

**The Merriam Report** **CYT** 3/31/10 **CYTEC INDUSTRIES INC/DE/**

All amounts in millions except for earnings per share

Quarterly period ending:	3	4	1	2	3	4	1	Averages
Quarterly period ending:	9/30/2008	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	\$ (0.839)
Earnings Per Share (Incl. Ext. Items)	\$ 0.960	\$ (7.280)	\$ -	\$ (0.520)	\$ 0.26000	\$ 0.210	\$ 0.500	
% Change in E.P.S. (from prev. qtr.)		-858.3%	0.0%	92.9%	-150.0%	-19.2%	138.1%	-132.8%
Total Revenues	96300.0	69820.0	61200.0	68530.0	74020.0	75200.0	78680.0	74821.4
% Change in Revenues (from prev. qtr.)		-27.5%	-12.3%	12.0%	8.0%	1.6%	4.6%	-2.3%
Cost of Revenues	76580.0	578100.0	497800.0	603000.0	605400.0	610900.0	623200.0	513568.6
Accounts Receivable:	69240.0	53000.0	45230.0	46080.0	47430.0	46700.0	49340.0	51002.9
% Change in Receivables (from prev. qtr.)		-23.5%	-14.7%	1.9%	2.9%	-1.5%	5.7%	-4.9%
DSO's (# of days it took customers to pay)	65.4	69.1	67.3	61.2	58.3	56.5	57.1	62.1
Inventories:	60980.0	56940.0	50860.0	42140.0	38770.0	35190.0	38100.0	46140.0
% Change in Inventory (from prev. qtr.)		-6.6%	-10.7%	-17.1%	-8.0%	-9.2%	8.3%	-7.2%
Inventory as a % of Sales	63.3%	81.6%	83.1%	61.5%	52.4%	46.8%	48.4%	62.44%
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Other Current Assets:	2360.0	1940.0	2840.0	2720.0	3020.0	1900.0	2390.0	2452.9
Property, Plant & Equip. (net):	107800.0	111630.0	113080.0	117510.0	119370.0	117620.0	115670.0	114668.6
% Change in P, P & E (from prev. qtr.)		3.6%	1.3%	3.9%	1.6%	-1.5%	-1.7%	1.2%
Accounts Payable:	36380.0	24940.0	20720.0	24180.0	28020.0	27640.0	34740.0	28088.6
% Change in Payables (from prev. qtr.)		-31.4%	-16.9%	16.7%	15.9%	-1.4%	25.7%	1.4%
Quarterly period ending:	9/30/2008	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	
Total Liabilities:	221540.0	216530.0	202290.0	201910.0	207880.0	200050.0	197910.0	206872.9
Shareholder equity:	197810.0	147470.0	140720.0	148760.0	153750.0	155890.0	157030.0	157347.1
Retained Earnings (Accum. Deficit)	149050.0	113350.0	112750.0	110200.0	111400.0	112320.0	114750.0	117688.6
Operating Cash Flow (OCF)	237653.1	191433.1	187253.6	189394.0	194434.2	198004.7	203244.6	200202.5
OCF as % of Revenues	246.8%	274.2%	306.0%	276.4%	262.7%	263.3%	258.3%	269.66%
Balance Sheet Cash Flow (BSCF)	221529.2	216522.0	202283.1	201902.7	207872.2	200042.4	197901.4	206864.7
BSCF as % of Revenues	230.0%	310.1%	330.5%	294.6%	280.8%	266.0%	251.5%	280.53%
Spread between OCF & BSCF	16123.9	-25088.9	-15029.5	-12508.7	-13438.0	-2037.7	5343.3	-6662.2
Ratios								
Spread to Revenues	16.74%	-35.93%	-24.56%	-18.25%	-18.15%	-2.71%	6.79%	-0.109
Spread to OCF	1.073	0.884	0.926	0.938	0.935	0.990	1.027	0.968
MR Dual Cash-Flow Figure	1.240	0.525	0.680	0.756	0.754	0.963	1.095	0.859

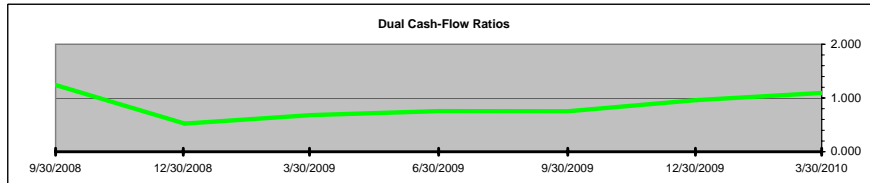


**The Merriam Report**

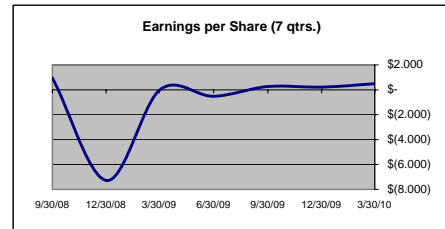
Quarterly period ending:	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10
MR Dual Cash-Flow Figure	1.240	0.525	0.680	0.756	0.754	0.963	1.095

**Merriam Report Signals:**

- Recent Bearish
- Confirmed Bearish
- Recent Bullish
- Confirmed Bullish



**MR Dual Cash-Flow Figure (avg.)**



	0.859	09/30/08	12/31/08	03/31/09	06/30/09	09/30/09	12/31/09	03/31/10		
P/E	9.51	-5.1	-2.91	-2.71	-4.31	-728.4	103.87	1	-90.01	
P/S	0.49	0.28	0	0.3	0.58	0.62	0.78	-1	0.436	
P/FCF	32.3849	97.3833	0	7.5449	7.8136	4.7403	6.1591	0	22.29	
PEG	-0.5529	0.0256	0.0129	0.0103	0.0151	-7.3726	0.9555	1	-0.987	
Earnings Yield	0.1051	-0.196	-0.3442	-0.3695	-0.2322	-0.0014	0.0096	1	-0.147	
Cash to Total Asse	0.0215	0.0153	0.0111	0.0177	0.0397	0.0735	0.0738	1	0.036	
Debt-to-Assets	0.1967	0.2219	0.2352	0.204	0.1908	0.2024	0.1943	1	0.206	

**Accrual Ratios**  
Average Accruals

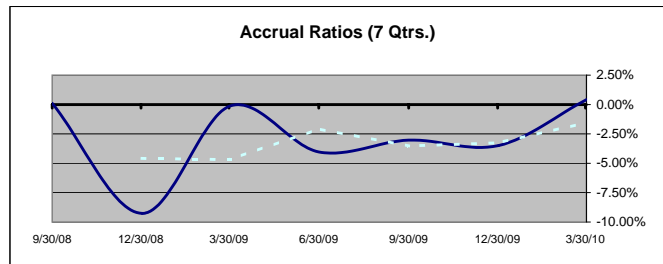
	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10
0.10%	-9.26%	-0.13%	-4.03%	-3.02%	-3.49%	0.42%	-0.15
-2.77%							

**Revenue Metrics (as % of Sales)**

	Recent Qtr.	Combined Avg.
Research & Development	2.25%	2.51%
Cost of Sales	79.21%	81.80%
S/G/A	9.81%	10.80%
Payables	44.15%	37.54%

**Capital Productivity**

	Recent Qtr.	Combined Avg.
Inventory / Revenues	\$ 0.484	\$ 0.617
Receivables / Revenues	\$ 0.627	\$ 0.682
Inventory & Receivables / Revenues	\$ 1.111	\$ 1.298
P,P&E / Revenues	\$ 1.470	\$ 1.533



Accrual Ratios: According to the MR model, a ratio of -5 or less is very bullish and a ratio of +5 or more is very bearish.

2.59% 0.99%

## Summary of Merriam Report Signals

Dual Cash-Flow Figures

Recent Bullish

Confirmed Bullish

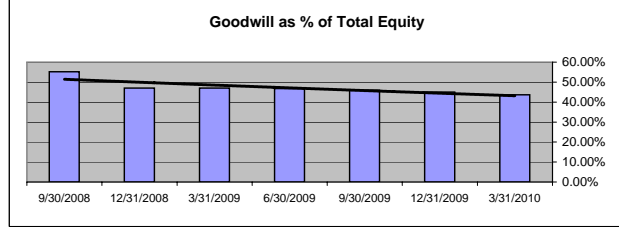
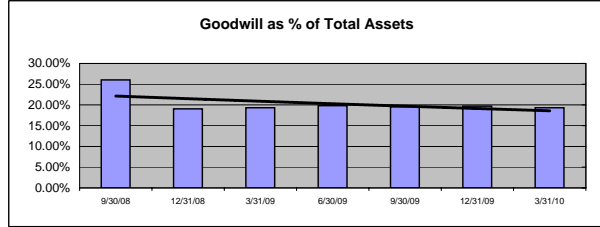
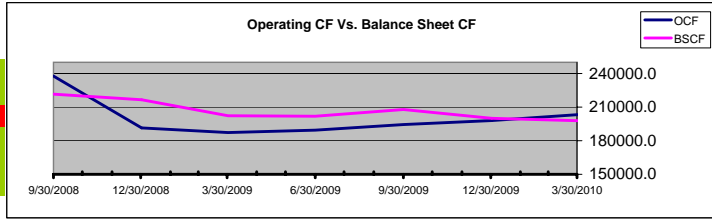
Operating Cash-Flow Trend  
Balance Sheet Cash-Flow Trend

Bullish  
Bullish

	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10
OCF	237653.1	191433.1	187253.6	189394.0	194434.2	198004.7	203244.6
BSCF	221529.2	216522.0	202283.1	201902.7	207872.2	200042.4	197901.4

### Comparison of Recent Quarter Changes to Average

EPS	Bullish	
Revenues	Bullish	
Accounts Receivable	Bearish	
Days Sales Outstanding	Bullish	
Inventory	Bullish	
Accounts Payable	Bullish	
Accrual Ratios	Neutral	



	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	AVG.	
Goodwill as % of Total Assets	26.04%	19.06%	19.30%	19.83%	19.55%	19.72%	19.30%	20.40%	1
Goodwill as % of Total Equity	55.20%	47.04%	47.04%	46.75%	45.98%	45.03%	43.63%	47.24%	1
	2.12	2.47	2.44	2.36	2.35	2.28	2.26	2.32	1
									3

Dual Cash Flow Trend	2
Financial Ratios (conventional)	4
Balance Sheet and Income Statement	6
Accrual Ratios	-0.15
Revenue Metrics and Capital Productivity	4
Goodwill Trends	3
<b>Merriam Report Score</b>	<b>18.85</b>

### CYTEC INDUSTRIES INC/DE/

**Ending Period Share Price**      **46.74**  
**Estimated Fair Value**            **\$ 49.32**  
**End Price to Est. FV**                **-5.22%**



\$ 2.58    \$ 49.32  
-5.22%