

CYTEC INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Dollars in millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2010	2009
Net sales	\$ 786.8	\$ 612.0
Manufacturing cost of sales	623.2	497.8
Selling and technical services	48.3	49.4
Research and process development	17.7	17.9
Administrative and general	28.9	29.6
Amortization of acquisition intangibles	9.5	9.2
Gain on sale of assets	-	1.6
Earnings from operations	59.2	9.7
Other (expense)/income, net	(0.3)	(3.2)
Net loss on early extinguishment of debt	(0.7)	-
Equity in earnings of associated companies	0.1	0.2
Interest expense, net	8.1	5.6
Earnings before income taxes	50.2	1.1
Income tax provision	24.4	1.0
Net earnings	25.8	0.1
Less: Net earnings attributable to noncontrolling interests	(1.0)	(0.2)
Net earnings/(loss) attributable to Cytec Industries Inc.	\$ 24.8	\$ (0.1)
Earnings/(loss) per share attributable to Cytec Industries Inc.		
Basic earnings/(loss) per common share	\$ 0.51	\$ (0.00)
Diluted earnings/(loss) per common share	\$ 0.50	\$ (0.00)
Dividends per common share	\$ 0.0125	\$ 0.125
Weighted average shares outstanding (in thousands):		
Basic	49,078	47,482
Diluted	49,510	47,482

CYTEC INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED NET SALES AND EARNINGS FROM OPERATIONS BY BUSINESS SEGMENT
(Millions of dollars)

	Three months ended March 31,	
	2010	2009
Net Sales:		
Coating Resins	\$ 341.4	\$ 246.7
Additive Technologies		
Sales to external customers	62.3	50.9
Intersegment sales	0.3	-
In Process Separation	65.1	55.9
Engineered Materials	177.7	191.6
Building Block Chemicals		
Sales to external customers	140.3	66.9
Intersegment sales	7.0	4.9
Net sales from segments	794.1	616.9
Elimination of intersegment revenue	(7.3)	(4.9)
Total consolidated net sales	\$ 786.8	\$ 612.0

Three months ended March 31,		% of			
		2010	Sales	2009	% of
					Sales
Earnings/(loss) from operations:					
Coating Resins	\$ 16.8	5 %		\$ (20.3)	-8 %
Additive Technologies	8.4	13 %		0.6	1 %
In Process Separation	14.9	23 %		4.8	9 %
Engineered Materials	21.0	12 %		33.1	17 %
Building Block Chemicals	4.1	3 %		3.2	4 %
Earnings from segments	65.2	8 %		21.4	3 %
Corporate and Unallocated, net (1)	(6.0)			(11.7)	
Total earnings from operations	\$ 59.2	8 %		\$ 9.7	2 %

(1) 2010 includes a net pre-tax credit of \$0.4 primarily related to a net favorable adjustment of previously recorded restructuring liabilities. 2009 includes pre-tax charges of \$3.2 associated with various organizational restructuring initiatives across our Specialty Chemical segments and corporate operations. 2009 also includes a pre-tax gain of \$1.6 associated with the sale of certain of our polyurethane product line assets in Europe and a pre-tax charge of \$1.6 primarily related to the accelerated depreciation of assets associated with the exit of our polyurethane product line in Asia.

CYTEC INDUSTRIES INC AND SUBSIDIARIES
PERCENT CHANGE IN SALES ANALYSIS BY SEGMENT

Segment	Three Months Ended March 31, 2010			
	% Variance Due To			
	<u>Volume</u>	<u>Price</u>	<u>FX</u>	<u>Total</u>
Coating Resins	42%	-9%	5%	38%
Additive Technologies	18%	1%	3%	22%
In-Process Separation	17%	-4%	3%	16%
Engineered Materials	-9%	1%	1%	-7%
Building Block Chemicals	<u>35%</u>	<u>75%</u>	<u>0%</u>	<u>110%</u>
<i>Total Cytec</i>	22%	4%	3%	29%

CYTEC INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollars in millions, except per share amounts)

	March 31, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 261.9	\$ 261.7
Trade accounts receivable, less allowance for doubtful accounts of \$6.1 and \$6.6 in 2010 and 2009, respectively	425.1	374.2
Other accounts receivable	51.1	58.4
Inventories	381.0	351.9
Deferred income taxes	35.5	41.3
Currency swap receivable	17.2	34.4
Other current assets	23.9	19.0
Total current assets	1,195.7	1,140.9
Investment in associated companies	20.4	21.5
Plants, equipment and facilities, at cost	2,298.3	2,310.0
Less: accumulated depreciation	(1,141.6)	(1,133.8)
Net plant investment	1,156.7	1,176.2
Acquisition intangibles, net of accumulated amortization of \$217.4 and \$214.8 in 2010 and 2009, respectively	375.5	399.5
Goodwill	685.2	701.9
Deferred income taxes	9.0	11.9
Other assets	106.9	107.5
Total assets	\$ 3,549.4	\$ 3,559.4
Liabilities		
Current liabilities		
Accounts payable	\$ 347.4	\$ 276.4
Short-term borrowings	11.6	10.4
Current maturities of long-term debt	16.8	16.7
Accrued expenses	184.5	202.2
Income taxes payable	12.2	19.2
Currency swap payable	29.1	45.3
Deferred income taxes	2.2	5.2
Total current liabilities	603.8	575.4
Long-term debt	643.7	658.4
Pension and other postretirement benefit liabilities	369.5	388.8
Other noncurrent liabilities	290.4	309.7
Deferred income taxes	67.8	64.0
Stockholders' equity		
Preferred stock, 20,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$.01 par value per share, 150,000,000 shares authorized; issued 49,316,913	0.5	0.5
Additional paid-in capital	449.7	451.0
Retained earnings	1,147.5	1,123.2
Accumulated other comprehensive gain/(loss)	(7.2)	16.0
Treasury stock, at cost, 377,052 shares in 2010 and 594,134 shares in 2009	(20.2)	(31.8)
Total Cytec Industries Inc. stockholders' equity	1,570.3	1,558.9
Noncontrolling interests	3.9	4.2
Total equity	1,574.2	1,563.1
Total liabilities and stockholders' equity	\$ 3,549.4	\$ 3,559.4

CYTEC INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in millions)

	Three Months Ended	
	March 31,	
	2010	2009
Cash flows provided by (used in) operating activities		
Net earnings	\$ 25.8	\$ 0.1
Non cash items included in net earnings		
Depreciation	27.3	28.1
Amortization	11.3	10.8
Share-based compensation	2.9	2.1
Deferred income taxes	12.2	(13.0)
Gain on sale of assets	(2.3)	(1.6)
Loss on early extinguishment of debt	0.7	-
Unrealized gain on derivative instruments	-	(5.8)
Other	(0.1)	(0.2)
Changes in operating assets and liabilities:		
Trade accounts receivable	(58.0)	52.8
Other receivables	6.7	13.0
Inventories	(35.2)	44.0
Other assets	(3.0)	(11.4)
Accounts payable	83.7	(33.6)
Accrued expenses	(17.4)	(18.0)
Income taxes payable	(1.4)	(4.6)
Other liabilities	(15.1)	(0.3)
Net cash provided by operating activities	38.1	62.4
Cash flows (used in)/ provided by investing activities		
Additions to plants, equipment and facilities	(29.0)	(63.5)
Net proceeds received on sale of assets	1.7	5.7
Net cash used in investing activities	(27.3)	(57.8)
Cash flows (used in)/ provided by financing activities		
Proceeds from long-term debt	-	70.0
Payments on long-term debt	(15.2)	(71.0)
Change in short-term borrowings	1.2	(13.7)
Cash dividends	(1.9)	(5.9)
Proceeds from the exercise of stock options	6.7	1.5
Excess tax benefits from share-based payment arrangements	0.8	
Net cash used in financing activities	(8.4)	(19.1)
Effect of currency rate changes on cash and cash equivalents	(2.2)	(2.8)
Net increase/(decrease) in cash and cash equivalents	0.2	(17.3)
Cash and cash equivalents, beginning of period	261.7	55.3
Cash and cash equivalents, end of period	\$ 261.9	\$ 38.0

Cytec Industries Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Measures
Amounts in millions except per share amounts

Management believes that net earnings and diluted earnings per share before special items, which are non-GAAP measurements, are meaningful to investors because they provide a view of the Company with respect to ongoing operating results. 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 non-GAAP 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.

Three Months Ended March 31, 2010

	<u>Net</u> <u>Earnings</u> <u>(Loss)</u>	<u>Diluted</u> <u>EPS</u>
GAAP Net Earnings/(Loss)	\$24.8	\$0.50
- Net restructuring charges	(0.4)	(0.01)
- Effect of Health Care Legislation on tax	<u>8.3</u>	<u>0.17</u>
Non-GAAP Net Earnings	<u>\$32.7</u>	<u>\$0.66</u>

Three Months Ended March 31, 2009

	<u>Net</u> <u>Earnings</u> <u>(Loss)</u>	<u>Diluted</u> <u>EPS</u>
GAAP Net Earnings/(Loss)	\$(0.1)	\$(0.00)
- Net restructuring charges	2.2	0.05
- Gain on disposal of assets	(1.0)	(0.02)
- Product line exit costs (primarily accelerated depreciation)	<u>1.6</u>	<u>0.03</u>
Non-GAAP Net Earnings	<u>\$2.7</u>	<u>\$0.06</u>