



DELIVERING TECHNOLOGY BEYOND
OUR CUSTOMERS' IMAGINATION™

Fourth Quarter 2013 Earnings Review

Shane Fleming – Chairman, President and CEO

Dave Drillock—Vice President and CFO

January 31, 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 January 30, 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.

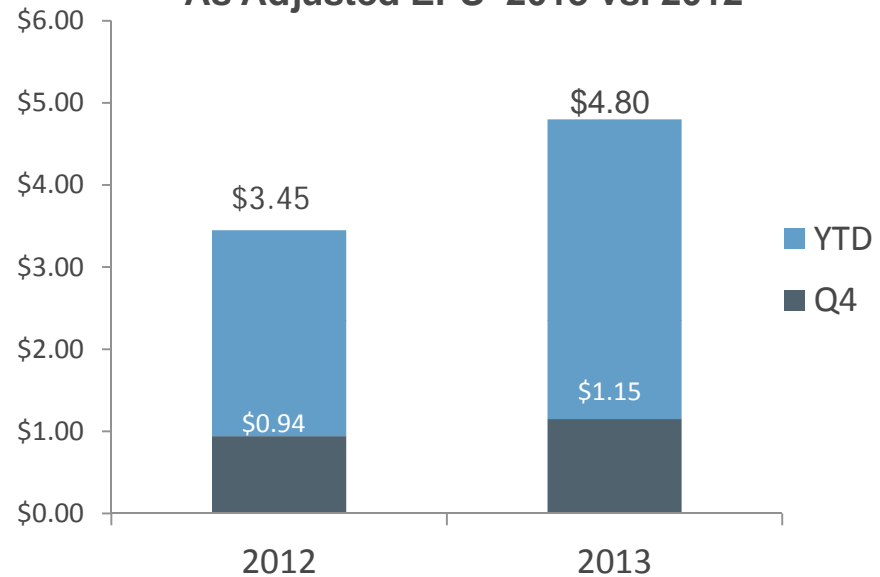
Results Overview

4th Quarter 2013 Continuing Operations*

Sales of \$480 Million

Earnings of \$41.9M or
\$1.15 per diluted share
(excluding special items)

As Adjusted EPS 2013 vs. 2012



- All businesses contributed to the sales growth in the quarter
- As adjusted EPS up 22% versus prior year quarter and 39% year over year

*All data on this slide is based on continuing operations

Business Segment Results – Aerospace Materials

\$M USD	Q4'13	Q4'12	% Δ
Sales	239	232	3%
Operating Earnings	37.2	41.7	-11%

- Revenue growth in the quarter driven by higher selling prices
- Sales volume growth related to 787 and single-aisles offset by lower sales to military and rotorcraft market
- Operating earnings in the quarter were impacted by:
 - Planned Carbon Fiber plant maintenance
 - Higher expenses re: capital projects
 - Stranded costs from Coatings sale

Q4 Sales Comparison YoY

Sales Growth	3%
Volume	0%
Price	3%
Currency	0%

Business Segment Results – Industrial Materials

\$M USD	Q4'13	Q4'12	% Δ
Sales	76	82*	-7%
Operating Earnings	6.0	5.9	2%

*Includes \$11.7M sales of distribution products

- Sales in 2012 include \$11.7M related to the distribution product line (divested in July 2013); excluding this amount sales grew by 8% in the fourth quarter
- Increased structural materials sales to high performance automotive and tooling
- * Included in 2012 operating earnings of \$5.9M are \$0.5M of earnings from the divested distribution product line and \$1.1M amortization charge for inventory step-up

Q4 Sales Comparison YoY

Sales Growth	-7%
Acquisition	-14%
Volume	6%
Price	1%
Currency	0%

Business Segment Results – In Process Separation

\$M USD	Q4'13	Q4'12	% Δ
Sales	96	94	2%
Operating Earnings	20.0	18.3	9%

- Solid base metal demand drove increased sales
- Growth partially offset by soft demand in alumina, phosphines (order pattern), and lower selling price/exchange impact
- Operating earnings higher due to volume increases, but partially offset by lower production volumes and stranded costs

Q4 Sales Comparison YoY

Sales Growth	2%
Volume	4%
Price	-1%
Currency	-1%

Business Segment Results – Additive Technologies

\$M USD	Q4'13	Q4'12	% Δ
Sales	68	62	10%
Operating Earnings	9.5	9.0	6%

- Strong demand for Polymer Additive products drove significant increase in sales
- Growth mainly in North America and Asia Pacific
- Earnings higher due to the increased selling volumes, partially offset by price

Q4 Sales Comparison YoY

Sales Growth	10%
Volume	12%
Price	-2%
Currency	0%

Financial Results: Q4 2013

Special Items

Recorded in Continuing operations included in Corporate and Unallocated is a net pre-tax benefit of \$23.7 million (\$14.1 million after-tax or \$0.38 per diluted share) mainly attributable to these items:

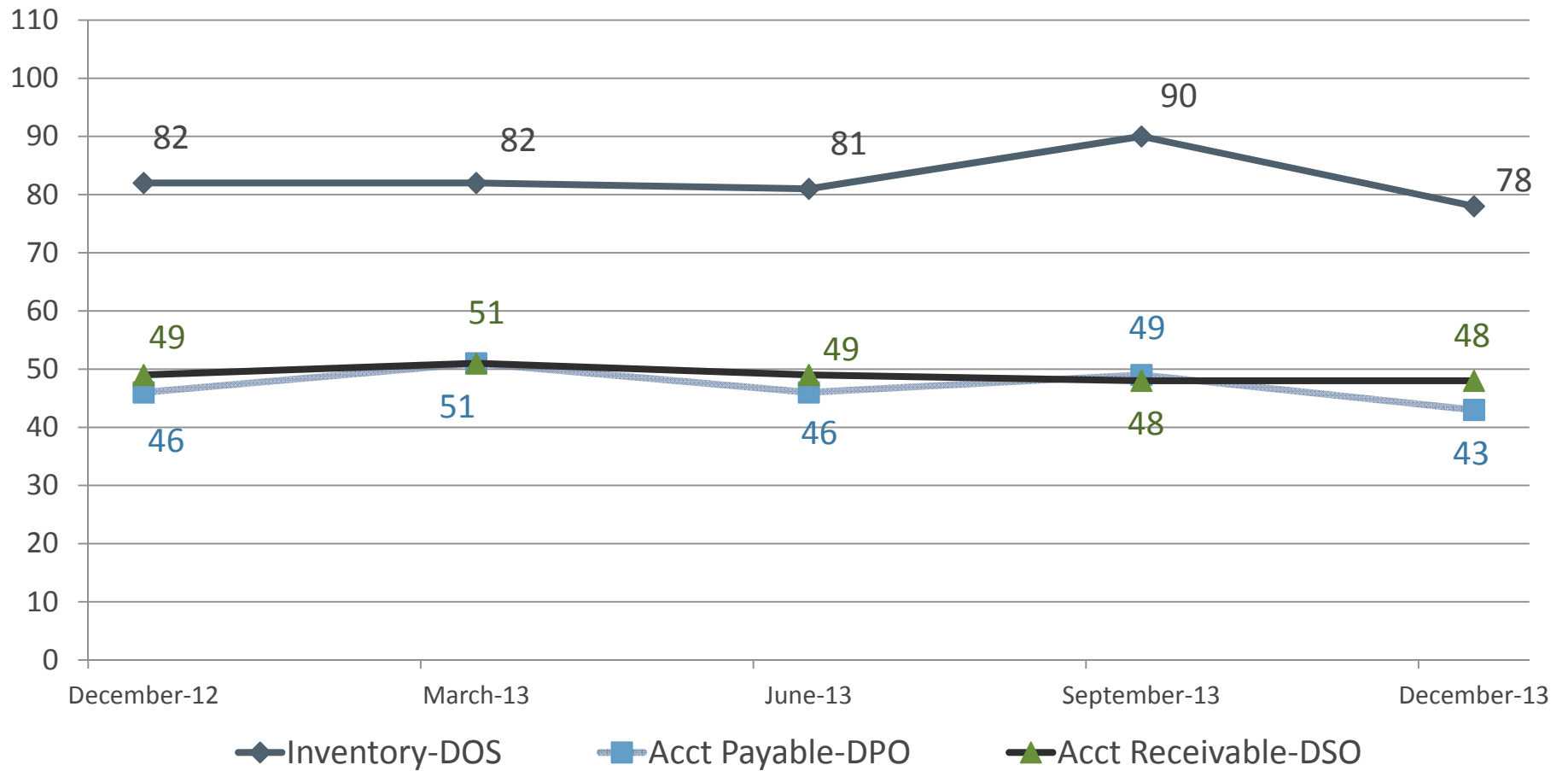
- Primarily in Manufacturing Cost of Sales, is a net pre-tax benefit of \$25.5 million related to mark to market adjustments for pension and other postemployment benefits
- Primarily in Administrative and General includes pre-tax charges of \$1.8 million related to previously announced restructuring activities within Industrial Materials

Other financials (Q4 2013 vs Q4 2012)

- Gross margin of 32.2% is 2% higher
- Total operating expenses are approximately \$2 million higher, but flat as % of sales
- Corporate & Unallocated is down by \$14 million: stranded costs from sale of Coating Resins reduced and the balance reallocated to the businesses
- Interest expense, net is down about \$3 million due to higher capitalize interest
- Underlying annual tax rate for Q4 2013 was 31.8% vs. 30.0% in Q4 2012 due to shift in earnings to U.S. from international tax jurisdictions

Cash Flow metric

Working Capital Days



Balance Sheet – Maintaining Liquidity

Cash Balance:

- Year End 2013 \$151.8
- Year End 2012 \$179.3

Capital Spending:

- \$85M in Q4
- \$300M FY2013

Share Repurchases in 2013:

- None in Q4
- 10.2M shares for \$750 million YTD

Short & Long Term Debt:

2013	\$716.3M
2012	\$706.5M

Net Long-Term Pension & Other Post Retirement Benefit Liabilities:

2013	\$151.4
2012	\$271.9

2014 Outlook

Business Segment	Net Sales	Operating Earnings
Aerospace Materials	\$970M – \$990M	\$183M – \$195M
Industrial Materials	\$300M – \$320M	\$22M – \$26M
In Process Separation	\$420M – \$445M	\$88M – \$97M
Additive Technologies	\$285M – \$295M	\$40M – \$42M
Corporate & Unallocated		(\$24M – \$28M)
Total	\$1,975M – \$2,050M	\$309M – \$332M
Interest Expense, net		\$25M
Income Tax Expense		30% – 32%
Adjusted Full Year Continuing EPS		\$5.50 – \$5.90

in millions (except per share amount)

January 31, 2014

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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 December 31, 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*
Q4’13	\$56.0	\$(14.1)	\$41.9	\$1.53	\$(0.38)	\$1.15
Q4’12	\$4.0	\$39.4	\$43.4	\$0.09	\$0.85	\$0.94

Period	Reported Cost of Sales	Net Special Items	As Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	As Adjusted Gross Margin
Q4’13	\$304.6	\$20.6	\$325.2	\$175.3	\$(20.6)	\$154.7
Q4’12	\$352.4	\$(24.4)	\$328.0	\$118.3	\$24.4	\$142.7

* may not add due to rounding

Appendix

Reconciliation of “Non-GAAP” Measures to GAAP Measures

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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*
2013	\$171.7	\$21.2	\$192.9	\$4.27	\$0.53	\$4.80
2012	\$75.7	\$85.8	\$161.5	\$1.62	\$1.83	\$3.45

Period	Reported Cost of Sales	Net Special Items	As Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	As Adjusted Gross Margin
2013	\$1,283.1	\$22.5	\$1,305.6	\$651.9	\$(22.5)	\$629.4
2012	\$1,202.9	\$(45.9)	\$1,157.0	\$505.2	\$45.9	\$551.1

* may not add due to rounding