

Earnings Disclosure

Cytec Announces First Quarter Results; First Quarter As-Adjusted EPS of \$0.82, Up 15% vs. First Quarter 2014; Increases Full Year 2015 Outlook

April 16, 2015 - Woodland Park, NJ - Cytec Industries Inc. (CYT) announced today net earnings for the first quarter of 2015 of \$42.5 million or \$0.58 per diluted share on net sales of \$515 million. Included in the quarter for continuing operations are several special items that total \$17.1 million of net expense after-tax, or \$0.24 per diluted share, which are outlined further in this release. Excluding these special items, earnings from continuing operations were \$59.6 million or \$0.82 per diluted share.

Net earnings for the first quarter of 2014 were \$55.9 million or \$0.76 per diluted share on net sales of \$489 million. Included in the quarter for continuing operations is a special item in the amount of \$3.8 million of net income after-tax, or \$0.05 per diluted share. Excluding this special item, earnings from continuing operations were \$52.0 million or \$0.71 per diluted share.

Shane Fleming, Chairman, President and Chief Executive Officer commented, "Our first quarter results reflect a solid start to the year, with adjusted EPS up 15% versus the prior year quarter. Aerospace Materials delivered excellent results due to volume growth in both commercial transport and military sectors, and the In Process Separation segment also performed very well driven by strong demand for our specialty mining products. Both businesses translated the higher volumes into increased operating margins for the quarter. Overall, I am pleased with our results as we continue to execute our growth strategy."

First Quarter Results

Cytec Aerospace Materials sales increased 7% to \$259 million; Operating Earnings increased to \$49.7 million.

In Aerospace Materials, selling volumes increased 6% versus the prior year period driven by increases across the entire segment, including rotorcraft, business and regional jets, large commercial transport, and military programs. Selling prices increased by 1% in the quarter.

Operating earnings of \$49.7 million were up 31% versus the prior year period, primarily as a result of the increased volumes with added benefits from foreign exchange and selling price. Earnings improvement from the higher selling volumes was partially offset by higher manufacturing costs mostly associated with ongoing capital projects.

Cytec Industrial Materials sales were down 5% to \$79 million; Operating Earnings decreased to \$6.9 million.

Industrial Materials sales in the first quarter were down by 7% as a result of foreign exchange, offset partially by higher selling volumes and selling price which were each up by 1% in the quarter.

Operating earnings of \$6.9 million were down 16% from the prior year quarter mainly as a result of strong demand from the tooling market in the first quarter 2014 and higher operating costs.

Cytec In Process Separation sales were up 12% to \$107 million; Operating Earnings increased to \$28.8 million.

In Process Separation selling volumes increased by 13% versus the first quarter 2014 primarily due to higher sales of mining products related to base metals including copper and alumina. Exchange rates were unfavorable by 1% in the quarter and selling prices were essentially flat.

Operating earnings of \$28.8 million were up 50% versus the prior year period driven by the higher selling volumes, favorable exchange rates and decreases in raw material prices. In addition, the significant earnings increase versus the prior year quarter was helped by weaker earnings in the first quarter of last year due to reduced production rates

in that period.

Cytec Additive Technologies sales increased 5% to \$70 million; Operating Earnings increased to \$9.1 million.

In Additive Technologies, overall selling volumes increased by 10% in the quarter driven by higher demand for Polymer Additive products across all regions as well as solid demand in Specialty Additives for industrial surfactants. The sales growth was partially offset by 4% unfavorable exchange rates in the quarter and 1% selling price declines.

Operating earnings of \$9.1 million were up 15% versus the first quarter 2014 driven by higher volumes across the segment, favorable product mix from selling more value-added technologies, and reduced operating expenses.

Special Items

In the first quarter of 2015 a few special items were recorded in corporate and unallocated that resulted in a net pre-tax charge of \$26.9 million (\$17.1 million after-tax or \$0.24 per diluted share) mainly attributable to the following:

A net pre-tax charge of \$15.8 million (\$9.9 million after-tax or \$0.14 per diluted share) attributable to mark to market adjustments for pension and other postemployment benefits which was deferred from 2014.

A net pre-tax charge \$7.5 million (\$4.8 million after-tax or \$0.07 per diluted share) related to the lockout of employees represented by Teamsters Local Union 745 at our Greenville, TX Aerospace manufacturing site for costs incurred, including those deferred at year end. The agreement was ratified in late January 2015.

A net pre-tax charge of \$3.6 million (\$2.4 million after-tax or \$0.03 per diluted share) related to restructuring and alignment of support functions associated with the ongoing implementation of our single global ERP platform.

In the first quarter of 2014, a special item was recorded in continuing operations that resulted in a net pre-tax benefit of \$6.2 million (\$3.8 million after-tax or \$0.05 per diluted share).

Income Tax Expense

Income tax expense related to continuing operations for the first quarter of 2015 was \$14.8 million, compared with a tax expense of \$17.7 million in the first quarter of 2014. Included in the income tax expense for the first quarter of 2015 is a tax benefit of \$1.7 million primarily relating to tax reserve adjustments and changes in tax rates for US and certain international operations, both of which were partially offset by valuation allowance charges. Excluding these items and the impact from the special items previously noted, the overall underlying annual tax rate for the first quarter of 2015 was 31.2% versus the underlying annual tax rate in the first quarter of 2014 of 31.0%.

Cash Flow

Dan Darazsdi, Vice President and Chief Financial Officer commented, "Cash Flows provided by operating activities were \$14 million in the first quarter 2015. Our net working capital days at the end of the first quarter were down 6 days to 83 versus the end of the fourth quarter 2014. At quarter end, inventory days of 79 were down 7 days versus the end of the fourth quarter 2014, due in large part to the reduction in sales backlog related to the Texas settlement. Accounts payable days of 45 were down 1 day and accounts receivable days of 49 were flat versus the end of the prior quarter."

"Capital spending in the first quarter was \$34 million. Our expectation for capital spending for the full year 2015 is estimated to be in a range of \$170 to \$190 million, related primarily to Aerospace Materials growth projects."

2015 Outlook

Mr. Fleming continued, "The demand trends to start the year are in line with our expectations and I am very pleased with our performance in the first quarter. We remain confident in our ability to deliver the projected growth in each business for 2015. We have some positive macro drivers that should continue to offer additional support this year, including cost benefits related to lower raw material pricing and favorable foreign exchange. Based on our assumptions that demand will remain robust across our businesses and the cost benefits we saw in the first quarter

will continue through year end, we are increasing the company's full year guidance for 2015 adjusted diluted earnings per share to a range between \$3.15 and \$3.35. We have provided our current view by business segment below."

"In Aerospace Materials, we are seeing solid demand trends across the segment and expect growth to continue to be driven by commercial transport as well as military sectors. We are also starting to realize the benefits from our productivity improvements which are supporting the higher earnings growth and operating margins this year. Given the good demand trends, our solid operating performance, and our visibility for the rest of the year, we are increasing our guidance in this segment. Annual sales are now estimated in a range between \$1,040 and \$1,080 million, up from \$1,025 and \$1,085 million and representing about 6% top line growth, and our forecast for annual operating earnings is now estimated in a range between \$200 and \$210 million, up from \$195 and \$205 million, which is about 15% growth versus the prior year."

"Demand within the Industrial Materials business is expected to be similar to our original projections, with a tough comparable against excellent 2014 results where we had strong demand in tooling and high performance automotive. This business, however, is faced with foreign exchange headwinds since a large part of the business is European based. We expect these trends to continue through the year and therefore we remain cautious with our forecast. Sales are estimated in a range between \$320 and \$330 million and operating earnings in a range between \$30 and \$34 million."

"In Process Separation is off to a great start this year, and on plan with our forecast. Growth is being driven by demand for our mining chemical products across copper and other base metals and minerals. We are confident in our ability to continue to drive growth in the segment through multiple drivers, including geographic expansion, innovation, new mine wins, and growth in existing and adjacent markets. Our guidance remains unchanged with annual sales forecasted in a range between \$445 and \$465 million, and operating earnings in a range between \$102 and \$108 million, representing about 10% growth in both the top and bottom line versus 2014. In addition, we should benefit from improved raw material costs in this segment which could drive earnings toward the top end of our guidance."

"Additive Technologies is making good progress this year penetrating their key markets with differentiated technologies and we expect similar trends in the balance of the year. Our guidance remains unchanged with sales forecasted in a range between \$270 and \$290 million and operating earnings in a range between \$35 and \$39 million, representing about 3% top line growth and almost 9% earnings growth from the improved product mix over 2014."

The guidance for Corporate and Unallocated Expense remains between \$26 to \$28 million for the full year, and Interest Expense, net is estimated to be \$16 million. The forecasted effective tax rate reflected in our 2015 guidance is in a range between 30% and 31%.

Mr. Fleming concluded, "We remain focused on executing our strategic initiatives and are well-positioned to continue to deliver consistent sales and earnings growth and create additional value for our shareholders."

Investor Conference Call to be Held on Friday, April 17, 2015 at 11:00am ET

Cytec will host their first quarter earnings release conference call on Friday, April 17, 2015 at 11:00am ET. The conference call will also be simultaneously webcast for all investors from Cytec's website. Select the Investor Relations page to access the live webcast.

Use of Non-GAAP Measures

Management believes that earnings per share before special items, which is a non-GAAP measurement, is meaningful to investors because it provides a view of the Company with respect to ongoing operating results. Special items represent significant charges or credits that are important to an understanding of the Company's overall operating results in the period presented. Such non-GAAP 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.

Forward-Looking and Cautionary Statements

Except for the historical information and discussions contained herein, statements contained in this release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Achieving the results described in these statements involves a number of risks, uncertainties and other factors that could cause actual results to differ materially, as discussed in Cytec's filings with the Securities and Exchange Commission.

Corporate Profile

Cytec's vision is to deliver specialty material and chemical technologies beyond our customers' imagination. Our focus on innovation, advanced technology and application expertise enables us to develop, manufacture and sell products that change the way our customers do business. Our pioneering products perform specific and important functions for our customers, enabling them to offer innovative solutions to the industries that they serve. Our products serve a diverse range of end markets including aerospace and industrial materials, mining and plastics.

For more information about Cytec please visit www.cytec.com.

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Q1 2015 Financial Tables

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