

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,	
	2008	2007	2008	2007
Net sales	\$ 1,005.8	\$ 864.0	\$ 1,978.8	\$ 1,727.5
Manufacturing cost of sales	796.2	662.8	1,568.8	1,361.7
Selling and technical services	60.1	53.1	118.7	103.0
Research and process development	21.7	19.2	43.4	37.6
Administrative and general	29.8	28.9	58.8	55.2
Amortization of acquisition intangibles	10.3	9.7	20.4	18.9
Gain on sale of assets held for sale	-	-	-	15.7
Earnings from operations	87.7	90.3	168.7	166.8
Other income (expense), net	3.4	0.1	3.1	1.5
Equity in earnings of associated companies	0.5	0.1	1.0	0.4
Interest expense, net	9.3	11.4	19.1	21.6
Earnings before income taxes	82.3	79.1	153.7	147.1
Income tax provision	25.8	24.3	48.0	40.6
Net earnings	\$ 56.5	\$ 54.8	\$ 105.7	\$ 106.5
Basic net earnings per common share	\$ 1.18	\$ 1.14	\$ 2.20	\$ 2.22
Diluted net earnings per common share	\$ 1.16	\$ 1.11	\$ 2.17	\$ 2.17
Dividends per common share	\$ 0.125	\$ 0.10	\$ 0.25	\$ 0.20
Weighted average shares outstanding (in thousands):				
Basic	47,972	48,178	47,978	48,071
Diluted	48,824	49,237	48,802	49,147

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,							
	2008		2007		2008		2007					
<u>Net sales</u>												
Cytec Surface Specialties	\$	473.4	\$	419.6	\$	922.7	\$	824.1				
Cytec Performance Chemicals												
Sales to external customers		201.6		184.8		384.1		363.8				
Intersegment sales		0.5		1.9		0.8		3.7				
Cytec Engineered Materials		192.9		166.6		393.3		330.1				
Building Block Chemicals												
Sales to external customers		137.9		93.0		278.7		209.5				
Intersegment sales		6.6		7.3		12.3		16.7				
Net sales from segments		1,012.9		873.2		1,991.9		1,747.9				
Elimination of intersegment revenue		(7.1)		(9.2)		(13.1)		(20.4)				
Net sales	\$	1,005.8	\$	864.0	\$	1,978.8	\$	1,727.5				
		% of		% of		% of		% of				
		sales		sales		sales		sales				
<u>Earnings (loss) from operations</u>												
Cytec Surface Specialties (1)	\$	22.2	5%	\$	32.8	8%	\$	42.3	5%	\$	48.5	6%
Cytec Performance Chemicals		20.5	10%		23.7	13%		34.6	9%		36.6	10%
Cytec Engineered Materials		41.8	22%		34.8	21%		86.4	22%		67.4	20%
Building Block Chemicals		6.5	5%		4.6	5%		12.4	4%		7.2	3%
Earnings from segments		91.0	9%		95.9	11%		175.7	9%		159.7	9%
Corporate and Unallocated (2)		(3.3)			(5.6)			(7.0)			7.1	
Earnings from operations	\$	87.7	9%	\$	90.3	10%	\$	168.7	9%	\$	166.8	10%

(1) 2008 includes pre-tax charges of \$1.4 and \$2.8 for the three and six months ended June 30, 2008, respectively, for incremental accelerated depreciation related to our Radcure manufacturing assets at our leased facility in Pampa, Texas.

(2) For the three and six months ended June 30, 2008, Corporate and Unallocated includes pre-tax charges of \$1.6 and \$5.0, respectively, for additional restructuring costs primarily associated with manufacturing operations in West Virginia, Connecticut, and France and various organizational restructuring initiatives across the Specialty Chemicals segments. In the second quarter of 2007 Corporate and Unallocated includes a net restructuring charge of \$1.8 for costs related primarily to the shutdown of a manufacturing facility in France. In the first six months of 2007, Corporate and Unallocated includes a net restructuring charge of \$2.6 million primarily related to the shutdown of a manufacturing facility in France and a \$15.7 million gain as a result of completing the second phase of the sale of our water treatment chemicals and acrylamide product lines to Kemira Group.

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

Segment	Three Months Ended June 30, 2008			Six Months Ended June 30, 2008		
	% Variance Due To			% Variance Due To		
	Volume	Price	FX	Volume	Price	FX
Cytec Surface Specialties	1%	0%	12%	0%	1%	11%
Cytec Performance Chemicals	2%	2%	5%	-1%	2%	5%
Cytec Engineered Materials	13%	3%	0%	16%	2%	0%
Building Block Chemicals	2%	46%	0%	-5%	38%	0%
<i>Total Cytec</i>	<i>4%</i>	<i>6%</i>	<i>7%</i>	<i>2%</i>	<i>6%</i>	<i>6%</i>

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

	June 30, 2008	December 31, 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 39.9	\$ 76.8
Trade accounts receivable, less allowance for doubtful accounts of \$4.3 and \$4.5 at June 30, 2008 and December 31, 2007, respectively	673.6	584.4
Other accounts receivable	81.3	72.1
Inventories	586.4	520.0
Deferred income taxes	6.7	7.1
Other current assets	25.2	15.7
Total current assets	1,413.1	1,276.1
Investment in associated companies	24.2	23.8
Plants, equipment and facilities	2,110.1	2,022.6
Less: accumulated depreciation	(1,024.3)	(972.6)
Net plant investment	1,085.8	1,050.0
Acquisition intangibles, net of accumulated amortization of \$166.2 and \$139.3 at June 30, 2008 and December 31, 2007, respectively	488.1	484.5
Goodwill	1,145.2	1,104.8
Deferred income taxes	1.0	0.4
Other assets	128.0	122.1
Total assets	\$4,285.4	\$4,061.7
Liabilities		
Current liabilities		
Accounts payable	\$ 369.1	\$ 316.5
Short-term borrowings	35.0	42.0
Current maturities of long-term debt	1.6	101.4
Accrued expenses	192.2	204.4
Income taxes payable	7.9	7.4
Deferred income taxes	22.6	15.2
Total current liabilities	628.4	686.9
Long-term debt	786.4	705.3
Pension and other postretirement benefit liabilities	268.9	271.4
Other noncurrent liabilities	382.8	349.2
Deferred income taxes	141.7	134.9
Stockholders' equity		
Common stock, \$.01 par value per share, 150,000,000 shares authorized; issued 48,132,640 shares	0.5	0.5
Additional paid-in capital	434.5	438.0
Retained earnings	1,450.2	1,356.6
Accumulated other comprehensive income	229.6	157.5
Treasury stock, at cost, 617,118 shares in 2008 and 596,911 shares in 2007	(37.6)	(38.6)
Total stockholders' equity	2,077.2	1,914.0
Total liabilities and stockholders' equity	\$4,285.4	\$4,061.7

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

	Six Months Ended	
	June 30,	
	2008	2007
Cash flows provided by (used in) operating activities		
Net earnings	\$105.7	\$ 106.5
Noncash items included in net earnings:		
Depreciation	56.5	49.3
Amortization	23.6	23.2
Share-based compensation	5.4	6.8
Deferred income taxes	13.0	15.7
Gain on sale of assets held for sale	-	(15.7)
Other	1.4	2.9
Changes in operating assets and liabilities:		
Trade accounts receivable	(70.6)	(57.6)
Other receivables	(7.0)	18.1
Inventories	(48.9)	(7.0)
Other assets	(7.9)	(12.2)
Accounts payable	41.3	1.9
Accrued expenses	(17.5)	(20.3)
Income taxes payable	1.5	(9.2)
Other liabilities	(14.5)	(11.5)
Net cash provided by operating activities	82.0	90.9
Cash flows (used in) provided by investing activities		
Additions to plants, equipment and facilities	(69.9)	(39.4)
Net proceeds paid/received on sale of assets	(4.7)	27.1
Net cash used in investing activities	(74.6)	(12.3)
Cash flows (used in) provided by financing activities		
Proceeds from long-term debt	128.1	194.1
Payments on long-term debt	(147.1)	(254.9)
Change in short-term borrowings	(7.6)	(0.2)
Cash dividends	(11.9)	(9.6)
Proceeds from the exercise of stock options	8.5	19.0
Purchase of treasury stock	(19.5)	(25.1)
Excess tax benefits from share-based payment arrangements	2.4	4.0
Other	0.1	(0.3)
Net cash used in financing activities	(47.0)	(73.0)
Effect of currency rate changes on cash and cash equivalents	2.7	1.6
(Decrease)/increase in cash and cash equivalents	(36.9)	7.2
Cash and cash equivalents, beginning of period	76.8	23.6
Cash and cash equivalents, end of period	\$ 39.9	\$ 30.8

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, 2008

	<u>Net</u> <u>Earnings</u>	<u>Diluted</u> <u>EPS</u>
GAAP Net Earnings	\$56.5	\$1.16
- Net restructuring charge, after tax	1.1	0.02
- Pampa accelerated depreciation charge, after tax	<u>0.9</u>	<u>0.02</u>
Non-GAAP Net Earnings	<u>\$58.5</u>	<u>\$1.20</u>

Three Months Ended June 30, 2007

	<u>Net</u> <u>Earnings</u>	<u>Diluted</u> <u>EPS</u>
GAAP Net Earnings	\$54.8	\$1.11
- Net restructuring charge, after tax	<u>1.8</u>	<u>0.04</u>
Non-GAAP Net Earnings	<u>\$56.6</u>	<u>\$1.15</u>

Cytec Industries Inc. and Subsidiaries
Reconciliation of GAAP and Non-GAAP Measures (Cont'd)
Amounts in millions except per share amounts

Six Months Ended June 30, 2008

	<u>Net</u> <u>Earnings</u>	<u>Diluted</u> <u>EPS</u>
GAAP Net Earnings	\$105.7	\$2.17
- Net restructuring charge, after tax	3.6	0.07
- Pampa accelerated depreciation charge, after tax	<u>1.8</u>	<u>0.04</u>
Non GAAP Net Earnings	<u>\$111.1</u>	<u>\$2.28</u>

Six Months Ended June 30, 2007

	<u>Net</u> <u>Earnings</u>	<u>Diluted</u> <u>EPS</u>
GAAP Net Earnings	\$106.5	\$2.17
- Net restructuring charge, after tax	2.6	0.05
- Gain on sale of product lines, after tax	<u>(15.3)</u>	<u>(0.31)</u>
Non GAAP Net Earnings	<u>\$93.8</u>	<u>\$1.91</u>