



Delivering Technology Beyond
Our Customers' Imagination®

CYTEC.COM

Second Quarter 2015 Earnings Review

Shane Fleming – Chairman, President and CEO

Dan Darazsdi – Vice President and CFO

July 17, 2015

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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 July 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.

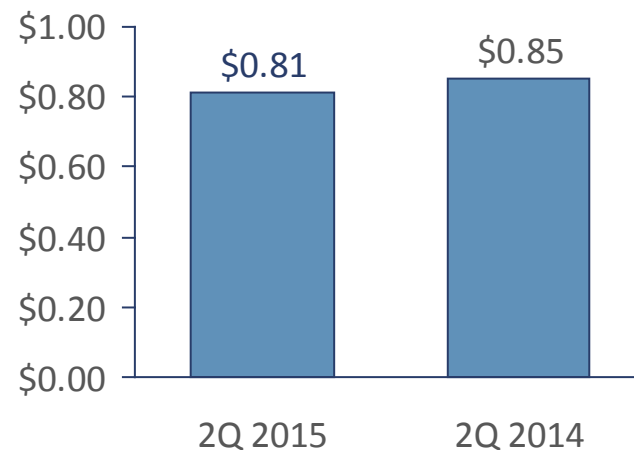
Results Overview

2nd Quarter 2015

Sales of \$508 Million

Net Earnings of \$59.6M or
\$0.81 per diluted share

As Adjusted EPS



- Strong performance by In Process Separation and Aerospace Materials, offset by weak performance in Industrial Materials
- First half 2015 operating earnings up 7% versus first half 2014
- On track to deliver full year EPS targets

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

Business Segment Results – Aerospace Materials

\$M USD	Q2'15	Q2'14	% Δ
Sales	265	262	1%
Operating Earnings	49.1	52.7	(7)%

- 1% sales growth driven by selling price increases
- Volumes were flat, with increases in sales from the Joint Strike Fighter program offsetting lower demand from civilian rotorcraft
- Operating earnings 7% lower than Q2 2014 primarily due to higher manufacturing costs including planned project spending and planned inventory reductions, partially offset by favorable exchange rates and increased selling prices

Q2 Sales Comparison YoY

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

Business Segment Results – Industrial Materials

\$M USD	Q2'15	Q2'14	% Δ
Sales	64	87	(26)%
Operating Earnings	3.5	9.6	(64)%

- Selling volume was down 20% versus a tough comparable quarter primarily in tooling for aerospace, high performance automotive and wind energy markets, compounded by a soft European market
- Foreign exchange impacted sales unfavorably by 6%
- Operating earnings down mainly as a result of lower selling volumes

Q2 Sales Comparison YoY

Sales Growth	(26)%
Volume	(20)%
Price	0%
Currency	(6)%

Business Segment Results – In Process Separation

\$M USD	Q2'15	Q2'14	% Δ
Sales	110	104	6%
Operating Earnings	32.5	28.5	14%

- Solid demand in mining including copper and other base metals increased volumes by 7%, partially offset by unfavorable exchange rates
- All-time record operating earnings of \$32.5 were up 14% driven primarily by higher selling volumes, favorable product mix and favorable exchange rates

Q2 Sales Comparison YoY

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

Business Segment Results – Additive Technologies

\$M USD	Q2'15	Q2'14	% Δ
Sales	70.2	74.3	(6)%
Operating Earnings	9.6	10.4	(8)%

- Sales decline of 6% mostly related to unfavorable exchange rates and price
- Earnings down 8% due mainly to price impact

Q2 Sales Comparison YoY

Sales Growth	(6)%
Volume	0%
Price	(2)%
Currency	(4)%

Financial Results: Q2 2015

Special Items

Recorded in Continuing Operations are the following special items resulting in a net pre-tax charge of \$5.4 (\$3.4M after-tax or \$0.04 per diluted share). All are included in Corporate and Unallocated:

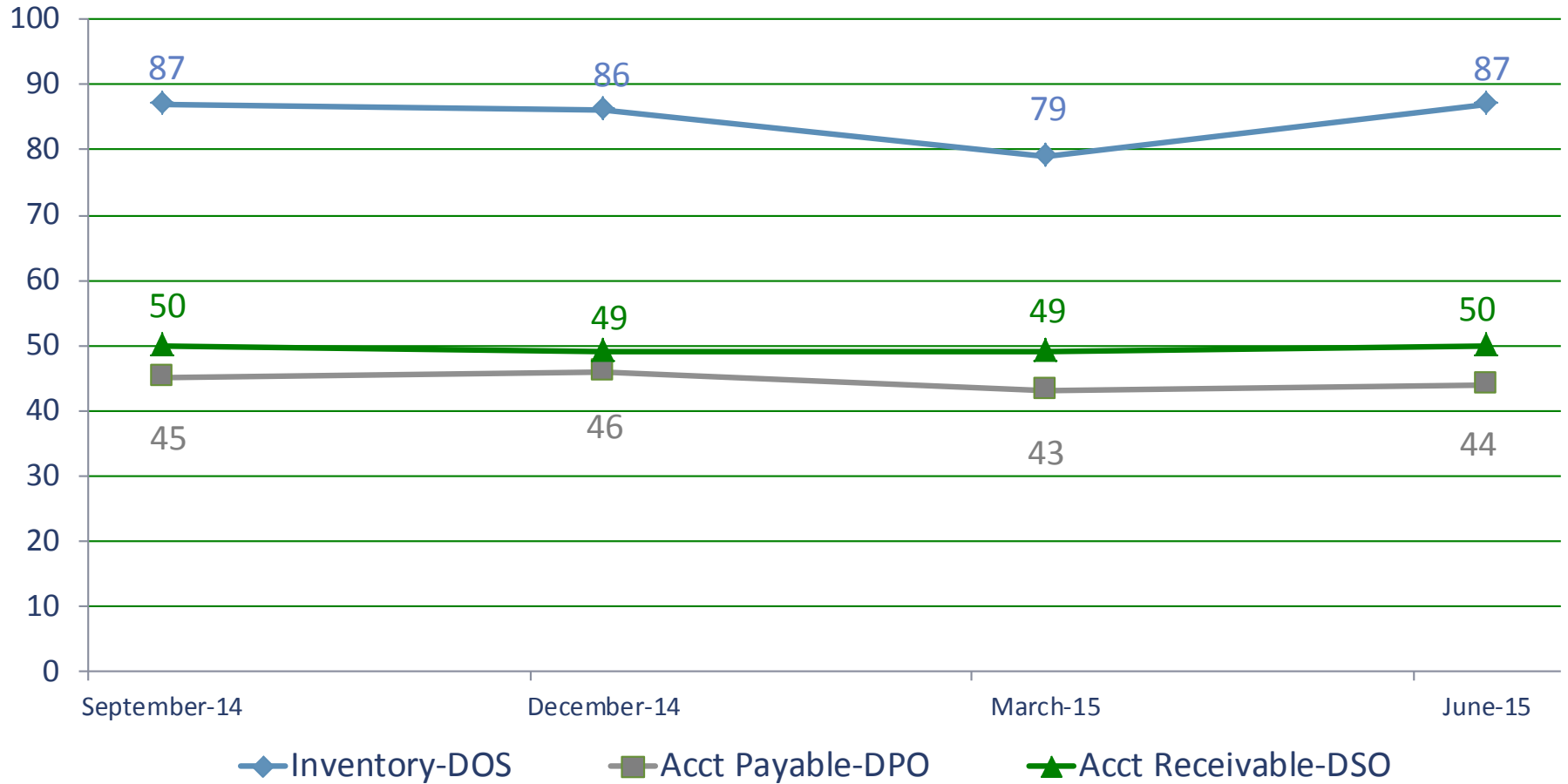
- A net pre-tax charge of \$3.8M (\$2.4M after-tax or \$0.03 per diluted share) related to the final costs from the lockout of employees represented by Teamsters Local Union 745 at our Greenville, TX Aerospace manufacturing site. The agreement was ratified in the first quarter of 2015.
- A net pre-tax charge of \$1.5M (\$0.9M after-tax or \$0.01 per diluted share) related to an increase in environmental liabilities at inactive sites/

Other financials - as adjusted

- Gross margin: \$169.7M
- Corporate and Unallocated: \$5.3M
- Interest expense, net: \$3.9M
- Underlying annual tax rate: 30.7%

Cash Flow Metric

Working Capital Days*



*Quarter end data

Other Financial Information

Cash

- Operating cash flow from continuing operations \$56.3 million in Q2
- Cash balance end of Q2 \$123 million
- No share repurchase during Q2

Capital Spending

- \$30M in Q2
- Outlook for full year 2015 between \$160 and \$180 million

2015 Outlook

Business Segment	Net Sales	Operating Earnings
Aerospace Materials	\$1,040M – \$1,080M	\$200M – \$210M
Industrial Materials	\$300M – \$310M	\$24M – \$28M
In Process Separation	\$440M – \$450M	\$108M – \$112M
Additive Technologies	\$270M – \$280M	\$36M – \$40M
Corporate & Unallocated		<u>(\$25M – \$27M)</u>
Total	\$2,050M – \$2,120M	\$343M – \$363M
Interest Expense, net		\$15M
Income Tax Expense		30% – 31%
Adjusted Full Year Continuing EPS		\$3.15 – \$3.35

in millions (except per share amount)

July 16, 2015

NYSE: CYT

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