



Delivering Technology Beyond
Our Customers' Imagination®

CYTEC.COM

First Quarter 2015 Earnings Review

Shane Fleming – Chairman, President and CEO

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Forward Looking Statement

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 2015 sales and earnings. These were included in our April 16, 2015 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 2015 sales and as-adjusted earnings per share 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.

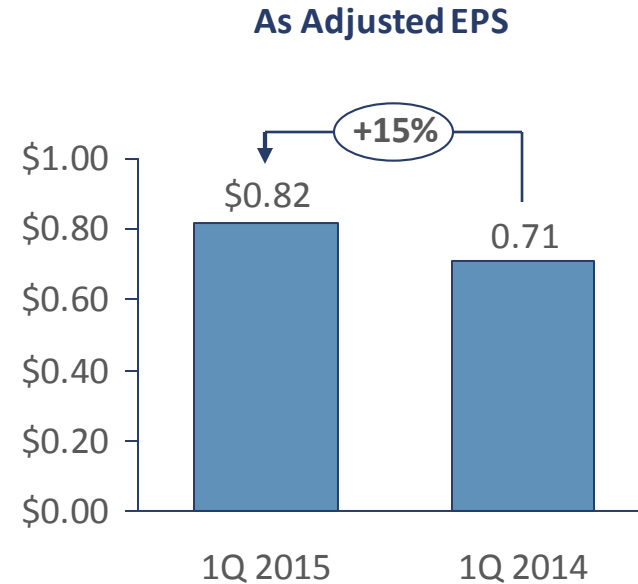
In sections of this presentation certain “non-GAAP”, or as adjusted, measures are provided and identified as such. We believe that the “non-GAAP” measures can more accurately reflect comparisons of year to year trends and is consistent with how we review the information.

Results Overview

1st Quarter 2015

Sales of \$515 Million

Net Earnings of \$59.6M or
\$0.82 per diluted share



- Sales growth driven by In Process Separation and Aerospace Materials
- Operating earnings up 23% versus prior year period
- First quarter as adjusted EPS up 15% versus prior year period

All earnings data on this slide is based on as adjusted operations

Business Segment Results – Aerospace Materials

\$M USD	Q1'15	Q1'14	% Δ
Sales	259	243	7%
Operating Earnings	49.7	37.9	31%

- Sales volume driven by increases in all sectors including rotorcraft, commercial transport and military
- Operating earnings 31% higher than Q1 2014 mainly due to volume increase, partially offset by higher manufacturing costs mostly associated with capital projects

Q1 Sales Comparison YoY

Sales Growth	7%
Volume	6%
Price	1%
Currency	0%

Business Segment Results – Industrial Materials

\$M USD	Q1'15	Q1'14	% Δ
Sales	79	83	(5)%
Operating Earnings	6.9	8.2	(16)%

- Sales decreased 5% as a result of foreign exchange, offset partially by volume and price increases
- Operating earnings were down 16% mainly as a result of strong tooling market demand in Q1 2014 and higher operating costs

Q1 Sales Comparison YoY

Sales Growth	(5)%
Volume	1%
Price	1%
Currency	(7)%

Business Segment Results – In Process Separation

\$M USD	Q1'15	Q1'14	% Δ
Sales	107	96	12%
Operating Earnings	28.8	19.2	50%

- Solid demand in base metals including copper and alumina increased volumes by 13%, partially offset by exchange rates
- Operating earnings 50% higher due to higher selling volumes, raw material decreases, favorable exchange rates and weaker earnings in Q1 2014

Q1 Sales Comparison YoY

Sales Growth	12%
Volume	13%
Price	0%
Currency	(1)%

Business Segment Results – Additive Technologies

\$M USD	Q1'15	Q1'14	% Δ
Sales	69.7	66.2	5%
Operating Earnings	9.1	7.9	15%

- Sales volumes up 10% due to solid demand for Polymer Additives and Specialty Additives products, partially offset by exchange rates and price
- Earnings up 15% due to higher volumes, favorable product mix and reduced operating expenses

Q1 Sales Comparison YoY

Sales Growth	5%
Volume	10%
Price	(1)%
Currency	(4)%

Financial Results: Q1 2015

Special Items

Recorded in Continuing Operations are the following special items resulting in a net pre-tax charge of \$26.9M (\$17.1M after-tax or \$0.24 per diluted share). All are included in Corporate and Unallocated:

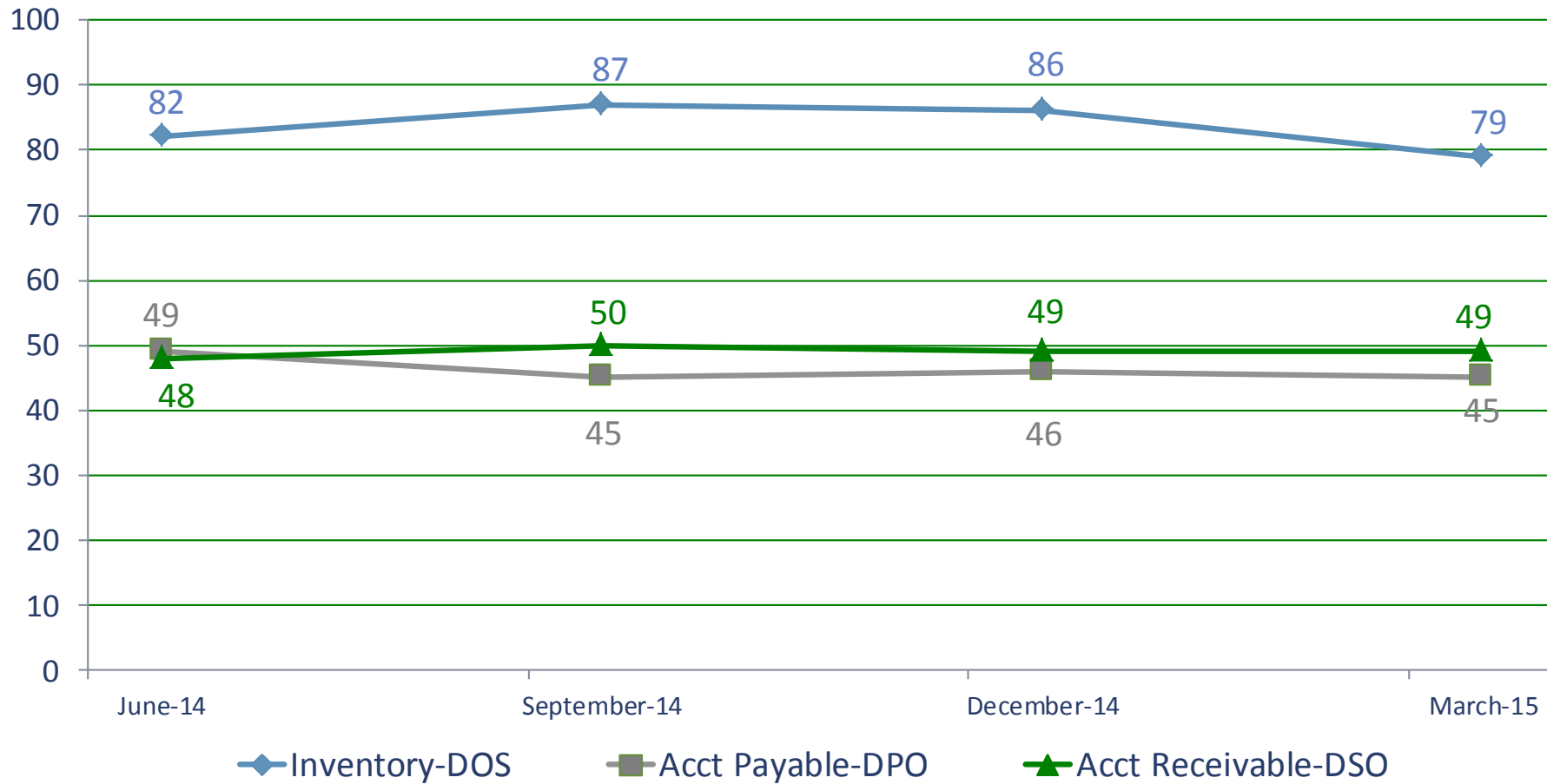
- A net pre-tax charge of \$15.8M (\$9.9M after-tax or \$0.14 per diluted share) attributable to mark to market adjustments for pension and other postemployment benefits which was deferred from 2014
- A net pre-tax charge of \$7.5M (\$4.8M after-tax or \$0.07 per diluted share) related to the lockout 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 \$3.6M (\$2.4M 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

Other financials as adjusted

- Gross margin: \$168.4M
- Corporate and Unallocated: \$6.9M
- Interest expense, net: \$3.7M
- Underlying annual tax rate: 31.2%

Cash Flow Metric

Working Capital Days*



*Quarter end data

Balance Sheet

Cash

- Cash flow from operations \$14 million in Q1
- Cash balance end of Q1 \$107 million
- No share repurchase during Q1

Capital Spending

- \$34M in Q1
- Outlook for 2015 between \$170 and \$190 million

2015 Outlook

Business Segment	Net Sales	Operating Earnings
Aerospace Materials	\$1,040M – \$1,080M	\$200M – \$210M
Industrial Materials	\$320M – \$330M	\$30M – \$34M
In Process Separation	\$445M – \$465M	\$102M – \$108M
Additive Technologies	\$270M – \$290M	\$35M – \$39M
Corporate & Unallocated		<u>(\$26M – \$28M)</u>
Total	\$2,075M – \$2,165M	\$341M – \$363M
Interest Expense, net		\$16M
Income Tax Expense		30% – 31%
Adjusted Full Year Continuing EPS		\$3.15 – \$3.35

in millions (except per share amount)

April 16, 2015

NYSE: CYT

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