

ENGELHARD

APRIL 2006

RECAPITALIZATION PLAN



FORWARD-LOOKING STATEMENTS

- **Forward-Looking Statements.** This document contains forward-looking statements. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to future prospects, developments and business strategies. These forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will” and similar terms and phrases, including references to assumptions. These forward-looking statements involve risks and uncertainties, internal and external, that may cause Engelhard’s actual future activities and results of operations to be materially different from those suggested or described in this document. Risks and uncertainties that could cause actual results to differ materially and negatively impact us include, but are not limited to, the following: we may not be able to achieve and execute internal business plans; we may experience changes in market conditions that cause us to consider divesting or restructuring operations, which could impact future earnings; our future cash flows depend upon the creation, acquisition and commercialization of new technologies to replace obsolete technologies; we depend upon the operating success of our manufacturing facilities and do not maintain redundant capacity; we could experience capacity constraints, and should demand for certain products increase, we could have short-term difficulty meeting the increased demand, hindering growth opportunities; we may experience product quality deficiencies; we could experience physical inventory losses by theft and manufacturing inefficiency, particularly with regard to precious and base metals; we are currently engaged in various legal disputes, and unfavorable resolution of these disputes and still unidentified future legal claims could negatively impact us; we are subject to contingencies related to actual or alleged environmental contamination to which we may be a party; we face uncertainty regarding the outcome of the BASF offer, which may affect our stock price, future business, employee retention and recruitment, and may negatively impact supplier and customer relationships; as a manufacturer, we are subject to end-user product liability litigation associated with our products; we face competitive pricing or product development activities affecting demand for our products; we are dependent upon the markets for our customers’ products as a supplier of materials to other manufacturers; the solvency and liquidity of our customers could change; we could face fluctuations in the supply and prices of precious and base metals and fluctuations in the relationships between forward prices to spot prices; we could face a decrease in the availability or an increase in the cost of energy, notably natural gas, rare earth compounds, substrates and other raw materials; we are subject to recent adverse trends in benefit costs, notably pension and medical benefits; we face risks related to higher interest rates and changes in foreign currency exchange rates; geographic expansion may not develop as anticipated; we are exposed to overall economic conditions and could be impacted by economic downturns and inflation; and we face risks related to increased levels of worldwide political instability, the impact of the repeal of the U.S. export sales tax incentive, government legislation and/or regulation particularly on environmental and taxation matters, and a slowdown in the expected rate of environmental regulations and the impact of natural disasters.



FORWARD-LOOKING STATEMENTS (Cont'd)

- For a more thorough discussion of these factors, please refer to the Appendix to this document and “Forward-Looking Statements” (excluding the first sentence thereof), “Risk Factors” and “Key Assumptions” on pages 34, 35 and 38, respectively, of Engelhard’s 2005 Annual Report on Form 10-K, dated March 3, 2006.
- Investors are cautioned not to place undue reliance on any forward-looking statement, which speaks only as of the date made, and to recognize that forward-looking statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results due to the risks and uncertainties described above, as well as others that Engelhard may consider immaterial or does not anticipate at this time. The foregoing risks and uncertainties are not exclusive and further information concerning Engelhard and its businesses, including factors that potentially could materially affect its financial results or condition, may emerge from time to time. Investors are advised to consult any further disclosures Engelhard makes on related subjects in Engelhard’s future periodic and current reports and other documents that Engelhard files with or furnishes to the Securities and Exchange Commission (“SEC”).
- **No Offer or Solicitation.** This document does not constitute an offer or invitation to purchase nor a solicitation of an offer to sell any securities of Engelhard. The proposed self-tender offer by Engelhard described in this document has not commenced. Any offers to purchase or solicitation of offers to sell will be made only pursuant to a tender offer statement (including an offer to purchase, a letter of transmittal and other offer documents) filed by Engelhard (“Engelhard’s Tender Offer Statement”) with the SEC. ENGELHARD’S SHAREHOLDERS ARE ADVISED TO READ ENGELHARD’S TENDER OFFER STATEMENT AND ANY OTHER DOCUMENTS RELATING TO THE TENDER OFFER THAT ARE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.
- **Additional Information and Where to Find It.** Engelhard also plans to file with the SEC and mail to its shareholders a definitive Proxy Statement on Form 14A relating to the 2006 annual meeting of shareholders and the election of directors (the “2006 Proxy Statement”) and other important information. Engelhard and its directors and certain of its officers may be deemed, under SEC rules, to be participants in soliciting proxies from Engelhard’s shareholders. Information regarding the names of Engelhard’s directors and executive officers and their respective interests in Engelhard by security holdings or otherwise is set forth in Engelhard’s Proxy Statement relating to the 2005 annual meeting of shareholders (the “2005 Proxy Statement”). Additional information regarding the interests of such and other potential participants will be included in the 2006 Proxy Statement and other relevant documents to be filed with the SEC in connection with Engelhard’s 2006 annual meeting of shareholders that will be filed with the SEC. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE 2006 PROXY STATEMENT AND OTHER MATERIALS FILED WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. On January 9, 2006, BASF filed a Tender Offer Statement on Schedule TO, which has been amended (the “BASF Tender Offer Statement”). In response to the BASF Tender Offer Statement, Engelhard has filed certain materials with the SEC, including the Schedule 14D-9 filed on February 2, 2006, which has been amended (the “Schedule 14D-9”).



FORWARD-LOOKING STATEMENTS (Cont'd)

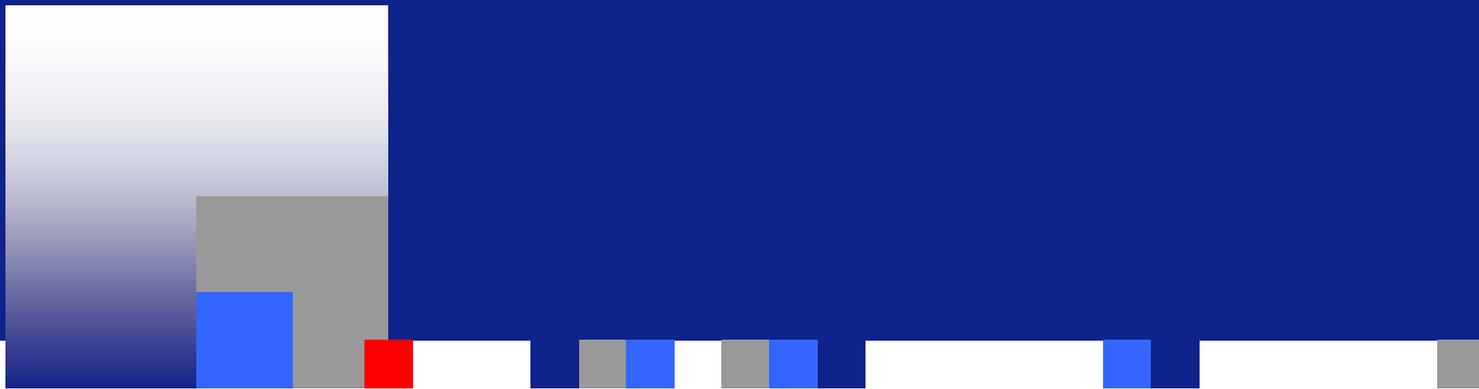
- Investors and security holders may obtain a free copy of Engelhard's Tender Offer Statement (when it is filed and becomes available), Schedule 14D-9, 2005 Proxy Statement, 2006 Proxy Statement (when it is filed and becomes available), BASF's Tender Offer Statement and other documents filed by Engelhard or BASF with the SEC at the SEC's website at <http://www.sec.gov>. In addition, investors and security holders may obtain a free copy of each of the Schedule 14D-9, 2005 Proxy Statement, 2006 Proxy Statement (when it is filed and becomes available), Engelhard's Tender Offer Statement (when it is filed and becomes available), as well as Engelhard's related filings with the SEC, from Engelhard by directing a request to Engelhard Corporation, 101 Wood Avenue, Iselin, New Jersey 08830, Attention: Investor Relations or at 732-205-5000, or from MacKenzie Partners, Inc. by calling 1-800-322-2885 toll free or at 1-212-929-5500 collect or by e-mail at Engelhard@mackenziepartners.com.
- **Risk Factors Related to the Recapitalization.** The recapitalization presents some potential risks and disadvantages to the Company and its continuing shareholders, including the following:
 - If we complete the recapitalization, our indebtedness and interest expense will increase, and the terms of our future indebtedness may be adversely affected. As a result of the recapitalization and the related borrowings, our indebtedness will be more substantial in relation to our shareholders' equity. After giving pro forma effect to the recapitalization and the related borrowings at June, 2006, the Company would have had total indebtedness of \$1,800 million and shareholders' equity of \$295 million as of December 31, 2005.
 - Following our announcement of the recapitalization, we expect our credit ratings will be downgraded by each of the principal rating agencies, but that we will maintain our investment grade ratings. Should the Company's rating drop below investment grade, the Company would experience higher capital costs and may incur difficulty in procuring metals.
 - Our ability to repurchase our shares in the self-tender will be subject to a number of conditions, including obtaining financing. The commitment letter we received to provide a one year bridge facility of \$1.5 billion to fund the repurchase and related costs and expenses is subject to a number of conditions, including there being no material adverse change in the Company since December 31, 2005 and there being no material disruption of or material adverse change in financial, banking or capital markets since April 25, 2006. In addition, we have to amend our existing credit facilities to permit the increased level of indebtedness.
 - The expected benefits of the recapitalization plan rely in part on our ability to refinance our bridge facility and the terms of the financing obtained. The expected terms used herein are based on current market conditions. The terms of any permanent financing will depend on market conditions at the time we incur the indebtedness, and are likely to be different. In addition, a portion of the permanent financing is expected to have a floating rate of interest, which may increase over time.



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I. Introduction

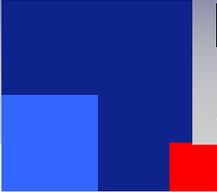




Introduction

Background

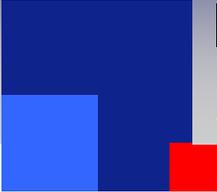
- On January 3, 2006, BASF publicly announced its intention to launch a hostile offer to acquire Engelhard at \$37 per share, and on January 9, 2006, BASF filed a Tender Offer Statement
- On January 23, 2006, Engelhard's Board announced its determination that the BASF offer was inadequate and not in the best interests of Engelhard shareholders
- Concurrently, the Board authorized Engelhard's management team and independent advisors to explore strategic alternatives to seek to maximize shareholder value, including the possible sale of the Company
- On April 19, 2006, BASF made a proposal for \$38.00 per share in response to Engelhard's request for an increased offer following BASF's access to non-public information
- On April 25, 2006, the Engelhard Board unanimously determined that:
 - The \$38.00 per share proposal was inadequate and not in the best interests of Engelhard's shareholders
 - A recapitalization of the Company represents the most attractive strategic alternative available to Engelhard for delivering greater value to Engelhard's shareholders than BASF's proposal of \$38.00 per share



Introduction

Recapitalization Plan Overview

- The recapitalization plan (“Recapitalization Plan”) consists of:
 - The purchase of 26 million shares (approximately 20% of Engelhard’s shares outstanding including exercisable options) at a price of \$45.00 per share
 - Continued execution of the Company’s business strategy, including an incremental cost-savings initiative associated with the Recapitalization Plan
- Shares to be purchased through a self-tender offer
- Committed financing, subject to customary conditions, is in place from Merrill Lynch and JPMorgan to initially fund self-tender offer; permanent financing expected to comprise a mix of hybrid securities and floating- and fixed-rate debt
- Investment grade ratings profile expected based upon rating agency feedback
- The Board will increase its size at the June 2 Annual Meeting from six to nine, giving shareholders the ability to elect a majority of the Board (without the damage and distraction that could result from a potentially lengthy consent solicitation that BASF has threatened) and in so doing, giving shareholders the ability to decide whether the Recapitalization Plan or BASF's \$38.00 proposal (which the Board has found to be inadequate) serves the shareholders' best interests

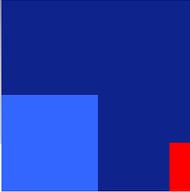


Introduction

Recapitalization Plan Highlights



- The Engelhard Board of Directors strongly believes that the Recapitalization Plan represents the best value creation alternative and is in the best interests of Engelhard shareholders for a number of reasons, including:
 - The Recapitalization Plan should deliver value superior to BASF's \$38.00 per share proposal
 - Accretion to EPS and EPS growth commencing in 2007
 - Expected strong forward price to earnings (P/E) multiple
 - Provides meaningful liquidity to Engelhard shareholders at an attractive price of \$45.00 per share
 - Offers Engelhard shareholders the ability to participate in Engelhard's strengthening business prospects and realize the Company's future growth potential through appreciation of the market price of the stock or a future sale of the Company
 - Maintains investment grade credit profile



Introduction

Timetable



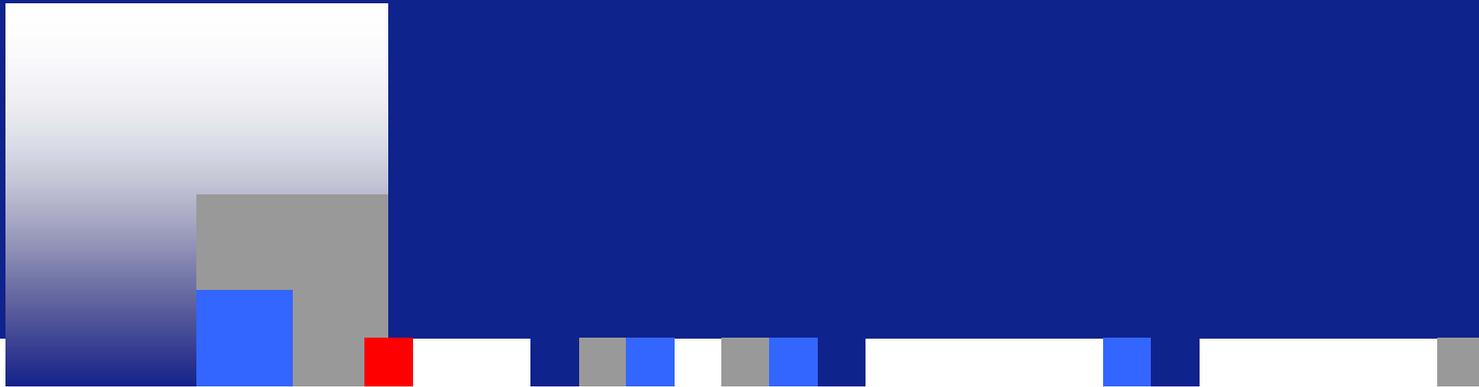
Date

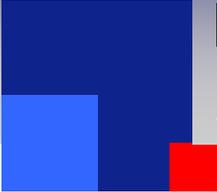


Key Event

- April 26, 2006
 - Week of May 1, 2006
 - June 2, 2006
 - Following Annual Meeting
- Announcement of Recapitalization Plan
 - Filing of Preliminary Proxy Materials
 - Commencement of Self-Tender Offer
 - Engelhard Annual Shareholders Meeting
 - Self-Tender Offer closes subject to satisfaction or waiver of conditions including if BASF's nominees constitute a majority of the Board and the Board determines not to proceed with Self Tender Offer

II. Business Review and Update





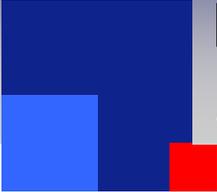
Business Update

Engelhard Business Highlights



High-Margin, Non-Cyclical Business Portfolio with Strong Growth Prospects

- Engelhard is one of the largest surface and materials science companies in the world
- The Company has made significant investments in recent years in both organic growth initiatives and strategic acquisitions
 - Investments already made in new growth initiatives alone are expected to add an additional \$100 million in operating earnings from 2005 to 2007
 - Engelhard has demonstrated a strong commitment to R&D
- Engelhard has streamlined its business portfolio, used the proceeds to invest in higher-margin businesses and improved the Company's overall business mix
 - Over the last several years, Engelhard invested in businesses such as diesel-emission control, energy & fuel materials, personal care & cosmetic materials and separators & polymers, and exited low-margin and low-growth legacy precious-metal fabrication businesses
- Engelhard expects to benefit from numerous global trends over the next several years which include:
 - Significant increase in demand projected for sophisticated emission-control technologies as more stringent regulatory guidelines take effect globally
 - Worldwide growing demand for energy, energy-related materials and environmentally friendly fuels
 - Growing demand for personal care and cosmetic products driven by increasing affluence of a global and aging population



Business Update

Engelhard Shaping Value Proposition



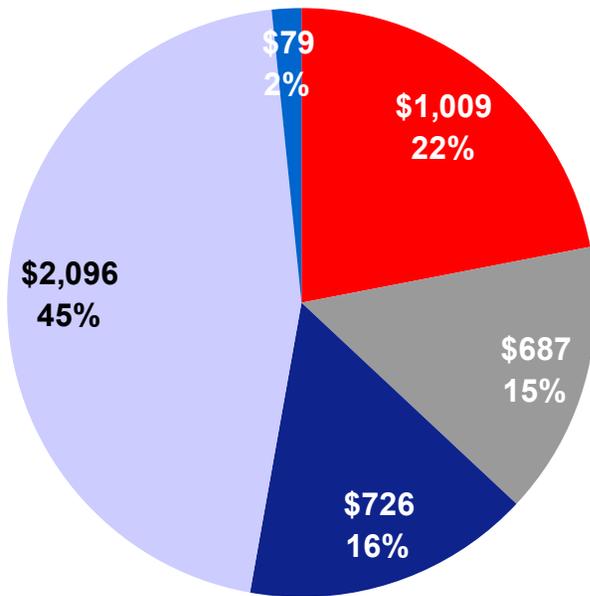
- *Core competencies* in surface and materials science
- *Strategic focus* on technology and high-growth markets
- *Enabled* by ingenuity
- *Enhanced* by a passion for productivity
- *All leveraged* by a seamlessly integrated, decentralized operating philosophy

- Enterprise wide competencies focused on technologies/markets to fuel growth through expanded, value-adding served industry market portfolio
- Reduced cyclicality, increased globalization and increased cash flow enhance value of growth from strategic context

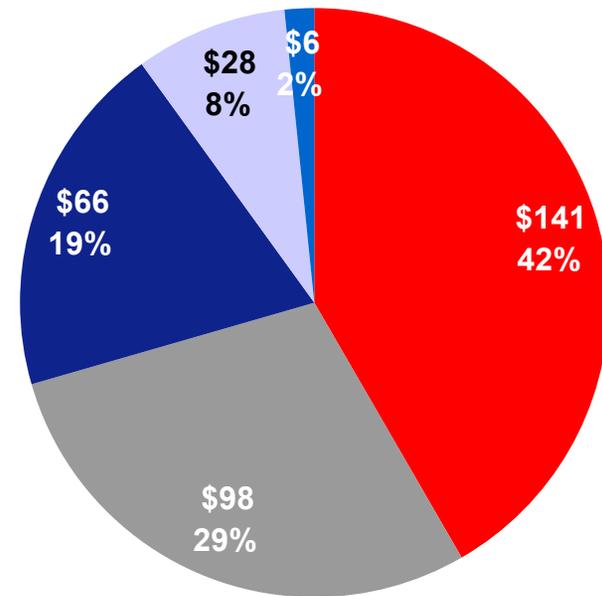
Business Update

Overview of The Business Segments

Engelhard technology platforms support growth in expanding markets



2005 Sales: \$4,597mm ⁽¹⁾



2005 Operating Earnings: \$339mm ^{(1) (2)}



(1) Reflects 2005 financial information from Engelhard's 10-K filed March 3, 2006.

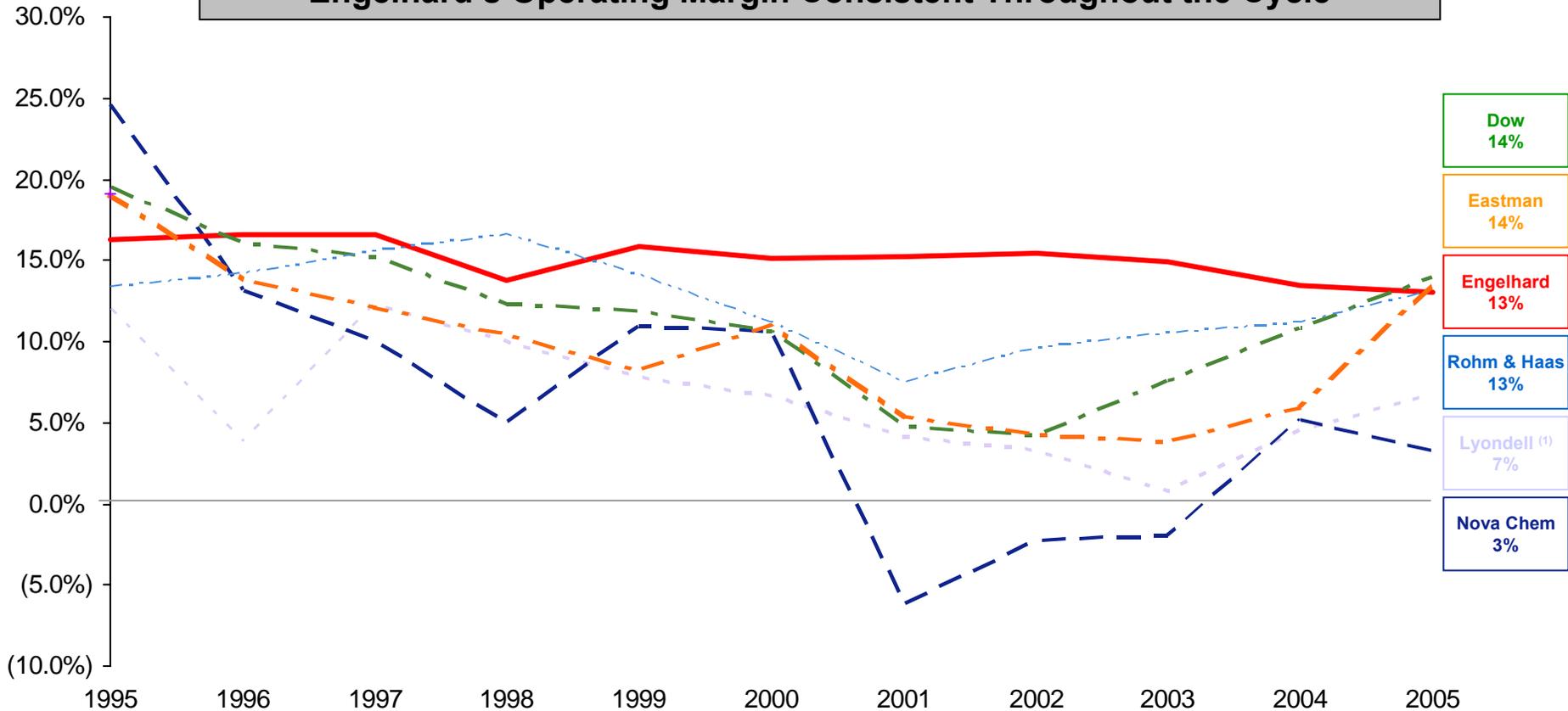
(2) Operating earnings do not include unallocated corporate expense (\$40 million).

(3) Ventures sales includes \$3 million of Corporate.

Business Update

Strength Throughout The Cycle

Engelhard's Operating Margin Consistent Throughout the Cycle



Note: Engelhard's margins exclude Materials Services and Substrates.

Source: Reflects 2005 Engelhard information from Engelhard's 10-K filed March 3, 2006. Other information based on Wall Street research.

(1) Lyondell adjusted to include proportionate share of joint ventures.

Business Update

Increased Stability of Earnings



■ Engelhard □ Chemical Composite

- More stable earnings through cycles
- Engelhard is at an inflection point as its successful strategic initiatives converge

Note: As of December 30, 2005.

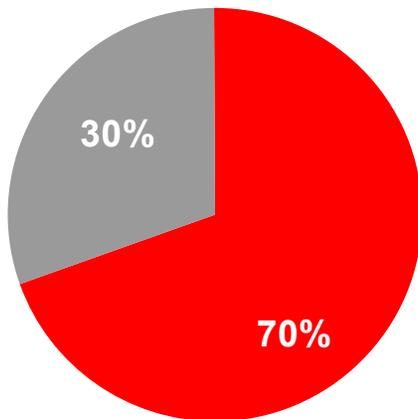
Source: Bloomberg. Chemical composite includes Air Products & Chemicals Inc., Ashland Inc., The Dow Chemical Co., Eastman Chemical Co., Ecolab Inc., Du Pont de Nemours & Co., Hercules Inc., International Flavors and Fragrances Inc., Monsanto Co., PPG Industries Inc., Praxair Inc., Rohm & Haas Co. and Sigma-Aldrich Corp.

Business Update

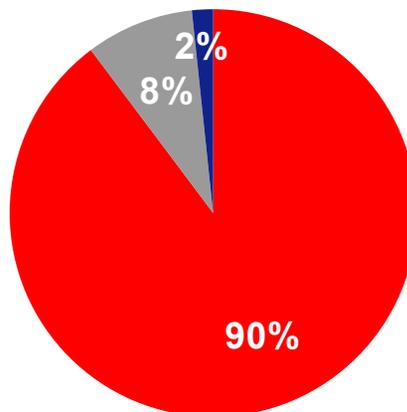
Improving Business Mix



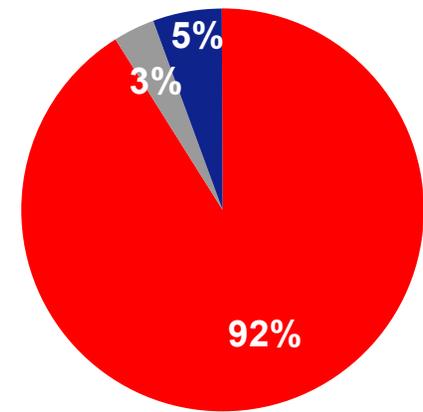
**2000
Operating
Earnings**



**2005
Operating
Earnings**



**2010E
Operating
Earnings**



Note: Includes reportable segments and Ventures. Does not include unallocated corporate (\$29 million in 2000, \$40 million in 2005, and \$46 million in 2010) or 2000 special and other charges (\$133 million). 2005 financial information reflects Engelhard's 10-K filed March 3, 2006. 2010E financial information based on Engelhard Management Operating Plan developed in August, 2005.

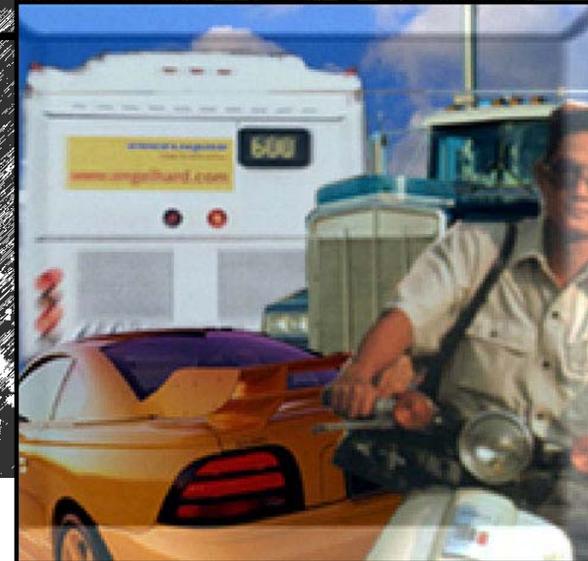
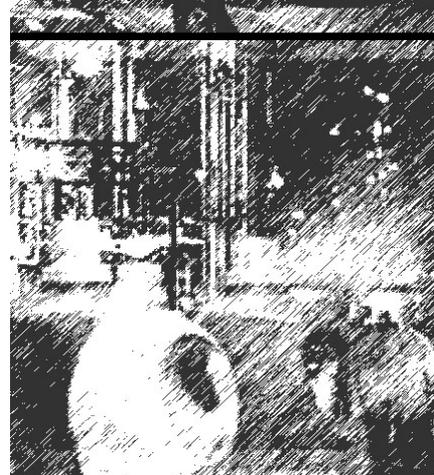
Environmental Technologies

Overview

Marketing Cost-Effective Compliance

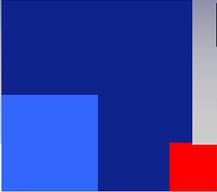
- Global presence; diverse markets & customers
- Increasingly stringent environmental regulations
- Technology-driven products and processes

	<u>2005A</u>	<u>2010E</u> ⁽¹⁾
Sales	\$1,009	\$2,125
'06E - '10E Operating Earnings Growth	Low teens	



Note: Dollars in millions. 2010 metrics rounded to the nearest \$25 million and all financial information includes pass-through of substrates.

(1) 2010E financial information is based on Engelhard Management Operating Plan developed in August, 2005.



Environmental Technologies

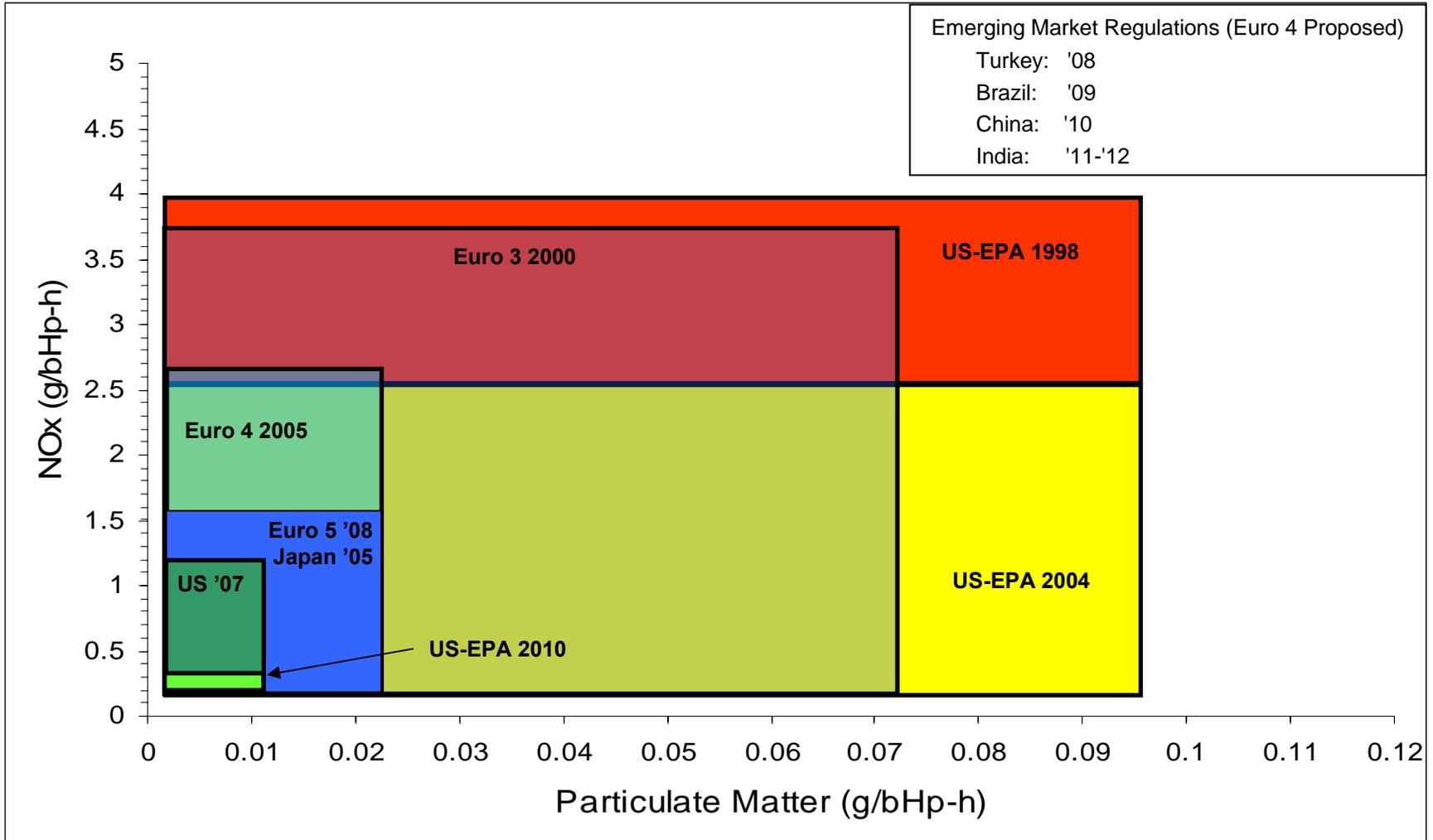
Competitive Advantages

30-Year Track Record of Leadership & Innovation

- The following provide competitive advantages:
 - Surface and materials science expertise
 - Engine application laboratories
 - State-of-the-art, high-precision manufacturing technology in all major regions
 - Precious metals management
- Business awarded to-date supports majority of projected sales
 - 80% of 2007
 - 70% of 2008
 - 60% of 2009
- Robust research pipeline

Environmental Technologies

Exhaust Emissions Regulations ⁽¹⁾ Drive Growth



Note: Increasingly stringent regulations in emission standards in heavy-duty-diesel expected to drive sectional growth in catalyst technology.

(1) Worldwide Heavy-Duty-Diesel.



Environmental Technologies

Growth Opportunities

Environmental Technologies expected to be a significant driver of growth

- Increasingly stringent regulations around the world
 - Approximately 70% operating earnings growth in the heavy-duty-diesel market ⁽¹⁾
- Technology leadership
 - Specific strengths in engine and catalyst technology
- Expansion into a broad range of developing markets and geographies
- Sustainable productivity gains
- Engelhard's base global auto-catalyst business expected to grow at more than a 5% CAGR from 2005 to 2010, excluding medium- and heavy-duty-diesel

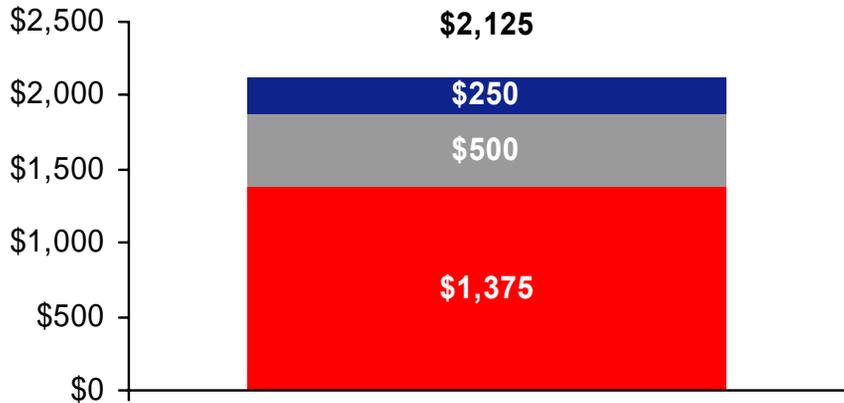
(1) Based on Engelhard Management Operating Plan developed in August, 2005. Compounded annual growth rate from 2006-2010.

Environmental Technologies

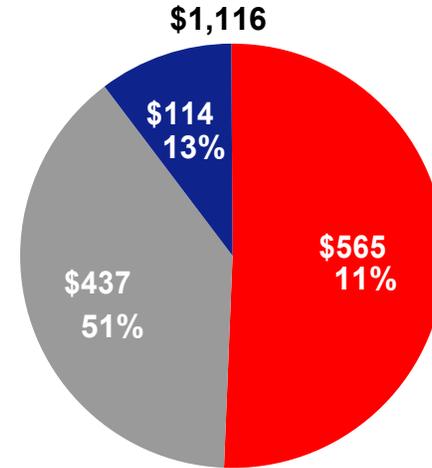
Financial Targets



2010E Sales Target



Incremental Sales from '05 to '10E (2)



■ Automotive (1) ■ Heavy Duty Diesel ■ Other (3)

2010E Operating Earnings Target of \$250 million

Note: 2010E financial information based on Engelhard Management Operating Plan developed in August, 2005.

Numbers rounded to the nearest \$25mm.

(1) Automotive includes light duty diesel.

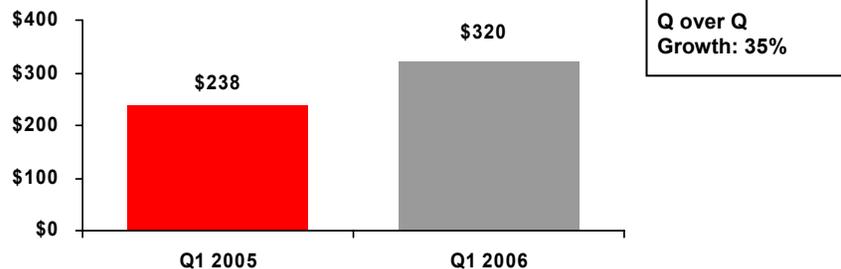
(2) Percentage numbers are 2005E-2010E CAGR of the respective market.

(3) Other includes retrofit, motorcycle, other mobile sources, stationary and Engineered Materials Systems.

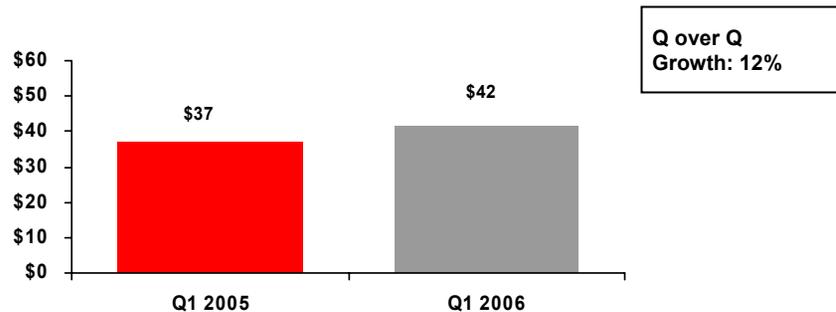
Environmental Technologies

Recent Results

Sales



Operating Earnings



Operating Margin ⁽¹⁾

16%

13%

Selected Highlights

- Double-digit sales and operating earnings growth
- Growth in auto catalysts driven by European light-duty-diesel
- Strong growth in Asia; continued strength in joint ventures in Korea and Japan, which are not included in the Environmental Technologies operating earnings
- Continued productivity gains

Note: Dollars in millions. Q1 2006 financials based on April 26, 2006 Engelhard press release.

(1) Operating margin includes substrates; excluding substrates, margins were approximately flat Q106 vs. Q105.

Process Technologies

Overview

Marketing Process Productivity

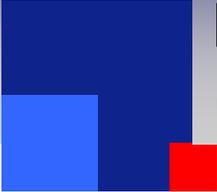
- Technology/market development
- More Stringent Environmental regulations
- Value pricing

	<u>2005A</u>	<u>2010E</u> ⁽¹⁾
Sales	\$687	\$950
'06E - '10E Operating Earnings Growth	Mid teens	



Note: Dollars in millions and 2010 metrics rounded to the nearest \$25 million.

(1) 2010E financial information is based on Engelhard Management Operating Plan developed in August, 2005.

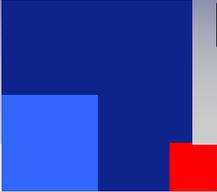


Process Technologies

Competitive Advantages



- Surface and materials science:
 - Distributed Matrix System (DMS) maximizes refinery gasoline yields
 - Controlled Particle Design (CPD) providing uniform particles and unique morphology for Fischer-Tropsch Gas-to-Liquids (GTL) technologies
 - Ziegler/Natta Technology – Fourth Generation (Lynx) improving process economics through superior activity by increasing the pounds of polypropylene produced per pound of catalysis
- Expertise across a broad diversity of manufacturing operations:
 - Catalytic manufacturing capabilities ranging from producing kilograms per order for the fine chemicals market to tons per day of fluid catalytic cracking (FCC) catalyst for the petroleum-refining market
 - While maintaining global, low cost positions and excellent quality



Process Technologies

Growth Opportunities

Process Technologies is poised to achieve double-digit operating earnings growth in 2006 to 2010E ⁽¹⁾

- Growth initiatives include:
 - Increased product offerings to previously unserved refining markets including diesel, distillate and petrochemical feedstock markets
 - Continued expansion of gas-to-liquids market with Fischer-Tropsch and syngas technology; continued leveraging of those technologies in the emerging gas economy
 - Expansion into previously unserved petrochemical markets based on current commercial agreements
 - Increased synergies from leveraging DMS technology platform to expand refinery catalysis
 - Leverage Lynx polypropylene success in polyethylene catalyst market

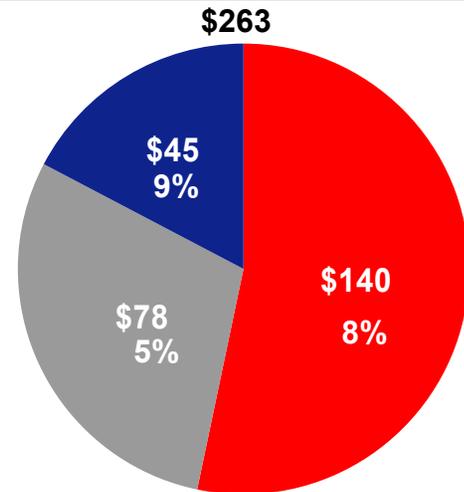
(1) Based on Engelhard Management Operating Plan estimates developed in August, 2005.

Process Technologies

Financial Targets



Incremental Sales from '05 to '10E ⁽²⁾



■ Chemicals ⁽¹⁾ ■ Refining ■ Polyolefins

2010E Operating Earnings Target of \$200 million

Note: Above financial information based on Engelhard Management Operating Plan developed in August, 2005. Numbers rounded to the nearest \$25mm.

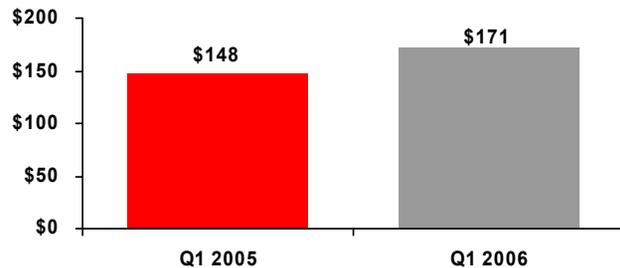
(1) Precious Metals revenues included in Chemicals.

(2) Percentage numbers are 2005-2010E CAGR of the respective market.

Process Technologies

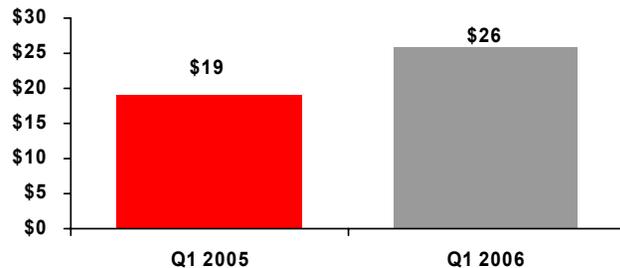
Recent Results

Sales



Q over Q
Growth: 16%

Operating Earnings



Q over Q
Growth: 38%

Operating
Margin

13%

15%

Selected Highlights

- Double-digit sales and operating earnings growth and margin expansion
- Continued strong demand for technologies for petroleum refining, including strength in additives
- Strong pricing power in chemical process market; capacity utilization rates approximately 90%

Appearance and Performance Technologies

Overview

Enabling Marketing of Enhanced Image & Functionality

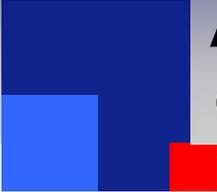
- Develop markets
- Leverage assets
- Enrich product mix
- Pricing and sustainable productivity gains

	<u>2005A</u>	<u>2010E</u> ⁽¹⁾
Sales	\$726	\$1,000
'06E - '10E Operating Earnings Growth	Double-digit	



Note: Dollars in millions and 2010 metrics rounded to the nearest \$25 million.

(1) 2010E financial information is based on Engelhard Management Operating Plan developed in August, 2005.



Appearance and Performance Technologies

Growth Opportunities

Appearance and Performance Technologies Is Positioned for Double-Digit Growth

- Worldwide leadership position in personal care and cosmetics
- New product development and technological focus
- Globalization
 - Continued growth in developing markets, especially Asia-Pacific
 - Return of investment in Company's personal care business gaining momentum
 - Focus on Japan yielding results as Engelhard anticipates growth of 30% versus 8% market growth ⁽¹⁾
- Significant margin improvement in minerals
 - Improved product mix – less dependence on paper market
 - Improved pricing

(1) Based on Engelhard management guidance. Compound annual growth rate from 2006-2010.



Appearance and Performance Technologies

Sales and Operating Earnings Growth Drivers

Personal Care

Sales:

- Asia (ex China): Market-share expansion in large, mature Japanese and Korean markets where predecessor businesses had low penetration
- China: High organic growth on low base
- NAFTA: Organic growth only, due to high penetration
- Europe/Latin America: Organic growth supplemented with share expansion where predecessor US business had low penetration

Operating Earnings:

- Better utilization of assets, particularly Long Island facility
- Grow sales with little SG&A additions
- Earnings from sales expansion

Effects/Colors

Sales:

- Base business growth
- Asia growth
- New effects/colors technologies/products
- Major paint customer geographic expansion

Operating Earnings:

- Productivity, largely manufacturing & supply chain
- Grow sales with little SG&A addition
- Earnings from sales growth

Performance Minerals

Sales:

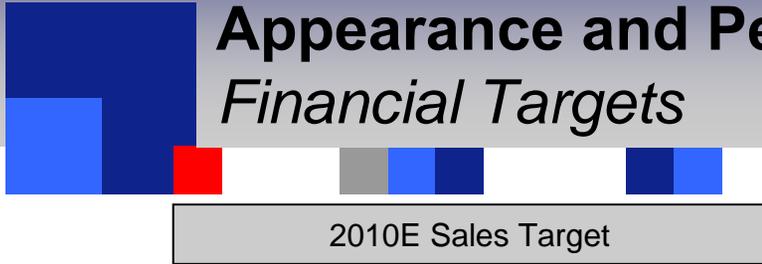
- New products: Favorable inter-material substitution
- Non-paper, specialty growth in diversified markets
- Price increases/energy surcharges/contract improvements

Operating Earnings:

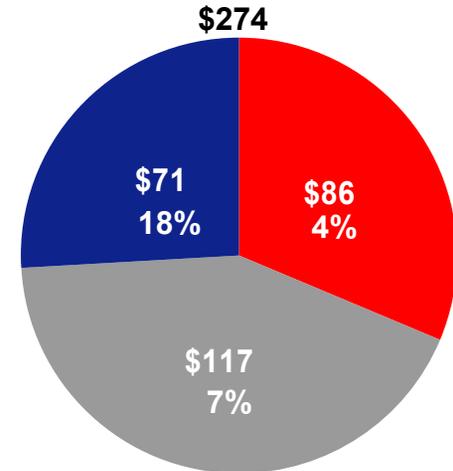
- Margin recovery
- Productivity, largely manufacturing & supply chain
- Earnings from sales growth

Appearance and Performance Technologies

Financial Targets



Incremental Sales from '05 to '10E ⁽²⁾



■ Specialty Minerals ⁽¹⁾
■ Effects Materials and Colors
 ■ Personal Care Materials

2010E Operating Earnings Target of \$175 million

Note: Above financial information based on Engelhard Management Operating Plan developed in August, 2005. Numbers rounded to the nearest \$25mm.

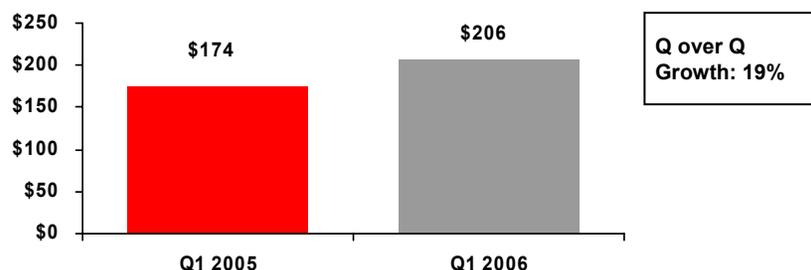
(1) Specialty Minerals includes kaolin and attapulgite.

(2) Percentage numbers are 2005-2010E CAGR of the respective market.

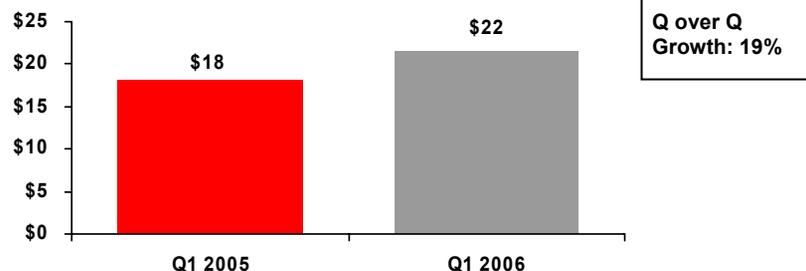
Appearance & Performance Technologies

Recent Results

Sales



Operating Earnings



Operating Margin

10%

11%

Selected Highlights

- Double-digit gains in sales and operating earnings growth
- Continued positive impact of recent acquisitions in cosmetics and personal care
- Continue to optimize mix by successfully redirecting mid-Georgia assets to higher margin specialty kaolin and refining catalysts markets
- Higher pricing and energy surcharges offset higher natural gas costs

Materials Services Overview

Enabling Technology Businesses

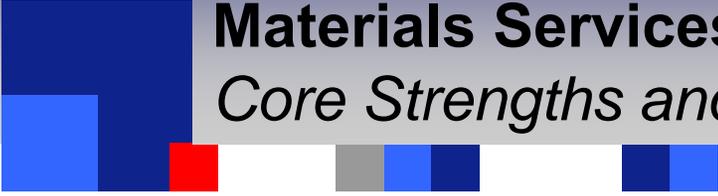
- High returns on invested capital
- Source of cash
- Risk management
- Enabler for catalyst sales

	<u>2005A</u>	<u>2010E</u> ⁽¹⁾
Sales	\$2,096	\$2,425



Note: Dollars in millions and 2010 metrics rounded to the nearest \$25 million.

(1) 2010E financial information is based on Engelhard Management Operating Plan developed in August, 2005.



Materials Services

Core Strengths and Risk Management

Core Strengths

- Experienced management team with knowledge in specific markets
- Assay Services
- Inventory management
- Logistics and security
- Precious metal-based solutions
- Refining and recycling

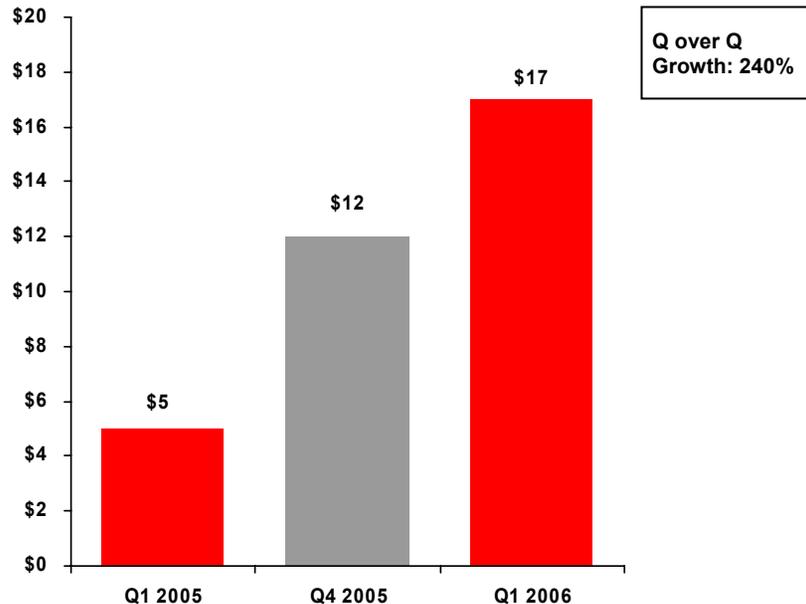
Risk Management

- Procedures and controls are in place and followed carefully to minimize:
 - Price risk
 - Credit risk
 - Errors in location, quantities, currency, or value
 - Over limits
 - Improper transactions

Materials Services

Recent Results and Long-Term Plan

Operating Earnings



Selected Highlights

- Increased volume and improvements in recycling process results
- Strong demand for platinum and rhodium related to pending diesel regulations

Long-Term Plan

- For planning purposes, long-term projected operating earnings approximate \$15 million annually
- This compares to \$28 million for the full year of 2005 and \$17 million for the first quarter of 2006
- Our core strengths, which have driven recent results, expected to continue to be strategically pursued and provide upside to the long-term plan

Ventures Overview

“Develop the white space, expand the core”

- Platform identification
- Opportunity development
- Funding & staffing
- Start-up & incubation

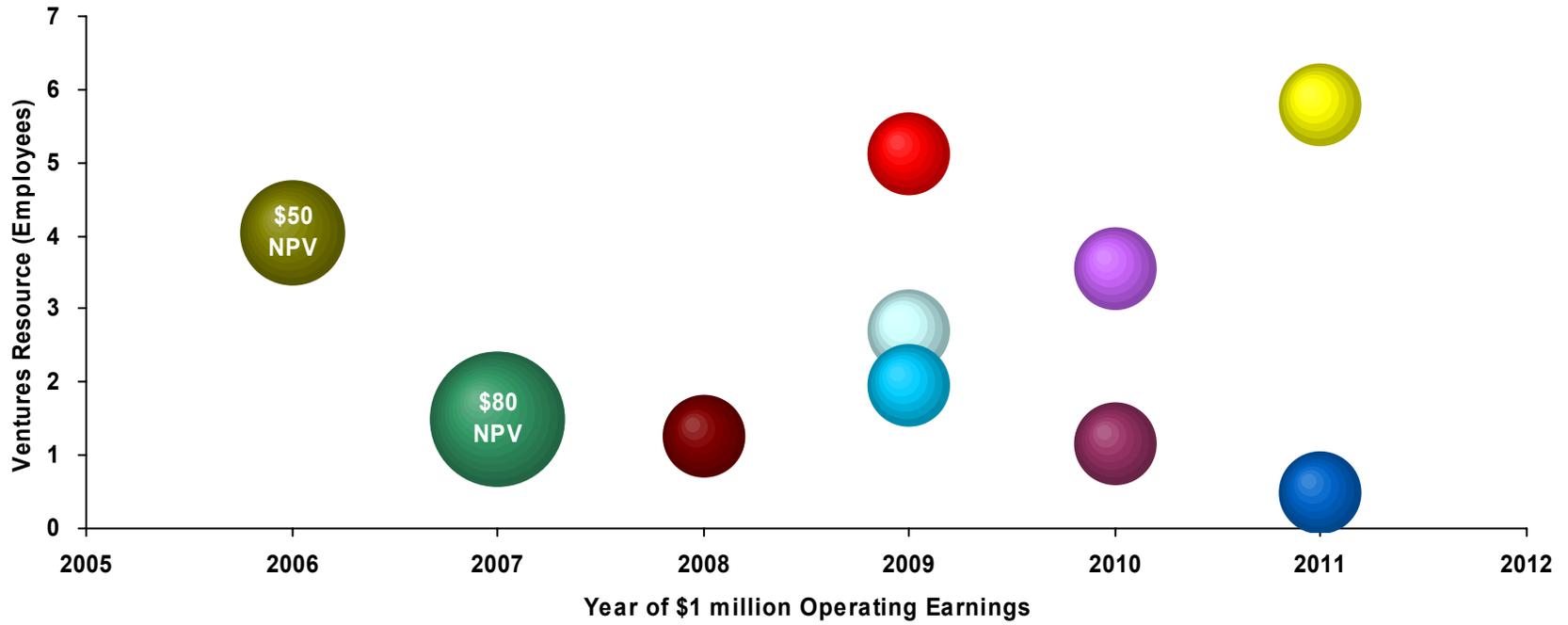
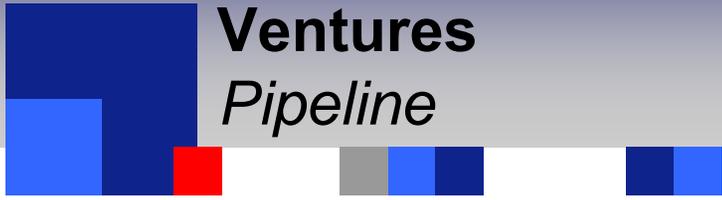
	<u>2005A</u>	<u>2010E</u> ⁽¹⁾
Sales	\$76	\$210
'06E - '10E Operating Earnings Growth	Double-digit	



Note: Dollars in millions and 2010 metrics rounded to the nearest \$10 million.

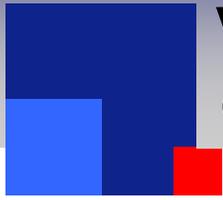
(1) 2010E financial information is based on Engelhard Management Operating Plan developed in August, 2005.

Ventures Pipeline



- Scratch Resistant Coatings
- Aseptrol
- Fuel Cells/Electrochem
- Battery Materials
- Proppants
- Fuel Cells/Prereforming
- Photovoltaic Inks
- Fuel Cells/Portable
- Water
- Fuel Cells/Hydrogen

Note: Proppants and Water projects are reflected in the Engelhard Management Operating Plan developed in August, 2005. Net Present Value of Proppants projects and water projects estimated to be \$80 mm and \$50 mm, respectively. Financial impact of other projects in the pipeline are not reflected in the Engelhard Management Operating Plan developed in August, 2005. This graph indicates the year in which these projects (represented by the bubbles) reach first \$1 million of annual operating earnings.



Ventures

Growth Opportunities



Ventures systematically develops adjacent-space opportunities that leverage attractive markets and new technologies

- Drive to become the leading global supplier of non-carbon separation and purification technologies to the gas, fuel and water markets to generate \$200 million in revenues in 2010
- Oil and gas well stimulation materials should allow for additional earnings growth, given supply shortages and strong exploration and production activities
- Increased cost of fossil fuels expected to provide growth opportunities in alternative energy sources including fuel cells, photovoltaics, biofuels and battery materials

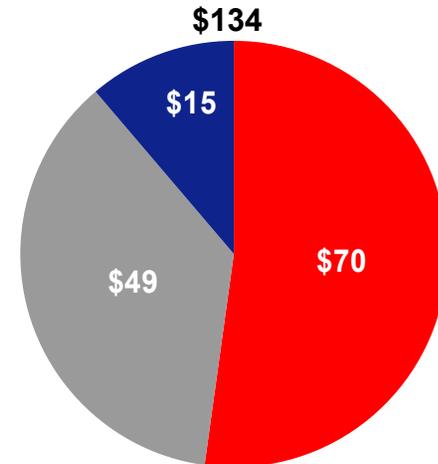
Ventures

Financial Targets



2010E Sales Target

Incremental Sales from '05 to '10E



■ Alumina/Silica ■ Energy Materials (1) ■ Water Treatment

2010E Operating Earnings Target of \$40 million

Programs commercialized to date expected to yield \$14 million in operating earnings in 2006

Note: Above financial information based on Engelhard Management Operating Plan developed August, 2005.

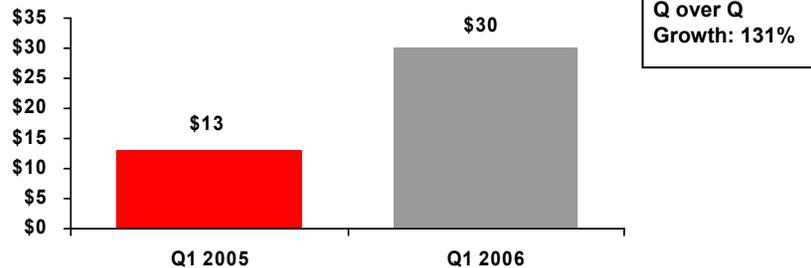
Numbers rounded to the nearest \$10mm.

(1) Energy Materials includes Proppants and Fuel Cell.

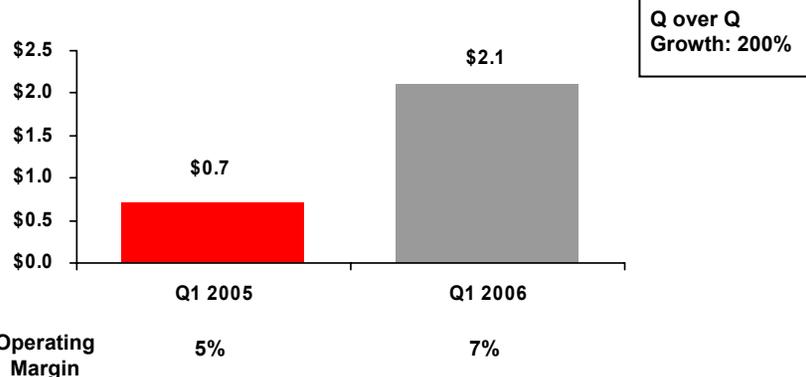
Ventures

Recent Results

Sales



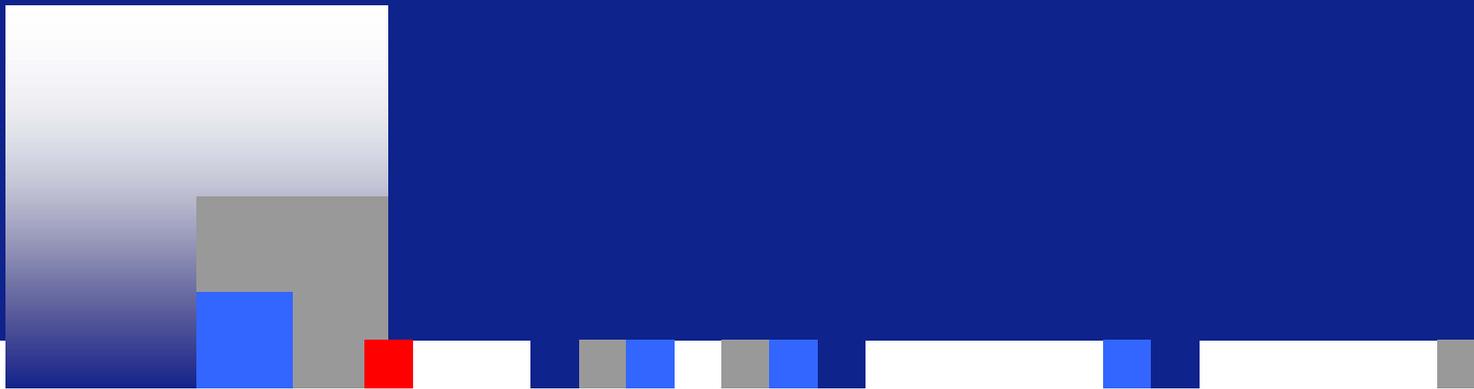
Operating Earnings

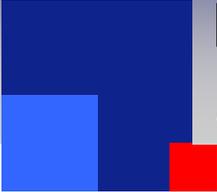


Selected Highlights

- Ventures group expected to contribute \$14 million in operating earnings for the full year 2006
- Acquired adsorbents and catalyst business of Almatris in 2005, expanding the Company's technology portfolio to include catalyst supports and alumina-based adsorbents and dessicants
- Obtained customer commitment for new proppants

III. Financial Overview – Before Recapitalization Plan





Financial Overview – Before Recapitalization Plan

Financial Goals

2006 ⁽¹⁾

- Double-digit earnings growth from technology segments
- 13% return on average total capital
- Maintain financial capability

2006-2010E ⁽¹⁾

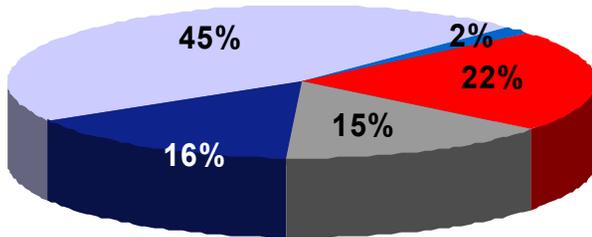
- EPS CAGR of approximately 16%
- Approximately 300 bps operating margin improvement between 2006-2010
- Sales 8% CAGR
- Average ROAC 14%-15%

(1) Based on Engelhard Management Operating Plan developed in August, 2005. Please refer to assumptions in Appendix. Forecast reflects announced regulations and plant constructions leading to peak growth rates in 2008. Growth rates then return to low double-digit levels. Outer plan years do not include impact of new regulations, such as Off-Road HDD, or new customer plants not yet contracted.

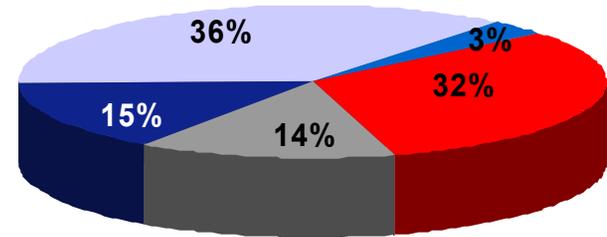
Financial Overview – Before Recapitalization Plan

Engelhard Today and in the Future

Sales Perspective

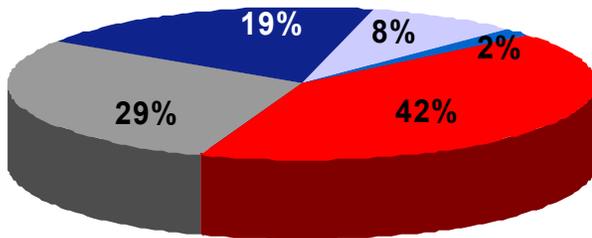


2005A Sales: \$4,597 Million (1)

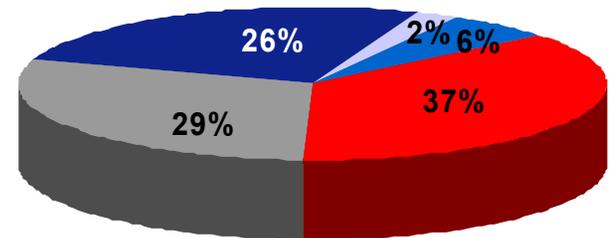


2010E Sales: \$6,710 Million

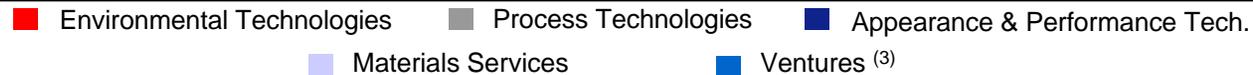
Operating Earnings Perspective



2005A Operating Earnings: \$339 Million (1)(2)



2010E Operating Earnings: \$680 Million



Note: 2010 financial information based on Engelhard Management Operating Plan developed in August, 2005.

(1) Reflects 2005 financial information from Engelhard's 10-K filed March 3, 2006.

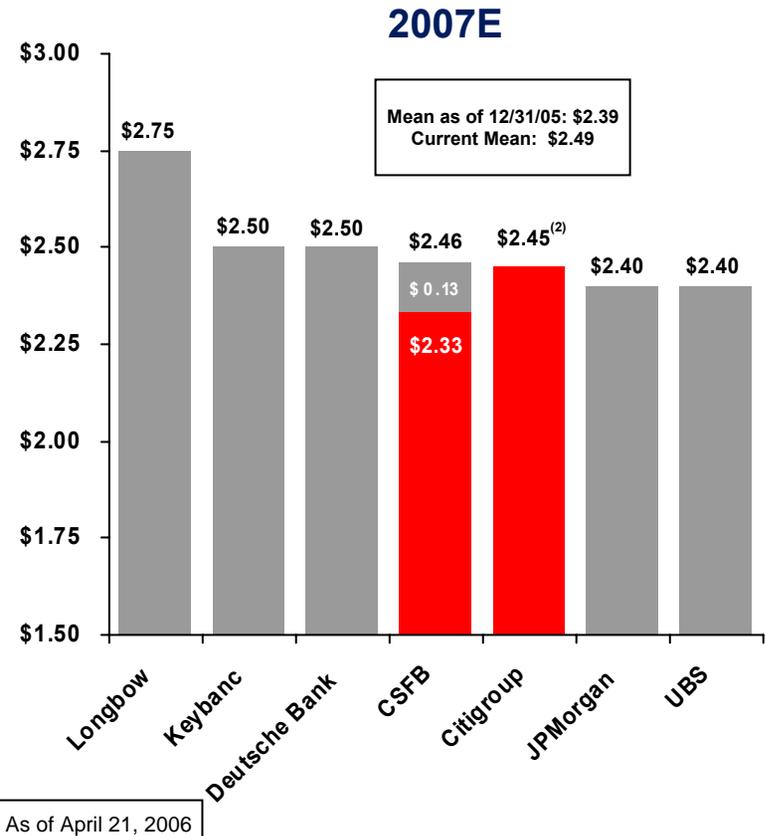
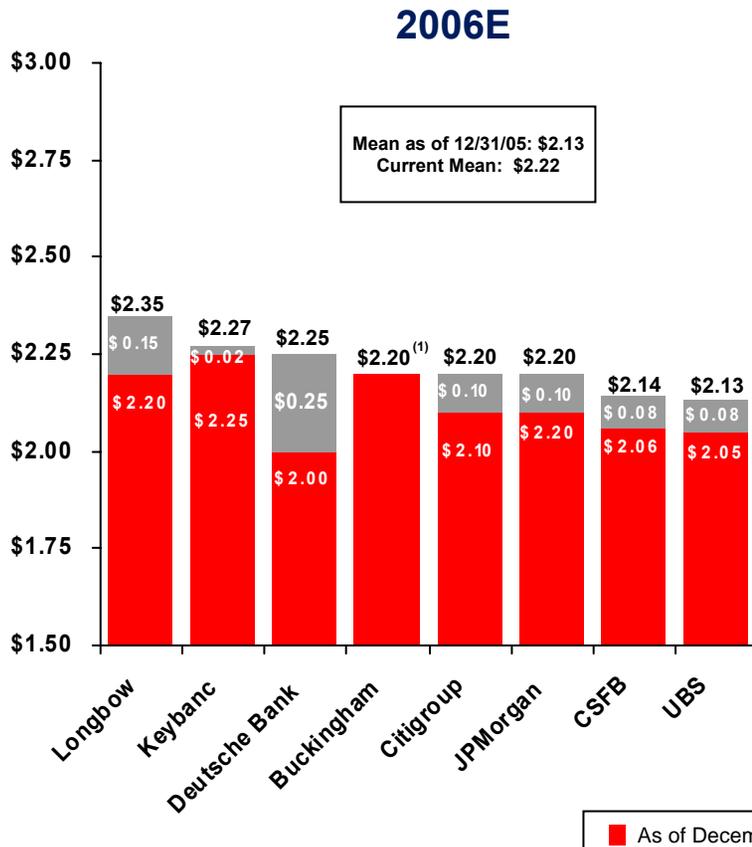
(2) Operating earnings do not include unallocated corporate expense (\$40 million in 2005 and \$46 million in 2010).

(3) Ventures sales in 2005 include \$3 million of Corporate.

Financial Overview – Before Recapitalization Plan

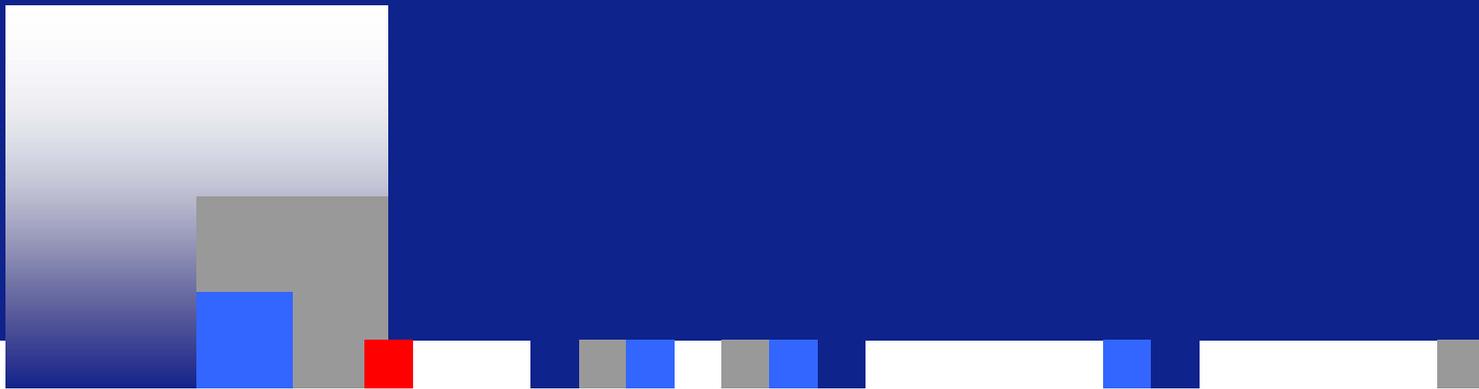
Recent Earnings Perspective

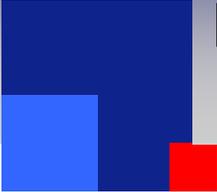
Wall Street Estimates Have Increased Versus Expectations Prior to BASF Offer



(1) Buckingham Research suspended coverage for Engelhard in January.
 (2) No change in estimates.

IV. Recapitalization Plan





Recapitalization Plan

Overview

- Self-tender offer at \$45.00 per share in cash
 - The purchase of up to 26 million shares or approximately 20% of the shares outstanding including exercisable options
 - Self-tender offer will be initially funded through a bridge facility which is to be refinanced with a mix of hybrid securities (ICONS) and fixed and floating rate debt after closing the self tender offer
 - Merrill Lynch and JPMorgan have committed, subject to customary conditions, to provide Engelhard with a \$1.5 billion 364-day bridge credit facility to be used for the self-tender offer
 - Targeted investment grade ratings outcome
- Recapitalization Plan cost savings initiative
 - Incremental \$15 million in annual pre-tax savings
 - To be implemented in 2006 and fully-reflected in 2007 results
 - Savings primarily in SG&A, including warehousing expenses
 - Cash costs expected to be approximately \$20 million during the second half of 2006

Recapitalization Plan

Financing Detail

Sources & Uses ⁽¹⁾

<u>Sources:</u>	<u>Amount</u>
Callable Floating Senior Notes @ LIBOR + 80bps (6.140%)	\$200.0
10 Year Senior Notes @ 6.405%	200.0
5 Year Call Basket C Security (ICON) @ 7.6125% - 60 Yr. Maturity	400.0
10 Year Call Basket C Security (ICON) @ 7.9675% - 60 Yr. Maturity	400.0
Total Sources	\$1,200.0

<u>Uses:</u>		<u>Amount</u>
Purchase of Equity ⁽⁴⁾	\$45.00 per share	\$1,149.3
Fees & Expenses		25.0
Restructuring Costs		20.0
Incremental Cash		5.7
Total Uses		\$1,200.0

Pro Forma Capitalization ⁽¹⁾

	Year Ended 12/31/2005 Pre-Recap	Adjustment	Year Ended 12/31/2005 Pro Forma
Cash	\$42	6	\$47
Non-Cash Current Assets	2,110	--	2,110
Other Assets	1,727	--	1,727
Total Assets	\$3,879		\$3,885
Non-Debt Current Liabilities	\$1,468		\$1,468
Existing Debt	600	--	600
Senior Notes	--	400	400
ICONS	--	800	800
Total Debt	600	1200	1,800
Other Liabilities	322		322
Equity	1,489	(1,194)	295
Total Liabilities & Equity	\$3,879		\$3,885
Operating Earnings	\$299		\$299
EBITDA ⁽³⁾	463		463
Total Interest	34	87	121
Total Debt/EBITDA ⁽³⁾	1.3x		3.0x ⁽²⁾
Total Debt to Capitalization	28.7%		66.8% ⁽²⁾
EBITDA/Interest ⁽³⁾	13.7x		3.8x
Corporate Credit Rating	A3/A-/A-		Investment Grade

Note: Dollars in Millions.

(1) Self-tender offer will initially be funded by a bridge facility.

(2) Assumes 50% equity credit from rating agencies for ICONs.

(3) EBITDA calculated as operating earnings of \$299mm plus equity in earnings of affiliates of \$33mm and depreciation and amortization of \$132mm. EBITDA is used by financial institutions to evaluate credit worthiness.

(4) Net of option proceeds of approximately \$24.3mm.

Recapitalization Plan

Pro Forma EPS

2007 – First Full Year

Assumptions

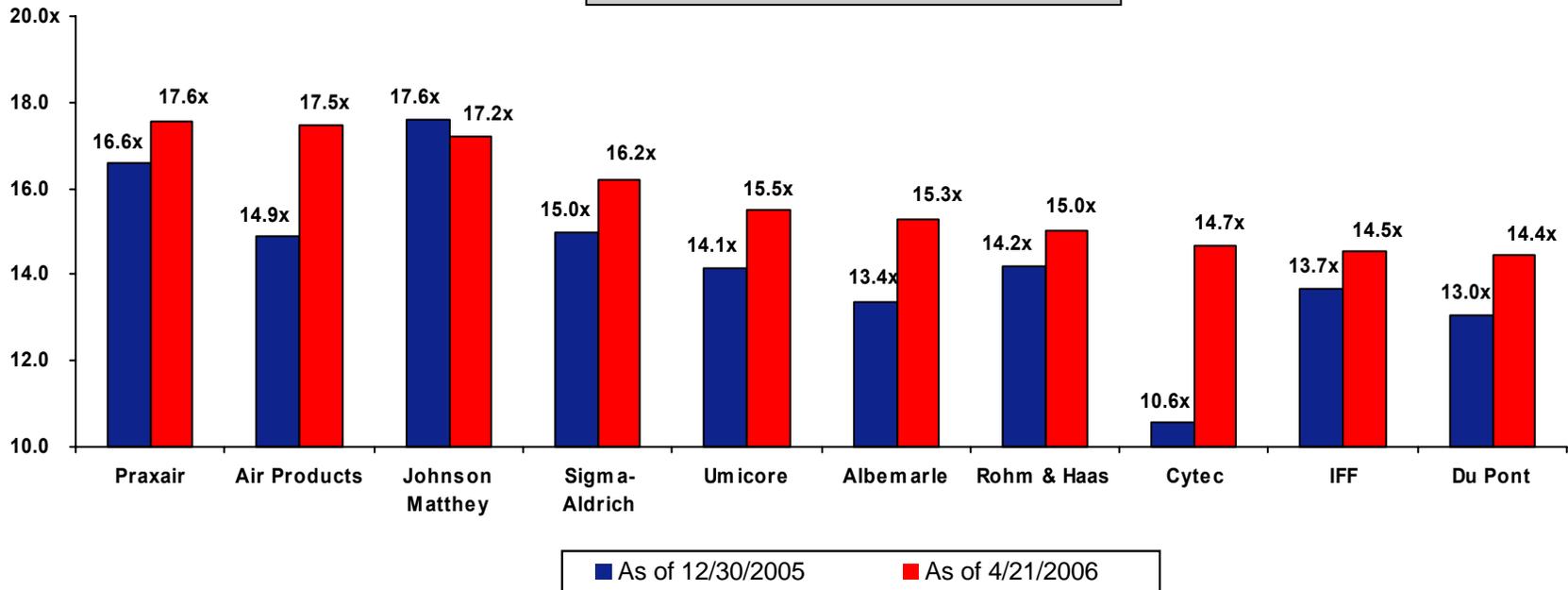
2007 Wall Street Average	\$2.49	■ Wall Street analyst range \$2.40 - \$2.75
Additional Interest Expense	(0.52)	<ul style="list-style-type: none"> ■ \$200mm of Callable Floating Senior Notes @ LIBOR + 80bps (6.140%) ■ \$200mm of 10 Year Senior Notes @ 6.405% ■ \$400mm of 5 Year Basket C Security (ICON) @ 7.6125% ■ \$400mm of 10 Year Basket C Security (ICON) @ 7.9675%
Cost-Savings Initiative	0.09	■ \$15 mm annual pretax savings fully reflected in 2007
Reduced Shares	0.49	■ Repurchase of 26mm shares (~20% shares outstanding and underlying vested options)
Pro Forma 2007 EPS <i>(Building from Wall Street Average)</i>	\$2.55	

Note: Interest rates based on current market conditions. Additional interest expense calculation assumes a fixed rate of 6.140% for the \$200mm Callable Senior Notes debt tranche. A one percentage point change in the LIBOR rate would have an approximate \$0.01 impact on EPS in 2007. Per share values rounded to two decimals.

Recapitalization Plan

Market Multiples Have Generally Increased Since BASF Offer Was Made

2007 P/E Multiple Analysis

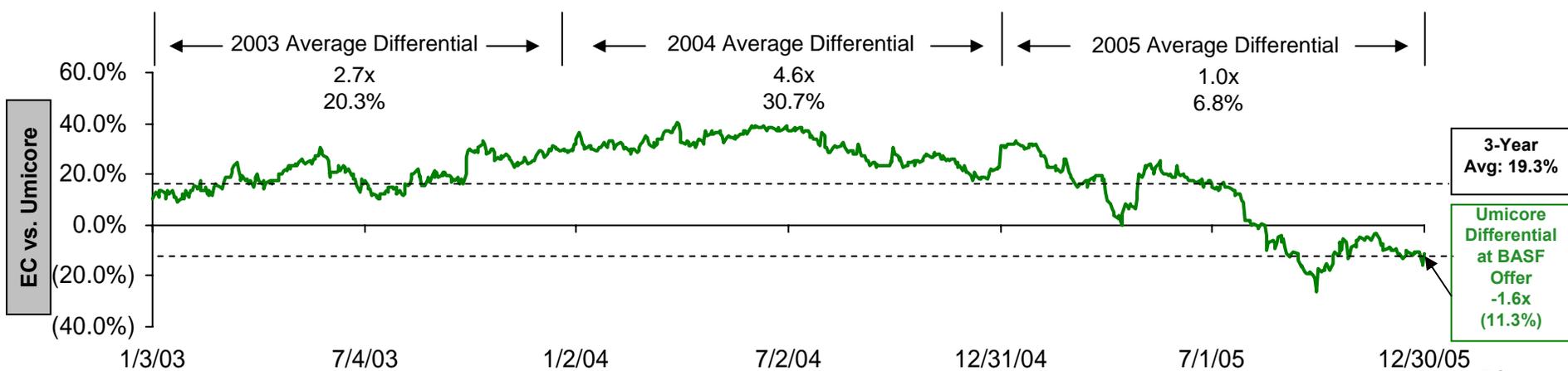
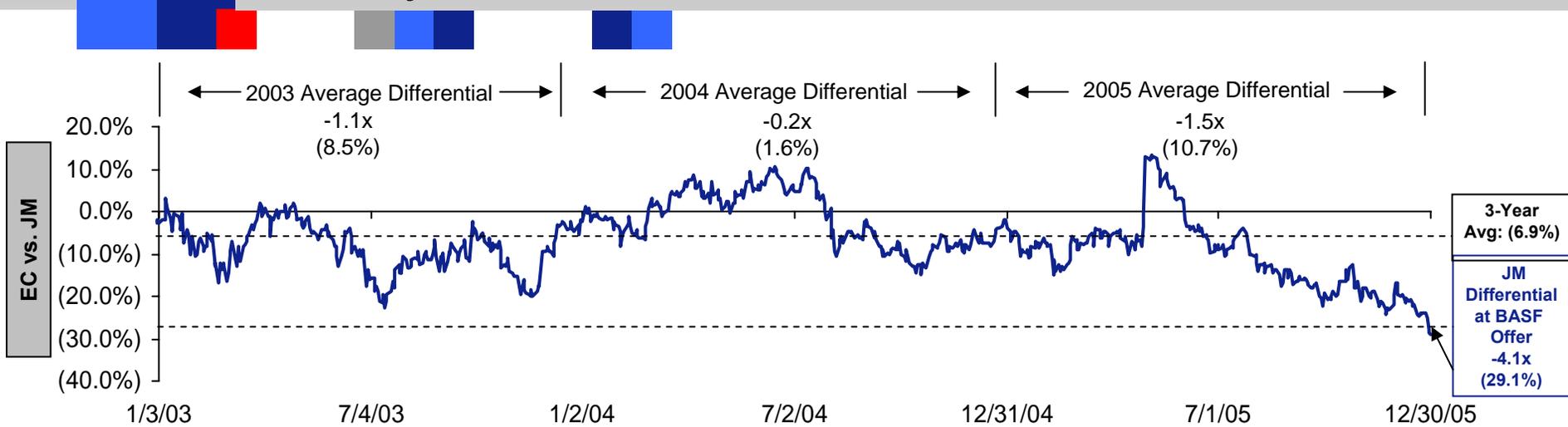


Increase:

Pts.	1.0x	2.6x	(0.4x)	1.2x	1.4x	1.9x	0.8x	4.1x	0.9x	1.4x	Average: 1.5x
%	5.8%	17.6%	(2.2%)	8.0%	9.6%	14.4%	5.7%	38.6%	6.3%	10.7%	11.5%

Recapitalization Plan

EC's "Unaffected" Forward P/E Multiple Relative to Key Industry Peers over Time



Source: Factset.

Note: Johson Matthey and Umicore are the key industry peers to Engelhard.

Recapitalization Plan

Illustrative Market Value Per Share – Based on 2007 and 2010 EPS

<u>Based on 2007P EPS</u>	<u>Hypothetical Engelhard Premium/(Discount)</u>	<u>Resultant 2007 P/E Multiple</u>	<u>Implied Price Per Share Based on \$2.55 Projected EPS</u>	<u>Blended Price Per Share Assuming Pro Rata Participation in Self Tender</u>
Engelhard Relative to Johnson Matthey (JM Currently at 17.2x)	(6.9%)	16.0	\$40.87	\$41.70
Engelhard Relative to Umicore (Umicore Currently at 15.5x)	6.8%	16.6	\$42.24	\$42.80
	3 Year Average Discount ⁽¹⁾			
		1 Year Average Premium ⁽¹⁾ (3 Year Average Premium: 19.3%)		
<u>Based on 2010P EPS</u>	<u>Hypothetical Engelhard Premium/(Discount)</u>	<u>Resultant 2010 Forward P/E Multiple ⁽²⁾</u>	<u>Implied Price Per Share Based on \$4.22 Projected EPS</u>	<u>Blended Price Per Share Assuming Pro Rata Participation in Self Tender</u>
Engelhard Relative to Johnson Matthey (JM Currently at 13.8x)	(6.9%)	12.8	\$54.13	\$52.29
Engelhard Relative to Umicore (Umicore Currently at 11.6x)	6.8%	12.4	\$52.33	\$50.85

Note: JM and Umicore are the key industry peers to Engelhard. Engelhard believes that its standalone forward P/E multiple should reflect a relationship to key industry peers more in line with historical levels.

(1) See page 50 for derivation.

(2) Applied Johnson Matthey's long-term projected annual EPS growth rate of 8.0% based on Wall Street research to 2007 EPS of Johnson Matthey to drive 2010 forward P/E multiple of 13.8x. Applied Umicore's long-term projected annual EPS growth rate of 10.1% based on Wall Street research to 2007 EPS of Umicore to drive 2010 forward P/E multiple of 11.6x. Price as of April 21, 2006.

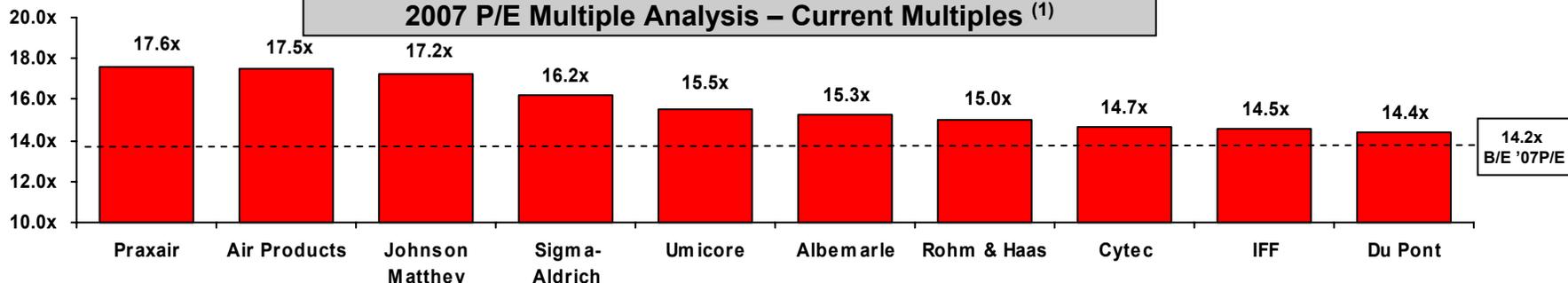
Recapitalization Plan

Required Stock Price and '07 P/E to Deliver Hypothetical Blended Values of \$38-\$45 Per Share

Based on 2007 EPS of \$2.55

Hypothetical Blended Value	Required Stock Price	Implied 2007 P/E
38.00	36.24	14.2x
39.00	37.49	14.7x
40.00	38.74	15.2x
41.00	39.99	15.7x
42.00	41.24	16.2x
43.00	42.50	16.7x
44.00	43.75	17.2x
45.00	45.00	17.6x

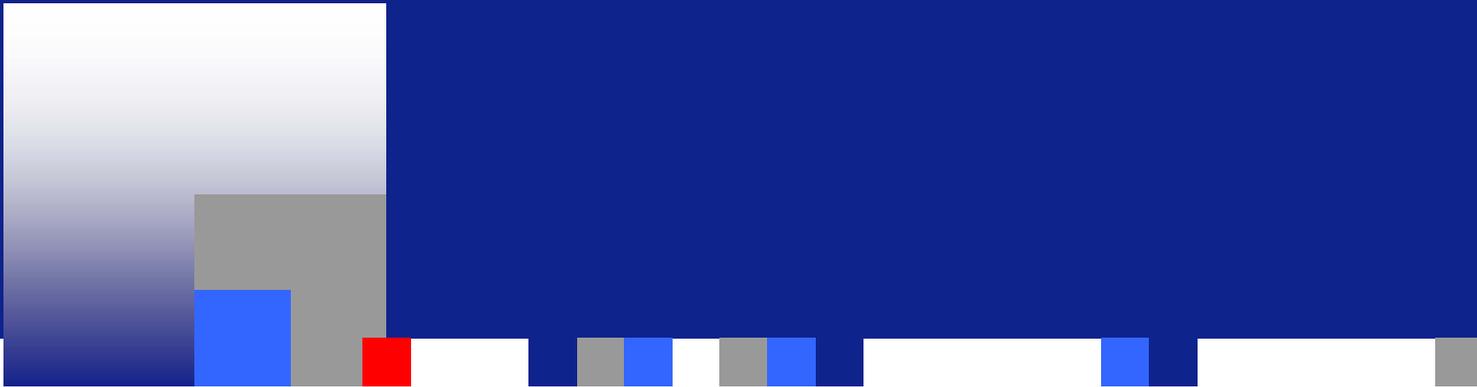
2007 P/E Multiple Analysis – Current Multiples ⁽¹⁾



LT Proj. EPS Growth Rate ⁽¹⁾	10.5%	10.0%	8.0%	10.0%	10.1%	10.0%	10.0%	7.7%	10.0%	9.5%
			Engelhard First Call LT Proj. EPS Growth:					10%		
			Engelhard Operating Plan LT Proj. EPS Growth ('05-'10):					14%		
			Pro Forma for Recap:					14%+		

(1) Based on Wall street research average 2007 EPS projections and stock price. Average long-term projected EPS growth rate per First Call as of April 21, 2006.

V. Concluding Remarks





Concluding Remarks

Proxy Process and Annual Meeting Highlights

Shareholder Choice: Recapitalization Plan or BASF Offer

Proxy Process:

- In Proxy Statement, among other things, Engelhard announces Board of Directors to expand Board by 3 seats at the Annual Meeting
- Engelhard names nominees for those intended seats
- BASF will also have opportunity (until close of business on May 8, 2006 to name 3 additional nominees; Engelhard willing to consider reasonable extension to the extent BASF determines it needs a longer period of time to name additional nominees

Engelhard Annual Meeting:

- Proxies tabulated – shareholders supporting Engelhard can submit proxies for Engelhard's 5 director nominees (two Class 1 directors whose terms expire plus Engelhard nominees to fill 3 vacancies to be created)
- Shareholders preferring BASF Offer can submit proxies in support of BASF's nominees

Self Tender Offer:

- Would close post-shareholder meeting unless:
 - BASF's nominees constitute a majority of the Board and a majority of the Board determines not to proceed with self tender offer
 - Engelhard recommends acceptance of an amended Tender Offer that BASF may choose to make
 - Engelhard approves a transaction that it determines is a superior alternative to the Recapitalization Plan
 - Other customary closing conditions (including financing) are not satisfied or waived

Concluding Remarks

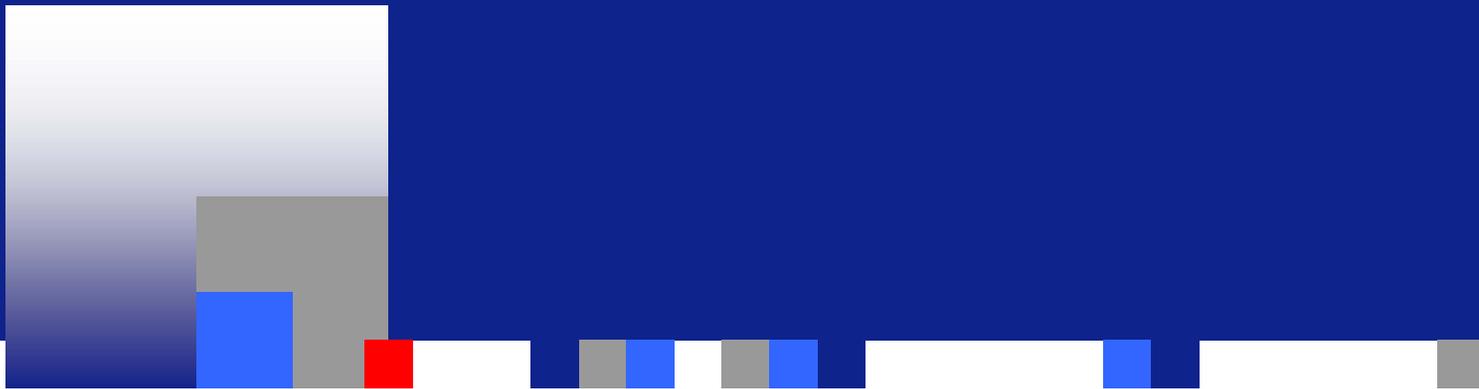
Recapitalization Plan Highlights and Board Recommendation

- The Recapitalization Plan should deliver value superior to BASF's \$38.00 per share proposal
- Accretion to EPS and EPS growth commencing in 2007
- Expected strong forward price to earnings (P/E) multiple
- Provides meaningful liquidity to Engelhard shareholders at an attractive price of \$45.00 per share
- Offers Engelhard shareholders the ability to participate in Engelhard's strengthening business prospects and realize the Company's future growth potential through appreciation of the market price of the stock or a future sale of the Company
- Maintains investment grade credit profile

The Board unanimously recommends that shareholders:

- **Vote for the five Engelhard director nominees**
- **Tender into the Company's \$45 per share tender offer**

Appendix



Appendix

Financial Assumptions

Key Assumptions

Environmental Technologies

Light Duty Vehicles

- Light duty vehicle builds will grow globally at 2% over the plan period, from 62 million vehicles in 2005 to 68 million by 2010, driven primarily by increasing living standards in emerging markets.
- N. America with strictest regulation and largest engines averages almost three catalysts per vehicle. Europe, with increasing penetration rates of catalyzed soot filters (CSF) will increase to slightly over two catalysts per vehicle. Tightening regulatory standards in developing countries will bring the average in these regions up to one catalyst per vehicle.
- Increasingly strict regulatory standards and fluctuating precious metal pricing will require more advanced technology with related value pricing.
- Net effect of the above is that the global market for light duty emission control catalysts will grow at a 5% CAGR, from \$1.5B in 2005 to \$1.9B by 2010. Of the \$1.9B in 2010, \$1.4B relates to gasoline with the remaining \$0.5B relating to light-duty diesel, primarily in Europe.
- Gasoline:
 1. Global segment will grow from 103M catalysts in 2005 to 115M by 2010, a 2.2% CAGR, with an average catalyst manufacturing charge of \$12/catalyst.
 2. N. America and Europe will show minimal growth with Japan and Korea flat. Most of the growth will come from emerging markets, led by China.
 3. Stricter regulations will be adopted in the emerging markets over the plan period. China and India will begin Euro 3 this year and Euro 4 by 2008-10. Brazil will adopt a US Tier 2 program in 2009. Russia will begin to implement Euro 2 this year and Euro 3 by 2008.
- Light-duty Diesel:
 1. Europe, which accounts for 75% of the market, will grow from 9.4M vehicles in 2005 to almost 12M by 2010, a 5% CAGR. A large percentage of the remaining 25% is produced in Japan and Korea for export into Europe.
 2. The biggest driver for this growth is the diesel penetration rate growing from 46% this year to 50% by 2010.
 3. The catalyst market for light-duty diesels in Europe is currently forecasted to be almost \$400M by the end of 2010. The largest growth opportunity is the accelerated adoption rate of CSF's.
 4. Euro 4, which began phasing in 2004 (2005 new platforms) has not been filter (CSF) forcing. However, several European countries became aware that ambient air quality standards were being exceeded in urban areas, primarily due to particulate matter. Driving restrictions on unfiltered vehicles were discussed as a possible solution which prompted OEM's to "voluntarily" install filters.
 5. Awareness of particulate matter has forced the EU to accelerate the adoption of Euro 5 for light-duty diesel (now projected for 2009). Euro 5 reduces particulate emissions by 80% vs. Euro 4 and will be filter forcing for a majority of diesel vehicles.
 6. Grow Engelhard's market share in Europe from 24% to 35% by 2008.

Appendix

Financial Assumptions

Key Assumptions

Environmental Technologies (Cont'd)

Heavy-Duty Diesel (HDD)

- HDD engine demand will increase only 1% per year, from 1.6M engines in 2005 to 1.7M engines in 2010 in the U.S., Europe and Japan.
- However, tightening regulations will increase the catalyst market from 1.4M units in 2005 to 5M units in 2010.
- Market Revenues (ex-PGM/ex-substrate) are projected to grow from \$100M in 2005 to \$330M-\$370M in 2010.
- For On-Road, US 2007 & 2010, Euro 4 & 5 and Japan 2005 & 2009 are "On Track" for implementation.
- Successful fleet testing of US07 emission systems in 2006.
- Non-vanadium SCR will be required in US, Europe and Japan.
- European tax incentive programs will drive early adoption of CSF's.
- New off-road regulations begin in 2008 and are not included in sales or earnings estimates.

Stationary Source

- The Food Service market will grow from \$3M in 2005 to \$10M in 2010 driven by pending charbroiler regulations (2007). Addresses fine particulate control and health and safety benefits for ventless ovens.
- Successful development of differentiated mercury sorbent technology for coal-fired power plants assumed for 2008-2010.

Temperature Sensing

- Market will grow from \$225M in 2005 to \$300M in 2010, a CAGR of 6%.
- Engelhard will improve on its 8% market share through three growth strategies:
 1. Accelerate optical thermometry commercialization by penetrating new markets.
 2. Continue Asia geographic expansion.
 3. Add wafer thermocouple technology to complete Engelhard temperature measurement portfolio.

Appendix

Financial Assumptions

Key Assumptions

Process Technologies

Chemicals

- Gas Economy catalyst market forecast to approximate \$350M in 2006 with a CAGR of 15%.
- Additional Gas Economy catalyst growth from:
 1. Planned expansion from current "gas-to-liquids" (GTL) customer.
 2. Leveraging Fischer-Tropsch catalyst technology to other major GTL players.
 3. Leverage our syngas position from Nanjing acquisition.
- Successful entry into unserved petrochemical markets, including ethane based styrene, ethane based acetic acid, propane based acrylic acid and propane based propylene oxide, based on current commercial agreements.
- Growth rates for catalyst markets for oleochemicals, petrochemicals and fine chemicals range from 2% to 10%.

Petroleum Refining

- FCC additives growth approximating 22%:
 1. Underlying market growth of 10%.
 2. Additional growth from the expansion into environmental and gasoline conversion additive technologies to meet increasing global demands of propylene and petrochemical feedstocks and regulatory compliance.
- Entry into new refining market areas by leveraging Engelhard technology through prospective licensing agreements, including hydrocracking, deep catalytic cracking and reforming.
- FCC market growth only projected at 2% with additional income from productivity gains.
- Natural gas price used was \$7.25 per MMBTU. Adverse variances are expected to be substantially covered by surcharges and other pricing actions.

Polyolefins

- Polypropylene growth approximating 26%:
 1. Assumed growth of 7% in proprietary catalyst representing underlying market growth of 5-6% and remaining growth through differentiation and acceleration of our technology development into the packaging and film markets.
 2. Growth in volume from new licenses.
- Continuation of entry into polyethylene market.

Appendix

Financial Assumptions

Key Assumptions

Appearance and Performance Technologies

Personal Care Materials

- 7% growth per year in delivery systems for personal care through 2009. In the case of commodity vitamins (30% of market) where Engelhard does not participate, the rate is 5%. For more specialized actives, such as unique extracts from plants, the growth rate is closer to 10%.
- Additional sales/earnings from expanding the product offerings globally from the acquisitions made in the U.S. and France in 2004 and 2005.
- Additional earnings from optimizing synergies in technology, manufacturing and sales as Engelhard continues to integrate the two acquisitions.

Effects

- Market for effect pigments in cosmetics and personal care will grow at 7% per year. The market growth rate for industrial applications will be 4-5%. Growth in the automotive market will be lower.
- Expanding Engelhard's innovation track into new programs beyond mica and borosilicate glass, bismuth and film by focusing R&D on technology platforms and away from line extensions will add \$15M to sales.
- Cost reductions will add \$10M to earnings by 2010.
- Faster innovation and an applications lab in China will work to counter Chinese competition, as well as pay attention to costs.

Kaolin

- Recover \$10M in sales and \$4M in earnings from strikes in Finland and Canada.
- \$20M in sales in 2010 from Décor Growth Program (decorative laminate paper market with substitution for TiO₂).
- Crop Protectants (Surround) will add \$32M of sales and \$10M of earnings by 2010.
- Cost reduction initiatives will add \$12M in earnings.
- Natural gas price used was \$7.25 per MMBTU. Adverse variances are expected to be substantially covered by surcharges and other pricing actions.

Appendix

Financial Assumptions

Key Assumptions

Ventures

- Alumina business acquired in 2005 accounts for \$12M of 2010 operating earnings with modest growth rates.
- Frac Sand accounts for \$9M of 2010 operating earnings and depends mostly on continued demand from the energy sector.
- Aseptrol/Water Treatment are slated to generate \$7M of operating earnings related to health requirements.
- Nothing included in sales and earnings for Ceramic Proppants and Battery Materials programs.

Corporate

- Share buy-back programs, enabled by operating cash flows, will offset the dilutive impact of equity-based awards under employee benefit plans. Diluted shares outstanding for Operating Plan period are 122 million.
- Share buy-back programs, enabled by operating cash flows, will offset the dilutive impact of equity-based awards under employee benefit plans. Diluted shares outstanding post-recapitalization plan are 101 million.
- The average effective tax rate for the Operating Plan period on a standalone basis is 24%, with the 2010 period at 25%.
- The average effective tax rate post-recapitalization is 25% with the 2010 period at 26%.
- Equity earnings from the Company's equity method joint ventures, which primarily serve the Japanese and Korean automotive catalyst markets, have conservatively been held constant throughout the plan period, despite a 25% CAGR over the past three years.