



First Quarter 2010 Earnings Review

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Dave Drillock – Vice President and CFO

April 23, 2010

During the course of this meeting we may make forward-looking statements. All statements that address expectations or projections about the future are forward-looking statements.

Some of these statements include words such as “expects”, “anticipates,” “plans,” “intends,” “projects,” and “outlook.” Although they reflect our current expectations, these statements are not guarantees of future performance because they involve a number of risks, uncertainties, and assumptions.

Included in this presentation are estimates for full year 2010 sales and earnings. These were included in our April 22, 2010 press release, which was also furnished as an exhibit to a current report on Form 8-K. These estimates set forth the Company’s assumptions and management’s best estimate of the full year 2010 sales and earnings at that time based on various assumptions set forth in the press release. There can be no assurance that sales or earnings will develop in the manner then projected or that the results for the year will be consistent with the results then projected. Actual results may differ materially.

We recommend that you review Cytec’s SEC filings for a discussion of some of the factors which could cause actual results to differ materially from its expectations and projections. This and other Cytec information may be accessed at www.cytec.com.

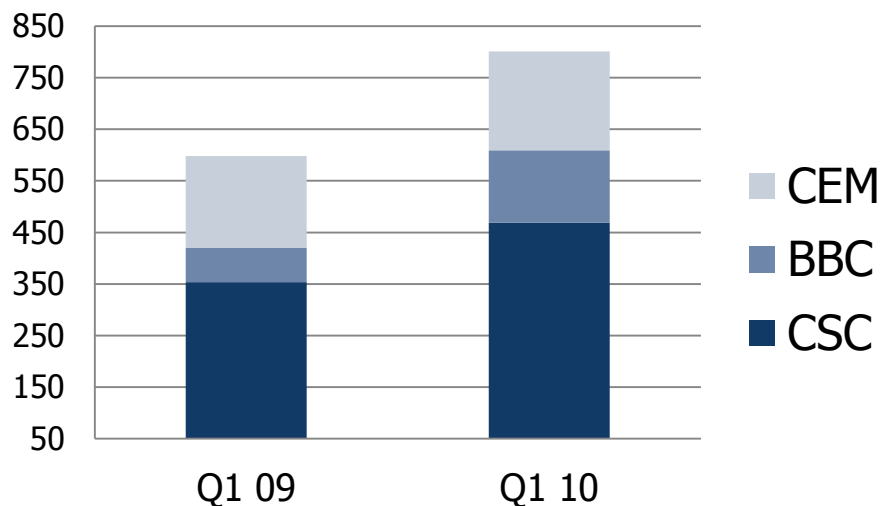
In sections of this presentation certain “non-GAAP” measures are provided and identified as such. We believe that the “non-GAAP” measures can more accurately reflect comparisons of year to year trends and is consistent with how we review the information. A reconciliation of “non-GAAP” measures to the applicable GAAP measure is provided in the appendix at the end of this presentation.

1st Quarter 2010:

Sales of \$787 million

Net Earnings of \$0.66
per diluted share
(excluding special items)

Cytec Sales by Quarter (\$M)



- Improved earnings in Coatings Resins, Additive Technologies, In Process Separation, and Building Block Chemicals segments
- Volume growth across Specialty Chemicals in all geographies indicating stronger demand from global economic improvement
- Lower build rates in business jet and military within Engineered Materials; continued focus on growth opportunities
- Realizing benefits from 2009 cost reduction actions

Coating Resins

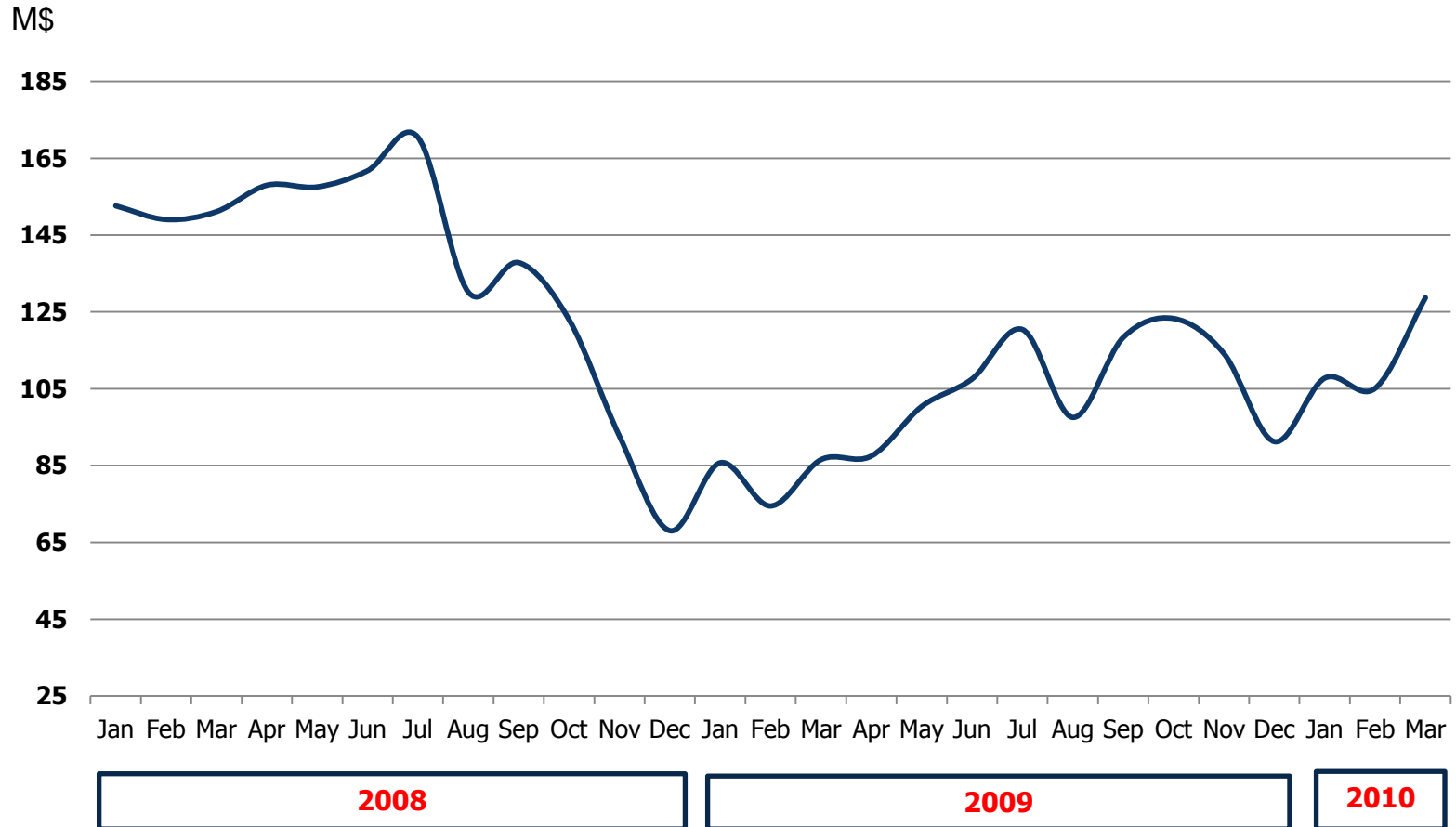
\$MM USD	Q1 10	Q1 09	% chg
Sales	341.4	246.7	38%
Operating Earnings	16.8	(20.3)	N/A
% Sales	5%	N/A	

- Demand improvement across all product lines and geographies, with strongest growth in Asia
- Strong sales in March; possibly some pre-buying prior to price increases
- Leveraging benefits from 2009 structural cost reduction actions

Sales Comparison Q1 YOY

Sales Growth	38%
Volume	42%
Price	-9%
Currency	5%

Monthly Sales Trend



*Positive demand trend continues into Q1;
significantly above prior year quarter*

Additive Technologies

\$MM USD	Q1 10	Q1 09	% chg
Sales	62.3	50.9	22%
Operating Earnings	8.4	0.6	
% Sales	13%	1%	

- Volume improvement across all product lines; excluding divested line, overall sales up 38%
- Asia Pacific sales strong due mainly to automotive market

Sales Comparison Q1 YOY

Sales Growth	22%
Volume	18%
Price	1%
Currency	3%

In Process Separation

\$MM USD	Q1 10	Q1 09	% chg
Sales	65.1	55.9	16%
Operating Earnings	14.9	4.8	210%
% Sales	23%	9%	

- Overall demand improvement in both Mining and Phosphines
- Higher production rates from base metal customers due to improved economy and China infrastructure investment

Sales Comparison Q1 YOY

Sales Growth	16%
Volume	17%
Price	-4%
Currency	3%

Engineered Materials

\$MM USD	Q1 10	Q1 09	% chg
Sales	177.7	191.6	-7%
Operating Earnings	21.0	33.1	-36%
% Sales	12%	17%	

- Significant decline in business jets vs. prior year due to reduced build rates
- Slightly higher volumes in large commercial transport likely due to re-stocking, but build rates stable
- Decline in military until ramp up of JSF offsets F22 reductions

Sales Comparison Q1 YOY

Sales Growth	-7%
Volume	-9%
Price	1%
Currency	1%

Building Block Chemicals

\$MM USD	Q1 10	Q1 09	% chg
Sales	140.3	66.9	110%
Operating Earnings	4.1	3.2	28%
% Sales	3%	4%	

- Demand improvement in both melamine and acrylonitrile
- Significant selling price increases due to high cost of propylene

Sales Comparison Q1 YOY

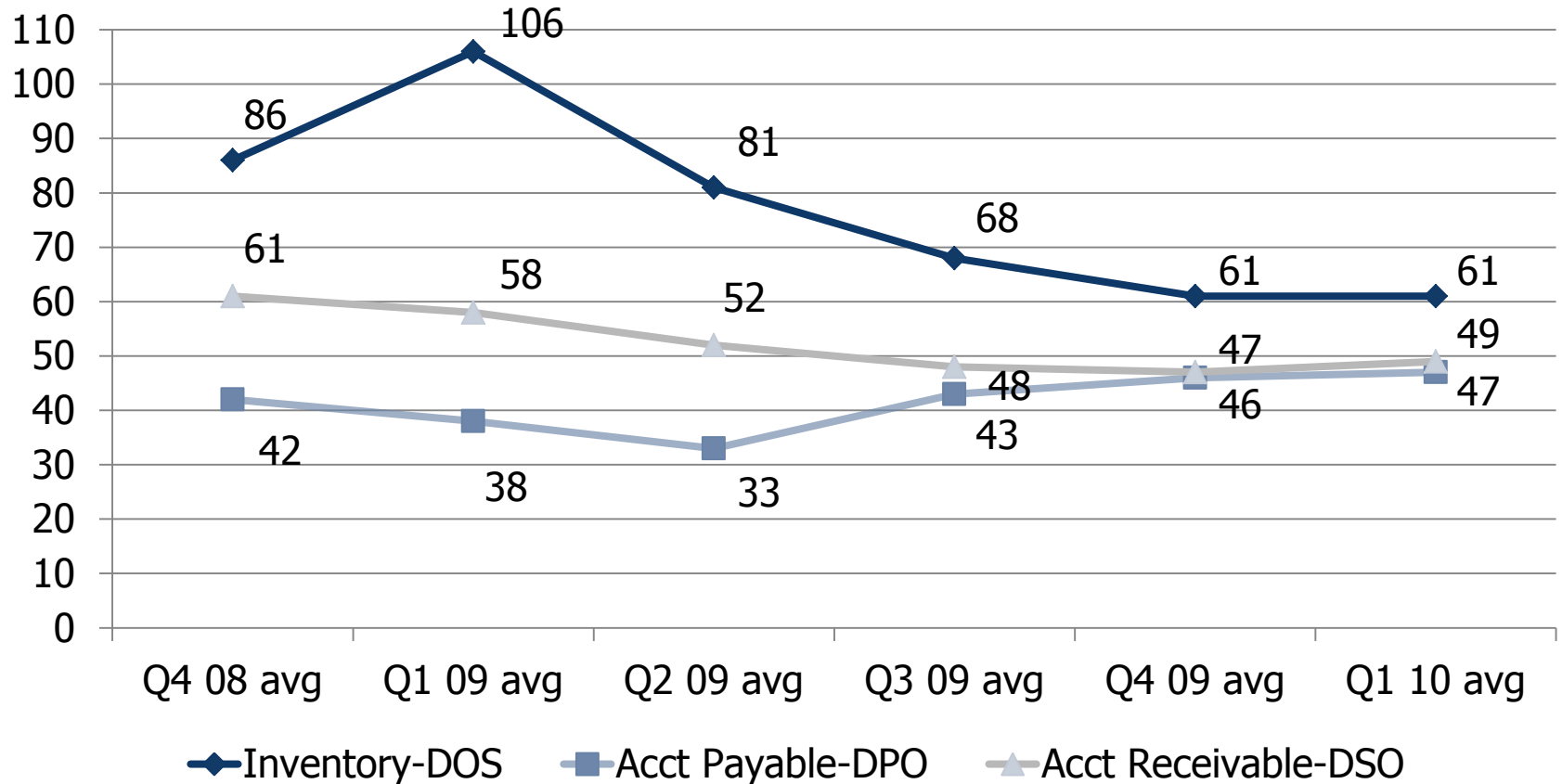
Sales Growth	110%
Volume	35%
Price	75%
Currency	0%

First Quarter 2010

- Health Care Reform legislation
 - Non-cash charge of \$8.3 million or \$0.17 per diluted share
- Gross Margin (adjusted for special items) up 1.6% vs. prior year period
 - Overall higher selling volumes and resulting leverage
- Operating Expenses (adjusted for special items) are flat year on year
 - Improved leverage 12% vs. 16% prior year as percent of sales
 - Lower costs partially offset by \$4M due to unfavorable exchange rate changes
- Estimated annual underlying income tax rate was 32.5% down 1.5% vs. Q109

Cash flow from operations was \$38M in Q1'10 vs. \$63M in Q1'09

Working Capital Days



Sustainable Working Capital

Capital Expenditures

- Q1'10 capital expenditures of \$29M vs. Q1'09 of \$64M
- Outlook for Full Year 2010 is estimated to be \$140 to \$160M

Maintaining Liquidity

- Cash balance is \$262M, flat with year-end 2009
- Overall debt decreased by \$14 million in the quarter; total gross debt now \$672M

Outlook for 2010 full year adjusted EPS is \$1.90 to \$2.40 with possibility of modestly exceeding the high end of the guidance.

Factors include:

- Sustainability of economic recovery
- Raw material price increases
- Raw material supply shortages

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Reconciliation of “Non-GAAP” Measures to GAAP Measures

Management believes that net after-tax earnings and diluted earnings per share before special items, and gross margins adjusted for special items, which are non-GAAP measures, are meaningful to investors because they provide a view of the Company with respect to ongoing operations. Special items represent significant charges or credits that are important to an understanding of the Company’s overall operating results in the periods presented. Such measurements are not recognized in accordance with generally accepted accounting principles (GAAP) and should not be viewed as an alternative to GAAP measures of performance. The following table summarizes the net special items used to adjust reported net earnings and diluted earnings per share and gross margins for the quarters ended December 31, 2009 and 2008.

Period	Reported Net Earnings/(Loss)	Net Special Items	Non-GAAP Net Earnings	Reported Diluted Earnings/(Loss) Per Share	Net Special Items	Non-GAAP Diluted Earnings per Share
Q1'10	\$ 24.8	\$ 7.9	\$ 32.7	\$ 0.50	\$ 0.16	\$ 0.66
Q1'09	\$ (0.1)	\$ 2.8	\$ 2.7	\$ 0.00	\$ 0.06	\$ 0.06

Period	Reported Cost of Sales	Net Special Items	Adjusted Cost of Sales	Reported Gross Margin	Net Special Items	Adjusted Gross Margin
Q1'10	\$ 623.2	\$ 0.3	\$ 623.5	\$ 163.6	\$ (0.3)	\$ 163.3
Q1'09	\$ 497.8	\$ (3.3)	\$ 494.5	\$ 114.2	\$ 3.3	\$ 117.5