



**Focused on Growth & Innovation**  
**August 2008**

# Rockwood Presenters

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- Seifi Ghasemi, Chairman & CEO

- ▶ Seifi Ghasemi has been Chairman and Chief Executive Officer of Rockwood Holdings, Inc. and Rockwood Specialties Group, Inc. since November 2001. From 1997 to 2001 he was with GKN PLC, a \$6.0 billion per year global industrial company. He served as a Director of the Main Board of GKN PLC and was Chairman and Chief Executive Officer of GKN Sinter Metals, Inc. and Hoeganes Corporation. Before that, for 18 years, Mr. Ghasemi was with the BOC Group PLC, a \$7 billion per year global industrial gas company. He was a Director of the Main Board of the BOC Group PLC; President of BOC Americas and Chairman and Chief Executive Officer of BOC Process Plants, Ltd. and Cryostar. Mr. Ghasemi has a M.S. in mechanical engineering from Stanford University.

- Robert J. Zatta, Senior Vice President, CFO

- ▶ Bob Zatta has been Chief Financial Officer and Senior Vice President since April 2001. Previously employed by the Campbell Soup Company (1990-2001) and held a variety of senior level finance positions including VP, Corporate Development and Strategic Planning. Prior to Campbell, worked for General Foods Corporation (Philip Morris/Kraft) and Thomas J. Lipton, Inc. Mr. Zatta has a B.S. in business administration from Merrimack College and an M.B.A. from Fairleigh Dickinson University.

- Timothy McKenna, Vice President Investor Relations & Communications

- ▶ Joined Rockwood Holdings, Inc., as vice president—investor relations and communications, in April 2006, reporting to Seifi Ghasemi, chairman and CEO. Before joining Rockwood, he was senior vice president, investor relations, communications and government relations, for Smurfit-Stone Container Corporation, the largest North American producer of paperboard and packaging, headquartered in Chicago, and also held investor relations and communications posts with Union Camp Corporation, a producer of paper, packaging and chemicals. He holds a B.A. in mathematics, with minors in German and English, from Montclair State University, and an M.A. in linguistics from New York University.

# Rockwood at a Glance

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- A specialty chemicals and advanced materials company
- LTM sales of \$3.39 Billion and adjusted EBITDA of \$654M from continuing operations
- High adjusted EBITDA margin of 19.3%
- Leading global market position
- Diversified end markets
- Limited exposure to raw materials and energy price volatility
- Strong cash flow
- Management owns 6% of the company

# Rockwood Business Sectors – LTM ended Q2 08



<b>Net Sales:</b>	<b>\$3.39B</b>
<b>Adjusted EBITDA:</b>	<b>654</b>
<b>% Margin:</b>	<b>19.3%</b>

**Specialty  
Chemicals  
(Chemetall)**

Net Sales:	\$1,192
Adj. EBITDA:	290
% Margin:	24.4%

**Pigments &  
Additives**

Net Sales:	\$1,400
Adj. EBITDA:	234
% Margin:	16.7%

**Advanced  
Materials**

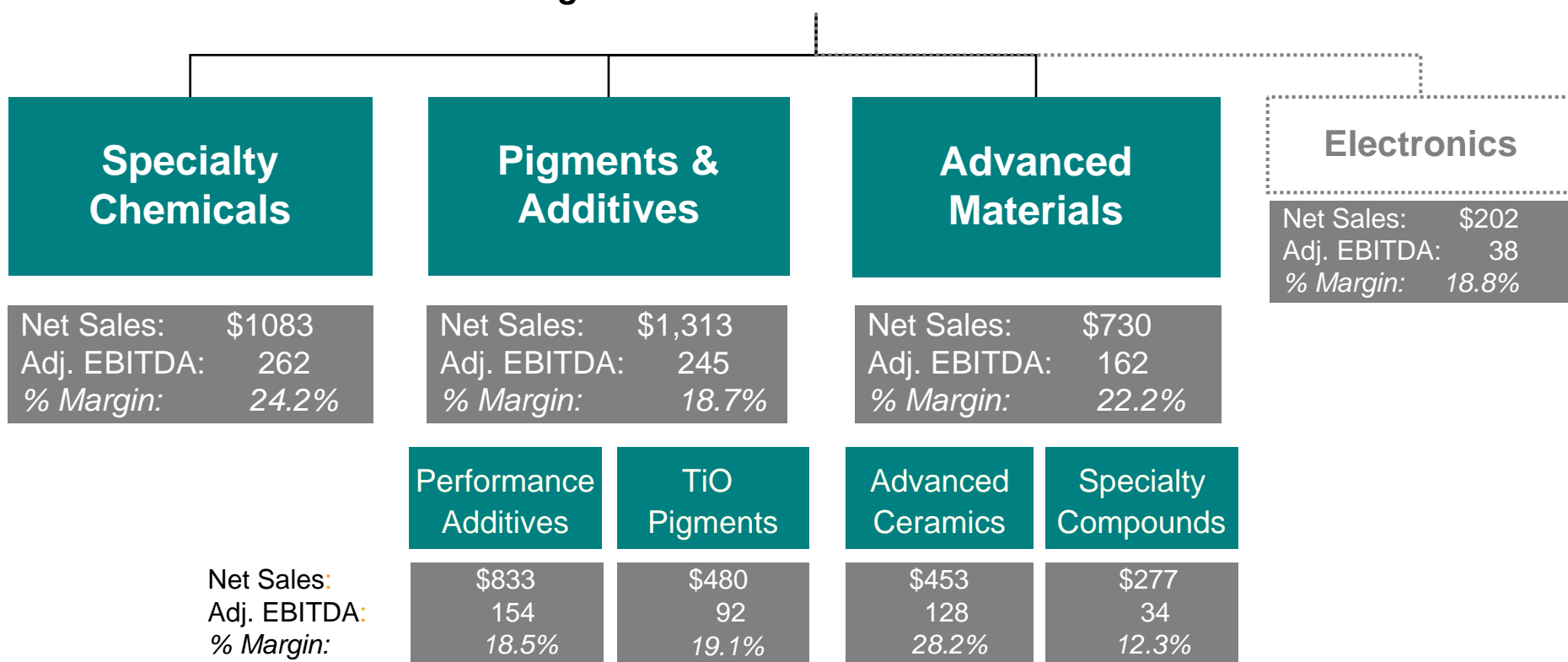
Net Sales:	\$785
Adj. EBITDA:	186
% Margin:	23.7%

Last 12 months ended 06/30/08 – excluding Electronics

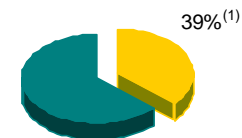
# Rockwood – Business Segments 2007



**Net Sales:** \$3,338  
**Adjusted EBITDA:** 652  
**% Margin:** 19.5%



# Specialty Chemicals (Chemetail)



**Largest  
Global Producer  
of Lithium  
Products**

**Brine Evaporating Ponds in Chile**



**Pharmaceutical**

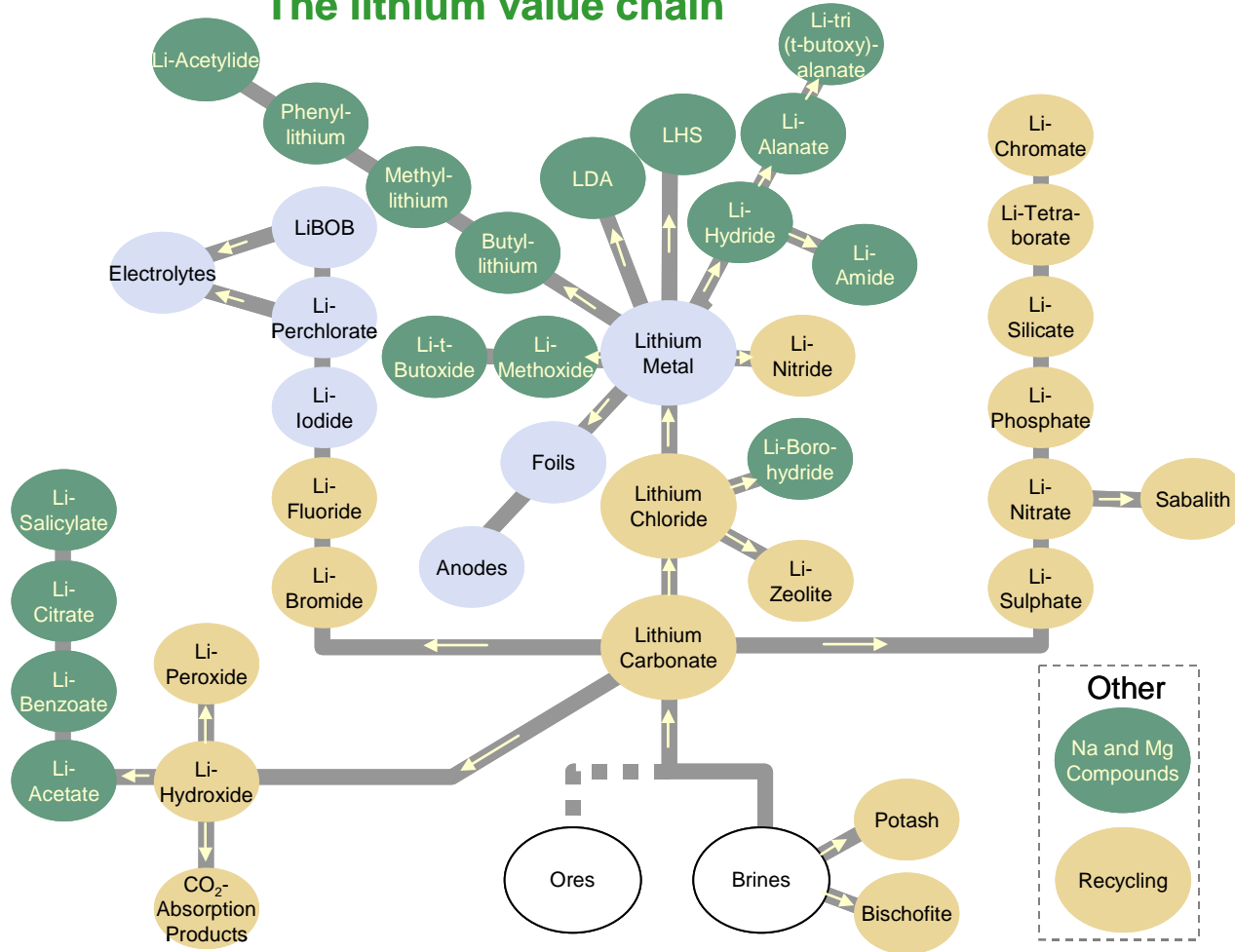


**Batteries**

(1) Represents percentage of total Adjusted EBITDA before corporate costs.

# Lithium – Lithium Tree

## The lithium value chain



- Providing lithium compounds throughout all stages of the value chain
- Constantly searching for expansion opportunities and new applications for existing products

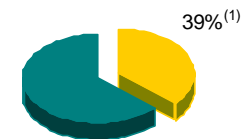
# Compelling Organic Growth Platforms

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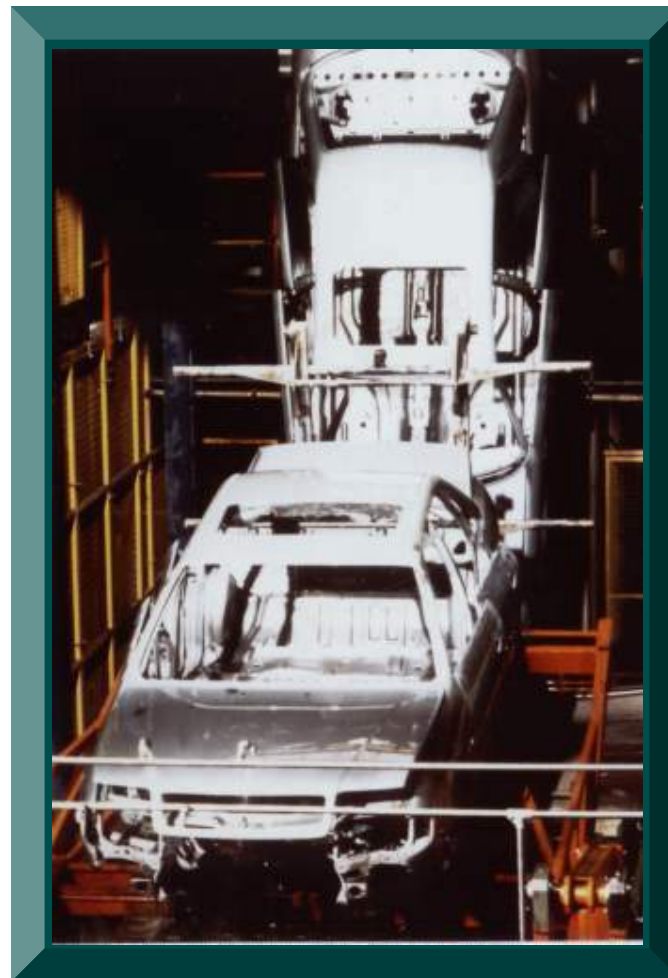
## Specialty Chemicals

	Growth Drivers	Competitive Position
Lithium	<ul style="list-style-type: none"><li>▶ Energy storage –high performance batteries</li><li>▶ Lithium specialties in new, high potential pharma compounds</li></ul>	<ul style="list-style-type: none"><li>▶ #1 globally</li><li>▶ Favorable industry and cost structure</li></ul>

# Specialty Chemicals (Chemetall)



**Second Largest  
Global Producer  
of Products &  
Services for Metal  
Processing**



(1) Represents percentage of total Adjusted EBITDA before corporate costs.

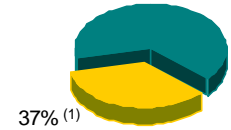
# Compelling Organic Growth Platforms

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## Specialty Chemicals

	Growth Drivers	Competitive Position
<b>Surface Treatment</b>	<ul style="list-style-type: none"><li>▶ Expanding footprint in Asia Pacific region: \$700+ million market growing at 15%+/year</li><li>▶ Mid-sized customer gains in general industrial market</li><li>▶ Synthetic sulfides applications</li><li>▶ Aerospace market: 2-3x GDP growth</li></ul>	<ul style="list-style-type: none"><li>▶ A leading global producer in a growing \$2+ billion market</li></ul>

# Pigments and Additives



## Global Ranking



**Pigments**

No2



**Timber Treatment**

No2



**Clay-Based Additives**

No2

No1  
Anatase TiO<sub>2</sub>



**TiO<sub>2</sub> Pigments**



**TiO<sub>2</sub> Specialties/Nano Particles**

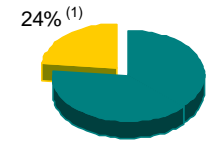
(1) Represents percentage of total Adjusted EBITDA before corporate costs.

# Compelling Organic Growth Platforms

## Pigments & Additives

	Growth Drivers	Competitive Position
<b>TiO<sub>2</sub> Specialties</b>	<ul style="list-style-type: none"> <li>▶ Anatase TiO<sub>2</sub> for Asian synthetic fiber producers</li> <li>▶ Nano-applications</li> </ul>	<ul style="list-style-type: none"> <li>▶ A leading global producer</li> </ul>
<b>Color Pigments</b>	<ul style="list-style-type: none"> <li>▶ Iron oxide pigments for decorative stone</li> <li>▶ Solaplex-environmentally friendly pigments for highway paints</li> </ul>	<ul style="list-style-type: none"> <li>▶ #3 globally</li> <li>▶ #1 in North America construction</li> </ul>
<b>Wood Treatment</b>	<ul style="list-style-type: none"> <li>▶ Next-generation organic timber preservatives</li> <li>▶ Geographic expansion in Asia, Latin America and Eastern Europe</li> </ul>	<ul style="list-style-type: none"> <li>▶ #3 globally</li> <li>▶ Viance JV with Rohm &amp; Haas</li> <li>▶ Estimated market size: \$1.4 billion</li> </ul>
<b>Clay-Based Additives</b>	<ul style="list-style-type: none"> <li>▶ Rheological additives for water-based coatings</li> <li>▶ Nanoclays to enhance composite properties in plastic and rubber compounds</li> </ul>	<ul style="list-style-type: none"> <li>▶ A leading global producer</li> </ul>

# Advanced Materials



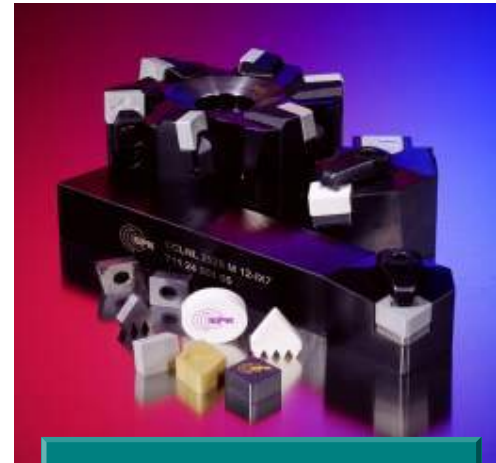
**Ceramics – Piezo Applications**



**Ceramics – Medical**



**Ceramics – Electronic Applications**



**Ceramics – Cutting Tools**

(1) Represents percentage of total Adjusted EBITDA before corporate costs.

# Compelling Organic Growth Platforms

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## Advanced Materials

### Growth Drivers

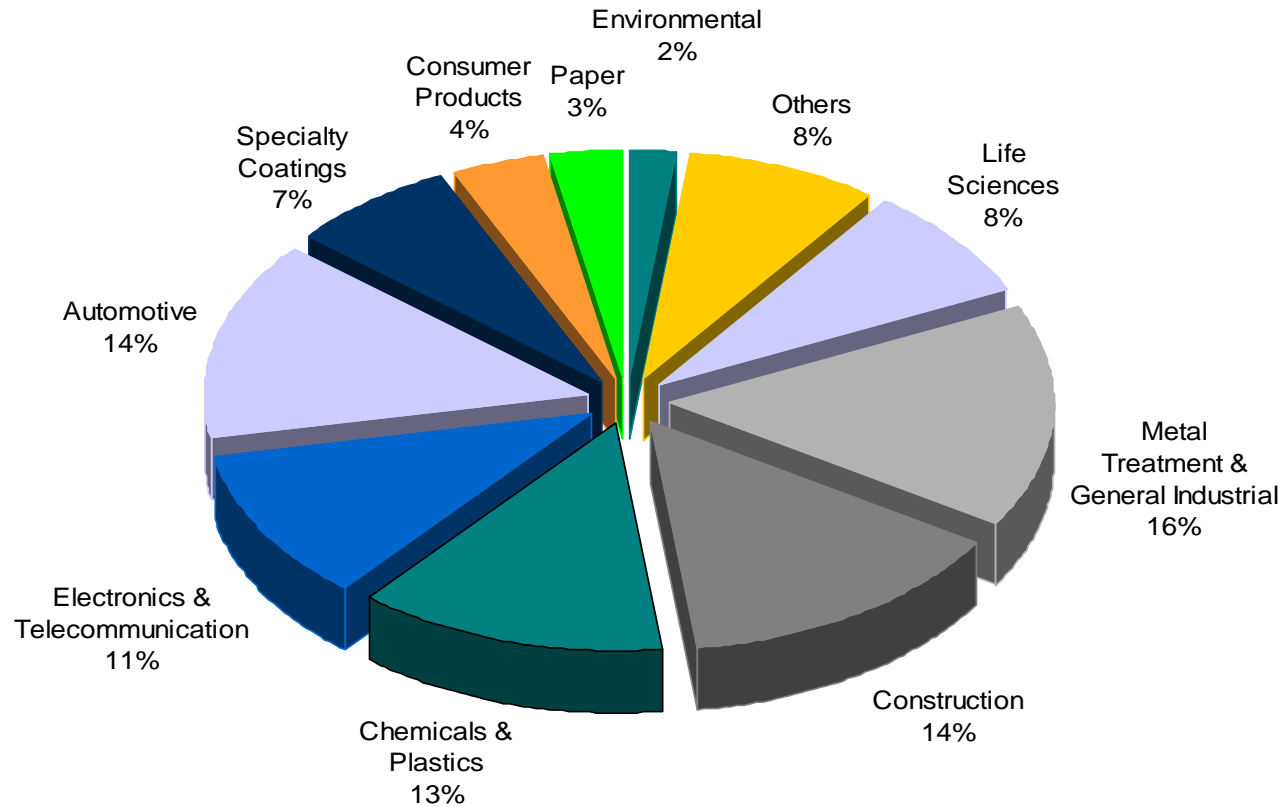
### Competitive Position

#### Ceramics

- ▶ Sole producer of advanced ceramic ball and cup hip joints
  - ▶ Ceramic components for artificial knee joints in test for Europe
  - ▶ High-performance ceramic substrates for electronics
  - ▶ Piezo-electronics and specialized components for high-end automotive applications
- ▶ #1 globally in ceramic components for hip joint prostheses systems
  - ▶ #1 in Europe in cutting tools
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# Attractive Global Businesses in Diversified End-Markets

## 2007 Net Sales by End Market

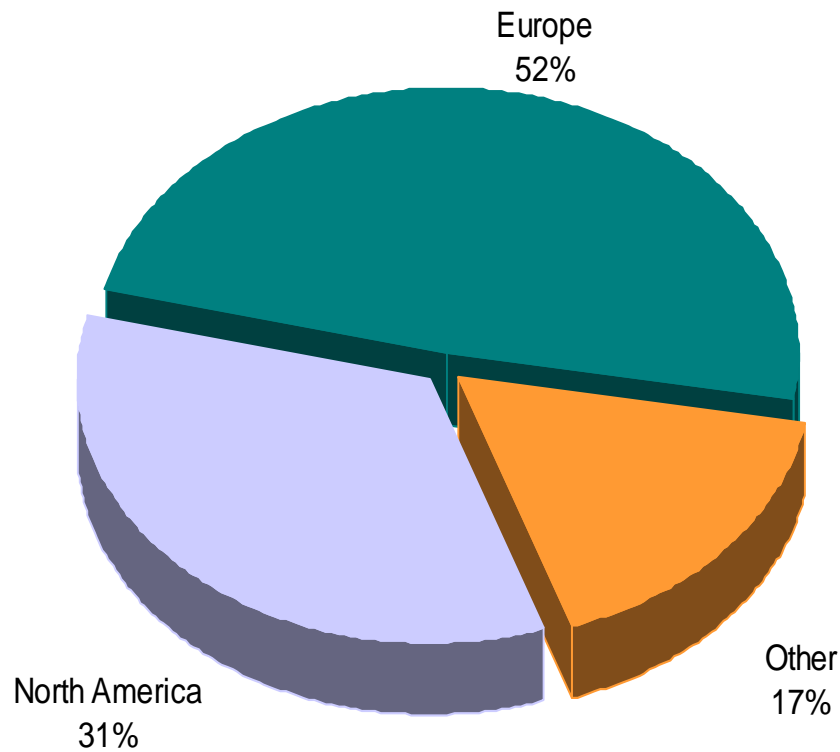


**Total : \$3.1 billion**

Note: Continuing Operations Only.

# Attractive Global Businesses in Diversified End-Markets

2007 Net Sales by Geography



**Total : \$3.1 billion**

Note: Continuing Operations Only. Net Sales by geography based on Ship-to Locations.

# Inorganic Raw Material Base with Limited Exposure to Energy Prices

**Raw  
Material  
Position**

- ▶ Top 10 raw materials represent only 10.3% of 2007 net sales

RAW MATERIAL	BUSINESS	% OF 2007 NET SALES
Titanium-bearing Slag	Titanium Dioxide Pigments	1.7%
Copper	Timber Treatment Chemicals	1.6%
Plasticizer	Specialty Compounds	1.1%
Iron Oxide	Color Pigments	1.0%
Zinc/Zinc Oxide	Specialty Chemicals, Titanium Dioxide Pigments, Color Pigments	0.9%
PVC Resin	Specialty Compounds	0.9%
Tin	Specialty Chemicals	0.8%
Monoethanolamine	Timber Treatment Chemicals	0.8%
Quaternary Amines	Timber Treatment Chemicals	0.8%
Quaternary Amines	Clay-based Additives	0.7%
<b>Total</b>		<b>10.3%</b>

**Energy  
Exposure**

- ▶ Energy purchases account for approximately 4% of 2007 net sales
- ▶ Very limited exposure to oil price fluctuations due to inorganic focus

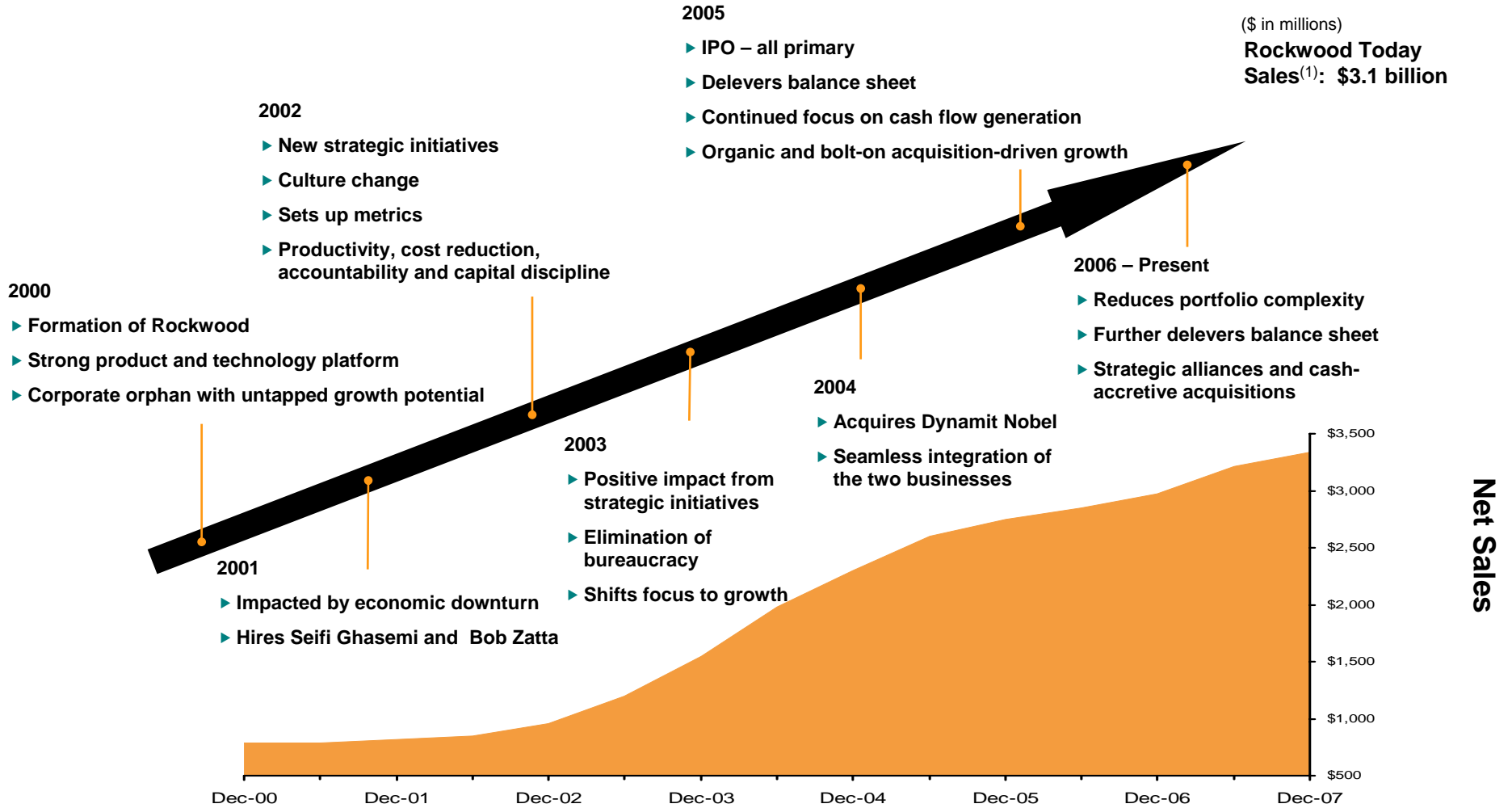
## Rockwood Results LTM 08 vs LTM 07

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	<u>2008*</u>	<u>2007*</u>	<u>% Change</u>
Net Sales	\$3.39B	\$2.93B	15.7%
Adjusted EBITDA	654M	564M	16.0%
Adjusted EBITDA Margin	19.3%	19.2%	0.1ppt

\*Last 12 months ended 6/30 – excluding Electronics

# The Rockwood History – Transformation Through Growth



**We have evolved into a leading specialty chemicals and advanced materials company through a combination of organic growth, disciplined strategic acquisitions, seamless integration and cost control.**

(1) 2007 sales. Continuing operations only

# Transformation of Rockwood – 2001 to Present

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- ▶ **17 Acquisitions**
- ▶ **3 Divestitures**
- ▶ **Organic Growth**
- ▶ **Focused Strategy**
- ▶ **Consistent management philosophy**
- ▶ **Cultural transformation**

# Corporate Strategy

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- ▶ Assemble a collection of self-sufficient, highly focused and accountable business units with the following characteristics:
  - Global market leadership
  - Technology leadership
  - High margins
  - Limited exposure to raw materials and energy price changes
  
- ▶ Adoption of a common culture throughout the company
  - Customer focused
  - Cash generation
  - Commitment to excellence

# Management Philosophy

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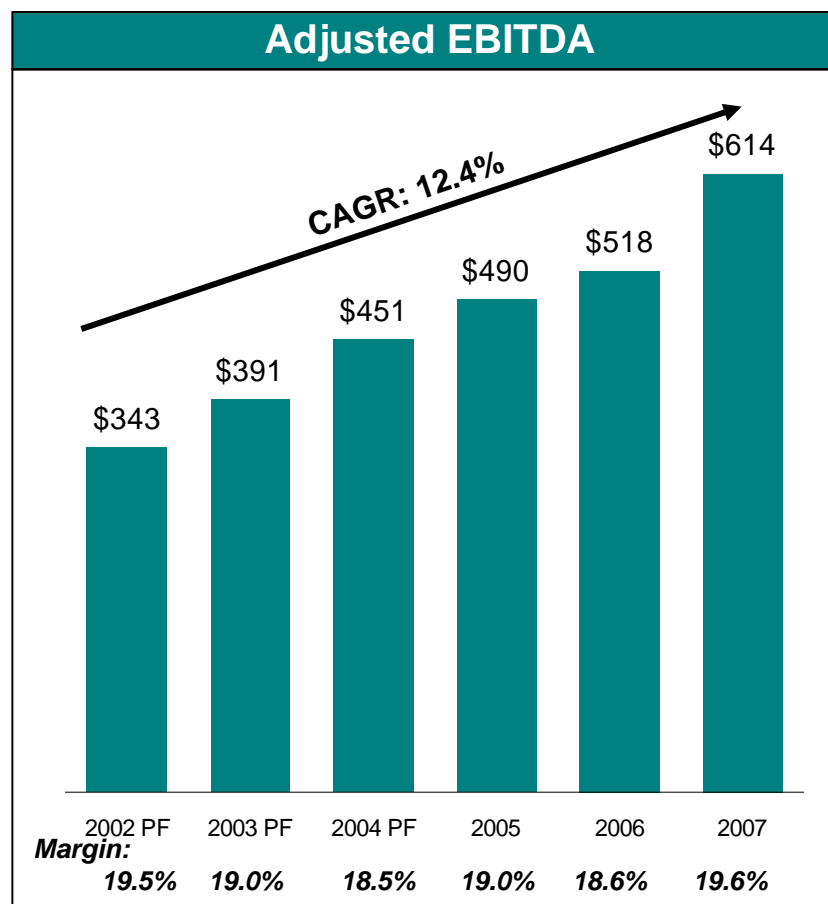
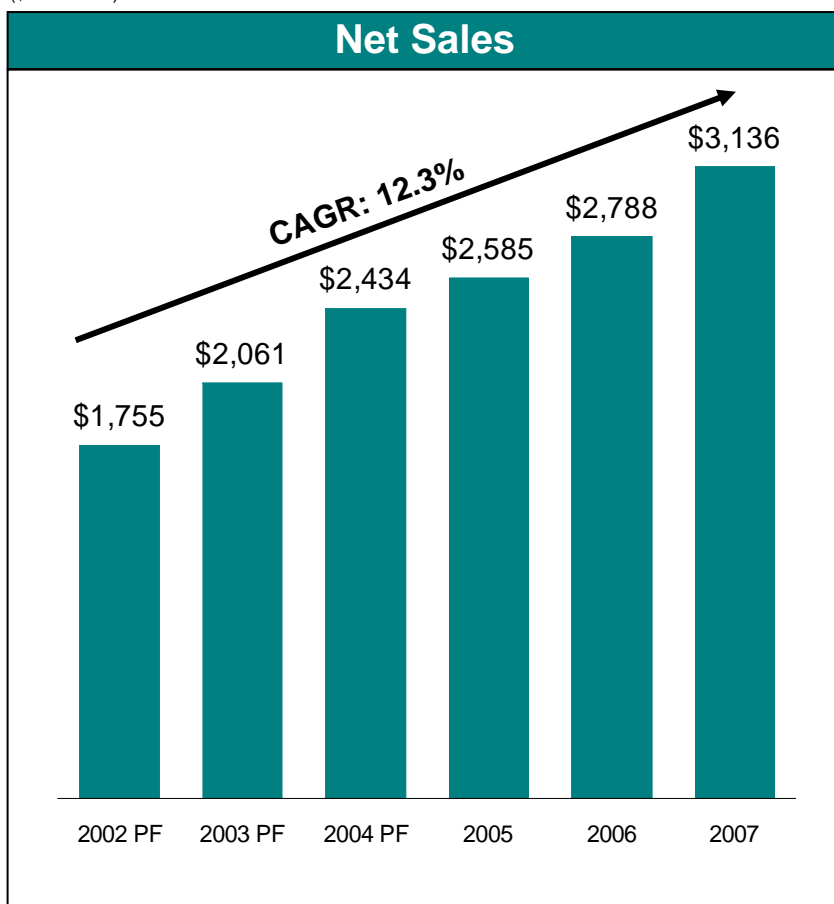
- ▶ Small corporate center
- ▶ Minimum layers of management
- ▶ Performance evaluated using world class, detailed operating metrics
- ▶ Short-term incentive plan based on Adjusted EBITDA
- ▶ Long-term equity incentive plan for key employees
- ▶ On-site communication and motivation of all employees

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# Financial Summary

# Rockwood Growth History

(\$ in millions)



Note: Reflects the Groupe Novasep and Electronics divestiture. 2002-2004 pro forma for the Dynamit Nobel acquisition. 2002 PF based on the combined Dynamit Nobel FYE 9/30 and Rockwood FYE 12/31 results.

## Second Quarter Highlights

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- Solid second quarter performance. Achieved net sales growth of 17.8% including 2.6% price increase; Adjusted EBITDA was \$178.3M, up 11.1% vs. second quarter '07.
- On a constant currency basis, net sales growth was 8.4% and Adjusted EBITDA growth was 1.2% vs. second quarter '07.
- Adjusted EBITDA increase primarily driven by strong performance in Specialty Chemicals and Advanced Ceramics.
- Slowdown in construction-related businesses in the US and parts of Europe negatively impacted results in Performance Additives.
- Increased competition due to unfavorable currency rates negatively affected volumes and selling prices in Titanium Dioxide Pigments.
- Adjusted EBITDA margin decreased to 18.9% due to unfavorable performance in Performance Additives and Titanium Dioxide Pigments.
- Net debt to LTM Adjusted EBITDA ratio of 3.47x.
- Rockwood entered into agreement with Kemira Oyj to form a joint venture focusing on specialty titanium dioxide pigments.
- In July 2008, Rockwood entered into agreements to acquire Nalco's Surface Treatment business and Holliday Pigments, a leading producer of ultramarine blue pigments.

# First Half Highlights

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- Solid first half performance. Achieved net sales growth of 16.1% including 2.6% price increase; Adjusted EBITDA was \$346.7M, up 12.7% vs. first half '07.
- On a constant currency basis, net sales growth was 7.0% and Adjusted EBITDA growth was 2.8% vs. first half '07.
- Adjusted EBITDA increase primarily driven by strong performance in Specialty Chemicals and Advanced Ceramics.
- Slowdown in construction-related businesses in the US and parts of Europe negatively impacted results in Performance Additives.
- Increased competition due to unfavorable currency rates negatively affected volumes and selling prices in Titanium Dioxide Pigments.
- Adjusted EBITDA margin decreased to 19.3% due to unfavorable performance in Performance Additives and Titanium Dioxide Pigments.

# Results By Segment – Second Quarter

<i>@ Actual Rates</i>	Net Sales				Adj. EBITDA <sup>(a)</sup>					
	Q2 2008	Q2 2007	% Change		Q2 2008	% Sales	Q2 2007	% Sales	% Change	
(\$M)			Total	Constant Currency <sup>(b)</sup>					Total	Constant Currency <sup>(b)</sup>
Specialty Chemicals	335.5	270.9	23.8%	12.3%	82.1	24.5%	66.3	24.5%	23.8%	14.2%
Performance Additives	254.7	216.2	17.8%	15.3%	39.1	15.4%	45.5	21.0%	(14.1%)	(16.7%)
Titanium Dioxide Pigments	134.2	123.3	8.8%	(6.2%)	15.4	11.5%	21.0	17.0%	(26.7%)	(36.7%)
Advanced Ceramics	145.3	118.6	22.5%	6.8%	44.9	30.9%	32.7	27.6%	37.3%	17.7%
Specialty Compounds	73.2	70.8	3.4%	2.1%	10.1	13.8%	9.5	13.4%	6.3%	4.2%
Corporate and Other	2.6	2.9	(10.3%)	(24.1%)	(13.3)		(14.5)		8.3%	11.0%
<b>Total Rockwood</b>	<b>\$945.5</b>	<b>\$802.7</b>	<b>17.8%</b>	<b>8.4%</b>	<b>\$178.3</b>	<b>18.9%</b>	<b>\$160.5</b>	<b>20.0%</b>	<b>11.1%</b>	<b>1.2%</b>

(a) A reconciliation of Net Income to Adjusted EBITDA is provided. See Appendices.

(b) Based on constant currencies. See Appendices.

# Results By Segment – First Half

@ Actual Rates	Net Sales				Adj. EBITDA <sup>(a)</sup>					
	YTD 2008	YTD 2007	% Change		YTD 2008	% Sales	YTD 2007	% Sales	% Change	
			Total	Constant Currency <sup>(b)</sup>					Total	Constant Currency <sup>(b)</sup>
(\$M)										
Specialty Chemicals	647.2	538.8	20.1%	9.2%	162.6	25.1%	134.6	25.0%	20.8%	11.6%
Performance Additives	466.3	401.0	16.3%	13.7%	70.3	15.1%	78.1	19.5%	(10.0%)	(12.5%)
Titanium Dioxide Pigments	260.0	239.4	8.6%	(5.7%)	39.3	15.1%	43.4	18.1%	(9.4%)	(21.2%)
Advanced Ceramics	278.5	224.1	24.3%	9.0%	83.4	29.9%	61.5	27.4%	35.6%	17.2%
Specialty Compounds	142.2	140.4	1.3%	(0.4%)	18.8	13.2%	17.6	12.5%	6.8%	4.5%
Corporate and Other	5.3	6.7	(20.9%)	(31.3%)	(27.7)		(27.7)		0.0%	2.5%
<b>Total Rockwood</b>	<b>\$1,799.5</b>	<b>\$1,550.4</b>	<b>16.1%</b>	<b>7.0%</b>	<b>\$346.7</b>	<b>19.3%</b>	<b>\$307.5</b>	<b>19.8%</b>	<b>12.7%</b>	<b>2.8%</b>

(a) A reconciliation of Net Income to Adjusted EBITDA is provided. See Appendices.

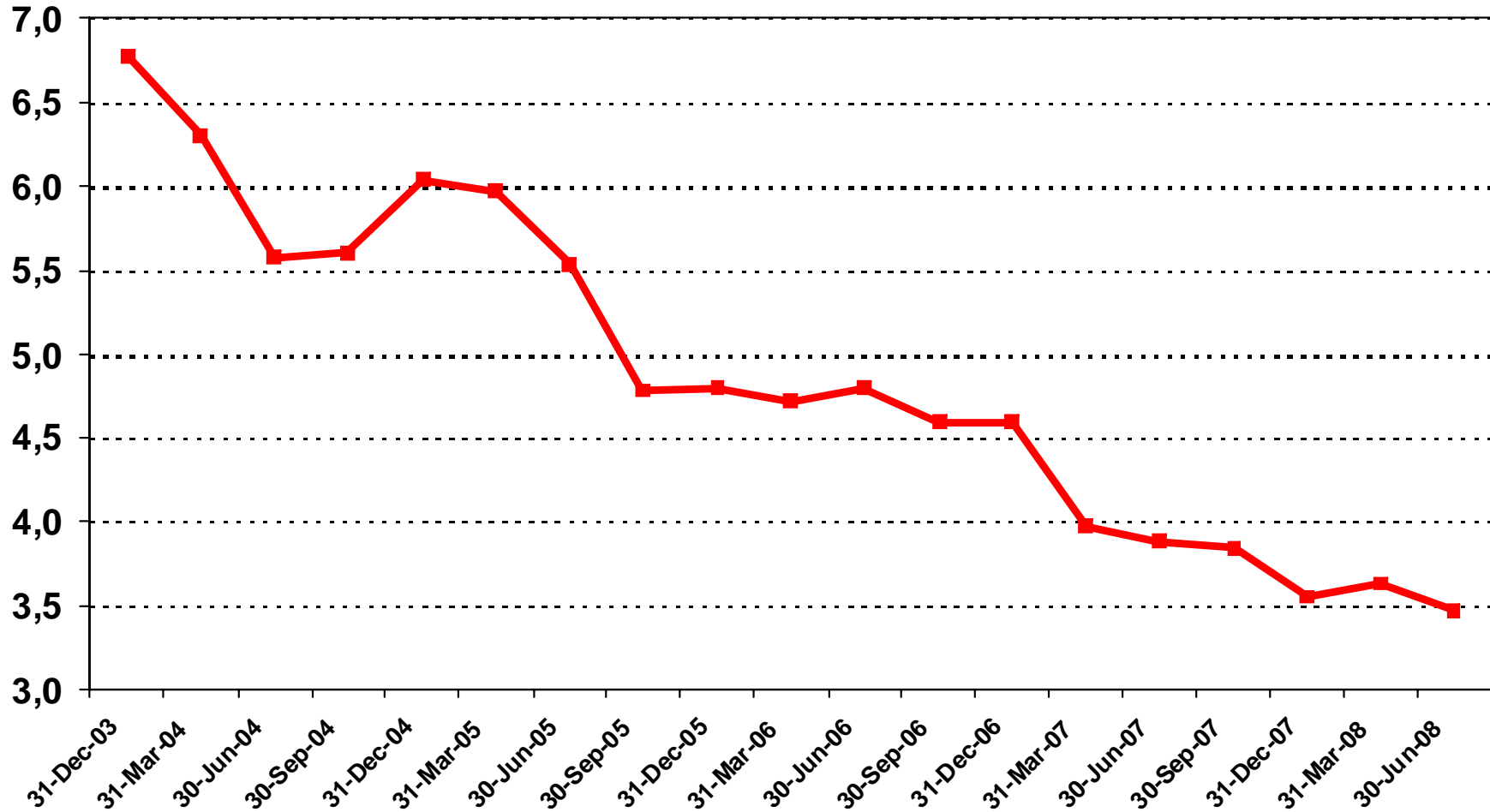
(b) Based on constant currencies. See Appendices.

# Consolidated Net Debt

(\$M)	<u>12/31/2007</u>	<u>Leverage</u>	<u>03/31/2008</u>	<u>Leverage</u>	<u>06/30/2008</u>	<u>Leverage</u>
<i>Balance Sheet FX-Rate</i>	1.46		1.58		1.58	
<b>LTM Adj EBITDA <sup>(a)</sup></b>	<u>\$626.5</u>		<u>\$645.4</u>		<u>\$663.1</u>	
<b>Cash</b>	(350.1)	-0.56 x	(298.1)	-0.46 x	(341.5)	-0.52 x
<b>Revolver</b>	-	0 x	-	0 x	-	0 x
<b>Term Loans</b>	1,736.6	2.77 x	1,752.2	2.71 x	1,750.8	2.64 x
<b>Assumed Debt</b>	<u>97.7</u>	<u>0.16 x</u>	<u>100.0</u>	<u>0.15 x</u>	<u>97.8</u>	<u>0.15 x</u>
<b>Net Sr. Debt</b>	<b>\$1,484.2</b>	<b>2.36 x</b>	<b>\$1,554.1</b>	<b>2.40 x</b>	<b>\$1,507.1</b>	<b>2.27 x</b>
<b>Sr. Sub.Notes 2014</b>	<u>747.1</u>	<u>1.19 x</u>	<u>792.0</u>	<u>1.23 x</u>	<u>790.8</u>	<u>1.19 x</u>
<b>Net Debt <sup>(b) (c)</sup></b>	<b>\$2,231.3</b>	<b>3.56 x</b>	<b>\$2,346.1</b>	<b>3.63 x</b>	<b>\$2,297.9</b>	<b>3.47 x</b>

- (a) A reconciliation of Net Income to Adjusted EBITDA is provided. See Appendices to Q2 08 Conference Call presentation. LTM Adj. EBITDA including bolt-on acquisitions on a proforma basis.
- (b) Covenant ratio calculated under senior credit agreement for Rockwood Specialties Group, Inc is 3.75x, which specifies maximum level of cash at \$100M and converts Euro denominated debt at average Euro-rate during LTM period.
- (c) Increase in Net Debt compared to 12/31/2007 was due to fx-rates.

# Net Debt / LTM Adjusted EBITDA



Note: LTM Adj. EBITDA including bolt-on-acquisitions on a proforma basis.

# Free Cash Flow

<i>(\$M)</i>	<b>Second Quarter 2008</b>	<b>First Half 2008</b>
<b>Adjusted EBITDA</b>	<b>\$178.3</b>	<b>\$346.7</b>
WC Change <sup>(a)</sup>	(30.3)	(119.9)
Cash Taxes <sup>(b)</sup>	(11.7)	(24.0)
Cash Interest <sup>(c)</sup>	(39.9)	(78.3)
<b>Cash From Operating Activities</b>	<b>\$96.4</b>	<b>\$124.5</b>
CAPEX <sup>(d)</sup>	(48.2)	(103.7)
<b>Free Cash Flow</b>	<b>\$48.2</b>	<b>\$20.8</b>

(a) Includes changes in accounts receivable, inventories, prepaid expenses, accounts payable, income tax payable and accrued expenses. All figures net of the effect of foreign currency translation and impact of acquisitions and divestitures.

(b) Equals tax provision minus deferred income tax.

(c) Interest expense, net minus deferred financing costs and MTM of Swaps.

(d) CAPEX net of proceeds on sale of property, plant and equipment.

# Estimated 2008 Metrics

(\$M)	FY 2008 Estimate Feb	Qtr 1 '08 Actual	Qtr 2 '08 Actual	Second Half '08 Estimate	FY 2008 Estimate
Total D&A	248	62	64	135	261
Total Interest Expense (ex MTM)	160	41	42	87	170
Minority Interest	7	1	0	1	1
Tax Rate (as adjusted)	40%	31%	28%	36%	33%
Share Count	77,000	76,609	77,019	77,125	76,970

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# Moving Forward

# Rockwood at a Glance

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- A specialty chemicals and advanced materials company
- LTM sales of \$3.39 Billion and adjusted EBITDA of \$654M from continuing operations
- High adjusted EBITDA margin of 19.3%
- Leading global market position
- Diversified end markets
- Limited exposure to raw materials and energy price volatility
- Strong cash flow
- Management owns 6% of the company

# Moving Forward

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## Focus Portfolio

- ▶ Focus on our core businesses, where we already have:
  - Global market position of #1 or #2
  - Global technology leadership
  - Adjusted EBITDA margin of +20%
  - Limited exposure to raw material price fluctuation

## Focus On Growth & Productivity

- ▶ Organic growth: +5% per year
- ▶ Bolt-on acquisitions: +3% per year
- ▶ Productivity improvement: +3% per year

## Improve Financial Ratios

- ▶ Debt to Adjusted EBITDA of 3.5x
- ▶ **EPS growth of +15% per year**

## Invest in The Business

- ▶ Sustainable Maintenance CapEx 3% of sales
- ▶ Total CapEx 6-7% of sales



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