be held on Friday, November 14, 2014, at 8:00 a.m., local time, at Albemarle's offices located at 451 Florida Street, Baton Rouge, Louisiana 70801. Albemarle shareholders may attend the Albemarle special meeting and vote their shares in person, or may appoint a proxy by completing, signing, dating and returning the enclosed proxy card. Albemarle shareholders may also follow the instructions on the proxy card or voting instruction form to appoint a proxy by telephone or via the Internet.

Q9: When and where is the Rockwood special meeting?

A: The Rockwood special meeting will be held on Friday, November 14, 2014, at 9:00 a.m., local time, at Rockwood's offices located at 100 Overlook Center, Princeton, New Jersey 08540. Rockwood shareholders may attend the Rockwood special meeting and vote their shares in person, or may appoint a proxy by completing, signing, dating and returning the enclosed proxy card. Rockwood shareholders may also follow the instructions on the proxy card or voting instruction form to appoint a proxy by telephone or via the Internet.

Q10: Who can vote at the Albemarle special meeting?

A: You can vote at the Albemarle special meeting if you were the record holder of shares of Albemarle common stock as of the close of business on Tuesday, September 30, 2014 (which we refer to in this joint proxy statement/prospectus as the Albemarle record date). As of the Albemarle record date, there were 78,248,753 shares of Albemarle common stock outstanding.

Q11: Who can vote at the Rockwood special meeting?

A: You can vote at the Rockwood special meeting if you were the record holder of shares of Rockwood common stock as of the close of business on Tuesday, September 30, 2014 (which we refer to in this joint proxy statement/prospectus as the Rockwood record date). As of the Rockwood record date, there were 71,240,507 shares of Rockwood common stock outstanding.

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Q12: What is the quorum requirement for the Albemarle special meeting?

A: A majority of the shares of Albemarle common stock entitled to vote, represented in person or by proxy, will constitute a quorum for the transaction of business at the Albemarle special meeting. Abstentions will be treated as present at the Albemarle special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. Because there can be no broker non-votes at the Albemarle special meeting, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present at the meeting.

Q13: What is the quorum requirement for the Rockwood special meeting?

A: Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock on the Rockwood record date must be present in person or represented by proxy to constitute a quorum for voting on the proposal to adopt the merger agreement. Shareholders who hold shares representing a majority of the outstanding shares of Rockwood common stock entitled to vote on each other matter at the Rockwood special meeting must be present in person or represented by proxy to constitute a quorum for voting on the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal at the Rockwood special meeting. Abstentions will be treated as present at the Rockwood special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. Because there can be no broker non-votes at the Rockwood special meeting, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present at the meeting.

Q14: What do Albemarle shareholders need to do now?

A: After carefully reading and considering the information contained, or incorporated by reference, in this joint proxy statement/prospectus, please complete, sign and date your proxy card and return it in the enclosed postage-paid return envelope or appoint your proxy by telephone or via the Internet as soon as possible, so that your shares may be represented at the Albemarle special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Albemarle special meeting described in this joint proxy statement/prospectus, as recommended by the Albemarle board of directors.

Q15: What are the consequences of not voting or abstaining from voting at the Albemarle special meeting?

A: Because the vote required to approve the Albemarle share issuance is based on a majority of the shares of Albemarle common stock that are cast on the Albemarle share issuance at the Albemarle special meeting (assuming a quorum is present) and because under the rules of the New York Stock Exchange (which we refer to in this joint proxy statement/prospectus as the NYSE), abstentions are counted as votes cast, abstentions will have the same effect as a vote **AGAINST** the Albemarle share issuance, while shares not present at the Albemarle special meeting will have no effect on the vote to approve the Albemarle share issuance.

Because approval of the Albemarle adjournment proposal requires that the votes cast favoring the Albemarle adjournment proposal exceed the votes cast opposing the Albemarle adjournment proposal at the Albemarle special meeting (whether or not a quorum is present), abstentions and shares not present at the Albemarle special meeting will have no effect on the outcome of the vote on the Albemarle adjournment proposal.

Q16: What do Rockwood shareholders need to do now?

A: After carefully reading and considering the information contained, or incorporated by reference, in this joint proxy statement/prospectus, please complete, sign and date your proxy card and return it in the enclosed postage-paid return envelope or appoint your proxy by telephone or via the Internet as soon as possible, so that your shares may be represented at the Rockwood special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, the persons named in the proxy card will vote the shares represented by that proxy **FOR** each of the proposals to be voted on at the Rockwood special meeting described in this joint proxy statement/prospectus, as recommended by the Rockwood board of directors.

Q17: What are the consequences of not voting or abstaining from voting at the Rockwood special meeting?

A: Because the vote required to adopt the merger agreement is based on a majority of the shares of Rockwood common stock outstanding as of the Rockwood record date and entitled to vote on the adoption of the merger agreement at such meeting, abstentions and shares not present at the Rockwood special meeting will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

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Because approval of each of the Rockwood merger-related compensation proposal and the Rockwood adjournment proposal requires the affirmative vote of holders of a majority of the shares of Rockwood common stock that are entitled to vote on such proposals and are present, in person or by proxy, at the Rockwood special meeting, abstentions will have the same effect as votes AGAINST the proposals, while shares not present at the Rockwood special meeting will have no effect on the outcome of any vote on the Rockwood merger-related compensation proposal or the Rockwood adjournment proposal (in each case, assuming a quorum is present).

Q18: If my shares are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee vote my shares for me?

A: Your bank, broker or other nominee will not vote your shares and your shares will not be present at a meeting unless you provide instructions on how to vote. There will be no broker non-votes because the only proposals to be voted on at the special meetings are non-routine under NYSE Rule 452. Shares for which no instructions have been given will be treated as not present at the respective special meetings. You should follow the directions and instructions provided by your bank, broker or other nominee regarding how to instruct your bank, broker or other nominee to vote your shares.

Q19: What happens to Rockwood stock options and other equity-based awards at the effective time of the merger?

A: Each outstanding and unexercised Rockwood stock option will be converted into an option to acquire a number of shares of Albemarle common stock determined by multiplying the number of shares underlying such Rockwood stock option by the sum of (x) the exchange ratio (0.4803) plus (y) the quotient obtained by dividing the cash portion of the merger consideration (\$50.65) by the volume weighted average price of a share of Albemarle common stock over the five trading days prior to the merger, subject to the same terms and conditions of the Rockwood stock option as in effect prior to the merger. The applicable exercise price will also be appropriately adjusted in a manner designed to maintain the intrinsic value of the Rockwood stock option. All outstanding Rockwood stock options have fully vested and are exercisable under the terms of their respective stock option plans and award agreements.

Each outstanding performance-based restricted stock unit in respect of Rockwood common stock will, upon the effective time of the merger, be converted into the right to receive a cash payment calculated based on the achievement of performance conditions as of the effective time of the merger, which payment will vest and become payable on the payment date set out in the applicable award agreement or, if earlier, upon a qualifying termination of employment. Achievement of performance conditions under performance-based restricted stock unit awards will be determined based on the total shareholder return (in the case of performance-based restricted stock units) or stock price multiple (in the case of performance-based market stock units) based on either Rockwood's total shareholder return compared against a specified peer group or the increase in Rockwood's stock price, respectively, in each case, as determined at the beginning of the performance period, compared to the CIC Per Share Price. The CIC Per Share Price will equal the sum of (x) the cash portion of the merger consideration (\$50.65) plus (y) the product of the exchange ratio (0.4803) and the volume weighted average price of a share of Albemarle common stock over the five trading days prior to the merger. In addition, following the merger and until the payment date, the amount payable to award recipients will accrue interest annually at LIBOR plus 2.0%.

Q20: What if I hold shares in both Albemarle and Rockwood?

A: You will receive separate proxy or voting instruction cards for each company and must complete, sign and date each proxy or voting instruction card and return each proxy or voting instruction card in the appropriate postage-paid envelope or, if available, by submitting a proxy or voting instructions by telephone or via the Internet for each company.

Q21: What happens if I sell my shares of Albemarle common stock before the Albemarle special meeting?

A: The record date for the Albemarle special meeting is earlier than the date of the Albemarle special meeting and the date that the merger contemplated by the merger agreement is expected to be completed. If you transfer your shares of Albemarle common stock after the Albemarle record date, but before the Albemarle special meeting, then, unless the transferee requests a proxy, you will retain your right to vote at the Albemarle special meeting.

Q22: What happens if I sell my shares of Rockwood common stock before the Rockwood special meeting?

A: The record date for the Rockwood special meeting is earlier than the date of the Rockwood special meeting and the date that the merger contemplated by the merger agreement is expected to be completed. If you transfer your shares of Rockwood common stock after the Rockwood record date, but before the Rockwood special meeting, then, unless the transferee requests a proxy, you will retain your right to vote at the Rockwood special meeting but will have transferred any right to receive the merger consideration applicable to such shares if the merger is completed. In order to receive the merger consideration applicable to your shares of Rockwood common stock as set out in the merger agreement, you must hold your shares through the completion of the merger.

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Q23: What happens if I sell my shares of Rockwood common stock after the Rockwood special meeting, but before the completion of the merger?

A: If you transfer your shares of Rockwood common stock after the Rockwood special meeting, but before the completion of the merger, you will have transferred any right to receive the merger consideration applicable to such shares if the merger is completed. In order to receive the merger consideration for your shares of Rockwood common stock as set out in the merger agreement, you must hold your shares through the completion of the merger.

Q24: Do Albemarle shareholders have to vote on the Albemarle share issuance at the Albemarle special meeting if the Albemarle board of directors has changed its recommendation of such proposal?

A: Yes. Unless the merger agreement is terminated before the Albemarle special meeting, Albemarle will notify Albemarle shareholders before the Albemarle special meeting if the Albemarle board of directors has changed its recommendation with respect to the Albemarle share issuance. However, Albemarle shareholders will be asked to vote on the Albemarle share issuance even if the Albemarle board of directors has so changed its recommendation.

Q25: Do Rockwood shareholders have to vote on the adoption of the merger agreement at the Rockwood special meeting if the Rockwood board of directors has changed its recommendation of such proposal?

A: Yes. Unless the merger agreement is terminated before the Rockwood special meeting, Rockwood will notify Rockwood shareholders before the Rockwood special meeting if the Rockwood board of directors has changed its recommendation with respect to the adoption of the merger agreement. However, Rockwood shareholders will be asked to vote on such adoption even if the Rockwood board of directors has so changed its recommendation. Under certain circumstances specified in the merger agreement, the Rockwood board of directors may terminate the merger agreement in lieu of changing its recommendation, in which case Rockwood shareholders would not have to vote on the adoption of the merger agreement. You should read *The Merger Agreement Termination of the Merger Agreement* beginning on page 101 for a more complete discussion of the rights of Rockwood and Albemarle to terminate the merger agreement.

Q26: If I am an Albemarle shareholder, can I revoke my proxy after I have mailed my signed proxy?

A: Yes. You can revoke your proxy before your proxy is voted at the Albemarle special meeting, including in the event that the Albemarle board of directors has changed its recommendation. You can revoke your proxy in one of three ways:

you can send a written notice stating that you would like to revoke your proxy;

you can complete and submit a new valid proxy bearing a later date by mail, telephone or via the Internet; or

you can attend the Albemarle special meeting and vote in person.

Attendance at the Albemarle special meeting will not, in and of itself, constitute revocation of a proxy; you must also vote by ballot at the Albemarle special meeting.

If you are an Albemarle shareholder and you choose to send a written notice of revocation or to mail a new proxy, you must submit your notice of revocation or your new proxy to Albemarle Corporation, Attention: Corporate Secretary, 451 Florida Street, Baton Rouge, Louisiana 70801, and it must be received at or before the start of the Albemarle special meeting. Any proxy that you submitted via the Internet or by telephone may be revoked by submitting a new proxy via the Internet or by telephone, not later than 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, or by voting in person at the meeting. If your shares are held in the name of a bank, broker or other nominee, you should contact them to change your vote.

Q27: If I am a Rockwood shareholder, can I revoke my proxy after I have mailed my signed proxy?

A: Yes. You can revoke your proxy at any time before the vote is taken at the Rockwood special meeting, including in the event that the Rockwood board of directors has changed its recommendation. You can revoke your proxy in one of three ways:

you can file an instrument in writing revoking the proxy with Rockwood's Corporate Secretary;

you can file another duly executed proxy bearing a later date with Rockwood's Corporate Secretary;

you can complete and submit a new valid proxy bearing a later date by telephone or via the Internet; or

you can attend the Rockwood special meeting and vote in person.

Attendance at the Rockwood special meeting will not, in and of itself, constitute revocation of a proxy; you must also vote by ballot at the Rockwood special meeting.

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If you are a Rockwood shareholder and you choose to send a written notice or to mail a new proxy, you must submit your notice of revocation or your new proxy to Rockwood Holdings, Inc., Attention: Corporate Secretary, 100 Overlook Center, Princeton, New Jersey 08540, and it must be received at any time before the vote is taken at the Rockwood special meeting. Any proxy that you submitted may also be revoked by submitting a new proxy via the Internet or by telephone, not later than 11:59 p.m. Eastern Standard Time on Thursday, November 13, 2014, or by voting in person at the meeting. If your shares are held in the name of a bank, broker or other nominee, you should contact them to change your vote.

Q28: Where can I find the results of the Albemarle special meeting or the Rockwood special meeting?

A: Each company intends to announce preliminary voting results at the applicable special meeting and publish final results through a Current Report on Form 8-K that will be filed with the Securities and Exchange Commission within four business days of the applicable special meeting.

Q29: If I am a Rockwood shareholder and my shares are represented by physical stock certificates, should I send in my stock certificates now?

A: No. After the merger is completed, you will receive a transmitta