

Rockwood Holdings, Inc.  
Form 425  
July 15, 2014

Albemarle Acquisition of Rockwood  
July 15, 2014  
A Compelling Combination to Accelerate Albemarle's Growth  
Filed by Albemarle Corporation  
(Commission File No.: 1-12658)  
Pursuant to Rule 425 of the Securities Act of 1933

Edgar Filing: Rockwood Holdings, Inc. - Form 425

and deemed filed pursuant to Rule 14a-12  
of the Securities Exchange Act of 1934  
Subject Company: Rockwood Holdings, Inc.  
(Commission File No: 1-32609)

Forward Looking Statements

Some of the information presented in this document and discussions that follow, including, without limitation, statements with  
transaction  
and  
the  
anticipated  
consequences  
and  
benefits  
of  
the

transaction,  
the  
targeted  
close  
date  
for  
the  
transaction,  
product  
development,  
changes in productivity, market trends, price, expected growth and earnings, cash flow generation, costs and cost synergies, product  
diversification, economic trends, outlook and all other information relating to matters that are not historical facts may constitute  
statements within the meaning of the Private Securities Litigation Reform Act of 1995. There can be no assurance that actual results  
differ materially. Factors that could cause actual results to differ materially include, without limitation: the receipt and timing of  
regulatory approvals; the ability to finance the transaction; the ability to successfully operate and integrate Rockwood's operations  
estimated synergies; changes in economic and business conditions; changes in financial and operating performance of our major  
and industries and markets served by us; the timing of orders received from customers; the gain or loss of significant customers  
from  
other  
manufacturers;  
changes  
in  
the  
demand  
for  
our  
products;  
limitations  
or  
prohibitions  
on  
the  
manufacture  
and  
sale  
of  
our  
products;  
availability of raw materials; changes in the cost of raw materials and energy; changes in our markets in general; changes in law  
government regulation impacting our operations or our products; the occurrence of claims or litigation; the occurrence of natural  
political unrest affecting the global economy; political instability affecting our manufacturing operations or joint ventures; changes in  
standards;  
changes  
in  
the  
jurisdictional  
mix  
of  
our  
earnings

and  
changes  
in  
tax  
laws  
and  
rates;  
volatility  
and  
substantial  
uncertainties  
in  
the  
debt  
and  
equity  
markets;  
technology  
or  
intellectual  
property  
infringement;  
decisions  
we  
may  
make  
in  
the  
future;  
and  
the  
other  
factors  
detailed  
from  
time to time in the reports we file with the SEC, including those described under "Risk Factors" in our Annual Report on Form  
Quarterly Reports on Form 10-Q. These forward-looking statements speak only as of the date of this communication. We express  
any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect  
our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.  
Information with respect to Rockwood, including non-GAAP information is taken or derived from Rockwood's public filings and  
estimates and we take no responsibility for the accuracy or completeness of such information. It should be noted that this presentation  
certain financial measures, including Net Sales, and Segment Income, that are not required by, or presented in accordance with  
principles generally accepted in the United States, or GAAP. These measures are presented here to provide additional useful information  
review our operations, provide transparency to investors and enable period-to-period comparability of financial performance. A  
non-GAAP financial measures that we use to evaluate our operations and financial performance, and reconciliation of these non-GAAP  
measures  
to  
the  
most  
directly

comparable  
financial  
measures  
calculated  
and  
reported  
in  
accordance  
with  
GAAP,  
can  
be  
found  
in  
the  
Investors  
section  
of  
our  
website  
at  
[www.albemarle.com](http://www.albemarle.com),  
under  
Non-GAAP  
Reconciliations  
under  
Financials.

2

Speakers on Today's Call

3

Robert Zatta

Scott Tozier

Chief Executive Officer and  
Chief Financial Officer,  
Rockwood Holdings

Senior Vice President and  
Chief Financial Officer,  
Albemarle Corporation

Luke Kissam

President and Chief  
Executive Officer,  
Albemarle Corporation



Luke Kissam  
President and Chief Executive Officer  
Albemarle Corporation

A Compelling Transaction

5

Creates industry leader across four attractive growth markets

Accelerates growth and further enhances margins

Diversifies portfolio across end markets and geographies

Provides substantial synergy opportunity

Generates significant free cash flow to reduce leverage rapidly  
Delivers predictable earnings growth to drive value creation

»

Lithium

»

Catalysts

»

Bromine

»

Surface Treatment

Transaction Overview

6

Key Terms

\$6.2 billion equity value

\$50.65 in cash and 0.4803 of a share of Albemarle stock per Rockwood share

~60% cash / ~40% stock

\$85.53 per Rockwood share, a 13% premium to closing price on July 14

~70% Albemarle shareholders and ~30% Rockwood shareholders

Financial Impact

Accretive to cash EPS in year one and adjusted EPS in year two

Substantially accretive to EPS thereafter

Approximately \$100 million cost synergies

\$500 million+ annual free cash flow

Governance

Luke Kissam to lead combined company as president and CEO

Jim Nokes to continue as Non-Executive Chairman

11 member Board: 8 Albemarle directors and 3 Rockwood directors

Financing

Committed financing in place

Expect to maintain investment grade rating

Closing

Conditions

Closing expected in Q1 of 2015

Subject to shareholder and regulatory approvals

#2  
\$770  
\$174  
23%  
Surface Treatment  
7  
Global  
Ranking  
2013A  
Revenue  
EBITDA

(1)  
% Margin  
(1)  
Key  
Competitors  
Leadership Across Four Highly Attractive Growth Segments  
Lithium  
#1  
\$479  
\$182  
38%  
Growth  
2.0x  
  
3.0x  
GDP  
Refinery & Polyolefin  
Catalysts  
(2)  
#1/2  
1.0x  
  
2.0x  
GDP  
Bromine  
(2)  
#1/2  
1.0x  
  
1.5x  
GDP  
1.0x  
  
2.0x  
GDP  
Characteristics  
  
Mineral extraction and processing businesses  
  
Low cost position on global cost curve  
  
Vertically integrated  
  
High demand growth  
  
Technology driven  
  
Critical customer service  
  
Ability to differentiate offering

Strong free cash flow

\$1,002

\$267

27%

\$1,392

\$361

26%

Source: Company information.

Note: USD in MM.

(1) EBITDA & EBITDA margin calculated before corporate overhead expenses

(2)

Excludes the impact of rare earth and the recently announced proposed divestiture of Albemarle's antioxidant, ibuprofen and pr



8

Source: Company filings.

(1)

Not adjusted for divestiture of Antioxidants , Ibuprofen, and propofol businesses announced in April 2014.

(2)

Excludes discontinued operations.

Increased Diversity Across End Markets and Geographies

Geography

End Markets

Albemarle

(1)

Rockwood  
(2)  
Combined  
(1)  
Americas  
EMEA  
Asia  
ROW  
Aerospace/Utilities  
Automobile  
Chemicals/Plastics  
Construction  
Electronics  
Pharma/Life Sciences  
Metal Treatment  
Other  
Refining/Oilfield  
46%  
31%  
22%  
21%  
53%  
16%  
10%  
37%  
39%  
20%  
4%  
33%  
22%  
12%  
11%  
9%  
5%  
4%  
2%  
2%  
8%  
5%  
9%  
25%  
1%  
14%  
30%  
8%  
21%  
18%  
9%  
10%  
6%

12%

3%

6%

3%

11%

Agriculture/Food Safety

Attractive Growth Opportunities Across Businesses

Lithium  
Efficient Energy Storage

Bromine  
Leveraging New Applications

Catalysts  
Energy Demand & Improving Environmental Standards

Surface Treatment

Differentiated Customer Service and Innovation

9

»

Consumer electronics

»

Automotive

»

Stationary batteries

»

Digital technology

»

Offshore deep water drilling

»

Mercury control emission reduction

»

Fuel consumption in developing economies

»

Clean air/clean fuel mandates

»

Increasingly complex crude slates

»

Automotive and components

»

Aerospace industries

»

General industry

Robert Zatta  
Chief Executive Officer & Chief Financial Officer  
Rockwood Holdings

Rockwood Today: Pure Play On Lithium & Surface Treatment

11

Strategic Transformation

Rockwood

Early 2013

Exited Non-Core

Businesses

Continued Investments in

Core Businesses

2014

CeramTec

Clay-based

Additives

Pigments

(Pending)

Talison Lithium

(Acquired 49%)

Today, Rockwood is  
focused on two high  
quality businesses:

Lithium and Surface

Treatment

Both are high margin,  
high growth and #1 or #2  
in their industries

Increased Ownership

in China & India JVs

Rockwood has strategically transformed into a pure play  
lithium / surface treatment business



Albemarle and Rockwood are an Excellent Fit

Similar Business Profile

»

Focused portfolio of high quality businesses

»

Strong #1 / #2 positions in high growth markets

»

High margin businesses

Synergistic Manufacturing Processes

»

Advanced extraction and processing technologies in both Lithium and Bromine

»

Market-leading technologies and record of innovation

Complementary Cultures

»

Shared values and focus on innovation

»

High standards for performance and execution

Attractive Opportunity

»

Opportunity to participate in significant upside of combined company

12

Scott Tozier  
Senior Vice President and Chief Financial Officer  
Albemarle Corporation

Significant Financial Benefits

14

Improved

Revenue

Growth

Consistent, predictable growth significantly above GDP

Earnings

Accretive

Accretive to cash EPS in year one and adjusted EPS in year two

Substantially accretive thereafter  
Strong Free  
Cash Flow

Focus on rapid deleveraging in near term

Expect to maintain current annualized dividend of \$1.10 per share  
Industry-  
leading  
Margins

Pro-forma EBITDA margins of 25%+

Rockwood Pro-Forma Adjustments

15

2014E Pro-Forma EBITDA

Pro-Forma Cash & Net Debt

Reported Net

Debt:

(\$166MM)

Adjusted Net

Debt:

(\$653MM)

Source: Company filings and Wall Street Estimates.

Note: USD in MM.  
Closed on  
May  
28  
th  
,  
2014  
Closing  
Expected by  
September  
2014  
~\$350  
~\$50  
\$100  
\$490  
\$200  
\$250  
\$300  
\$350  
\$400  
\$450  
\$500  
Base EBITDA  
(Consensus)  
Talisson JV  
Run rate  
Synergies (PF)  
Pro  
-forma  
EBITDA  
\$1,461  
(\$513)  
\$1,000  
\$1,947  
\$500  
\$1,000  
\$1,500  
\$2,000  
\$2,500  
3/31/2014 Cash  
and Equivalents  
Cash Contribution  
to Talisson JV  
Cash From TiO2  
and Other  
Businesses Sale to  
Huntsman  
Pro  
-forma Cash  
EBITDA of

Lithium and  
Surface  
Treatment  
Businesses  
(excludes  
businesses  
to be sold to  
Huntsman)  
EBITDA from  
49% share in  
Talisson JV  
Pro-Forma  
for a full year  
Run-rate  
synergies  
on a  
Pro-forma  
basis  
EV / EBITDA  
with  
Synergies:  
11.3x



Cost synergies of ~\$100 million to be fully realized in 2016

»

Eliminate redundant costs

»

Transition back office services to low cost shared service centers

»

Improve sourcing costs based on increased scale

»

Leverage expertise to drive production synergies in extracting Bromine and Lithium

»

High throughput experimentation capabilities in surface treatment and refinery and polyolefin catalysts businesses

16

Meaningful, Highly Executable Synergies

Financing Plan

17

\$6.2B purchase price

»

Financing commitments from BofA Merrill Lynch:

o

\$2.2B available cash

o

\$1.5B debt financing

»

\$2.5B Albemarle common stock (34.7 million new shares)

Rockwood \$1.25B notes due 2020 to be guaranteed by Albemarle

3.5x pro-forma Net Debt-to-2014E EBITDA including synergies

Expect to maintain investment grade rating

18

Strong Free Cash Flow

\$500M+ annual free cash flow

Focus on rapidly reducing leverage

CAPEX in the range of 4-6% of revenue

Remain committed to previously announced working capital reduction of \$100M by 2015

Expects to maintain current annualized dividend of \$1.10 per share

- (1)
- (1)
- 2015PF and Next 3-5 years FCF yield calculated using pro-forma market capitalization post Rockwood acquisition
- (1)
- \$317
- \$282
- \$203
- \$275
- \$365
- \$500
- \$600-\$900
- 3.0%
- 4.0%
- 5.0%
- 6.0%
- 7.0%
- 8.0%
- 9.0%
- 10.0%
- \$0
- \$200
- \$400
- \$600
- \$800
- \$1,000
- 2010A
- 2011A
- 2012A
- 2013A
- 2014PF
- 2015PF
- 3-5 years

Creates a **premier specialty chemicals company** with leading positions in attractive end markets around the world

Accelerated  
growth  
potential  
across  
four,  
high-margin  
businesses

lithium,  
catalysts, bromine and surface treatment

Differentiated, performance-based, technologies driving **innovative solutions**

Capacity in place to serve future growth to drive **improved profitability**

Outstanding **cash generation capacity** supports rapid deleveraging, ongoing dividend and investments to drive future growth

19

Albemarle:

A

Compelling

Investment

Opportunity



Appendix

Rockwood Overview

21

Source: Company information.

Note: USD in MM.

(1)

Pro-Forma for all announced divestitures

(2)

Includes Corporate and Other net sales of \$126MM and \$128MM, respectively for 2012 & 2013 and Adjusted EBITDA of (\$1MM) for 2012 & 2013 respectively

(3)

Please refer to company website for non-GAAP financial measure reconciliations.

Key Financials

(1)

2012A

2013A

Net Sales

(2)

\$1,324

\$1,378

Adjusted EBITDA

(2 )

\$321

\$323

% Margin

24.2%

23.5%

Lithium (35% of 2013 Net Sales)

2012A

2013A

Net Sales

\$474

\$479

Adjusted EBITDA

\$182

\$182

% Margin

38.4%

38.0%

Surface Treatment (56% of 2013 Net Sales)

2012A

2013A

Net Sales

\$723

\$770

Adjusted EBITDA

\$155

\$174

% Margin

21.4%

22.6%

Secure access to significant and diverse long term lithium reserves

»

Second largest brine producer globally with operations in U.S. and Chile

»

Largest spodumene mine, with acquisition of 49% in Talison

One of the lowest cost producers due to high quality brine (Chile)

Integrated business model from resource to downstream specialty

products

Longest history in the business with experienced management

Key customers: Bayer, Sygenta, DSM, Samsung and Umicore

Key industries served: pharma, agriculture, batteries, plastics etc.

Sole dedicated surface treatment business with significant global presence

Portfolio approach for balanced and diversified customer base across size, industries and technologies

Leading reputation for top customer service, technology knowhow and product innovation

Low capex requirements; robust free cash flows

Key customers: Airbus, ArcelorMittal, Ford, Daimler, Volkswagen and Renault Nissan

Key industries served: automotive, industrials, aerospace

#2 Globally

Excellent cash generation

Solid market position

#1 integrated global producer

Lowest cost and most diversified resources

Break-out potential

Albemarle Overview

22

Source: Company information.

Note: USD in MM.

(1) Includes corporate overhead and excludes proposed divestiture of antioxidant, ibuprofen and propofol businesses and asset

(2)

Excludes the impact of rare earth and the recently announced proposed divestiture of antioxidant, ibuprofen and propofol business

Key Financials

2012A

2013A

Net Sales

\$2,519  
\$2,394  
Adjusted EBITDA  
\$684  
\$557  
% Margin  
27.2%  
23.3%  
Catalyst Solutions (40% of 2013 Net Sales)  
2012A  
2013A  
Net Sales  
(2)  
\$1,067  
\$1,002  
Adjusted EBITDA  
(2)  
\$309  
\$267  
% Margin  
29.0%  
26.6%  
Performance Chemicals (60% of 2013 Net Sales)  
2012A  
2013A  
Net Sales  
(2)  
\$1,451  
\$1,392  
Adjusted EBITDA  
(2)  
\$437  
\$361  
% Margin  
30.1%  
25.9%

Positioned to capitalize on mega-trends in rising fuel consumption,  
more stringent air quality mandates and growing consumerism

Deep customer understanding

Heavy investment in R&D

Unparalleled network of partnerships and alliances

Broad depth and experienced management team

Key customers: Exxon Mobile, Shell, Dow, LG, Samsung

Key industries served: oil refineries, automotive, plastics etc.

Secure access to significant and diverse long term bromine reserves

Recent  
capacity  
additions  
providing  
flexibility  
and  
beginning  
to  
pay  
dividends

Broad product portfolio for widest range of electrical and electronic applications across all markets

Strong growth driven by global energy demand, increased deep water drilling, mercury control and food safety standards, growing data traffic and more complex automotive electronics

Key industries served: drilling and oil service, agriculture, pharmaceutical, water treatment, chemical processing, semiconductor makers

#1 Bromine Producer

Excellent cash generation

#1 in Refinery Catalysts

#2 in Polyolefin Catalysts

Excellent cash generation  
(1)

Additional Information

Important Information for Stockholders and Investors

Nothing in this document or the discussions that follow shall constitute a solicitation to buy or subscribe for or an offer to sell Albemarle or Rockwood or a solicitation of any



vote  
or  
approval.

In  
connection  
with  
the  
proposed  
transaction,  
Albemarle  
and  
Rockwood  
will  
file

a joint proxy statement/prospectus and other relevant documents concerning the proposed transaction with the Securities and Exchange Commission ( SEC ), and Albemarle will file a Registration Statement on Form S-4 with the SEC. STOCKHOLDERS OF E AND OTHER INVESTORS ARE URGED TO READ THE REGISTRATION STATEMENT, JOINT PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS) REGARDING THE PROPOSED TRANSACTION WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN MATERIAL INFORMATION.

Stockholders

and  
investors  
will  
be  
able  
to  
obtain

a  
free  
copy  
of  
the  
registration  
statement  
and  
joint  
proxy  
statement/prospectus,

as  
well  
as  
other  
filings  
containing  
information  
about  
Albemarle  
and  
Rockwood,

without  
charge,  
at  
the  
SEC's  
Internet  
site  
(<http://www.sec.gov>).

Copies  
of  
the  
registration  
statement  
and  
joint  
proxy  
statement/prospectus

and  
the  
filings  
with  
the  
SEC  
that  
will  
be  
incorporated  
by  
reference

therein can also be obtained, without charge, by directing a request to Albemarle Corporation, 451 Florida Street, Baton Rouge 70801, USA, Attention: Investor Relations, Telephone: +1 (225) 388-7322, or to Rockwood Holdings, Inc., 100 Overlook Center, Jersey 08540, USA, Attn: Investor Relations, Telephone +1 (609) 524-1101.

Participants in Solicitation

Albemarle,  
Rockwood,  
their  
respective  
directors  
and  
executive  
officers  
and  
other  
persons  
may  
be  
deemed  
to  
be  
participants

in  
the  
solicitation  
of  
proxies in respect of the proposed transaction. Information regarding Albemarle's directors and executive officers is available  
statement  
filed  
with  
the  
SEC  
by  
Albemarle  
on  
March  
28,  
2014,  
and  
information  
regarding  
Rockwood's  
directors  
and  
executive  
officers  
is

available in its proxy statement filed with the SEC by Rockwood on March 28, 2014. Other information regarding the participation in the solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. These documents can be accessed at the sources indicated above.

23