UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

Commission file number 1-12372

CYTEC INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

Delaware	**22-3268660**
(State or other jurisdiction	**(I.R.S. Employer**
of incorporation or organization)	**Identification No).**
Five Garret Mountain Plaza	
Woodland Park, New Jersey	**07424**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code (973) 357-3100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definition of accelerated filer, large accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ Accelerated filer ¨ Non-accelerated filer ¨ Small reporting company ¨

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No þ

There were 49,584,909 shares of common stock outstanding at July 15, 2011.

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CYTEC INDUSTRIES INC. AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

CYTEC INDUSTRIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(Dollars in millions, except per share amounts)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Net sales	$ 797.9	$ 702.0	$ 1,563.9	$ 1,348.6
Manufacturing cost of sales	596.6	512.1	1,182.2	1,000.8
Selling and technical services	62.5	50.4	117.1	98.5
Research and process development	27.4	18.4	46.6	36.0
Administrative and general	34.5	33.1	66.8	62.1
Amortization of acquisition intangibles	9.9	9.0	19.4	18.5
Gain on sale of assets			3.3	
Earnings from operations	67.0	79.0	135.1	132.7
Other expense, net	2.1	1.7	6.2	2.0
Net loss on early extinguishment of debt	0.2		0.3	0.7
Equity in earnings of associated companies	0.2	0.3	0.8	0.4
Interest expense, net	9.6	7.9	18.8	16.1
Earnings from continuing operations before income taxes	55.3	69.7	110.6	114.3
Income tax provision	18.3	18.6	33.3	41.2
Earnings from continuing operations	37.0	51.1	77.3	73.1
Earnings from operations of discontinued business, net of tax	1.1	11.3	7.9	15.0
Gain (loss) on sale of discontinued operations, net of tax	(2.2)		34.6	
Earnings (loss) from discontinued operations, net of tax	(1.1)	11.3	42.5	15.0
Net earnings	35.9	62.4	119.8	88.1
Less: Net earnings attributable to noncontrolling interests	(0.8)	(0.6)	(1.5)	(1.5)
Net earnings attributable to Cytec Industries Inc.	$ 35.1	$ 61.8	$ 118.3	$ 86.6
Earnings per share attributable to Cytec Industries Inc.				
Basic earnings (loss) per common share				
Continuing operations	$ 0.73	$ 1.03	$ 1.53	$ 1.46
Discontinued operations	(0.02)	$ 0.23	0.86	$ 0.30
	$ 0.71	$ 1.26	$ 2.39	$ 1.76

Diluted earnings (loss) per common share				
Continuing operations	$ 0.72	$ 1.02	$ 1.51	$ 1.45
Discontinued operations	(0.02)	0.22	0.85	0.30
	$ 0.70	$ 1.24	$ 2.36	$ 1.75
Dividends per common share	$ 0.1250	$ 0.0125	$ 0.2500	$ 0.025

See accompanying Notes to Consolidated Financial Statements

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CYTEC INDUSTRIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in millions, except per share amounts)

	June 30, 2011	December 31, 2010
Assets		
Current assets		
Cash and cash equivalents	$ 485.1	$ 383.3
Trade accounts receivable, less allowance for doubtful accounts of $4.5 and $4.2 in 2011 and 2010, respectively	468.5	370.6
Other accounts receivable	49.2	51.4
Inventories	462.7	350.0
Deferred income taxes	35.6	40.6
Other current assets	19.5	22.4
Current assets held for sale		93.1
Total current assets	1,520.6	1,311.4
Investment in associated companies	21.5	19.7
Plants, equipment and facilities, at cost	2,008.1	1,937.5
Less: accumulated depreciation	(875.3)	(811.3)
Net plant investment	1,132.8	1,126.2
Acquisition intangibles, net of accumulated amortization of $277.8 and $245.9 in 2011 and 2010, respectively	346.1	347.0
Goodwill	707.7	685.7
Deferred income taxes	23.1	24.1
Other assets	105.2	88.5
Non-current assets held for sale		71.3
Total assets	$ 3,857.0	$ 3,673.9
Liabilities		
Current liabilities		
Accounts payable	$ 381.8	$ 263.6
Short-term borrowings	3.7	6.1
Accrued expenses	217.6	223.2
Income taxes payable	24.8	19.7
Deferred income taxes	3.7	3.1
Current liabilities held for sale		63.9
Total current liabilities	631.6	579.6
Long-term debt	636.1	641.5
Pension and other postretirement benefit liabilities	327.6	364.2
Other noncurrent liabilities	302.5	272.8
Deferred income taxes	72.3	71.3
Non-current liabilities held for sale		7.6

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 49,583,113 in 2011 and 49,445,350 in 2010	0.5	0.5
Additional paid-in capital	459.1	451.5
Retained earnings	1,398.9	1,293.0
Accumulated other comprehensive income (loss)	64.7	(14.4)
Treasury stock, at cost, 757,043 shares in 2011 and 767 shares in 2010	(41.3)	
Total Cytec Industries Inc. stockholders equity	1,881.9	1,730.6
Noncontrolling interests	5.0	6.3
Total equity	1,886.9	1,736.9
Total liabilities and stockholders equity	$ 3,857.0	$ 3,673.9

See accompanying Notes to Consolidated Financial Statements

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CYTEC INDUSTRIES INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Dollars in millions)

Six months ended June 30,	**2011**	**2010**
Cash flows provided by (used in) operating activities		
Net earnings	$ 119.8	$ 88.1
Earnings from discontinued operations	(42.5)	(15.0)
Earnings from continuing operations	77.3	73.1
Noncash items included in earnings from continuing operations:		
Depreciation	47.4	42.3
Amortization	23.1	22.5
Share-based compensation	6.3	5.6
Deferred income taxes	18.9	21.9
Gain on sale of assets	(3.3)	(2.3)
Loss on early extinguishment of debt	0.3	0.7
Unrealized (gain) loss on derivative instruments	(1.6)	2.8
Other	(0.2)	0.3
Changes in operating assets and liabilities (excluding effects of divestiture):		
Trade accounts receivable	(73.8)	(93.4)
Other receivables	11.9	13.8
Inventories	(100.4)	(63.7)
Other assets	(0.8)	(2.3)
Accounts payable	111.5	104.9
Accrued expenses	(18.3)	3.4
Income taxes payable	(13.4)	14.2
Other liabilities	(34.7)	(37.4)
Net cash provided by operating activities of continuing operations	50.2	106.4
Net cash (used in) provided by operating activities of discontinued operations	(8.3)	18.0
Net cash provided by operating activities	**41.9**	**124.4**
Cash flows provided by (used in) investing activities:		
Additions to plants, equipment and facilities	(51.3)	(52.9)
Net proceeds received on sale of assets	3.4	1.7
Net cash used in investing activities of continuing operations	(47.9)	(51.2)
Net cash provided by (used in) investing activities of discontinued operations	156.5	(2.7)
Net cash provided by (used in) investing activities	**108.6**	**(53.9)**
Cash flows provided by (used in) financing activities:		
Payments on long-term debt	(5.8)	(15.5)
Change in short-term borrowings	(2.4)	(1.5)
Cash dividends	(15.1)	(2.5)
Proceeds from the exercise of stock options	5.6	8.6

Purchase of treasury stock	(46.8)	
Excess tax benefits from share-based payment arrangements	1.1	0.8
Net cash used in financing activities	**(63.4)**	**(10.1)**
Effect of currency rate changes on cash and cash equivalents	14.7	(10.6)
Increase in cash and cash equivalents	**101.8**	**49.8**
Cash and cash equivalents, beginning of period	383.3	261.7
Cash and cash equivalents, end of period	**$ 485.1**	**$ 311.5**

See accompanying Notes to Consolidated Financial Statements

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CYTEC INDUSTRIES INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Currencies in millions, except per share amounts, unless otherwise indicated)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-Q and accounting principles generally accepted in the United States of America (U.S. GAAP) for interim reporting. Certain information and footnote disclosures normally included in our annual financial statements have been condensed or omitted pursuant to such rules and regulations. Financial statements prepared in accordance with U.S. GAAP require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and other disclosures. In the opinion of management, these financial statements include all normal and recurring adjustments necessary for a fair presentation of the financial position and the results of our operations and cash flows for the interim periods presented. The results of operations for any interim period are not necessarily indicative of the results of operations for the full year. The financial statements should be read in conjunction with the Consolidated Financial Statements and Notes to the Consolidated Financial Statements contained in the Company s 2010 Annual Report on Form 10-K. Unless indicated otherwise, the terms Company, Cytec, we, us, and our each refer collectively to Cytec Industries Inc. and its subsidia

2. NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04. The amendments in this ASU generally represent clarifications of fair value measurement, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This ASU results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements. The amendments in this ASU are effective for us in the first quarter 2012, and will be applied prospectively. We do not expect this ASU to have a material impact on our consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, requiring entities to present items of net income and other comprehensive income either in a single continuous statement of comprehensive income or in two separate, but consecutive, statements of net income and other comprehensive income. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders equity. The amendments in this ASU do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. It is effective for us beginning in the first quarter of 2012, and will not impact our results of operations or financial position.

3. DISCONTINUED OPERATIONS

On February 28, 2011, we completed the sale of substantially all of the assets and certain liabilities of our Building Block Chemicals business (the Business) to Cornerstone Chemical Company, an affiliate of HIG Capital, LLC (the Purchaser), pursuant to an Asset Purchase Agreement (the Agreement) dated January 28, 2011, between the Company and the Purchaser. The total consideration received from the sale was $175.7, including cash consideration of $160.7 that we received at closing and a promissory note for $15.0, due in six years and bearing interest at 7.0% annually. In the second quarter of 2011, we recorded a pre-tax charge of $3.5 primarily to increase the provision for the expected final working capital settlement on the sale. A cash payment of $6.6 was made to the Purchaser in July 2011 as final settlement of the agreed working capital transferred, resulting in net realized consideration of $169.1. The assets sold include our Fortier plant located in Westwego, Louisiana, personal property, inventory, accounts receivable, contract rights and certain other assets that are used in or relate to the Business, all as further specified in the Agreement. Liabilities assumed by the Purchaser include accounts payable, contract liabilities, and certain environmental and product liabilities, and certain other liabilities that relate to the Business and are as specified in the Agreement. Certain liabilities relating to the Business were retained by us, including certain environmental, pension and post-retirement healthcare liabilities. For the three and six months ended June 30, 2011, we recorded an after-tax (loss) gain on the sale of $(2.2) and $34.6, respectively, which are included in Gain (loss) on sale of discontinued operations, net of tax in the Consolidated Statements of Income.

The results of operations of the former Building Block Chemicals segment are reported as discontinued operations, and are therefore excluded from both continuing operations and segment results for all periods presented. All previously reported financial information has been revised to conform to the current presentation.

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The following table displays summarized activity in our consolidated statements of income for discontinued operations during the three and six months ended June 30, 2011 and 2010.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net sales	$ 0.0	$ 171.9	$ 96.2	$ 312.1
Earnings from operations of discontinued business before income taxes	$ 0.0	$ 16.7	$ 10.0	$ 22.2
Income tax (expense) benefit	1.1	(5.4)	(2.1)	(7.2)
Gain (loss) on sale of discontinued operations	(3.5)	0.0	55.3	0.0
Income tax (expense) benefit on gain (loss) on sale	1.3	0.0	(20.7)	0.0
Earnings (loss) from discontinued operations, net of tax	$ (1.1)	$ 11.3	$ 42.5	$ 15.0

4. OTHER DIVESTITURES

During the first quarter of 2011, we sold a former manufacturing plant in Bogota, Colombia for which we recorded a net gain of $3.3, which is recorded in Gain on sale of assets in the accompanying statements of income for the six months ended June 30, 2011.

In the fourth quarter of 2010, we entered into an agreement to sell our site in San Fernando, Spain, to the local municipality for 13.5 (approximately $19.6 using the exchange rate as of June 30, 2011). We ceased operations at the facilities in the first quarter of 2011, and will clean and prepare the site and land, which we expect to transfer to the municipality in mid-2012. Proceeds from the sale of the land will be received in installments during 2011 and 2012. Any potential gain from the sale of the land will be deferred until our continuing involvement in environmental remediation is complete, projected to be in 2012.

During the first quarter of 2010, we sold our real estate at an inactive site for $2.5 of which $0.5 was received in cash and $2.0 represents a promissory note from the purchaser. The net gain of $2.3 from this sale is recorded in other expense, net in the accompanying statements of income for the six months ended June 30, 2010.

5. RESTRUCTURING OF OPERATIONS

In accordance with our accounting policy, restructuring costs are included in our corporate unallocated operating results for segment reporting purposes consistent with management s view of its businesses.

Aggregate pre-tax restructuring charges/(credits) included in the statements of income were recorded by line item as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Manufacturing cost of sales	$ 0.8	$ 5.0	$ 0.7	$ 4.8
Selling and technical services	4.7	0.0	4.7	(0.1)
Research and process development	6.8	0.0	6.4	0.0
Administrative and general	0.2	(0.5)	0.0	(0.6)
Other expense, net	0.0	0.3	0.0	0.3
Total	$ 12.5	$ 4.8	$ 11.8	$ 4.4

Details of our 2011 restructuring initiatives are as follows:

In April 2011, we approved plans to realign the supporting structure of our Coating Resins segment to meet the current business needs. This plan was developed in response to continued commoditization of certain product lines as well as a lack of recovery in certain end markets, and was an outcome of our overall review regarding the cash versus the growth classification of product lines within the segment. These actions resulted in a restructuring charge of $11.5 related to severance for the elimination of 85 positions in the segment s commercial, technical and administrative functions, primarily in Europe.

The remaining reserve of $10.2 at June 30, 2011 for the above initiative is expected to be paid through the first quarter of 2012.

Details of our 2010 restructuring initiatives are as follows:

In the fourth quarter of 2010, we initiated restructuring actions in our Coating Resins segment at our San Fernando, Spain facility after reaching agreement for the transfer of the site to the local municipality in exchange for monetary consideration, discussed in Note 4. These actions resulted in a restructuring charge of $6.6 related to the severance of 38 positions, offset by credits of $3.6 primarily related to the reversal of asset retirement obligations.

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In September 2010, we approved plans to consolidate manufacturing activities at one of our European sites included in our Coating Resins segment. These plans resulted in a restructuring charge of $4.0 in 2010, of which $1.5 relates to the severance of nine positions, and $2.5 relates to the write-down of certain manufacturing assets.

In May 2010, we approved plans to exit the production of certain phosphorus derivative products at our Mt. Pleasant, Tennessee facility. These plans resulted in a restructuring charge of $5.5 in 2010, of which $0.4 related to the severance of 10 positions, $1.7 related to asset write-offs, and $3.4 related to decommissioning activities, all of which related to our In-Process Separation segment.

For the three and six months ended June 30, 2011, we recorded net unfavorable adjustments of $1.0 and $1.3, respectively, related to our 2010 restructuring initiatives.

The remaining reserve of $6.0 at June 30, 2011 for our 2010 restructuring initiatives is expected to be paid through 2012.

Details of our 2009 restructuring initiatives are as follows:

In 2009, we initiated restructuring actions across all segments and corporate functions. These actions were taken in response to the downturn in the global economy, which especially impacted the automotive, construction and general industrial markets that we serve, and led to a significant reduction in our sales and operating profitability. The following summarizes the details of the restructuring initiatives launched in 2009, which resulted in $91.9 of restructuring charges for the year ended December 31, 2009.

In 2009, we launched restructuring initiatives at several of our Specialty Chemical manufacturing locations, which resulted in restructuring charges totaling $70.4, of which $40.4 is associated with severance and other employee benefits and $30.0 is associated with asset write-downs and accelerated depreciation. The manufacturing locations impacted by these initiatives are as follows:

- Closure of our manufacturing facility in La Llagosta, Spain and transfer of the manufacturing of most of the liquid coating resins products produced at the site to our facility in Werndorf, Austria.

- Transfer the manufacturing of our powder coating resins product line from Drogenbos, Belgium to our manufacturing facility in Bassano, Italy and consolidate or eliminate supply chain, sales, marketing and administrative functions at the site.

- Transfer the manufacturing of certain liquid coating resins products from our Hamburg, Germany site to our facility in Werndorf, Austria and consolidate or eliminate certain manufacturing, supply chain, and administrative functions at the site.

- Conversion of our manufacturing facility in Antofagasta, Chile into a blending and distribution facility to support the Mining business and eliminate manufacturing functions at the site.

- Closure of our manufacturing facility in Bogota, Colombia.

The above manufacturing restructuring initiatives included the elimination of 365 positions. During 2010 we recorded a net favorable adjustment of $0.9.

We launched restructuring initiatives across our Engineered Materials segment in response to inventory destocking by parts manufacturers that supply large commercial aircraft manufacturers as well as a sharper than expected decline in business and regional jet production rates. These initiatives resulted in $4.4 of restructuring expenses for severance and employee benefits related to the elimination of 239 positions; during 2010 we recorded a net favorable adjustment of $0.5.

We launched several initiatives throughout 2009 in our Specialty Chemical segments and corporate functions across sales, marketing, manufacturing, supply chain, research and development, and administrative functions, including our initiative to establish a shared services center. These initiatives resulted in $17.1 of charges related to severance and employee benefits associated with the elimination of 388 positions;

during 2010 we recorded a net favorable adjustment of $2.4.

For the three and six months ended June 30, 2011, we recorded net favorable adjustments of $0.0 and $1.0 respectively, related to our 2009 restructuring initiatives. All of the aforementioned initiatives were substantially complete as of December 31, 2009, with the exception of the shared services initiative, which is expected to be completed in 2011.

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The remaining reserve at June 30, 2011 of $2.8 relating to 2009 restructuring initiatives is expected to be paid through 2013.

	2009 Restructuring Initiatives		2010 Restructuring Initiatives		2011 Restructuring Initiatives	Total
Balance December 31, 2009	**$ 30.8**		**$ 0.0**		**$ 0.0**	**$ 30.8**
2010 charges (credits)	(3.6)		12.4		0.0	8.8
Non-cash items	0.0		(0.5)	(1)	0.0	(0.5)
Cash payments	(15.2)		(3.3)		0.0	(18.5)
Currency translation adjustments	(1.3)		0.1		0.0	(1.2)
Balance December 31, 2010	**$ 10.7**		**$ 8.7**		**$ 0.0**	**$ 19.4**
1st quarter charges/(credits)	(1.0)		0.3		0.0	(0.7)
Non-cash items	0.0		0.0		0.0	0.0
Cash payments	(1.2)		(2.8)		0.0	(4.0)
Currency translation adjustments	0.4		0.4		0.0	0.8
Balance March 31, 2011	**$ 8.9**		**$ 6.6**		**$ 0.0**	**$15.5**
2nd quarter charges	0.0		1.0		11.5	12.5
Non-cash items	0.0		0.0		0.0	0.0
Cash payments	(6.0)	(2)	(1.7)		(1.4)	(9.1)
Currency translation adjustments						