



Delivering Technology Beyond
Our Customers' Imagination®

CYTEC.COM

Fourth Quarter 2014 Earnings Review

Shane Fleming – Chairman, President and CEO

Dan Darazsdi – Vice President and CFO

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 2015 sales and earnings. These were included in our January 27, 2015 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 2015 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.

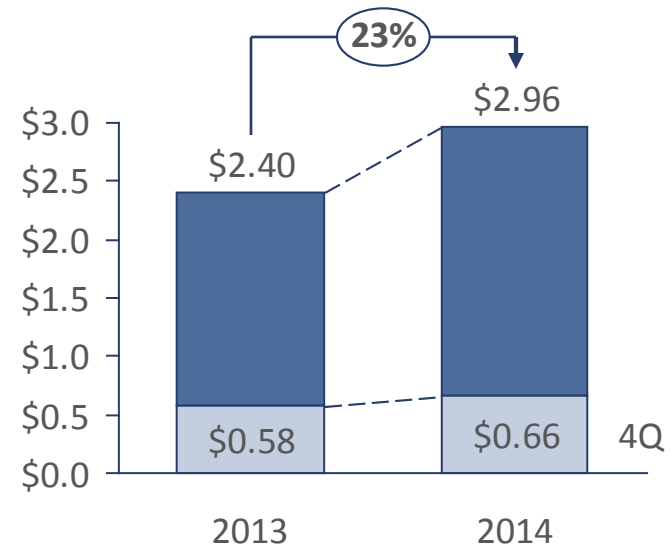
Results Overview

4th Quarter 2014*

Sales of \$485 Million

Earnings of \$48.2M or
\$0.66 per diluted share
(excluding special items)

As Adjusted EPS 2014 vs. 2013



- Solid performance from growth platforms In Process Separation, Aerospace Materials and Industrial Materials
- Fourth quarter as adjusted EPS up 14% versus prior year period
- Full year as adjusted EPS up 23% versus prior year

*All data on this slide is based on as adjusted continuing operations

Business Segment Results – Aerospace Materials

\$M USD	Q4'14	Q4'13	% Δ
Sales	243	239	2%
Operating Earnings	41.8	37.2	12%

- Revenue growth in the quarter driven by higher selling prices
- Sales volume driven by increases in large commercial transport were offset by declines in rotorcraft
- Operating earnings in the quarter 12% higher than 2013 mainly due to price increases and lower operating expenses vs prior year quarter

Q4 Sales Comparison YoY

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

Business Segment Results – Industrial Materials

\$M USD	Q4'14	Q4'13	% Δ
Sales	75.9	76.4	(1%)
Operating Earnings	6.2	6.0	3%

- Selling volumes increased 1% due to demand in the high performance automotive sector, offset by lower sales in tooling. Selling price also contributed 1%. Unfavorable exchange offset of 3%
- Operating earnings slightly above prior year as a result of volume increase, favorable product mix and lower operating expenses

Q4 Sales Comparison YoY

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

Business Segment Results – In Process Separation

\$M USD	Q4'14	Q4'13	% Δ
Sales	102	96	6%
Operating Earnings	20.8	20.0	4%

- Sales growth driven by greater demand for mining products related to copper and base metals and increased phosphine chemicals sales
- Operating earnings higher due to increase in selling volumes, offset by higher operating costs and startup expenses of phosphines expansion in Canada

Q4 Sales Comparison YoY

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

Business Segment Results – Additive Technologies

\$M USD	Q4'14	Q4'13	% Δ
Sales	63	68	(7%)
Operating Earnings	7.3	9.5	(23%)

- Overall selling volumes down 4% due to soft global demand, offset slightly by specialty additives sales growth
- Selling price down 1% related to polymer additives competitive pressures
- Earnings down due to lower selling volumes and decreased price

Q4 Sales Comparison YoY

Sales Growth	-7%
Volume	-4%
Price	-1%
Currency	-2%

Financial Results: Q4 2014

Special Items

Recorded in Continuing Operations are the following special items resulting in a net pre-tax charge of \$117.5M (\$76.2M after-tax or \$1.05 per diluted share). All are included in Corporate and Unallocated:

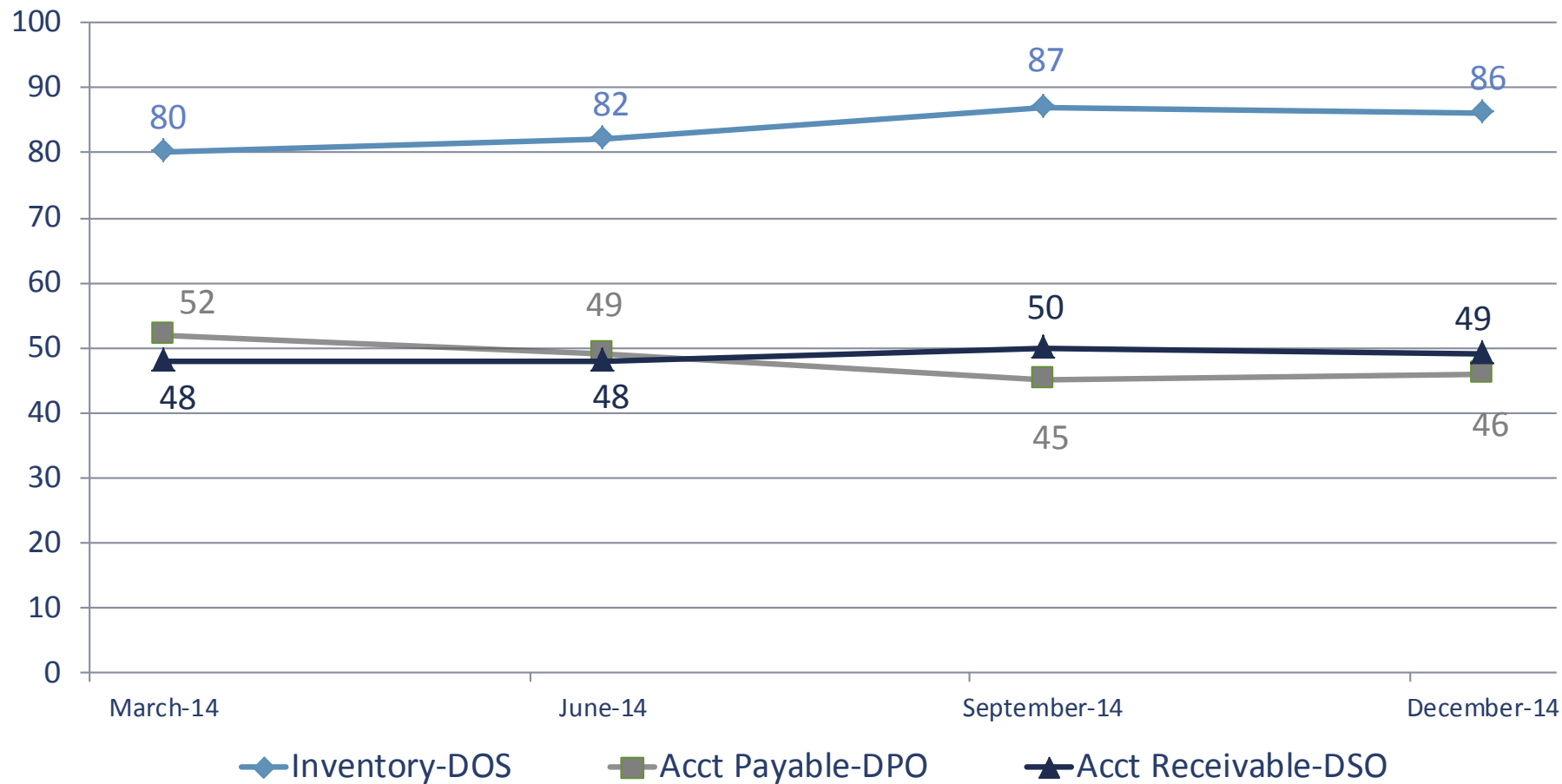
- A net pre-tax charge of \$86.3M (\$55.7M after-tax or \$0.77 per diluted share) related to mark to market adjustments for pension and other postemployment benefits
- A net pre-tax charge of \$5.1M (\$3.2M after-tax or \$0.05 per diluted share) related to the Greenville, TX lockout
- A pre-tax charge of \$22.7M (\$14.9M after-tax or \$0.21 per diluted share) related to the repurchase of outstanding public debt
- A net pre-tax charge of \$2.8M (\$1.9M after-tax or \$0.03 per diluted share), mostly related to increases in environmental liabilities at inactive sites

Other financials

- Gross Profit: \$155.3M
- Corporate and Unallocated: \$5.5M
- Interest expense, net: \$5.1M
- Underlying annual tax rate: 30.7%

Cash Flow Metric

Working Capital Days*



*Quarter end data

Balance Sheet

Capital Spending

- \$50M in Q4
- \$221M full year 2014
- Outlook for 2015 between \$170 and \$190 million

Shareholder Remuneration 2014

- 2 for 1 stock split
- Doubled our dividend
- \$200M share buyback program authorized
- \$50M shares repurchased in Q4

2015 Outlook

Business Segment	Net Sales	Operating Earnings
Aerospace Materials	\$1,025M – \$1,085M	\$195M – \$205M
Industrial Materials	\$320M – \$330M	\$30M – \$34M
In Process Separation	\$445M – \$465M	\$102M – \$108M
Additive Technologies	\$270M – \$290M	\$35M – \$39M
Corporate & Unallocated		<u>(\$26M – \$28M)</u>
Total	\$2,060M – \$2,170M	\$336M – \$358M
Interest Expense, net		\$16M
Income Tax Expense		30% – 31%
Adjusted Full Year Continuing EPS		\$3.10 – \$3.30

in millions (except per share amount)

January 28, 2015

NYSE: CYT

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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, 2014 and 2013.

Period	Reported Net Earnings (Loss) from continuing operations	Net Special Items	Non-GAAP Net Earnings from continuing operations*	Reported Diluted Earnings (Loss) per Share from continuing operations	Net Special Items	Non-GAAP Diluted Earnings per Share from continuing operations
Q4’14	\$(28.0)	\$76.2	\$48.2	\$(0.39)	\$1.05	\$0.66
Q4’13	\$56.0	\$(14.0)	\$41.9	\$0.77	\$(0.19)	\$0.58

Period	Reported Cost of Sales	Net Special Items	As Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	As Adjusted Gross Margin
Q4’14	\$385.6	\$(56.1)	\$329.5	\$99.2	\$56.1	\$155.3
Q4’13	\$304.6	\$20.6	\$325.2	\$175.3	\$(20.6)	\$154.7

* May not add due to rounding

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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
2014	\$144.1	\$73.1	\$217.2	\$1.96	\$1.00	\$2.96
2013	\$171.7	\$21.1	\$192.9	\$2.14	\$0.26	\$2.40

Period	Reported Cost of Sales	Net Special Items	As Adjusted Cost of Sales	GAAP Gross Margin	Net Special Items	As Adjusted Gross Margin
2014	\$1,403.8	\$(51.0)	\$1,352.8	\$603.9	\$51.0	\$654.9
2013	\$1,283.1	\$22.5	\$1,305.6	\$651.9	\$(22.5)	\$629.4

* May not add due to rounding