

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

	Three Months Ended December 31,		Years Ended December 31,	
	2009	2008	2009	2008
Net sales	\$ 752.0	\$ 698.2	\$ 2,789.5	\$ 3,639.9
Manufacturing cost of sales	610.9	578.1	2,317.1	2,912.7
Selling and technical services	50.8	54.0	199.4	230.1
Research and process development	19.1	19.1	75.2	81.6
Administrative and general	34.4	22.4	124.4	112.0
Amortization of acquisition intangibles	9.9	9.2	38.2	39.6
Net gain on sale of assets	-	-	0.2	-
Asset impairment charge	4.3	-	4.3	-
Goodwill impairment charge	-	385.0	-	385.0
Earnings/(loss) from operations	22.6	(369.6)	31.1	(121.1)
Other income (expense), net	(6.0)	1.1	(2.5)	3.3
Net (loss)/gain on early extinguishment of debt	(0.6)	1.9	(9.1)	1.9
Equity in earnings of associated companies	0.2	0.1	0.9	1.5
Interest expense, net	(5.9)	(7.3)	(24.2)	(35.2)
Earnings/(loss) before income tax provision	10.3	(373.8)	(3.8)	(149.6)
Income tax (benefit)/provision	(0.1)	(23.7)	(2.9)	47.4
Net earnings/(loss)	\$10.4	\$ (350.1)	\$ (0.9)	\$ (197.0)
Less: Net earnings attributable to noncontrolling interests	0.6	0.6	1.6	1.8
Net earnings/(loss) attributable to Cytec Industries Inc.	\$ 9.8	\$ (350.7)	\$ (2.5)	\$ (198.8)
Basic net earnings/(loss) per common share:				
Net earnings/(loss) attributable to Cytec Industries Inc.	\$ 0.20	\$ (7.39)	\$ (0.05)	\$ (4.16)
Diluted net earnings/(loss) per common share:				
Net earnings/(loss) attributable to Cytec Industries Inc.	\$ 0.20	\$ (7.39)	\$ (0.05)	\$ (4.16)
Dividends per common share	\$ 0.0125	\$ 0.125	\$ 0.16	\$ 0.50
Weighted Average Shares Outstanding (000 Omitted)				
Basic	48,848	47,428	48,307	47,800
Diluted	49,133	47,428	48,307	47,800

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

	Three months ended December 31,		Twelve months ended December 31,	
	2009	2008	2009	2008
Net Sales:				
Coating Resins	\$ 328.6	\$ 283.6	\$ 1,206.9	\$ 1,652.0
Additive Technologies				
Sales to external customers	60.5	58.9	239.1	310.5
Intersegment sales	0.3	0.5	0.8	1.6
In Process Separation	80.6	73.4	265.8	298.4
Engineered Materials	178.4	188.2	717.5	867.3
Building Block Chemicals				
Sales to external customers	103.9	94.1	360.2	511.7
Intersegment sales	6.2	4.0	26.5	19.9
Net sales from segments	758.5	702.7	2,816.8	3,661.4
Elimination of intersegment revenue	(6.5)	(4.5)	(27.3)	(21.5)
Total consolidated net sales	\$ 752.0	\$ 698.2	\$ 2,789.5	\$ 3,639.9

	Three months ended December 31,				Twelve months ended December 31,			
	2009	% of Sales	2008	% of Sales	2009	% of Sales	2008	% of Sales
Earnings/(loss) from operations:								
Coating Resins (1)	\$ 17.6	5 %	\$ (404.2)	-143 %	\$ (3.2)	0 %	\$ (340.2)	-21 %
Additive Technologies	4.2	7 %	(0.3)	-1 %	11.0	5 %	17.9	6 %
In Process Separation	15.2	19 %	15.3	21 %	34.6	13 %	51.5	17 %
Engineered Materials	22.8	13 %	29.9	16 %	96.3	13 %	163.2	19 %
Building Block Chemicals	0.3	0 %	(6.4)	-7 %	10.2	3 %	4.7	1 %
Earnings/(loss) from segments	60.1	8 %	(365.7)	-52 %	148.9	5 %	(102.9)	-3 %
Corporate and Unallocated, net (2)	(37.5)		(3.9)		(117.8)		(18.2)	
Total earnings/(loss) from operations	\$ 22.6	3 %	\$ (369.6)	-53 %	\$ 31.1	1 %	\$ (121.1)	-3 %

(1) Includes pre-tax charges of \$1.4 and \$5.6 for the three and twelve months ended December 31, 2008, respectively, for incremental accelerated depreciation in relation to the decision to exit Radcure manufacturing at a leased facility in Pampa, Texas. The three and twelve months ended December 31, 2008 also include a pre-tax goodwill impairment charge of \$385.0.

(2) For the three and twelve months ended December 31, 2009 includes pre-tax charges of \$30.7 and \$90.2, respectively, for various manufacturing and organizational restructuring initiatives across the Specialty Chemical segments and Engineered Materials segment and within corporate operations as well as restructuring charges related to the shared services initiative. The twelve months ended December 31, 2009 includes a net loss of \$1.4 related to the exit of the polyurethane product line in Europe and Asia. The three and twelve months ended December 31, 2008 includes pre-tax charges of \$4.1 and \$14.9, respectively, for additional restructuring costs primarily associated with various organizational restructuring initiatives across the Specialty Chemicals segments.

CYTEC INDUSTRIES INC. AND SUBSIDIARIES
PERCENT CHANGE IN SALES ANALYSIS BY SEGMENT VERSUS PRIOR YEAR PERIOD

Segment	Three Months Ended December 31, 2009			Twelve Months Ended December 31, 2009		
	Volume	Price	FX	Volume	Price	FX
Coating Resins	21%	-12%	7%	-21%	-4%	-2%
Additive Technologies	2%	-3%	4%	-21%	0%	-2%
In-Process Separation	13%	-6%	3%	-12%	2%	-1%
Engineered Materials	-6%	0%	1%	-18%	2%	-1%
Building Block Chemicals	38%	-28%	0%	16%	-46%	0%
Total Cytec	13%	-9%	4%	-14%	-8%	-1%

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

	December 31,	
	2009	2008
Assets		
Current assets		
Cash and cash equivalents	\$ 261.7	\$ 55.3
Trade accounts receivable, less allowance for doubtful accounts of \$6.6 and \$6.2 in 2009 and 2008, respectively	374.2	448.8
Other accounts receivable	58.4	81.2
Inventories	351.9	569.4
Deferred income taxes	41.3	42.6
Currency swap receivable	34.4	-
Other current assets	19.0	19.4
Total current assets	1,140.9	1,216.7
Investment in associated companies	21.5	22.1
Plants, equipment and facilities, at cost	2,310.0	2,136.1
Less: accumulated depreciation	(1,133.8)	(1,019.8)
Net plant investment	1,176.2	1,116.3
Acquisition intangibles, net of accumulated amortization of \$214.8 and \$171.3 in 2009 and 2008, respectively	399.5	430.8
Goodwill	701.9	693.7
Deferred income taxes	11.9	28.9
Other assets	107.5	131.5
Total assets	\$ 3,559.4	\$ 3,640.0
Liabilities		
Current liabilities		
Accounts payable	\$ 276.4	\$ 249.4
Short-term borrowings	10.4	41.0
Current maturities of long-term debt	16.7	1.4
Accrued expenses	202.2	190.2
Income taxes payable	19.2	12.5
Currency swap payable	45.3	-
Deferred income taxes	5.2	2.4
Total current liabilities	575.4	496.9
Long-term debt	658.4	806.4
Pension and other postretirement benefit liabilities	384.2	436.3
Other noncurrent liabilities	309.7	300.1
Deferred income taxes	65.8	121.5
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 in 2009 and 48,132,640 shares in 2008	0.5	0.5
Additional paid-in capital	451.0	437.1
Retained earnings	1,123.2	1,133.5
Accumulated other comprehensive gain/(loss)	18.8	(39.2)
Treasury stock, at cost, 594,134 shares in 2009 and 1,069,423 shares in 2008	(31.8)	(57.2)
Total Cytec Industries Inc. stockholders' equity	1,561.7	1,474.7
Noncontrolling interests	4.2	4.1
Total equity	1,565.9	1,478.8
Total liabilities and stockholders' equity	\$ 3,559.4	\$ 3,640.0

CYTEC INDUSTRIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Millions)
(unaudited)

Years ended December 31,	2009	2008
Cash flows provided by (used in) operating activities		
Net loss attributable to Cytec Industries Inc.	\$ (2.5)	\$ (198.8)
Non cash items included in net loss:		
Depreciation	135.9	113.7
Amortization	44.7	45.6
Share-based compensation	7.8	10.2
Deferred income taxes	(42.1)	(19.1)
Net gain on sales of assets	(0.2)	(3.9)
Non-cash gain on transfer of land	(8.9)	-
Non-cash pension settlement charge	12.2	-
Asset impairment charges	4.3	385.0
Net loss/(gain) on early extinguishment of debt	9.1	(1.9)
Unrealized (gain)/loss on derivative instruments	(5.7)	8.4
Other	1.0	0.7
Changes in operating assets and liabilities:		
Trade accounts receivable	94.0	104.0
Other receivables	22.2	6.0
Inventories	227.6	(70.0)
Other assets	3.2	(13.8)
Accounts payable	32.7	(75.4)
Accrued expenses	24.6	(18.6)
Income taxes payable	13.2	(1.4)
Other liabilities	(9.4)	(42.0)
Net cash provided by operating activities	563.7	228.7
Cash flows (used in) provided by investing activities:		
Additions to plants, equipment and facilities	(193.9)	(195.8)
Net proceeds received on sale of assets	7.0	2.4
Net cash used in investing activities	(186.9)	(193.4)
Cash flows provided by (used in) financing activities		
Proceeds from long-term debt	390.2	282.0
Payments on long-term debt	(532.8)	(278.7)
Change in short-term borrowings	(29.9)	(3.0)
Cash dividends	(7.7)	(23.8)
Proceeds from the exercise of stock options	7.4	11.2
Purchase of treasury stock	-	(46.4)
Excess tax benefits from share-based payment arrangements	-	5.3
Other	0.1	1.4
Net cash used in financing activities	(172.7)	(52.0)
Effect of currency rate changes on cash and cash equivalents	2.3	(4.8)
Increase/(decrease) in cash and cash equivalents	206.4	(21.5)
Cash and cash equivalents, beginning of year	55.3	76.8
Cash and cash equivalents, end of year	\$ 261.7	\$ 55.3

Reconciliation of GAAP and Non-GAAP Measures
Amounts in millions except per share amounts

Management believes that net earnings, basic 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 December 31, 2009

	<u>Net</u> <u>Earnings</u>	<u>EPS</u>
GAAP net earnings and diluted per common share	\$ 9.8	\$ 0.20
- Net restructuring charge	4.3	0.09
- Non-cash fixed assets write-down	15.6	0.32
- Asset impairment charge	3.4	0.07
- Settlement of Engineered Materials litigation matter	(3.8)	(0.08)
- Tax benefit	(4.0)	(0.08)
- Pension settlement	<u>9.1</u>	<u>0.18</u>
Non-GAAP net earnings and diluted per common share	<u>\$34.4</u>	<u>\$0.70</u>

Three Months Ended December 31, 2008

	<u>Net</u> <u>Earnings/(loss)</u>	<u>EPS</u>
GAAP net loss and basic per common share	\$(350.7)	\$(7.39)
- Net restructuring charge	2.8	0.06
- Pampa accelerated depreciation charge	0.9	0.02
- Settlement of Engineered Materials litigation matter	(4.0)	(0.09)
- Income Tax Benefit	(2.6)	(0.05)
- Goodwill impairment charge	<u>358.3</u>	<u>7.55</u>
Non-GAAP net earnings and diluted per common share	<u>\$4.7</u>	<u>\$0.10</u>

(Effect of share dilution from basic to fully diluted was immaterial for 2008)

Full Year Ended December 31, 2009

	<u>Net</u> <u>Earnings/(loss)</u>	<u>EPS</u>
GAAP net loss and basic per common share	\$ (2.5)	\$ (0.05)
- Net restructuring charge	40.5	0.84
- Non-cash fixed assets write-down	19.8	0.41
- Asset impairment charge	3.4	0.07
- Loss on disposal of assets and other related exit costs	1.9	0.04
- Settlement of Engineered Materials litigation matter	(3.8)	(0.08)
- Non-cash gain realized upon transfer of land	(5.5)	(0.12)
- Net premium on repurchase of debt under tender offer	5.2	0.11
- Tax benefit	(4.0)	(0.08)
- Pension settlement	<u>9.1</u>	<u>0.18</u>
Non-GAAP net earnings and diluted per common share	<u>\$64.1</u>	<u>\$1.32</u>

(Effect of share dilution from basic to fully diluted was immaterial for 2009)

Full Year Ended December 31, 2008

	<u>Net</u> <u>Earnings(loss)</u>	<u>EPS</u>
GAAP net loss and basic per common share	\$(198.8)	\$(4.16)
- Net restructuring charge	10.4	0.22
- Pampa accelerated depreciation charge	3.6	0.08
- Settlement of Engineered Materials litigation matter	(4.0)	(0.08)
- Income Tax Benefit	(2.6)	(0.05)
- Goodwill impairment charge	358.3	7.50
- Effect of share dilution (i.e. Basic to Fully Diluted)	<u>-</u>	<u>(0.05)</u>
Non-GAAP net earnings and diluted per common share	<u>\$167.0</u>	<u>\$3.46</u>

Numbers may not add due to rounding.

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