

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net sales	\$ 873.9	\$ 685.3	\$ 1,660.7	\$ 1,297.3
Manufacturing cost of sales	666.8	603.0	1,290.0	1,100.8
Selling and technical services	50.8	50.6	99.1	100.0
Research and process development	18.4	21.0	36.1	38.9
Administrative and general	33.2	30.8	62.1	60.4
Amortization of acquisition intangibles	9.0	9.4	18.5	18.6
Gain/(loss) on sale of assets	0.0	(1.4)	0.0	0.2
Earnings/(loss) from operations	95.7	(30.9)	154.9	(21.2)
Other expense, net	1.7	0.1	2.0	3.3
Net loss on early extinguishment of debt	0.0	0.0	0.7	0.0
Equity in earnings of associated companies	0.3	0.3	0.4	0.5
Interest expense, net	7.9	5.1	16.1	10.7
Earnings/(loss) before income taxes	86.4	(35.8)	136.5	(34.7)
Income tax provision/(benefit)	24.0	(11.4)	48.4	(10.4)
Net earnings/(loss)	62.4	(24.4)	88.1	(24.3)
Less: Net earnings attributable to noncontrolling interests	(0.6)	(0.4)	(1.5)	(0.6)
Net earnings/(loss) attributable to Cytec Industries Inc.	\$ 61.8	\$ (24.8)	\$ 86.6	\$ (24.9)
Earnings/(loss) per share attributable to Cytec Industries Inc.				
Basic earnings/(loss) per common share	\$ 1.26	\$ (0.52)	\$ 1.76	\$ (0.52)
Diluted earnings/(loss) per common share	\$ 1.24	\$ (0.52)	\$ 1.75	\$ (0.52)
Dividends per common share	\$ 0.0125	\$ 0.0125	\$ 0.025	\$ 0.1375

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

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Net Sales:				
Coating Resins	\$ 368.9	\$ 295.3	\$ 710.4	\$ 542.0
Additive Technologies				
Sales to external customers	66.1	62.9	128.4	113.8
Intersegment sales	0.2	0.2	0.5	0.2
In Process Separation	70.7	58.0	135.8	113.9
Engineered Materials	196.3	178.3	374.0	369.9
Building Block Chemicals				
Sales to external customers	171.9	90.8	312.1	157.7
Intersegment sales	6.0	6.8	13.0	11.7
Net sales from segments	880.1	692.3	1,674.2	1,309.2
Elimination of intersegment revenue	(6.2)	(7.0)	(13.5)	(11.9)
Total consolidated net sales	\$ 873.9	\$ 685.3	\$ 1,660.7	\$ 1,297.3

	Three months ended June 30,				Six months ended June 30,			
	2010	% of Sales	2009	% of Sales	2010	% of Sales	2009	% of Sales
Earnings/(loss) from operations:								
Coating Resins	\$ 28.0	8 %	\$ (19.2)	(7) %	\$ 44.7	6 %	\$ (39.5)	(7) %
Additive Technologies	10.7	16 %	3.1	5 %	19.0	15 %	3.6	3 %
In Process Separation	14.3	20 %	2.1	4 %	29.2	22 %	6.8	6 %
Engineered Materials	38.6	20 %	22.1	12 %	59.6	16 %	55.2	15 %
Building Block Chemicals	15.0	9 %	1.9	2 %	19.1	6 %	5.1	3 %
Earnings from segments	106.6	12 %	10.0	1 %	171.6	10 %	31.2	2 %
Corporate and Unallocated, net (1)	(11.5)		(40.9)		(17.2)		(52.4)	
Total earnings/(loss) from operations	\$ 95.1	11 %	\$ (30.9)	(5) %	\$ 154.4	9 %	\$ (21.2)	(2) %

(1) For the three and six months ended June 30, 2010, Corporate and Unallocated includes pre-tax charges of \$4.5 and \$4.1, respectively, related to the exit of certain phosphorus products and net favorable adjustments of previously recorded restructuring liabilities. For the three and six months ended June 30, 2009, Corporate and Unallocated includes pre-tax charges of \$34.2 and \$37.4, respectively, for various manufacturing and organizational restructuring initiatives across our Specialty Chemical and Engineered Materials segments and organizational restructuring activities within corporate operations. Also for the three and six months ended June 30, 2009, Corporate and Unallocated includes pre-tax net charges of \$1.4 and \$1.4, respectively, related to the exit of our polyurethane product line in Europe and Asia.

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

Segment	Three Months Ended June 30, 2010			Six Months Ended June 30, 2010		
	% Variance Due To			% Variance Due To		
	<u>Volume</u>	<u>Price</u>	<u>FX</u>	<u>Volume</u>	<u>Price</u>	<u>FX</u>
Coating Resins	27%	2%	-4%	33%	-2%	0%
Additive Technologies	4%	2%	-1%	11%	1%	1%
In-Process Separation	22%	-1%	1%	20%	-3%	2%
Engineered Materials	11%	0%	-1%	0%	1%	0%
Building Block Chemicals	14%	75%	0%	23%	75%	0%
<i>Total Cytec</i>	<i>19%</i>	<i>11%</i>	<i>-2%</i>	<i>20%</i>	<i>8%</i>	<i>0%</i>

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

	<u>June 30,</u>	<u>December 31,</u>
	<u>2010</u>	<u>2009</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 311.5	\$ 261.7
Trade accounts receivable, less allowance for doubtful accounts of \$5.1 and \$6.6 in 2010 and 2009, respectively	455.0	374.2
Other accounts receivable	51.1	58.4
Inventories	389.4	351.9
Deferred income taxes	36.1	41.3
Currency swap receivable	0.0	34.4
Other current assets	21.9	19.0
Total current assets	1,265.0	1,140.9
Investment in associated companies	18.2	21.5
Plants, equipment and facilities, at cost	2,274.3	2,310.0
Less: accumulated depreciation	(1,142.1)	(1,133.8)
Net plant investment	1,132.2	1,176.2
Acquisition intangibles, net of accumulated amortization of \$214.6 and \$214.8 in 2010 and 2009, respectively	344.3	399.5
Goodwill	659.7	701.9
Deferred income taxes	14.0	11.9
Other assets	107.8	107.5
Total assets	\$ 3,541.2	\$ 3,559.4
Liabilities		
Current liabilities		
Accounts payable	\$ 360.5	\$ 276.4
Short-term borrowings	9.1	10.4
Current maturities of long-term debt	16.8	16.7
Accrued expenses	198.8	202.2
Income taxes payable	25.9	19.2
Currency swap payable	13.0	45.3
Deferred income taxes	2.1	5.2
Total current liabilities	626.2	575.4
Long-term debt	643.3	658.4
Pension and other postretirement benefit liabilities	347.8	388.8
Other noncurrent liabilities	254.3	309.7
Deferred income taxes	87.2	64.0
Stockholders' equity		
Preferred stock, 20,000,000 shares authorized; none issued and outstanding	0.0	0.0
Common stock, \$.01 par value per share, 150,000,000 shares authorized; issued 49,316,913	0.5	0.5
Additional paid-in capital	448.2	451.0
Retained earnings	1,208.6	1,123.2
Accumulated other comprehensive (loss)/gain	(63.3)	16.0
Treasury stock, at cost, 285,568 shares in 2010 and 594,134 shares in 2009	(16.2)	(31.8)
Total Cytec Industries Inc. stockholders' equity	1,577.8	1,558.9
Noncontrolling interests	4.6	4.2
Total equity	1,582.4	1,563.1
Total liabilities and stockholders' equity	\$ 3,541.2	\$ 3,559.4

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

	Six Months Ended	
	June 30,	
	2010	2009
Cash flows provided by (used in) operating activities		
Net earnings/(loss)	\$88.1	\$(24.3)
Noncash items included in net earnings/(loss):		
Depreciation	52.3	55.2
Amortization	22.5	21.7
Share-based compensation	5.6	4.1
Deferred income taxes	19.6	(21.8)
Gain on sale of assets	(2.3)	(0.2)
Loss on early extinguishment of debt	0.7	0.0
Unrealized loss/(gain) on derivative instruments	2.8	(7.4)
Other	0.3	0.5
Changes in operating assets and liabilities:		
Trade accounts receivable	(109.7)	49.2
Other receivables	5.8	27.7
Inventories	(56.6)	149.4
Other assets	1.1	(14.9)
Accounts payable	110.0	(0.4)
Accrued expenses	5.1	9.8
Income taxes payable	14.2	(11.1)
Other liabilities	(35.1)	(7.1)
Net cash provided by operating activities	124.4	230.4
Cash flows (used in) provided by investing activities		
Additions to plants, equipment and facilities	(55.6)	(116.3)
Net proceeds received on sale of assets	1.7	7.0
Net cash used in investing activities	(53.9)	(109.3)
Cash flows provided by (used in) financing activities		
Proceeds from long-term debt	0.0	108.0
Payments on long-term debt	(15.5)	(200.3)
Change in short-term borrowings, net	(1.5)	(17.8)
Cash dividends	(2.5)	(6.5)
Proceeds from the exercise of stock options	8.6	1.5
Excess tax benefits from share-based payment arrangements	0.8	0.0
Net cash used in financing activities	(10.1)	(115.1)
Effect of currency rate changes on cash and cash equivalents	(10.6)	0.9
Increase in cash and cash equivalents	49.8	6.9
Cash and cash equivalents, beginning of period	261.7	55.3
Cash and cash equivalents, end of period	\$ 311.5	\$ 62.2

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 June 30, 2010

	<u>Net earnings</u>	<u>Diluted EPS</u>
GAAP Net Earnings	\$61.8	\$1.24
- Net restructuring charges	<u>3.1</u>	<u>0.06</u>
Non-GAAP Net Earnings*	<u>\$64.8</u>	<u>\$1.31</u>

*May not add due to rounding

Three Months Ended June 30, 2009

	<u>Net Earnings (Loss)</u>	<u>Diluted EPS</u>
GAAP Net Loss	\$(24.8)	\$(0.52)
- Net restructuring charges	22.8	0.48
- Loss on disposal of assets	<u>1.4</u>	<u>0.03</u>
Non-GAAP Net Loss	<u>\$(0.6)</u>	<u>\$(0.01)</u>

Six Months Ended June 30, 2010

	<u>Net earnings</u>	<u>Diluted EPS</u>
GAAP Net Earnings	\$86.6	\$1.75
- Net restructuring charges	2.7	0.05
- Effect of Health Care Legislation on tax	<u>8.3</u>	<u>0.17</u>
Non-GAAP Net Earnings	<u>\$97.6</u>	<u>\$1.97</u>

Six Months Ended June 30, 2009

	<u>Net Earnings (Loss)</u>	<u>Diluted EPS</u>
GAAP Net Loss	\$(24.9)	\$(0.52)
- Net restructuring charges	25.0	0.52
- Loss on disposal of assets and other related exit costs	<u>1.9</u>	<u>0.04</u>
Non-GAAP Net Earnings	<u>\$2.0</u>	<u>\$0.04</u>