CYTEC

Second Quarter 2010 Earnings Review

Shane Fleming – Chairman, President and CEO

Dave Drillock – Vice President and CFO

July 21, 2010

CYTEC

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 2010 sales and earnings. These were included in our July 20, 2010 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 2010 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.

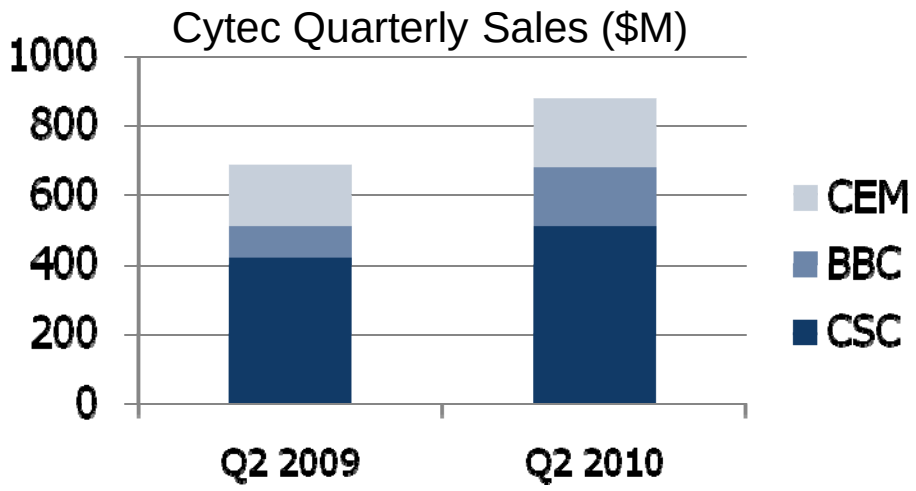
In sections of this presentation certain “non-GAAP” measures are provided and identified as such. We believe that the “non-GAAP” measures can more accurately reflect comparisons of year to year trends and is consistent with how we review the information. A reconciliation of “non-GAAP” measures to the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

Results Overview

2nd Quarter 2010:

Sales of $874 million

Earnings of $64.8M or $1.31 per diluted share
(excluding special items)



- Record earnings performance for Cytec on lower sales
- Year-on-year sales growth across all business segments
- Sales growth evident in all regions, with largest growth in North America
- Company initiatives continue to show benefits in earnings and cash flow

Business Segment Results

Coating Resins

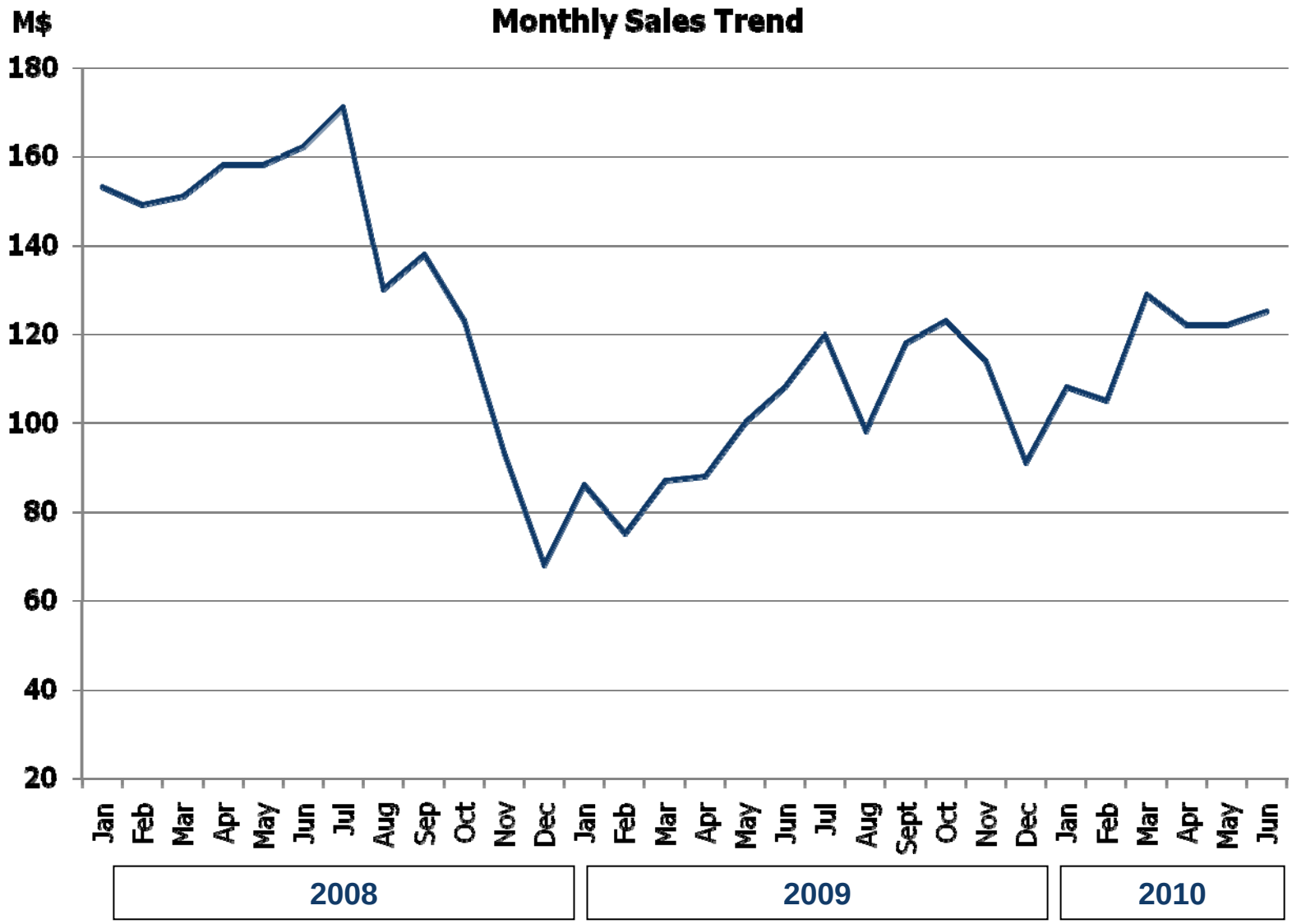
$MM USD	Q210	Q209	% chg	ytd10	ytd09	% chg
Sales	369	295	25%	710	542	31%
Earnings	28.0	(19.2)	n/a	44.7	(39.5)	n/a

- Demand improvement globally in industrial coatings, with significant volume improvement in the quarter
- Successful in recovery of raw material increases
- Restructuring actions from 2009 showing benefits

Sales Comparison YOY

Sales Growth	25%
Volume	27%
Price	2%
Currency	-4%

Coating Resins



Additive Technologies

$MM USD	Q210	Q209	% chg	ytd10	ytd09	% chg
Sales	66	63	5%	128	114	12%
Earnings	10.7	3.1	245%	19.0	3.6	428%

- Demand improvement in both Polymer and Specialty Additives
- Excluding impact of divested products, sales increased by 20%
- Improved product mix resulted in significantly higher margins in the quarter

Sales Comparison YOY

Sales Growth	5%
Volume	4%
Price	2%
Currency	-1%

Business Segment Results

In Process Separation

$MM USD	Q210	Q209	% chg	ytd10	ytd09	% chg
Sales	71	58	22%	136	114	19%
Earnings	14.3	2.1	580%	29.2	6.8	329%

- Higher demand in mining and phosphine markets led to good volume growth
- Operating margin improvement due to favorable product mix

Sales Comparison YOY

Sales Growth	22%
Volume	22%
Price	-1%
Currency	1%

Engineered Materials

$MM USD	Q210	Q209	% chg	ytd10	ytd09	% chg
Sales	196	178	10%	374	370	1%
Earnings	38.6	22.1	75%	59.6	55.2	8%

- Selling volume increases versus prior year period due to last year's customer destocking actions
- New program ramp-ups beginning to occur

Sales Comparison YOY

Sales Growth	10%
Volume	11%
Price	0%
Currency	-1%

Building Block Chemicals

$MM USD	Q210	Q209	% chg	ytd10	ytd09	% chg
Sales	172	91	89%	312	158	97%
Earnings	15.0	1.9	689%	19.1	5.1	275%

- Significantly higher prices as a result of higher propylene costs and tight market conditions for acrylonitrile
- Selling volume increase related to demand improvement for melamine

Sales Comparison YOY

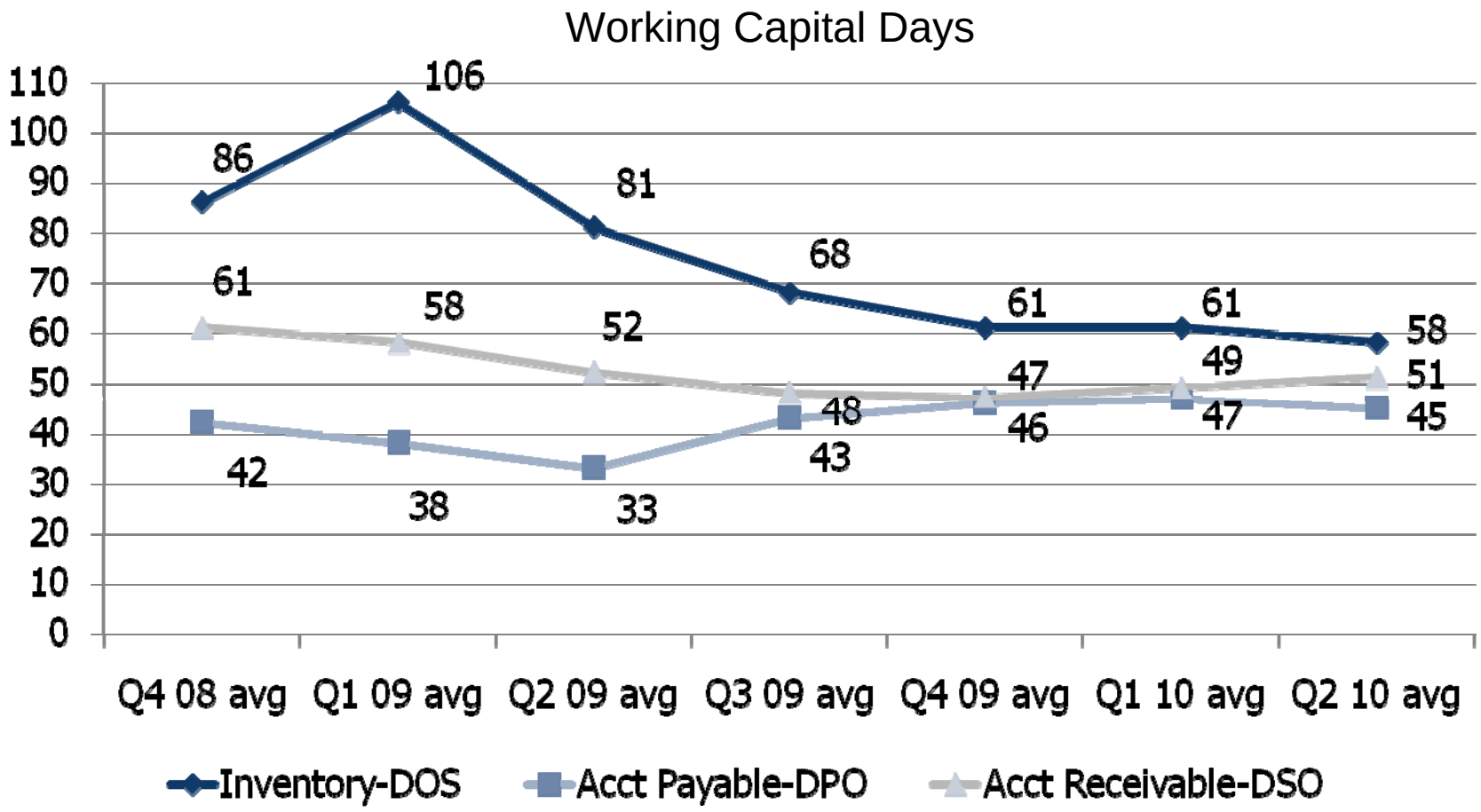
Sales Growth	89%
Volume	14%
Price	75%
Currency	0

Second Quarter 2010

- Pre-tax charge of $4.8 million mostly related to the exit of a minor phosphorus derivatives product within IPS segment
- Gross Margin (ex special items) up approximately 9% versus Q2'09
  - Higher selling volumes and improved product mix
  - Higher plant utilization
- Raw material costs approximately $45 million higher
- Operating Expenses up approximately $10M year on year due to reinstatement of short term cost reduction actions taken in 2009
- Estimated annual underlying income tax rate was 31.75% versus prior year's 35%

Cash Flow

Cash flow from operations was $86M in Q2'10 vs. $168M in Q2'09



Sustainable Working Capital Levels

2010 Outlook – Business Segments

Outlook table in Millions

Business Segment	Net Sales	Operating Earnings Guidance
Coating Resins	$1,350 to $1,450	$70 to $80
Additive Technologies	$240 to $250	$35 to $40
In Process Separation	$290 to $310	$55 to $60
Engineered Materials	$730 to $760	$105 to $115
Building Block Chemicals	$550 to $600	$25 to $30
Total	$3,160 to $3,370	$290 to $325

2010 Outlook – Total Cytec

	2010
Corporate and Unallocated, Net Expense	~$23
Other Expense, net	~$6
Interest Expense, net	~$34
Income Tax Expense	31% - 33%
Adjusted EPS	$3.20 to $3.50

- 2010 adjusted EPS forecast well above prior EPS forecast of $1.90 to $2.40
- Outlook assumes economic recovery continues

CYTEC

Delivering Technology Beyond
Our Customers' Imagination™

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 June 30, 2010 and 2009.

Period	Reported Net Earnings/Loss	Net Special Items	Non-GAAP Net Earnings/ (Loss)	Reported Diluted Earnings/(Loss) Per Share	Net Special Items	Non-GAAP Diluted Earnings /(Loss) per Share
Q210	$61.8	$3.1	$64.8	$1.24	$0.06	$1.31
Q209	$(24.8)	$24.2	$(0.6)	$(0.52)	$0.51	$(0.01)

Period	Reported Cost of Sales	Net Special Items	Adjusted Cost of Sales	Reported Gross Margin	Net Special Items	Adjusted Gross Margin
Q210	$666.8	(5.0)	661.8	207.1	5.0	212.1
Q209	$603.0	(23.9)	579.1	82.3	23.9	106.2

Amounts may not add due to rounding