



DELIVERING TECHNOLOGY BEYOND
OUR CUSTOMERS' IMAGINATION™

Third Quarter 2014 Earnings Review

Shane Fleming – Chairman, President and CEO

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October 17, 2014

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 2014 sales and earnings. These were included in our October 16, 2014 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 2014 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.

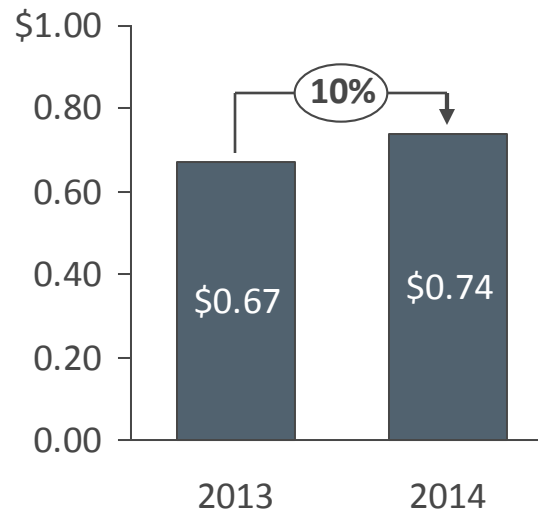
Results Overview

3rd Quarter 2014 Continuing Operations

Sales of \$507 Million

Earnings of \$54.2M or
\$0.74 per diluted share
(excluding special item)

As Adjusted EPS Q3 2014 vs. Q3 2013



- Sales volume growth driven by In Process Separation & Industrial Materials
- As adjusted operating earnings up 20% versus prior year period
- As adjusted EPS up 10% versus Q3 2013

Business Segment Results – Aerospace Materials

\$M USD	Q3'14	Q3'13	% Δ
Sales	251	236	6%
Operating Earnings	45.7	40.7	12%

- Sales volume growth increased 4% due mainly to increased orders in large commercial transport for Boeing and Airbus
- Operating earnings in the quarter were impacted by higher cost carbon fiber
- Benefits from productivity initiatives not yet fully realized

Q3 Sales Comparison YoY

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

Business Segment Results – Industrial Materials

\$M USD	Q3'14	Q3'13	% Δ
Sales*	80	71	13%
Operating Earnings	6.8	5.1	33%

* Includes sales from divested distribution product line in 2013 of \$1.6M

- Sales in 2013 include \$1.6M related to the divested distribution product line; excluding this amount, sales grew by 16% in the quarter
- Increased sales due to structural materials for aero tooling and high performance automotive markets
- Earnings increase due primarily to higher volumes

Q3 Sales Comparison YoY

Sales Growth	13%
Volume	13%
Price	1%
Currency	1%
Acquisitions/divestitures	-2%

Business Segment Results – In Process Separation

\$M USD	Q3'14	Q3'13	% Δ
Sales	108	91	19%
Operating Earnings	27.1	20.4	33%

- Solid mining demand from copper and other base metals drove increased sales, supported by two new mine wins
- Volume increase in phosphines primarily in electronics and hydrofracking markets
- Operating earnings higher due to volume increases and favorable product mix

Q3 Sales Comparison YoY

Sales Growth	19%
Volume	19%
Price	0%
Currency	0%

Business Segment Results – Additive Technologies

\$M USD	Q3'14	Q3'13	% Δ
Sales	67.5	66	2%
Operating Earnings	8.4	9.0	-7%

- Higher demand from Specialty Additives in Asia Pacific, partially offset by lower volumes in Europe
- Earnings lower due to competitive price pressures in a few specific products

Q3 Sales Comparison YoY

Sales Growth	2%
Volume	3%
Price	-1%
Currency	0%

Financial Results: Q3 2014 as adjusted

- Gross profit up ~10% vs Q3 2013
- Total operating expenses increased <1%
- Corporate & Unallocated was \$6.1M as adjusted in both 3Q 2014 and 3Q 2013
- Net Interest expense of \$3.1M is down slightly compared to 3Q 2013 levels
- Special item of \$0.4M after tax expense associated with the lock-out of the Texas Aerospace facility
- Underlying annual tax rate for Q3 2014 was 31%

Balance Sheet – Maintaining Liquidity

Cash

- Cash flow from operations \$67M in Q3
- Cash balance end of Q3 \$153M

Capital Spending

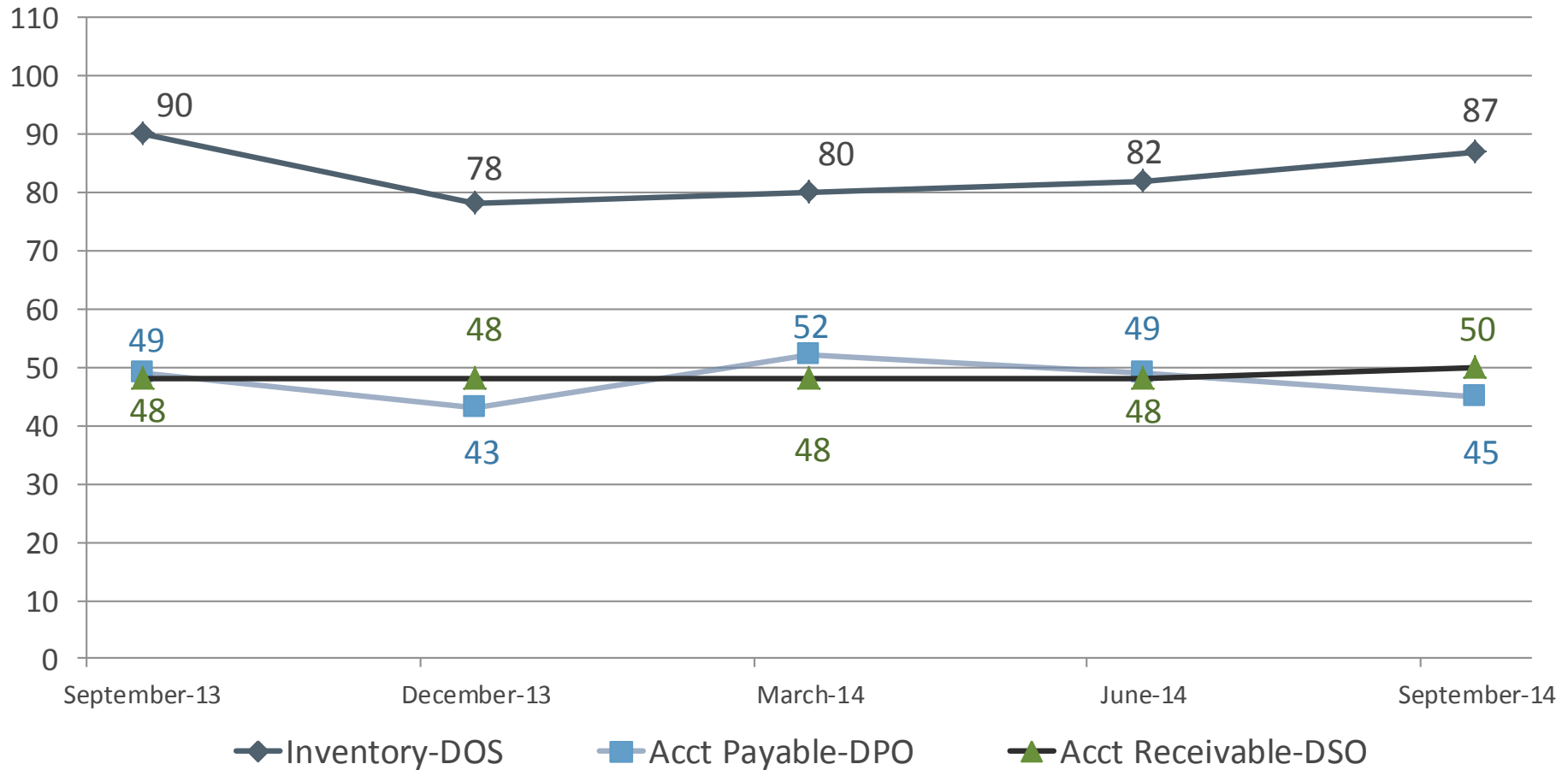
- \$49M in Q3
- Full Year 2014 estimate \$200M to \$210M

Return to Shareholders

- Doubled dividend
- 2 for 1 share split in September
- New share repurchase program up to \$200M authorized in October

Cash Flow Metric

Working Capital Days



2014 Outlook - October 16, 2014

in millions (except per share amounts)

Business Segment	Net Sales	Operating Earnings
Aerospace Materials	\$985M – \$1,000M	\$178M – \$182M
Industrial Materials	\$320M – \$340M	\$28M – \$32M
In Process Separation	\$410M – \$430M	\$91M – \$95M
Additive Technologies	\$270M – \$280M	\$34M – \$36M
Corporate & Unallocated*		(\$25M)
Total	\$1,985M – \$2,050M	\$306M – \$320M
Interest Expense, net		\$15M
Income Tax Expense		30% – 32%
Adjusted Full Year Continuing EPS		\$2.85 – \$2.95

* Includes \$3M other expense, net

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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, 2014 and 2013.

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
Q3’14	\$53.8	\$0.4	\$54.2	\$0.73	\$0.01	\$0.74
Q3’13	\$44.4	\$5.0	\$49.4	\$0.60	\$0.07	\$0.67

Period	Reported Cost of Sales	Net Special Items	As Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	As Adjusted Gross Margin
Q3’14	\$342.0	\$(0.7)	\$341.3	\$164.8	\$0.7	\$165.5
Q3’13	\$313.3	\$(0.1)	\$313.2	\$150.6	\$0.1	\$150.7

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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
9M’14	\$172.1	\$(3.2)	\$168.9	\$2.34	\$(0.04)	\$2.30
9M’13	\$115.8	\$35.2	\$151.0	\$1.40	\$0.42	\$1.82

Period	Reported Cost of Sales	Net Special Items	As Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	As Adjusted Gross Margin
9M’14	\$1,018.2	\$5.1	\$1,023.3	\$504.8	\$(5.1)	\$499.7
9M’13	\$978.6	\$1.9	\$980.5	\$476.5	\$(1.9)	\$474.6