



Third Quarter 2011 Earnings Review

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October 21, 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 October 20, 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.

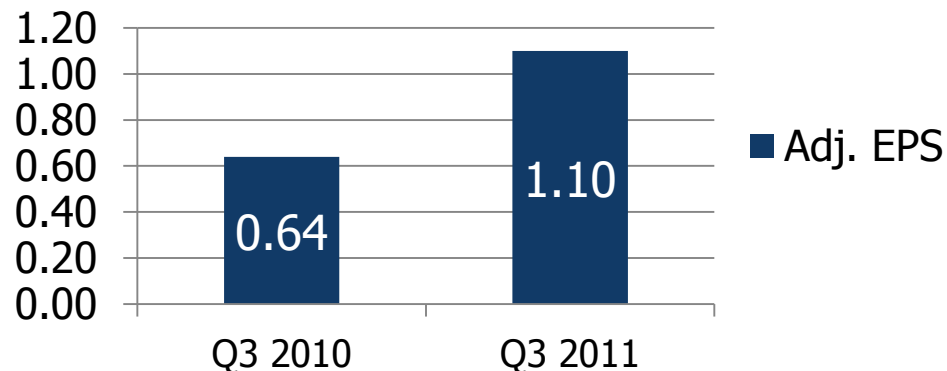
In sections of this presentation certain “non-GAAP” measures are provided and identified as such. We believe that the “non-GAAP” measures can more accurately reflect comparisons of year to year trends and is consistent with how we review the information. A reconciliation of “non-GAAP” measures to the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

3rd Quarter 2011:

Sales of \$778 million

Earnings of \$53.9M or
\$1.10 per diluted share
(Continuing operations excluding special items)

As Adjusted Q3 EPS



- Overall sales up 11% year on year
- 8% price increases across business segments, more than offsetting raw mat'l
- Strong volume growth in Engineered Materials and In Process Separation
- Soft demand in industrial markets impacting Coating Resins and Additives
- 36% as adjusted operating earnings improvement versus third quarter 2010

Coating Resins

\$MM USD	Q311	Q310	% chg	ytd11	ytd10	% chg
Sales	387	364	6%	1,212	1,074	13%
Earnings	18.0	19.5	-8%	65.0	64.3	1%

- Selling volumes down across all product lines due to weak demand in industrial markets
- Europe volumes down 14%, NA down 8%, Asia down 5%
- Selling price increases of \$39 more than offset raw material cost inflation of about \$33 million despite challenging demand environment.

3Q Sales Comparison YOY

Sales Growth	6%
Volume	-10%
Price	10%
Currency	6%

Additive Technologies

\$MM USD	Q311	Q310	% chg	ytd11	ytd10	% chg
Sales	71	66	7%	212	195	9%
Earnings	11.5	9.1	26%	29.6	28.1	5%

- Lower selling volumes due mainly to weaker industrial end market demand across all regions.
- Higher earnings mostly attributable to higher selling prices more than offsetting higher raw material costs and lower selling volumes.

3Q Sales Comparison YOY

Sales Growth	7%
Volume	-7%
Price	10%
Currency	4%

In Process Separation

\$MM USD	Q311	Q310	% chg	ytd11	ytd10	% chg
Sales	90	75	19%	250	211	18%
Earnings	17.3	12.8	35%	49.3	42.0	17%

- Strong demand in key copper and alumina markets, commercialization of new technologies and global market penetration led to strong volume growth
- Pricing more than offset raw material cost inflation of about \$4M

3Q Sales Comparison YOY

Sales Growth	19%
Volume	10%
Price	8%
Currency	1%

Engineered Materials

\$MM USD	Q311	Q310	% chg	ytd11	Ytd10	% chg
Sales	230	195	18%	669	569	18%
Earnings	33.1	27.9	19%	90.1	87.5	3%

- Selling volume increases due to higher build rates in both new and legacy large commercial aircraft programs and rotorcraft market.
- Pricing more than offset raw material cost inflation of about \$6.9M
- Continuing to add manufacturing personnel to meet increasing demand.

3Q Sales Comparison YOY

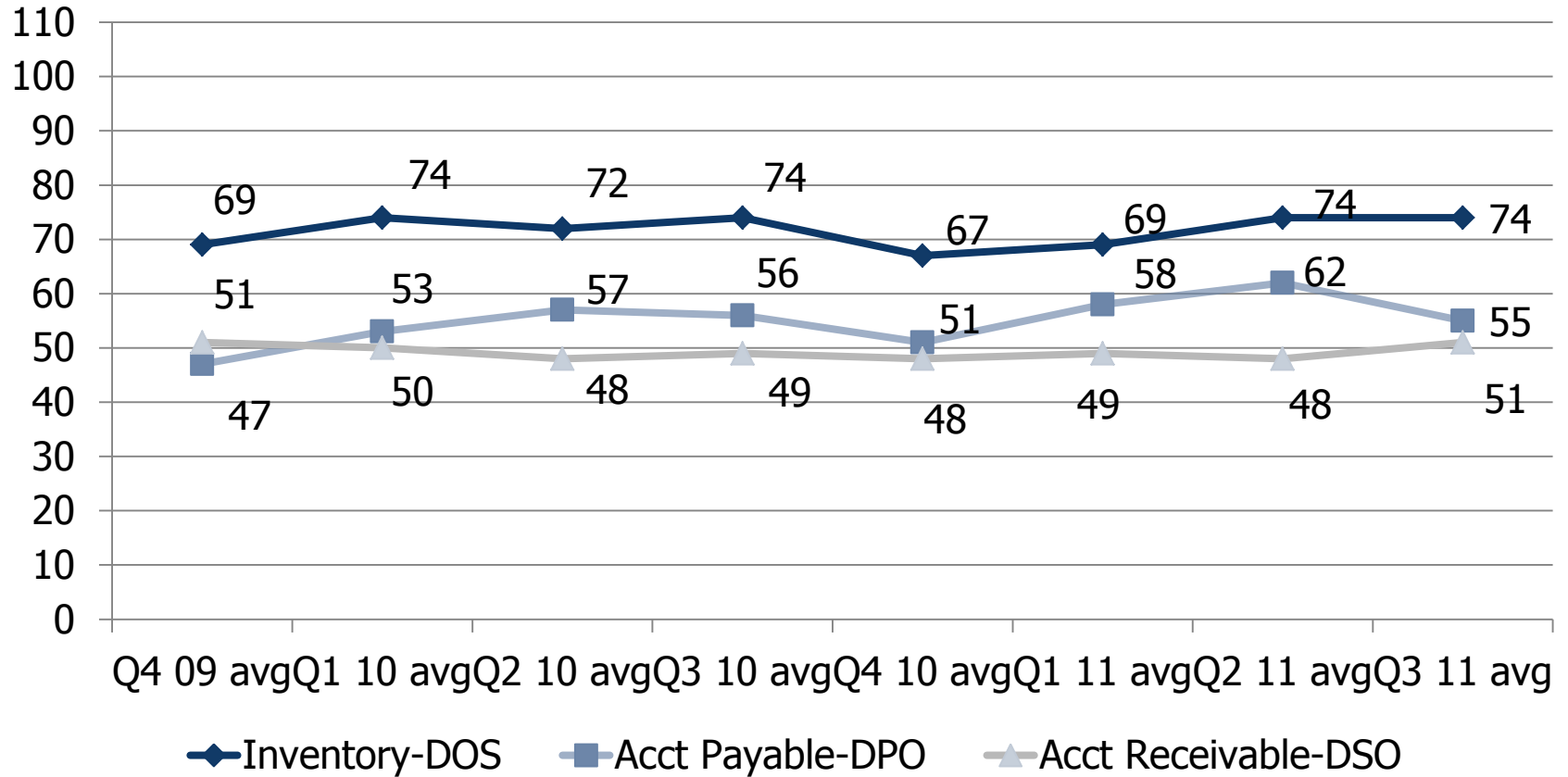
Sales Growth	18%
Volume	14%
Price	3%
Currency	1%

Third Quarter 2011

- Special Items:
 - Pre-tax restructuring charge of \$9.0M related to closure of our unprofitable powder coating resins manufacturing operations in Brazil.

- As-Adjusted Comments:
 - Gross margin of 24% flat vs. prior year: higher selling prices more than offsetting raw material cost increases, manufacturing costs up in Engineered Materials due to increasing demand.
 - Operating expense of 13.9% lower vs. 15.9% prior year (down \$3.2M vs. prior year) due to lower consulting costs and reduced incentive compensation accrual of \$3.8 in Q3 2011.
 - Lower Corporate and Unallocated vs. prior year due to aforementioned consulting and incentive compensation adjustments and prior year includes \$1.7M of costs previously allocated to Building Block Chemicals
 - Tax expense includes \$3.8M benefit related to reversal of tax contingencies resulting from completion of prior year tax audits in an international jurisdiction.

Average Working Capital Days



Cash flow from continuing operations was \$53.8M in Q3'11 vs. \$44.3M in Q3'10

- Net working capital increased \$34M
- Pension contribution of \$14.1M in the quarter vs. \$27.5M in prior year quarter

Capital Expenditures

- Q3'11 capital expenditures of \$27M vs. Q3'10 of \$24M
- Outlook for Full Year 2011 remains at \$120 to \$130M

Maintaining Liquidity and Returning Excess Cash to Shareholders

- Cash balance is \$406M, up by \$23M from year-end 2010
- Purchased 1.975M shares of our common stock for \$84M
- Cash dividend of \$6M

Outlook table in Millions

Business Segment	Net Sales	Operating Earnings Guidance
Coating Resins	\$1,550 to \$1,580	\$57 to \$60
Additive Technologies	\$260 to \$280	\$34 to \$36
In Process Separation	\$330 to \$350	\$63 to \$67
Engineered Materials	\$880 to \$900	\$123 to \$127
Corporate & Unallocated		\$14-\$15
Total	\$3,020 to \$3,110	\$263 to \$275
Other Expense, net		~\$4
Interest Expense, net		\$37-\$39
Income Tax Expense		30.5% - 32.5%
Adjusted Full Year EPS		\$3.20 to \$3.40

2011 Outlook for full year adjusted continuing EPS is revised to \$3.20 to \$3.40

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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 September 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
Q3’11	\$ 47.9	\$ 6.0	\$ 53.9	\$ 0.98	\$ 0.12	\$ 1.10
Q3’10	\$ 30.0	\$ 2.2	\$ 32.2	\$ 0.60	\$ 0.04	\$ 0.64

Period	Reported Cost of Sales	Net Special Items	Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	Adjusted Gross Margin
Q3’11	\$ 599.1	\$ (9.7)	\$ 589.4	\$ 179.3	\$ (9.7)	\$ 189.0
Q3’10	\$ 533.0	\$ (3.5)	\$ 529.5	\$ 167.1	\$ (3.5)	\$ 170.6