



DELIVERING TECHNOLOGY BEYOND
OUR CUSTOMERS' IMAGINATION™

Third Quarter 2013 Earnings Review

*Shane Fleming – Chairman, President and CEO
October 18, 2013*

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 2013 sales and earnings. These were included in our October 17, 2013 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 2013 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” 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.

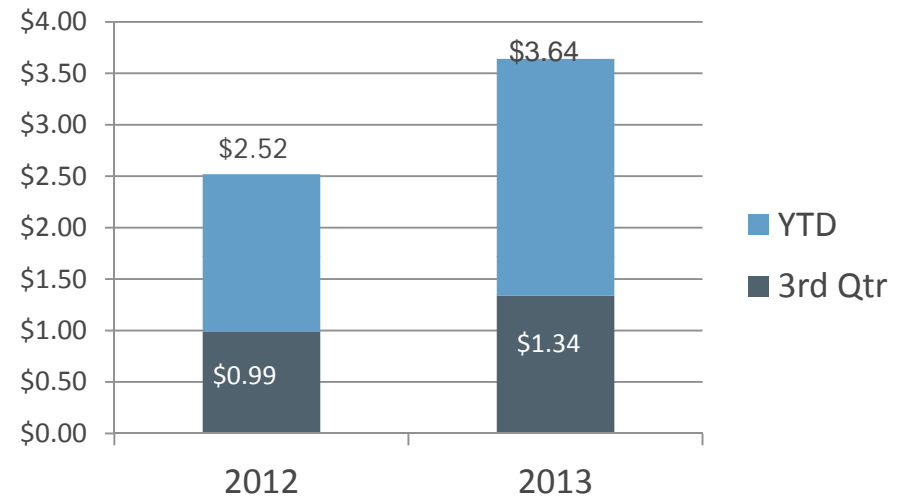
Results Overview

3rd Quarter 2013 Continuing Operations*

Sales of \$464M

Earnings of \$49.4M or
\$1.34 per diluted share
(excluding special items)

**As Adjusted EPS 2013 vs. 2012
3rd Quarter**



- As adjusted EPS up 35% versus prior year quarter
- Sales growth driven by Aerospace Materials
- Operating earnings impacted by stranded costs as a result of coating resins sale

*All data on this slide is based on continuing operations

Business Segment Results – Aerospace Materials

\$M USD	Q3'13	Q3'12	% Δ
Sales	236	221	7%
Operating Earnings	40.7	40.4	1%

- Revenue growth mostly driven by 787 program ramp up and increased selling price
- Sales growth partially offset by lower sales to rotorcraft market versus prior year period
- Higher operating earnings were offset by higher expenses and stranded costs

Q3 Sales Comparison YoY

Sales Growth	7%
Acquisition	2%
Volume	2%
Price	3%
Currency	0%

Business Segment Results – Industrial Materials

\$M USD	Q3'13	Q3'12	% Δ
Sales	71	70	1%
Operating Earnings (As-adjusted)	5.1	6.2*	-18%

- Structural materials sales to high performance automotive & motorsports and tooling were lower than prior year
- Process materials sales were impacted by a lower wind energy demand
- Sales in 2012 include \$9M related to the distribution product line (divested in July 2013)
- * Operating earnings of \$1.6M in 2012 include a \$4.6M charge related to amortization of step up in inventories

Q3 Sales Comparison YoY

Sales Growth	1%
Acquisition	9%
Volume	-9%
Price	1%
Currency	0%

Business Segment Results – In Process Separation

\$M USD	Q3'13	Q3'12	% Δ
Sales	91	98	-7%
Operating Earnings	20.4	25.4	-20%

- Lower phosphine chemicals sales due to product quality issue amounting to \$3M as well as continued slow demand in electronics.
- Mining chemicals sales in line with expectations
- Lower selling volumes in phosphines, unfavorable product mix and stranded costs contributed to earnings shortfall

Q3 Sales Comparison YoY

Sales Growth	-7%
Volume	-5%
Price	-2%
Currency	0%

Business Segment Results – Additive Technologies

\$M USD	Q3'13	Q3'12	% Δ
Sales	65.9	66.4	-1%
Operating Earnings	9.0	10.3	-13%

- Lower sales primarily due to rationalization of lower margin products within the Specialty Additive product line
- Polymer Additives sales were up 4% due to growth in Latin America and Asia Pacific
- Earnings were negatively impacted by the lower selling prices and impact of higher costs

Q3 Sales Comparison YoY

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

Financial Results: Q3 2013

Special Items

(Continuing operations included in corporate unallocated)

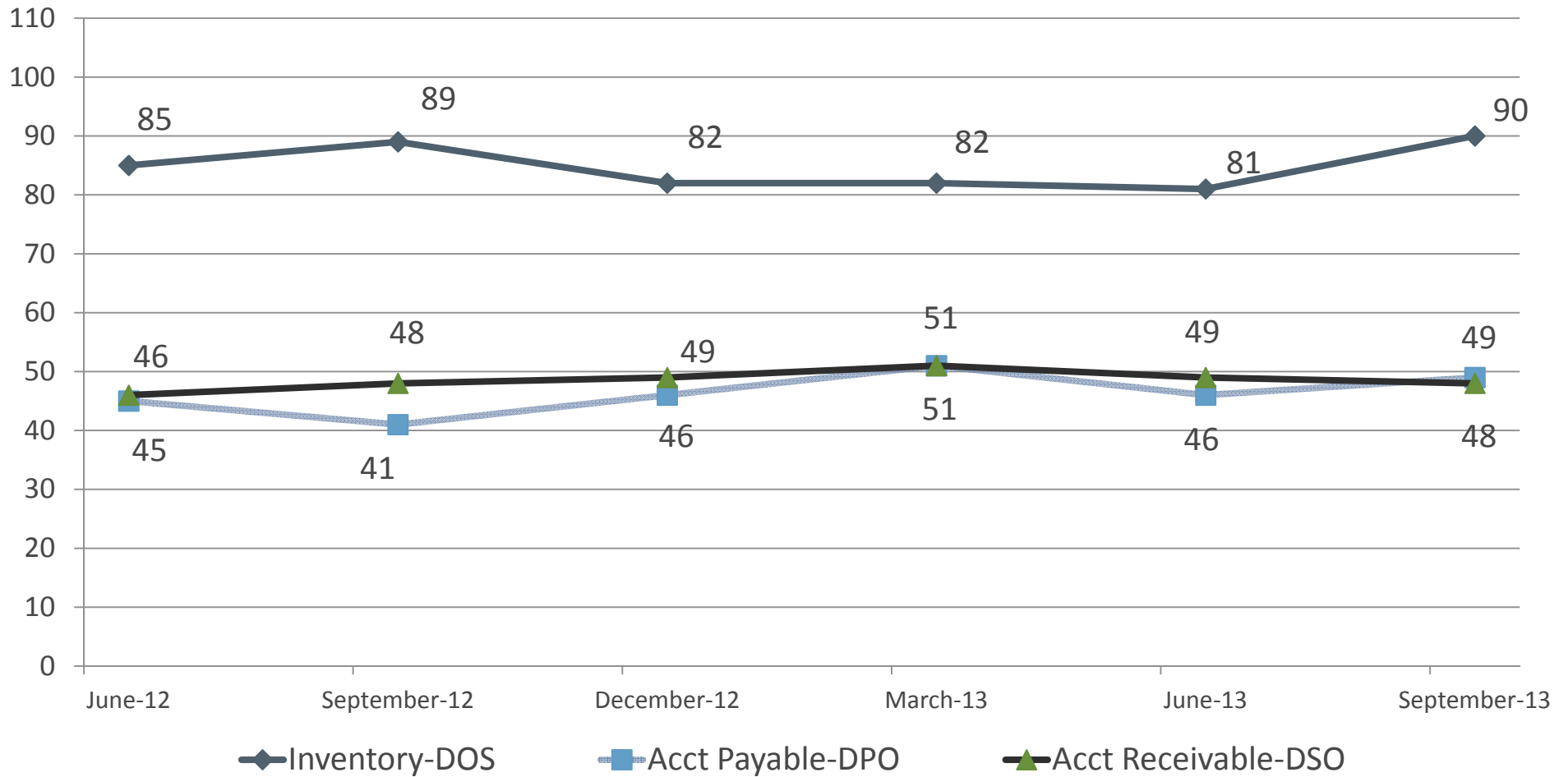
- Asset impairment & Administrative and general includes pre-tax charges of \$4.5 million related to restructuring activities within Industrial Materials
- Administrative and general includes a pre-tax charge of \$0.7 million for advisory fees related to the sale of the distribution business (Umeco)

Other financials (Q3 2013 vs Q3 2012)

- Gross profit up 1% to 32.5%
- Operating expenses flat
- Corporate and Unallocated is down ~\$13M
- Interest Expense, net is down \$3.6M
- Underlying annual tax rate for the quarter was 30.6%
- Cash Flow from continuing operations was \$81 million in the quarter

Cash Flow (continuing operations)

Working Capital Days



Balance Sheet – Maintaining Liquidity

Capital Spending:

- \$91M in Q3
- \$218M YTD

Share Repurchases:

- 1.4M shares for \$108 million in Q3
- 10.2M shares for \$750 million YTD
- 15.9M shares for \$1.05 billion since 2011

2013 Outlook

October 18, 2013

Business Segment	Net Sales Guidance	Operating Earnings Guidance
Aerospace Materials	\$955 to \$960	\$175 to \$180
Industrial Materials	\$275 to \$285	\$15 to \$17
In Process Separation	\$385 to \$400	\$85 to \$90
Additive Technologies	\$270 to \$280	\$39 to \$41
<u>Corporate & Unallocated</u>		<u>\$34</u>
Total	\$1,885 to \$1,925	\$280 to 294
Other Expense, net		~\$1
Interest Expense, net		\$17
Income Tax Expense		30.5% - 32.0%
Adjusted Full Year Continuing EPS		\$4.70 to \$4.80

in millions (except per share amount)

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Appendix

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, 2013 and 2012.

Period	Reported Net Earnings from continuing operations	Net Special Items	Non-GAAP Net Earnings from continuing operations	Reported Diluted Earnings per Share from continuing operations	Net Special Items	Non-GAAP Diluted Earnings per Share from continuing operations*
Q3’13	\$44.4	\$5.0	\$49.4	\$1.20	\$0.14	\$1.34
Q3’12	\$34.7	\$11.8	\$46.5	\$0.74	\$0.25	\$0.99

Period	Reported Cost of Sales	Net Special Items	As Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	As Adjusted Gross Margin
Q3’13	\$313.3	\$(0.1)	\$313.2	\$150.6	\$0.1	\$150.7
Q3’12	\$316.8	\$(5.3)	\$311.5	\$138.6	\$5.3	\$143.9

* may not add due to rounding