



Second Quarter 2011 Earnings Review

Shane Fleming – Chairman, President and CEO

Dave Drillock – Vice President and CFO

July 22, 2011

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 2011 sales and earnings. These were included in our July 21, 2011 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 2011 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.

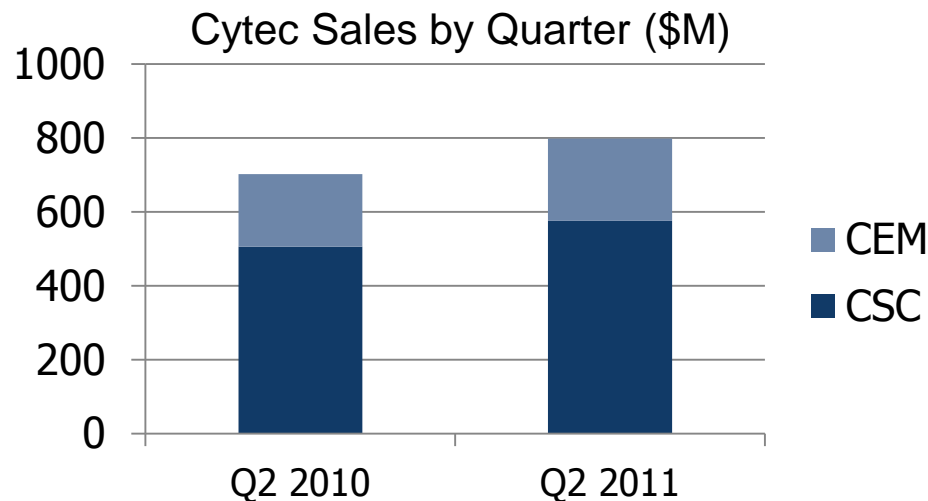
We recommend that you review Cytec’s SEC filings for a discussion of some of the factors which could cause actual results to differ materially from its expectations and projections. This and other Cytec information may be accessed at www.cytec.com.

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.

2nd Quarter 2011:

Sales of \$798 million

Earnings of \$45.9M or
\$0.92 per diluted share
*(Continuing operations excluding
special items)*



- Overall sales up 14% year on year
- 10% price increases across business segments, more than offsetting raw mat'l
- Slightly lower overall selling volumes of 1% year on year
 - Continued growth in Engineered Materials and In Process Separation
 - Soft demand in industrial markets impacting Coating Resins and Additives
- Sequential 18% earnings improvement versus first quarter 2011

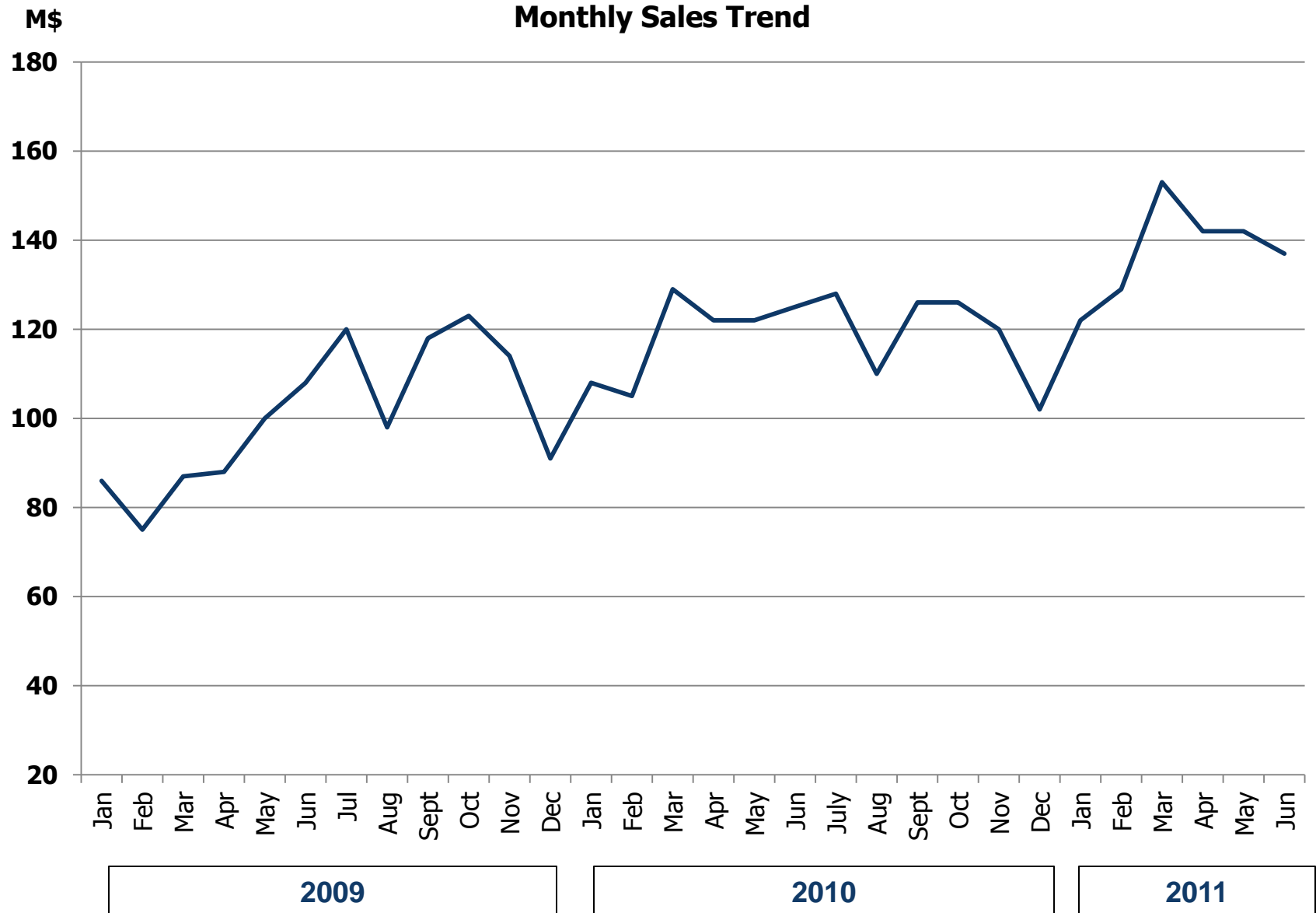
Coating Resins

\$MM USD	Q211	Q210	% chg	ytd11	ytd10	% chg
Sales	421	369	14%	825	710	16%
Earnings	28.2	28.0	1%	47.0	44.7	5%

- Selling volumes down in all regions due to weak demand in industrial markets beginning late in Q2
- Pricing more than offset raw material cost inflation of about \$47 million
- European auto market remains strong driven by German exports but noticeable weakness in Asia Pacific region

2Q Sales Comparison YOY

Sales Growth	14%
Volume	-9%
Price	15%
Currency	8%



Additive Technologies

\$MM USD	Q211	Q210	% chg	ytd11	ytd10	% chg
Sales	73	66	10%	140	128	9%
Earnings	10.1	10.7	-6%	18.2	19.0	-4%

- Slightly lower selling volumes due mainly to capacity constrained products
- Higher raw material costs of about \$6M essentially offset by higher selling prices
- Lower earnings mostly attributable to lower volumes and higher operating expenses

2Q Sales Comparison YOY

Sales Growth	10%
Volume	-3%
Price	8%
Currency	5%

In Process Separation

\$MM USD	Q211	Q210	% chg	ytd11	ytd10	% chg
Sales	82	71	16%	160	136	18%
Earnings	15.6	14.3	9%	32.0	29.2	10%

- Higher demand in key alumina and phosphine markets led to continued selling volume growth
- Pricing offset majority of raw material cost inflation of about \$3M
- Continue to commercialize new mining technologies

2Q Sales Comparison YOY

Sales Growth	16%
Volume	10%
Price	4%
Currency	2%

Engineered Materials

\$MM USD	Q211	Q210	% chg	ytd11	Ytd10	% chg
Sales	222	196	13%	438	374	17%
Earnings	30.4	38.6	-21%	57.0	59.6	-4%

- Selling volume increases due to increased demand driven by higher build rates for large aircraft programs and civil rotorcraft
- Lower earnings attributable to:
 - Higher period and operating expenses to meet much higher current and future demand
 - Delays in qualifications for production at new/expanded facilities
 - Investments made to meet future growth opportunities

2Q Sales Comparison YOY

Sales Growth	13%
Volume	9%
Price	3%
Currency	1%

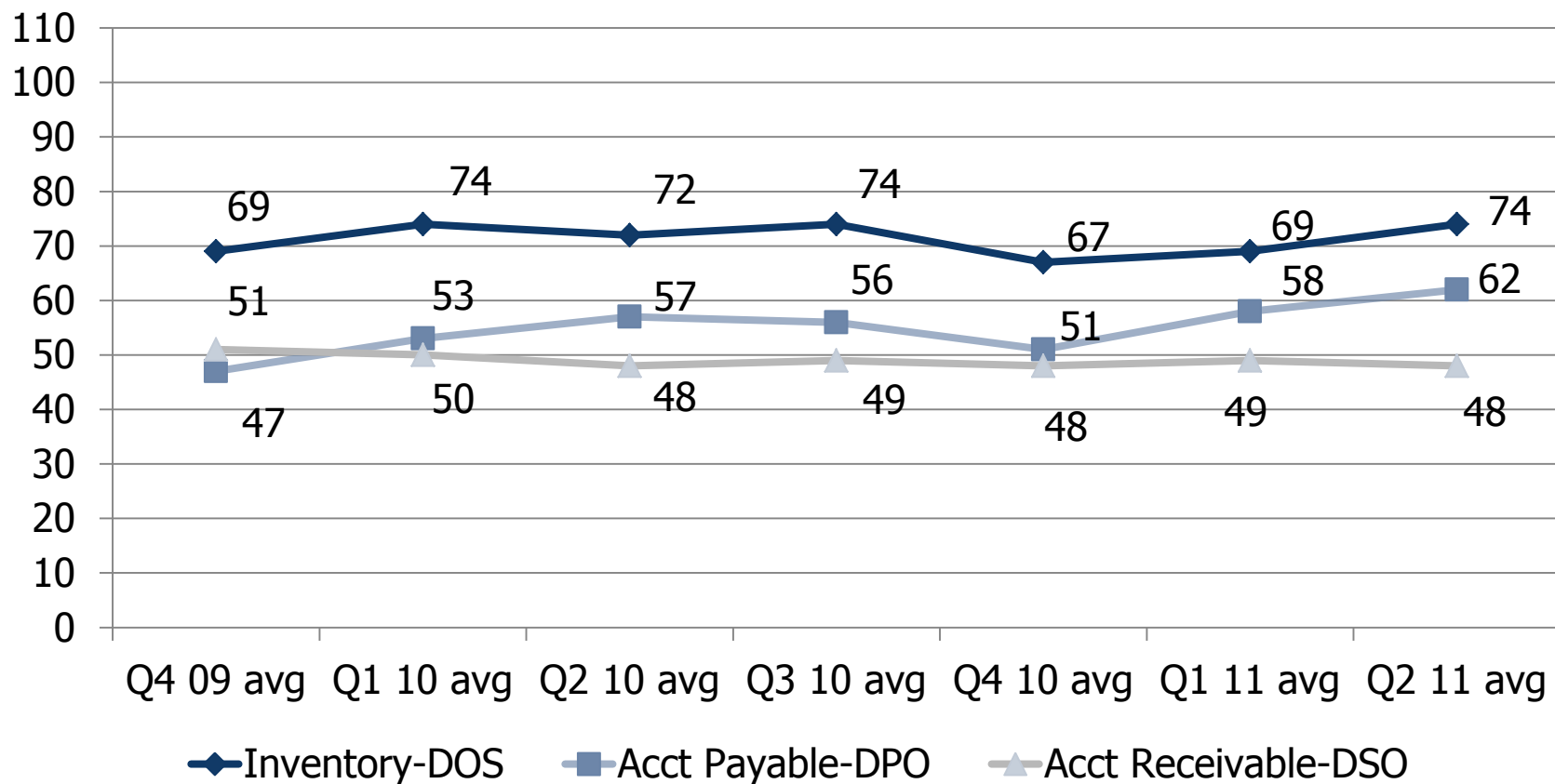
Second Quarter 2011

- Special Items:
 - Pre-tax restructuring charge of \$12.5M related to Coating Resins
 - Pre-tax charge of \$1.2M related to an increase in environmental liability at an inactive site
- Discontinued Operations:
 - Net after-tax loss of \$1.1M related to first quarter divestiture of Building Block Chemicals segment
 - Unfavorable final working capital adjustment of \$2.2M after-tax
 - Favorable tax benefit for allocable portion of U.S. domestic manufacturing deduction of \$1.1M

Second Quarter 2011

- As-Adjusted Comments:
 - Gross margin of 25% down 2.5% vs. prior year due higher selling prices offsetting raw material cost increases and higher fixed manufacturing costs, mostly in Engineered Materials
 - Lower Corporate and Unallocated vs. prior year due to reduced consulting costs and prior year includes \$1.7M of costs previously allocated to Building Block Chemicals
 - Operating Expenses as % of sales slightly down year on year but up approximately \$11M due to:
 - Unfavorable impact of exchange rate changes
 - Investments in growth platforms for Engineered Materials and In Process Separation

Working Capital Days



Cash flow from continuing operations was \$29M in Q2'11 vs. \$73M in Q2'10

- Net working capital increased \$22M
- Pension contribution of \$16.3M in the quarter vs. \$16.0M in prior year quarter
- Income tax payable includes \$15M on divestiture gain

Capital Expenditures

- Q2'11 capital expenditures of \$25M vs. Q2'10 of \$25M
- Outlook for Full Year 2011 is now estimated to be \$120 to \$130M

Maintaining Liquidity and Returning Excess Cash to Shareholders

- Cash balance is \$485M, up by \$102M from year-end 2010
- Purchased 415 thousand shares of our common stock for \$23M
- Cash dividend of \$6M

Outlook table in Millions

Business Segment	Net Sales	Operating Earnings Guidance
Coating Resins	\$1,550 to \$1,650	\$70 to \$80
Additive Technologies	\$260 to \$280	\$37 to \$40
In Process Separation	\$320 to \$330	\$60 to \$70
Engineered Materials	\$880 to \$900	\$125 to \$135
Corporate & Unallocated		\$16-\$18
Total	\$3,010 to \$3,160	\$292 to \$325
Other Expense, net		~\$4
Interest Expense, net		\$37-\$39
Income Tax Expense		30.5% - 32.5%
Adjusted Full Year EPS		\$3.25 to \$3.50

2011 Outlook for full year adjusted continuing EPS is revised to \$3.25 to \$3.50

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Our Customers' Imagination™

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, diluted earnings per share and gross margins for the quarters ended June 30, 2011 and 2010.

Period	Reported Net Earnings from Continuing Operations less Earnings Attributable to Noncontrolling Interests	Net Special Items	Non-GAAP Net Earnings from Continuing Operations Attributable to Cytec	Reported Diluted Continuing Earnings Per Share less Diluted Earnings Per Share Attributable to Noncontrolling Interests	Net Special Items	Non-GAAP Diluted Earnings per Share
Q2’11	\$ 36.2	\$ 9.7	\$ 45.9	\$ 0.72	\$ 0.19	\$ 0.92*
Q2’10	\$ 50.5	\$ 3.1	\$ 53.6	\$ 1.02	\$ 0.06	\$ 1.08

Period	Reported Cost of Sales	Net Special Items	Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	Adjusted Gross Margin
Q2’11	\$ 596.6	\$ (0.8)	\$ 595.8	\$ 201.3	\$ (0.8)	\$ 202.1
Q2’10	\$ 512.1	\$ (5.0)	\$ 507.1	\$ 189.9	\$ (5.0)	\$ 194.9

* May not add due to rounding