

CYTEC INDUSTRIES INC/DE/  
Form 11-K  
June 18, 2009  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 11-K**

**x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 2008**

OR

**.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the transition period from                      to**

Commission file number 1-12372

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:  
Cytec Employees Savings and Profit Sharing Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:  
Cytec Industries Inc.

Five Garret Mountain Plaza

Woodland Park, New Jersey 07424

**Table of Contents**

**Cytec Employees Savings and Profit Sharing Plan**

December 31, 2008 and 2007

Index

<u>Report of Independent Registered Public Accounting Firm</u>	<b>Page (s)</b> 1
<b>Financial Statements</b>	
<u>Statements of Net Assets Available for Benefits at December 31, 2008 and 2007</u>	2
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2008</u>	3
<b><u>Notes to Financial Statements</u></b>	4 - 12
<b>Supplemental Schedule:*</b>	
<u>Schedule H, line 4i- Schedule of Assets (Held at End of Year) at December 31, 2008</u>	13

\* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

**Table of Contents**

Report of Independent Registered Public Accounting Firm

To Participants and Plan Administrator of

Cytec Employees Savings and Profit Sharing Plan

We have audited the accompanying statements of net assets available for benefits of Cytec Employees Savings and Profit Sharing Plan (the Plan ) as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Cytec Employees Savings and Profit Sharing Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2008 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

By: /s/ AMPER, POLITZINER & MATTIA, LLP  
AMPER, POLITZINER & MATTIA, LLP

June 17, 2009

Bridgewater, New Jersey

**Table of Contents**

**Cytec Employees Savings and Profit Sharing Plan**

Statements of Net Assets Available for Benefits

December 31, 2008 and 2007

	2008	2007
<b>Assets</b>		
Plan interest in Cytec Industries Inc. Savings Plans Master Trust at fair value	\$ 167,267,558	\$ 254,954,264
Participant loans	3,579,442	3,512,436
 Total investments	 170,847,000	 258,466,700
<b>Receivables:</b>		
Employer contributions receivable	107,775	2,426,803
Participant contributions receivable	46,452	
 Total receivables	 154,227	 2,426,803
 Net assets available for benefits at fair value	 171,001,227	 260,893,503
 Adjustment from fair value to contract value for interest in Cytec Industries Inc. Savings Plans Master Trust related to fully benefit-responsive investment contract	 1,138,487	 (626,000)
 Net assets available for benefits	 \$ 172,139,714	 \$ 260,267,503

The accompanying notes are an integral part of these statements.

**Table of Contents****Cytec Employees Savings and Profit Sharing Plan**

Statement of Changes in Net Assets Available For Benefits

For the Year Ended December 31, 2008

	<b>2008</b>
Investment income (loss)	
Plan interest in Cytec Industries Inc. Savings Plans Master Trust loss	\$ (71,833,680)
Interest income, participant loans	244,454
Total investment (loss)	(71,589,226)
Contributions	
Company contributions	2,793,623
Participant contributions	6,679,314
Total contributions	9,472,937
Total additions	(62,116,289)
Benefits paid to participants	25,280,289
Redemption fees paid	1,582
Total deductions	25,281,871
Net (decrease) prior to transfers	(87,398,160)
Assets transferred out to Cytec Employees Savings Plan	(729,629)
Net (decrease) in plan assets	(88,127,789)
Net assets available for benefits:	
Beginning of year	260,267,503
End of year	\$ 172,139,714

The accompanying notes are an integral part of these statements.

## **Table of Contents**

### **Cytec Employees Savings and Profit Sharing Plan**

Notes to Financial Statements

#### **1. Description of Plan**

The following description of the Cytec Employees Savings and Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description and the Plan document for a more complete description of the Plan's provisions.

#### **General**

The Plan is a defined contribution plan established effective January 1, 1994, for the benefit of employees of Cytec Industries Inc. (Cytec or the Company) and employees of its participating subsidiaries. An employee, who is covered by a collective bargaining agreement which allows for participation in the Plan, may be eligible to become a Participant.

The purpose of the Plan is to provide eligible employees with the opportunity to accumulate personal savings and to share in the growth and ownership of Cytec through receipt of profit sharing contributions and the contributions to the Cytec common stock fund. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

#### **Master Trust**

On April 2, 2007, the Company established the Cytec Industries Inc. Savings Plans Master Trust (the Master Trust) in the custody of Vanguard Fiduciary Trust Company (VFTC, the Trustee as defined by the Plan). The Master Trust consists of the assets of the Plan and Cytec Employees Savings Plan (the New Plan).

#### **Participant Contributions**

Participating employees (Participants) may contribute to the Plan after the first of the month following their one month anniversary (as defined in the Plan). Contributions are made through payroll deductions (subject to IRS limitations) which may range from 1% to 50% of such Participant's Earnings (as defined in the Plan), on a before-tax basis, an after-tax basis or a combination thereof.

Participants who are at least age 50 or older during a Plan year may make an additional catch-up contribution equal to a specified dollar amount on a before-tax basis.

#### **Rollovers into Plan**

Participants may elect to rollover eligible balances from other qualified plans, under IRS regulations, as defined in the Plan.

#### **Company Contributions**

To be eligible for a Company matching contribution, a Participant must have completed one Year of Service (as defined in the Plan).

Matching contributions made by the Company are equal to 100% of such Participants' contributions up to the first 3% of the Participants' earnings, and 50% of Participants' contributions up to the next 2% of the Participants' earnings. For purposes of employee contributions and matched contributions, Participant earnings are defined by the Plan.

In addition to matching contributions, at the discretion of the Company, the Company may make a profit sharing contribution equal to a percentage of each Participant's earnings, and the percentage is determined by a defined formula based on the percentage growth in the Company's earnings per share. To be eligible for a profit sharing contribution, the Participant must have been an active employee on December 31 of the respective Plan year and completed at least one year of service as of such date.





## **Table of Contents**

### **Cytec Employees Savings and Profit Sharing Plan**

#### Notes to Financial Statements

There were no profit sharing contributions made for the 2008 Plan year. Profit sharing contributions of \$2,426,803 were made for the 2007 plan year.

The Company can also make an additional discretionary profit sharing contribution to Participants who are employed on December 31 of the respective Plan year and who have completed at least one year of service as of such date, generally excluding those Participants who are corporate officers. The additional discretionary profit sharing contribution is allocated based on each such Participant's earnings to the earnings of all such Participants. No such additional discretionary profit sharing contributions were made in 2008 or 2007. Profit sharing contributions are recorded by the Plan in the year such contributions are earned, and are credited to the accounts of Participants in the early part of the following year. For purposes of each profit sharing contribution, Participant earnings are the annualized base pay on September 1 in the year for which the contribution is being made.

All Company matching contributions for Participants are invested in the Cytec Stock Fund, which invests in the common stock of Cytec Industries Inc. Profit sharing contributions are invested in the Vanguard Retirement Savings Trust, unless specified differently by the Participant (participant directed).

The Plan was amended effective May 1, 2004 to provide that the portion of the Plan invested in the Cytec Stock Fund as of April 30, 2004, was designated as an employee stock ownership plan ( ESOP ), and that all Participant and Company contributions made to the Plan on or after May 1, 2004, were made to the ESOP portion of the Plan ( ESOP Account ). Prior to May 1, 2004, a Participant who had attained age 55 could only elect to transfer up to 20% of the number of shares of Company Stock credited to such Participant's matching account to any other Funds offered under the Plan.

Effective May 1, 2004, a Participant who has attained the age of 55 may elect to transfer up to 25% of the number of shares of Company Stock credited to the Participant's ESOP Account to any other fund offered by the Plan. Each year thereafter, the Participant may annually transfer an additional 20% of the number of shares of Company Stock credited to such Participant's ESOP Account to any other Funds offered under the Plan.

If a Participant who is eligible to make this diversification election decides not to transfer, or to transfer less than the maximum percentage available for transfer in any particular calendar year, the amount which the Participant can transfer in the following calendar year shall be increased by the percentage of the transfer foregone in the previous year.

Notwithstanding the foregoing, a vested Participant who attains age 62 may elect to transfer 100% of the number of shares of Company Stock in such Participant's ESOP Account to one or more other funds. Prior to May 1, 2004, a vested Participant who had attained age 62 could elect to transfer 100% of the value in such Participant's matching account to one or more other funds. Participants have the option to re-invest cash dividends on ESOP assets or to have the cash dividends distributed. If no election is made, cash dividends are re-invested.

#### **Plan Amendments**

The Pension Protection Act of 2006 mandates that employers provide retirement plan participants with greater flexibility for investing in company stock, for selling it and for investing the proceeds from the sale of company stock in other assets. Effective January 1, 2007, the plan was amended to allow participants with three or more years of service to immediately diversify the portion of their accounts that are invested in company stock obtained as a result of employer matching contributions made on or after January 1, 2007. For matching employer contributions made in company stock prior to January 1, 2007, participants with three years of service may diversify up to 33% of such stock fund balances in 2007, up to 66% in 2008, and 100% in 2009 and thereafter.

## **Table of Contents**

### **Cytec Employees Savings and Profit Sharing Plan**

Notes to Financial Statements

#### **Vesting**

All units representing employee contributions, Company match and profit sharing contributions, and earnings or losses thereon are fully vested at all times. As a result, there are no forfeitures under the Plan.

#### **Participant Accounts**

Each participant account is credited with the participant's contribution and allocation of the Company's contribution and investment earnings, and charged with certain investment fees. Allocations are based on earnings or account balance, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### **Withdrawals**

During employment, a Participant may make withdrawals in cash (or common stock of the Company in the case of withdrawals from the Cytec Stock Fund) of amounts applicable to employee and employer contributions and earnings or losses thereon, subject to certain restrictions. A Participant can make hardship withdrawals of employee before-tax contributions which will preclude the Participant from making additional employee before-tax contributions to the Plan for a six-month period.

Employee before-tax contributions and matching contributions can be withdrawn after attainment of age 59 1/2. Company matching contributions made before January 1, 2001, and employee after-tax contributions can also be withdrawn without age limitation.

#### **Benefit Payments**

A Participant's account balance under the Plan may be distributed in any one of two ways: lump-sum distribution, or in monthly installments over a period of 60, 120, 180, 240, 300, or 360 months, as elected (subject to limits imposed by the Internal Revenue Code).

Minimum distributions are required to begin by April 1 of the calendar year following the later of:

The calendar year in which the Participant attains 70 1/2 years of age; or

The calendar year in which the Participant terminates employment from the Company.

#### **Participant Loans**

An eligible Participant may borrow up to fifty percent of the value of the Participant's before-tax and after-tax account balance, subject to a minimum of \$1,000 and a maximum of \$50,000 reduced by the highest loan balance outstanding during the prior twelve months. Loans for the purchase of a principal residence must be repaid in one to fifteen years, at the Participant's option. Loans for all other purposes must be repaid in one to five years, at the Participant's option. These loans are made at the prevailing market interest rates equal to prime rate plus one percent with such rate fixed for the term of the loan at the time the loan is approved. The applicable rates on loans issued during 2008 and 2007 ranged from 5.00% to 8.25% and 8.50% to 9.25%, respectively. No more than one loan from the Plan to a Participant shall be permitted at any time. All principal and interest payments made by the Participant are credited back to the Participant's account.



---

**Table of Contents**

**Cytec Employees Savings and Profit Sharing Plan**

Notes to Financial Statements

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held By certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans (the FSP ), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the Master Trust. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the investment contract as well as the adjustment of the fully benefit-responsive investment contract from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

In September 2006, the Financial Accounting Standards Board ( FASB ) issued SFAS No. 157, Fair Value Measurements ( SFAS 157 ). SFAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. SFAS 157 applies only to fair value measurements that are already required or permitted by other accounting standards (except for measurements of share-based payments) and is intended to increase the consistency of those measurements. Accordingly, SFAS 157 does not require any new fair value measurements. SFAS 157 is effective January 1, 2008, for the Plan.

In June 2006, the Financial Accounting Standards Board (the FASB ) issued Financial Interpretation Number 48, Accounting for Uncertainty in Income Taxes an interpretation of SFAS No. 109 ( FIN 48 ). This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise s financial statements in accordance with FASB Statement No. 109, Accounting for Income Taxes and is effective for fiscal years beginning after December 15, 2007. The Plan adopted FIN 48 for 2008. The Plan s adoption of FIN 48 did not impact the amounts reported on the financial statements of the Plan.

**Use of Estimates**

The preparation of the Plan s financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition of the Master Trust**

The Plan s interest in the Master Trust investments is stated at fair value. If available, quoted market prices are used to value the investments held in the Master Trust. Loans are valued at cost which approximates fair value.

The fair value of the Plan s interest in the Master Trust is based on the underlying fair values of the specific investments held by the Master Trust and allocated using the Plan s interest in the Master Trust plus actual contributions and allocated investment income less actual distributions. The fair value of cash equivalents approximates cost.

The Cytec Stock Fund is valued at its year-end unit closing price. The year-end unit closing price is comprised of the year-end market price of shares of Cytec common stock owned by the Cytec Stock Fund, plus a small amount invested in a money market fund for purposes of liquidity (the money market fund represents 0.63% and 0.56% of total value of the Cytec Stock Fund as of December 31, 2008, and 2007, respectively).



**Table of Contents****Cytec Employees Savings and Profit Sharing Plan**

## Notes to Financial Statements

Purchases and sales of securities are recorded on a trade-date basis. Related realized gains and losses on securities transactions are calculated based upon the average cost of securities sold. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

**Payment of Benefits**

Benefit payments are recorded when paid.

**3. Interest in Master Trust**

Plan investments are in the Master Trust, which was established for the investment of assets of the Plan and Cytec Employees Savings Plan. Each participating savings plan has an interest in the Master Trust. The assets of the Master Trust are held by the Trustee. The Plan's interest in the net assets of the Master Trust was approximately 46.8 % and 50.1% at December 31, 2008 and 2007, respectively. Investment income or loss related to the Master Trust is allocated to each plan based upon the individual plan's interest in the Master Trust.

The following table represents the total value of investments in the Master Trust:

	As of December 31,	
	2008	2007
Investments, at fair value		
Mutual Funds	\$ 171,849,286	\$ 247,154,217
Common Stock Fund	55,161,828	133,909,099
Common/ Collective Trust	130,841,223	127,773,936
<b>Total investment in Master Trust</b>	<b>357,852,337</b>	<b>508,837,252</b>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	1,917,129	(965,088)
<b>Net assets held in Master Trust</b>	<b>\$ 359,769,466</b>	<b>\$ 507,872,164</b>

The net investment loss of the Master Trust was composed of the following:

	For the Year Ended December 31, 2008
Net depreciation in fair value of investments	
Mutual Funds	\$ (89,509,223)
Common Stock	(90,561,613)
	(180,070,836)
Interest	5,563,020
Dividends	8,486,358

Net investment loss	\$ (166,021,458)
---------------------	------------------

**Table of Contents****Cytec Employees Savings and Profit Sharing Plan**

Notes to Financial Statements

**4. Non-Participant Directed Funds**

All funds under the Master Trust are Participant directed with the exception of Cytec matching contributions which are solely invested in, and remain in, the Cytec Stock Fund.

Information about the Plan's net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

Net Assets	December 31,	
	2008	2007
Cytec Stock Fund, at fair value	\$ 13,181,467	\$ 37,747,049
<b>Changes in Fair Value of Cytec Stock Fund</b>		
Balance at beginning of year	\$	37,747,049
Changes in net assets available for benefits		
Contributions		2,747,712
Net depreciation		(23,901,029)
Benefits paid to participants		(2,085,472)
Transfer to participant directed investments		(1,326,793)
Balance at end of year	\$	13,181,467

**5. Fair Value Measurements**

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.



## Edgar Filing: CYTEC INDUSTRIES INC/DE/ - Form 11-K

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Table of Contents****Cytec Employees Savings and Profit Sharing Plan**

## Notes to Financial Statements

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for Master Trust assets measured at fair value. There have been no changes in the methodologies used at December 31, 2008 and 2007.

*Common stock:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the net asset value (NAV) of shares held by the Master Trust at year end.

*Common/collective trust:* The Master Trust invests in the Vanguard Retirement Savings Plan Trust V (VRST), which is a common/collective trust. The VRST invests solely in the Vanguard Retirement Savings Master Trust (the Trust). The VRST's value in the Trust is valued at the unit value of the Trust. The Trust holds investments in alternative investment contracts, traditional insurance contracts as well as cash equivalents.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2008:

*Master Trust Assets at Fair Value as of December 31, 2008*

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 171,849,286	\$	\$	\$ 171,849,286
Common stock fund		55,161,828		55,161,828
Collective Trust		130,841,223		130,841,223
Total assets at fair value	\$ 171,849,286	\$ 186,003,051	\$	\$ 357,852,337

*Participant loans:* Valued at cost, which approximates fair value and is considered to be a level 3 measurement. The summary of changes in the fair value of the Plan's level three assets for the year ended December 31, 2008 is as follows:

	Participant loans
Balance, beginning of year	\$ 3,512,436
Issuances and settlements (net)	67,006
Balance, end of year	\$ 3,579,442



**Table of Contents**

**Cytec Employees Savings and Profit Sharing Plan**

Notes to Financial Statements

**6. Party-in-interest Transactions**

Certain Plan investments are shares of mutual funds and a collective fund managed by VFTC, the Trustee, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

The Plan also invests in shares of the Company. The Company is the Plan sponsor and, therefore, these transactions qualify as party-in-interest transactions.

**7. Plan Expenses**

Administrative expenses of the Plan are currently paid by the Company. However, the Company has the right to charge future expenses to the Master Trust.

**8. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the plan to discontinue its contributions at any time and to terminate the plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100 percent vested in their accounts.

**9. Mutual Fund Fees**

Underlying investments in mutual funds are subject to sales charges in the form of front-end loads, back-end loads or 12b-1 fees, which are allowable under Section 12b-1 of the Investment Company Act of 1940 and which may be deducted annually to pay marketing and distribution costs of mutual funds. These fees are deducted prior to the allocation of the Plan's investment earnings activity and thus not separately identifiable as an expense.

**10. Tax Status of the Plan**

The Internal Revenue Service has determined and informed the Company by letter dated May 20, 2004, that the Plan and its underlying Trust are designed in accordance with the applicable sections of the Internal Revenue Code ( IRC ), and are therefore exempt from federal income taxes. The Plan has been amended since receiving the determination letter. However, the Company believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC.

**11. Risks and Uncertainties**

The Plan provides for investments in various investment securities, which in general, investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and participant account balances. Users of these financial statements should be aware that the financial markets' volatility in 2008



**Table of Contents****Cytec Employees Savings and Profit Sharing Plan**

Notes to Financial Statements

and subsequent periods may significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at December 31, 2008 may not necessarily be indicative of amounts that could be realized in a current market exchange.

**12. Transfer of Plan Assets**

The Company froze certain of its existing U.S. pension plans effective December 31, 2007 (the Frozen Date). In conjunction with this action, all salaried and non-bargaining unit employees who participated in the Plan were entered into the New Plan on the Frozen Date. Eligible participant accounts in the amount of \$256,116,376 were transferred to the New Plan from the Plan at December 31, 2007.

During the 2008 Plan year, assets totaling \$729,629 were transferred to the New Plan from the Plan, which related to participants who transitioned from a position covered under a collective bargaining agreement to a salaried or non-bargaining position.

**13. Reconciliation of Financial Statements to Form 5500**

The investment in the VRST is recorded at fair market value on the Form 5500. The financial statements include an adjustment from fair value to contract value for VRST. The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2008 to the Form 5500:

	<b>2008</b>
Net assets available for benefits per the Form 5500	\$ 171,001,227
Adjustment from fair value to contract value for fully-benefit responsive investment contract	1,138,487
<b>Net assets available for benefits per the financial statements</b>	<b>\$ 172,139,714</b>

The following is a reconciliation of the changes in net assets per the financial statements at December 31, 2008 to the Form 5500:

	<b>2008</b>
Net investment loss per Form 5500	\$ (72,972,167)
Adjustment from fair value to contract value for fully-benefit responsive investment contract	1,138,487
<b>Net investment loss per the financial statements</b>	<b>\$ (71,833,680)</b>

**Table of Contents**

**Cytec Employees Savings and Profit Sharing Plan**

Schedule H, line 4i- Schedule of Assets (Held at End of Year)

December 31, 2008

Identity of Issuer,	Description of Investment, including	Current Value
borrower, lessor, or similar party	par or maturity date,	
* Participant loans	Rates ranging from 4.75% to 10.5%	
	Due through 2023	\$ 3,579,442

\* Represents a party-in-interest to the Plan.

**Table of Contents**

**Signature**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Cytec Employees Savings and Profit Sharing Plan

By: /s/ Marilyn R. Charles  
Marilyn R. Charles

Plan Administrator

June 17, 2009



**Table of Contents**

**EXHIBIT INDEX**

23.1 Consent of Amper, Politziner & Mattia, LLP

15