



Albemarle First Quarter 2010 Earnings

**Conference Call/Web Cast
Tuesday April 27, 2010 11:00am ET**

Forward Looking Statements

Portions of this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although Albemarle Corporation believes its expectations reflected in the presentation 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.

Factors that could cause actual results to differ from expectations include, without limitation, the inability to pass through increases in costs and expenses for raw materials and energy; competition from other manufacturers; changes in demand for our products; the gain or loss of significant customers; fluctuations in foreign currencies and increased government regulation of our operations or our products.

Additional factors that could cause Albemarle's results to differ materially from those described in the forward-looking statements can be found under "Risk Factors" in item 1A of our Annual Report on Form 10-K for the period ended December 31, 2009.

First Quarter 2010 Financial Results

Comparisons

	Q1 2010 (in millions, except EPS)	Year-Over-Year	Sequential
Sales	\$ 580	↑ 19 %	↑ 4 %
Operating Profit	\$ 76	↑ 164 %	↑ 20 %
Net Earnings	\$ 63	↑ 149 %	↑ 2 %
EBITDA (ex SI)	\$ 118	↑ 103 %	↑ 17 %
Diluted EPS	\$.69	↑ 146 %	↑ 1 %
Diluted EPS (ex SI)	\$.74	↑ 164 %	↑ 16 %

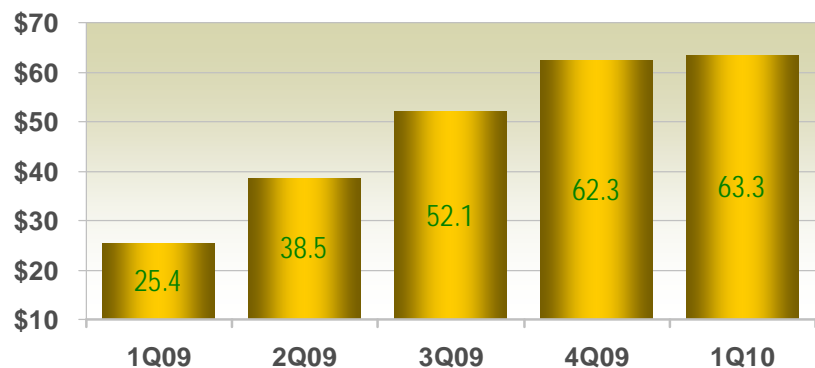
Record Earnings of \$68 Million (excluding special items)

First Quarter Revenue & Earnings

Net Sales Revenue



Net Earnings



Quarter Highlights

- Quarterly net sales of \$580.3 million, up 19% year-over-year
- Quarterly net earnings of \$63.3 million, up 149% year-over-year
- EPS \$0.69 per share. Excluding special items, record EPS of \$0.74 – up 164% year-over-year
- Strong Y/Y improvement in all three business segments. Record segment income in Catalysts and Polymer Solutions
- Global inventories down \$13.7 million from yr-end 2009
- Cash and cash equivalents of \$267 million at March 31, 2010
- No significant debt maturities until 2013
- ETR significantly higher than expected due to income level and regional mix. More than expected US income

1st Quarter Performance

<i>In thousands</i>	1Q2010	1Q2009	Δ
Net Sales	216,653	123,200	75.8%
Segment Income	41,767	(11,730)	nm
Segment Income Margin	19.3%	-9.5%	nm

1st Quarter Y/Y Sales Comparison

Sales Growth	75.8%
Volume*	81.5%
Price/Mix	(8.8)%
Currency	3.1%

Key Business Highlights

- Record segment income and segment margins in Polymer Solutions
- Strong Y/Y volume and revenue improvement across portfolio
- Pricing impacted by brominated FR mix
- *Net of (8)% decrease due to reclass of Stannica JV as a result of deconsolidation

Business Outlook

- Strong demand in consumer electronics
- Favorable pricing traction
- Raw material increases
- Positive trends in developing markets

1st Quarter Performance

<i>In thousands</i>	1Q2010	1Q2009	Δ
Net Sales	135,964	120,804	12.5%
Segment Income	11,770	8,730	34.8%
Segment Income Margin	8.7%	7.2%	150bps

1st Quarter Y/Y Sales Comparison

Sales Growth	12.5%
Volume	20.5%
Price/Mix	(9.2)%
Currency	1.2%

Key Business Highlights

- Steady volumes and improved throughput drove y/y improvement in segment income
- Improved production rates and cost absorption in bromine franchise
- Y/Y pricing impacted by clear brines product mix

Business Outlook

- Global bromine supply/demand tightening
- Clear completions starting to rebound outside GOM
- Expanding demand for mercury removal
- Growing pipeline for new pharma opportunities

1st Quarter Performance

<i>In thousands</i>	1Q2010	1Q2009	Δ
Net Sales	227,653	242,587	(6.2)%
Segment Income	55,104	35,689	54.4%
Segment Income Margin	24.2%	14.7%	950bps

1st Quarter Y/Y Sales Comparison

Sales Growth	(6.2)%
Volume	(0.8)%
Price/Mix	(6.9)%
Currency	1.5%

Key Business Highlights

- Record segment income and segment margins in Catalysts
- Balanced earnings from full portfolio
- *Lower metals pricing has significantly impacted y/y sales analysis. Ex metals, Catalysts pricing is up slightly y/y
- Improved JV performance
- Positive contribution from Alt Fuels business

Business Outlook

- Solid HPC order book
- Stable FCC volumes and prices
- Polyolefin catalyst continued strength and penetration of metallocene / single site catalyst market
- Inventory management reduces metals risk
- Mid-East JV on track

Q1 Other Financial Highlights

- Cash Flow from Ops: \$18MM
- Capital Expenditures: \$16MM
- Dividends Paid: \$11.4MM
- Share Repurchases: \$8.6MM
- Net Debt: \$513MM*
- Net Debt/Cap Ratio: 30%*
- Cash balance at 3/31/10: \$267MM

* Non-GAAP Measure

Free Cash Flow

(in millions)

Three Months Ended March 31

	2010	2009
Net Earnings	63	25
Depreciation & Amortization	25	26
Change in Working Capital	(74)	(33)
Other	4	(18)
Net Cash from Operations	18	0
Less: Capital Expenditures	(16)	(33)
Free Cash Flow	2	(33)

Improved Cash from Operations / Free Cash Flow To Increase As Year Progresses



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