



## Third Quarter 2010 Earnings Review

Shane Fleming – Chairman, President and CEO

Dave Drillock – Vice President and CFO

October 22, 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 October 21, 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](http://www.cytec.com).

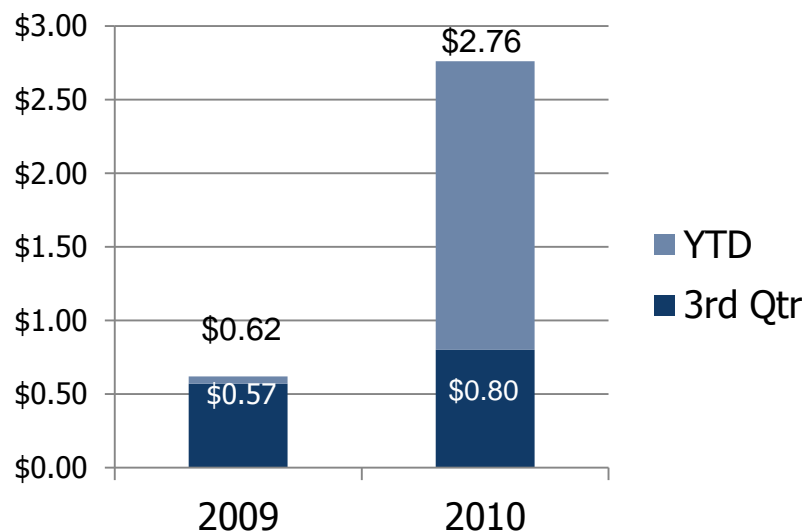
In sections of this presentation certain “non-GAAP” measures are provided and identified as such. We believe that the “non-GAAP” measures can more accurately reflect comparisons of year to year trends and is consistent with how we review the information. A reconciliation of “non-GAAP” measures to the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

### 3<sup>rd</sup> Quarter 2010:

Sales of \$837 million

Earnings\* of \$39.9M or \$0.80 per diluted share

Q3/YTD EPS\* 2010 vs. 2009



- Year-on-year sales growth across all business segments and regions with North America growth >20% versus Q309
- Largest sales volume growth was in Engineered Materials
- Adjusted Q3 EPS improved by 40% versus prior year period
- Company initiatives continue to show benefits in earnings and cash flow

*\*excluding special items*

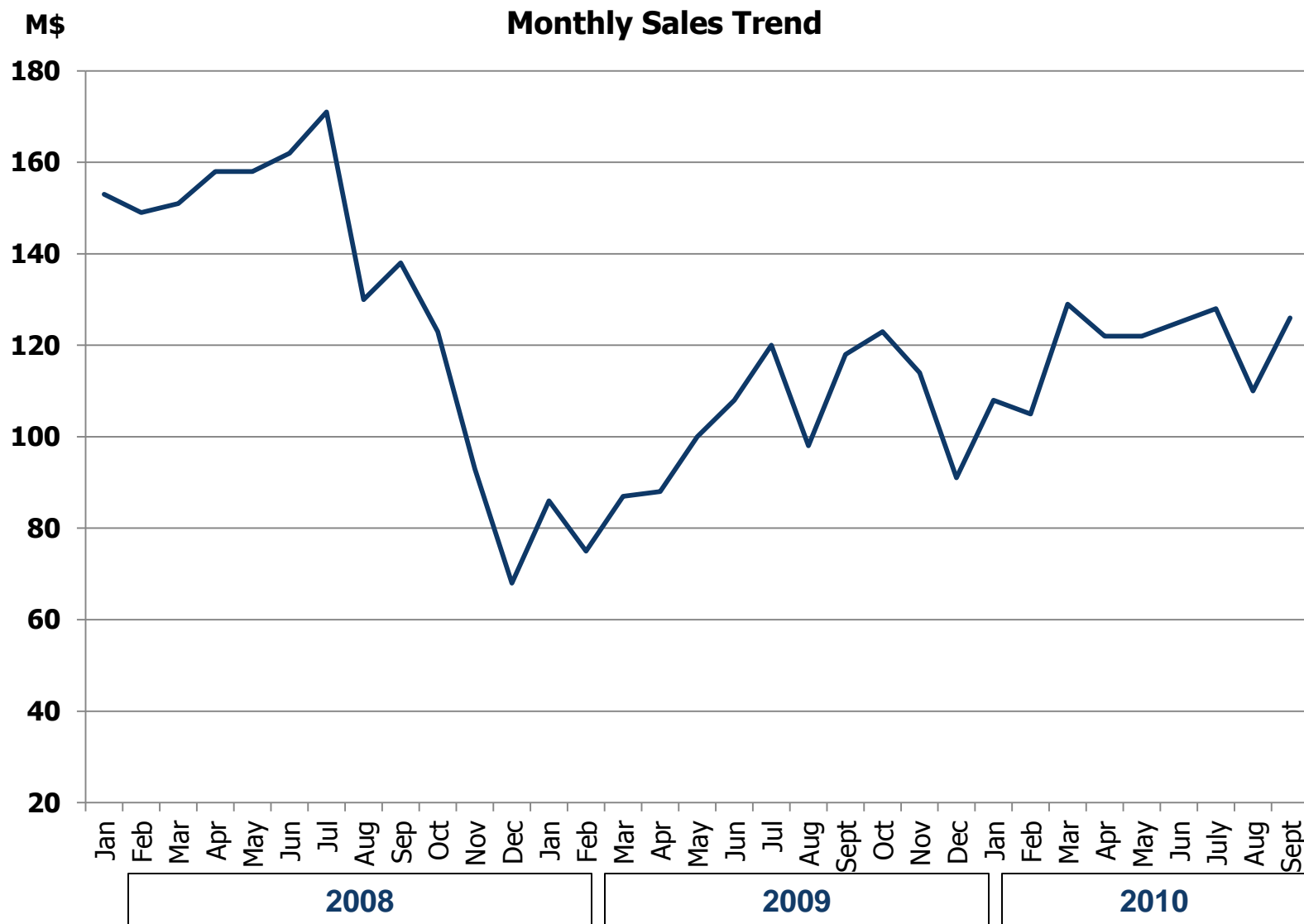
### Coating Resins

\$M USD	Q310	Q309	% chg	ytd10	ytd09	% chg
Sales	363.8	336.3	8%	1,074.2	878.3	22%
Operating Earnings/(loss)	19.5	18.5	5%	64.3	(21.0)	406%

- Higher selling volumes in Americas and Europe
- Higher raw material costs mostly offset by selling prices
- Restructuring actions from 2009 showing benefits

### Q3 Sales Comparison YOY

Sales Growth	8%
Volume	4%
Price	9%
Currency	-5%



### Additive Technologies

\$M USD	Q310	Q309	% chg	ytd10	ytd09	% chg
Sales	66.4	64.9	2%	194.8	178.7	9%
Operating Earnings	9.1	3.1	194%	28.1	6.8	313%

- Demand improvement in both Polymer and Specialty Additives
- Excluding impact of divested products, sales increased by 11%
- Improved earnings from higher volumes and increased pricing

### Q3 Sales Comparison YOY

Sales Growth	2%
Volume	2%
Price	2%
Currency	-2%

### In Process Separation

\$M USD	Q310	Q309	% chg	ytd10	ytd09	% chg
Sales	75.2	71.2	6%	211.0	185.1	14%
Operating Earnings	12.8	12.5	2%	42.0	19.4	116%

- Higher demand in mining and phosphine markets led to good volume growth
- Earnings increase driven by higher volumes

### Q3 Sales Comparison YOY

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

### Engineered Materials

\$M USD	Q310	Q309	% chg	ytd10	ytd09	% chg
Sales	194.7	169.2	15%	568.7	539.1	5%
Operating Earnings	27.9	18.3	52%	87.5	73.5	19%

- Selling volume increases versus prior year period
- New program ramp-ups beginning to occur
- Higher earnings partially offset by increased operating expenses to prepare for future growth

#### Q3 Sales Comparison YOY

Sales Growth	15%
Volume	14%
Price	2%
Currency	-1%



### Building Block Chemicals

\$M USD	Q310	Q309	% chg	ytd10	ytd09	% chg
Sales	137.0	98.6	39%	449.1	256.3	75%
Operating Earnings	9.7	4.8	102%	28.7	9.9	190%

- Significantly higher prices as a result of higher propylene costs for acrylonitrile
- Earnings increase primarily from higher selling prices

#### Q3 Sales Comparison YOY

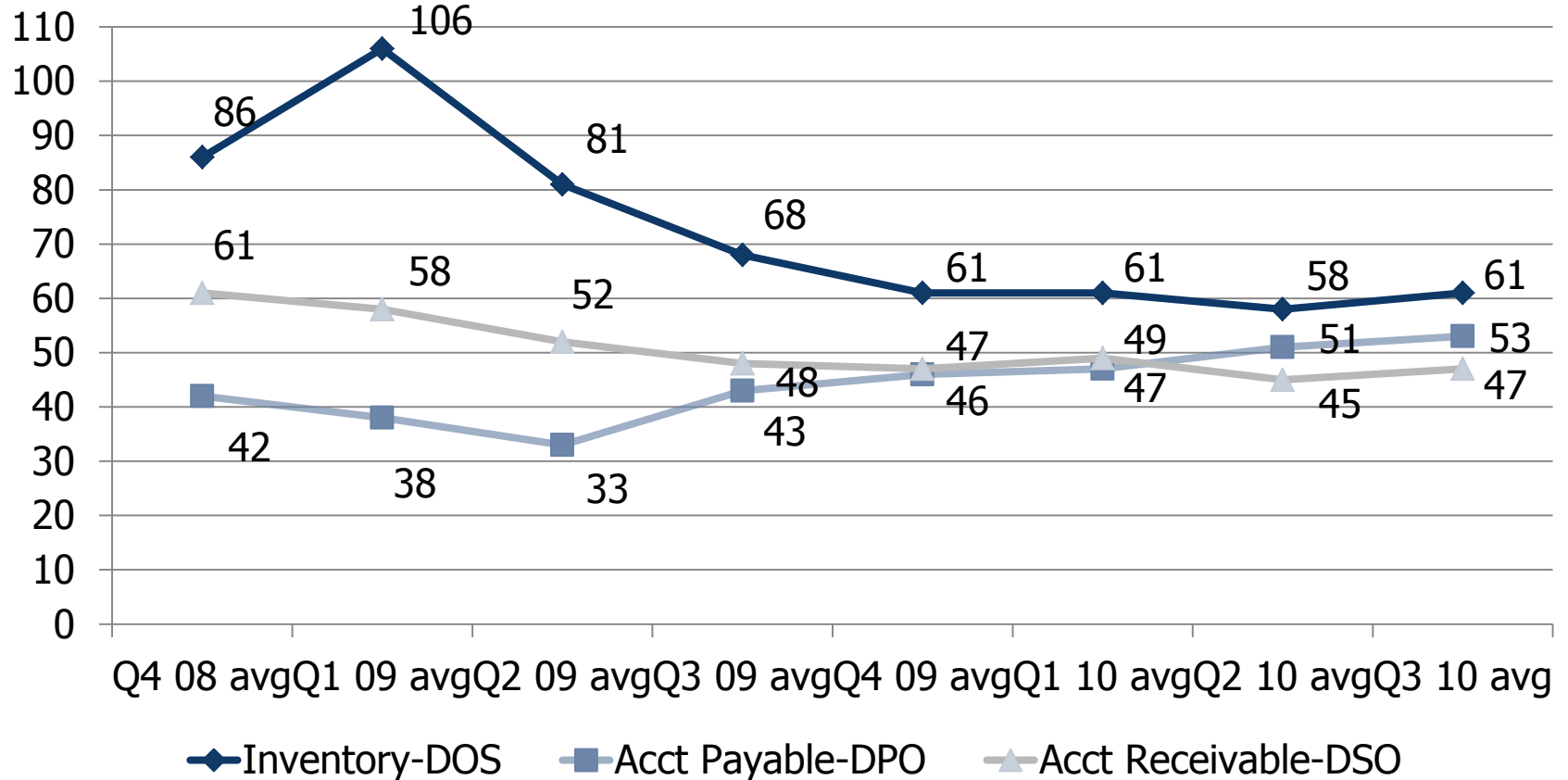
Sales Growth	39%
Volume	5%
Price	34%
Currency	0%

### Third Quarter 2010

- Pre-tax charge of \$3.2 million for restructuring costs related to continuing consolidation of coating resins production in Europe
- Gross Margin (ex special items) up approximately 1% versus Q3'09
- Raw material costs approximately \$65 million higher
- Operating Expenses up approximately \$8M year on year due to reinstatement of short term cost reduction actions taken in 2009 and higher compensation accruals
- Paid down remaining \$15M of 2010 debt on October 1
- Estimated annual underlying income tax rate was 32.6% versus prior year's rate of 34% but up sequentially from last quarter's rate of 31.75%, reflecting a decrease of \$0.02 in Q3 EPS

Cash flow from operations was \$58M in Q3'10 vs. \$165M in Q2'09

Working Capital Days



**Sustainable Working Capital Levels**

Outlook table in Millions

Business Segment	Net Sales	Operating Earnings Guidance
Coating Resins	\$1,350 to \$1,450	\$70 to \$80
Additive Technologies	\$240 to \$250	\$35 to \$40
In Process Separation	\$290 to \$310	\$55 to \$60
Engineered Materials	\$730 to \$760	\$105 to \$115
Building Block Chemicals	\$550 to \$600	\$25 to \$30
Total	\$3,160 to \$3,370	\$290 to \$325

	2010
Corporate and Unallocated, Net Expense	~\$25
Other Expense, net	~\$6
Interest Expense, net	~\$34
Income Tax Expense	31% - 33%
Adjusted EPS	\$3.20 to \$3.50

*We remain on track to deliver EPS outlook*

**CYTEC**

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Delivering Technology Beyond  
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 and diluted earnings per share and gross margins for the quarters ended September 30, 2010 and 2009.

Period	Reported Net Earnings	Net Special Items	Non-GAAP Net Earnings	Reported Diluted Earnings Per Share	Net Special Items	Non-GAAP Diluted Earnings per Share
Q310	\$37.7	\$2.2	\$39.9	\$0.75	\$0.04	\$0.80
Q309	\$12.5	\$15.1	\$27.6	\$0.26	\$0.31	\$0.57

Period	Reported Manufacturing Cost of Sales	Net Special Items Mfg Cost of Sales	Adjusted Manufacturing Cost of Sales	Gross Margin	Net Special Items Mfg Cost of Sales	Adjusted Gross Margin
Q310	\$658.2	3.5	654.7	178.9	3.5	182.4
Q309	\$605.4	20.9	584.5	134.8	20.9	155.7

Amounts may not add due to rounding