CYTEC INDUSTRIES INC/DE/
Form DEF 14A
March 10, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

CYTEC INDUSTRIES INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

CYTEC INDUSTRIES INC.

5 GARRET MOUNTAIN PLAZA

WEST PATERSON, NJ 07424

Notice of Annual Meeting

of Common Stockholders to be held

April 17, 2008

March 11, 2008

To Our Stockholders:

We will hold our Annual Meeting of Common Stockholders at the Marriott at Glenpointe Hotel, Teaneck, New Jersey 07666 on Thursday, April 17, 2008 at 1:00 p.m. The purpose of the meeting is (i) to elect four directors, (ii) to ratify the selection of KPMG LLP as our auditors for 2008, (iii) to approve the Amended and Restated 1993 Stock Award and Incentive Plan, and (iv) to transact any other business that properly comes before the meeting.

You must have been a holder of our common stock at the close of business on February 28, 2008 to be entitled to notice of and to vote at the meeting or at any postponement or adjournment.

Since stockholders cannot take any action at the meeting unless a majority of the outstanding shares of common stock is represented, it is important that you attend the meeting in person or are represented by proxy at the meeting.

If you cannot attend the meeting, please promptly submit your proxy by telephone, Internet or by signing and dating the enclosed proxy card and mailing it in the enclosed envelope, which requires no postage if mailed in the United States.

By Order of the Board of Directors,

R. Smith

Secretary

CYTEC INDUSTRIES INC.

5 GARRET MOUNTAIN PLAZA

WEST PATERSON, NJ 07424

Proxy Statement for

Annual Meeting of Common Stockholders

to be held April 17, 2008

March 11, 2008

This proxy statement contains information relating to our Annual Meeting of Common Stockholders, which will be held on Thursday, April 17, 2008, beginning at 1:00 p.m., at the Marriott at Glenpointe Hotel, Teaneck, New Jersey 07666, and at any postponement or adjournment of that meeting. We are first sending this Proxy Statement and the enclosed form of proxy to stockholders on or about March 11, 2008. For purposes of this Proxy Statement, unless the context indicates otherwise, the use of the words we , us , our , Company and Cytec shall refer to Cytec Indus Inc.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on April 17, 2008: The Proxy Statement is available at http://bnymellon.mobular.net/bnymellon/cyt.

ABOUT THE MEETING

What is the purpose of the meeting?

At the annual meeting, stockholders will vote (i) to elect four directors, (ii) to ratify the selection of KPMG LLP as our auditors for 2008, and (iii) to approve the Amended and Restated 1993 Stock Award and Incentive Plan. In addition, our management will be present to report on our Company and respond to questions from stockholders.

Who is entitled to vote?

Only stockholders of record at the close of business on the record date, February 28, 2008, are entitled to receive notice of the annual meeting and to vote the shares of our common stock that they held on that date at the meeting, or any postponement or adjournment of the meeting. Each outstanding share entitles its holder to cast one vote on each matter to be voted upon.

Who may attend the meeting?

All stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Please note that if you hold shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting in order to obtain an admission ticket.

What is a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of our shares of common stock outstanding on the record date will constitute a quorum. A quorum is necessary in order for business to be conducted at the meeting. As of the record date, 47,671,177 shares of our common stock were outstanding. Proxies received, but marked as abstentions and broker non-votes, will be included in the calculation of the number of shares considered to be present at the meeting.

How do I vote?

The accompanying proxy is solicited by our Board of Directors. You may vote by Internet or telephone by following the instructions on the enclosed proxy card or you may complete and properly sign the

accompanying proxy card and return it to us. If voted by any of these methods, your vote will be cast as you direct. Do not return the proxy card if you vote by Internet or telephone. Even if you plan to attend the meeting, it is desirable that you vote in advance of the meeting.

May I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing with our Secretary either a notice of revocation or a duly executed proxy card bearing a later date. A vote by Internet or telephone may be revoked by executing a later-dated proxy card, by subsequently voting by Internet or telephone, or by attending the annual meeting and voting in person.

How do I vote my Savings Plan shares?

If you participate in our Employee Savings and Profit Sharing Plan, Employee Savings Plan or Employee Stock Purchase Plan, shares of our common stock equivalent to the value of the common stock interest credited to your account under the respective plan will be voted automatically by the trustee in accordance with your proxy, if the proxy is received by April 10, 2008. Otherwise, the share equivalents credited to your account will be voted by the trustee in the same proportion that it votes share equivalents for which it receives timely instructions from all participants in the respective plan.

What are Our Board s recommendations?

Our Board of Directors recommends that you vote (i) to elect the nominated slate of directors, (ii) to ratify the appointment of KPMG LLP to audit our 2008 consolidated financial statements, and (iii) to approve the Amended and Restated 1993 Stock Award and Incentive Plan. Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with this recommendation. The proxy holders will vote in accordance with their own discretion with respect to any other matter that properly comes before the meeting.

CORPORATE GOVERNANCE

Our Board of Directors seeks to ensure that our business is managed in the best long-term interests of our stockholders. Our business is conducted by our employees under the direction of our Chief Executive Officer (CEO) and our other officers and managers. Our Board of Directors provides oversight to the CEO and other officers and managers as it reviews and approves our major business and financial strategies. Our Board also approves significant capital projects and commitments, acquisitions, divestitures and long-term financings. Our Board is responsible for hiring and assessing the performance of the CEO and determining his compensation and, through the Compensation Committee, the compensation of our other officers. Our Board regularly reviews succession planning strategy and plans for the CEO and other senior officers. Our Board believes that it is critical that we operate in compliance with all applicable laws and to the highest ethical standard. Our Board believes that the long-term interests of our stockholders are advanced by appropriately addressing concerns of other stakeholders affected by our actions, including our employees and the communities in which we operate.

A summary of certain important corporate governance practices follows:

Director Independence

A majority of our directors must be independent directors under the New York Stock Exchange (NYSE) Listed Company rules. The NYSE rules provide that no director can qualify as independent unless the Board affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, material stockholder or officer of an organization that has a relationship with us). In addition to the NYSE rules regarding independence, our Board has adopted the following standards in determining whether a director has a material relationship with us:

- the individual may not have been an employee of ours or any of our affiliates within the preceding five years;

- the individual may not have within the previous five years been affiliated with or employed by an entity that has served as our auditor within the last five years;

- the individual may not have been part of an interlocking directorate in which one of our executive officers serves on the compensation committee of another corporation that employs such person;

- no immediate family member of the individual may fall within any of the preceding three categories; and

- the individual may not have received any compensation from us within the past year other than for serving as a director.

Based on these independence standards and all of the relevant facts and circumstances, our Board determined that all of our directors are independent with the exception of David Lilley, our Chairman, President and CEO.

Standards for Directors

Our Board has established the following standards for individuals to serve on our Board of Directors:

- Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders;

- Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively;

- Directors are required to inform our Chairman of the Board of any significant change in their personal circumstances, including a change in their principal job responsibilities or acceptance of another directorship; and

- Directors are not eligible for re-election as a director on or after their 72nd birthday.

Principles of Corporate Governance/Committee Charters/Codes of Ethics

We have published on our website (www.cytec.com) our Principles of Corporate Governance, the charter of each of the Audit, Compensation and Management Development, Environmental, Health and Safety, Governance and Technology Committees of our Board, as well as our Code of Conduct that applies to our directors and all employees, our Code of Ethics for Financial Executives and our Code of Ethics for Senior Executives. Any waiver of, or amendments to, the codes of ethics for directors or executive officers, including the chief executive officer, the chief financial officer and the principal accounting officer, may be approved only by our Board and any such waivers or amendments will be disclosed promptly by us by posting such waivers or amendments on our website. Additionally, the Audit Committee will be informed of any waivers of the Code of Conduct for any of our employees. Copies of each of the Principles of Corporate Governance, the Committee charters and the codes of ethics referred to above are also available free of charge by writing to our Secretary, Cytec Industries Inc., Five Garret Mountain Plaza, West Paterson, New Jersey 07424.

Executive Sessions of Non-Employee Directors

Non-employee directors ordinarily meet in executive session without management present at each regularly scheduled Board meeting and may meet at other times at the discretion of the presiding independent director or at the request of any non-employee director. The presiding director at such sessions rotates among the chairs of the Governance Committee, the Audit Committee and the Compensation and Management Development Committee on an annual basis.

Stockholder and Interested Party Communications with the Board of Directors

Stockholders and interested parties may communicate directly to our Board of Directors or all of the non-management directors as a group with regard to Cytec. Any such communication may be mailed to the Cytec

Compliance Office, Cytec Industries Inc., Five Garret Mountain Plaza, West Paterson, New Jersey 07424 or submitted in any other manner described on the Compliance Office page of our web site (www.cytec.com). All such communications shall be promptly reviewed by our Compliance Office and sent to the Board of Directors or all of the non-management directors as a group, as appropriate.

OUR BOARD OF DIRECTORS AND BOARD COMMITTEES

Our Board of Directors is divided into three classes, the terms of which expire at the annual meetings in the following years:

2008	2009	2010
Anthony G. Fernandes	Barry C. Johnson	Chris A. Davis
David Lilley	Carol P. Lowe	Louis L. Hoynes, Jr.
Jerry R. Satrum	Thomas W. Rabaut	William P. Powell
Raymond P. Sharpe	James R. Stanley	

The Board of Directors held seven meetings during 2007 and each director attended at least seventy-five percent of the Board and respective committee meetings held while she or he was a director. All members of the Board at the time of the 2007 Annual Meeting of Stockholders attended that meeting.

Committees of the Board

To increase its effectiveness and efficiency, our Board of Directors has established five committees to which it has delegated substantial responsibilities. The duties and responsibilities of our Board Committees are set forth in charters which have been approved by our Board of Directors. The charters may be viewed on our website (www.Cytec.com). Set forth below is certain information about these Committees.

• **Audit Committee**. Our Audit Committee is comprised of Ms. Davis (Chair) and Messrs. Fernandes, Powell and Satrum. The Audit Committee is empowered by the Board of Directors to, among other things, assist in the oversight of our: accounting and financial reporting processes and the integrity of our financial statements; annual audit and our internal audit function; and compliance with legal and regulatory requirements as they may impact our financial statements. The Audit Committee also has direct responsibility for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm (the auditors).

Our Board has determined that each of the members of the Audit Committee is financially literate, has a basic understanding of finance and accounting and is able to read and understand fundamental financial statements. Our Board has also determined that each member of the Audit Committee is an independent director, based on the NYSE listing rules, the exchange on which our shares of common stock are listed, the Securities and Exchange Commission s additional independence requirements for audit committee members, and our Principles of Corporate Governance. In addition, our Board has determined that three of the members of our Audit Committee, among them Ms. Davis, are audit committee financial experts , as defined in applicable Securities and Exchange Commission rules.

The Audit Committee held nine meetings during 2007. The Audit Committee s report on its activities during 2007 appears later in this proxy statement under the caption Audit Committee Report .

• **Compensation and Management Development Committee.** Our Compensation and Management Development Committee is comprised of Messrs. Fernandes, Hoynes, Rabaut and Satrum (Chair). Each of its members is an independent director based on the independence standards discussed under the heading Director Independence and all of the relevant facts and circumstances. The Compensation Committee s purpose is to review and approve compensation arrangements for our officers other than our Chief Executive Officer (the CEO) and to review and recommend for approval to our Board of Directors the compensation for the CEO. The Compensation Committee also approves the aggregate amount of equity awards to be awarded to our non-officers (including assistant officers) (Non-Officers). The Compensation Committee may delegate to our CEO the authority to allocate and award equity grants to Non-Officers up to an amount not to exceed the number approved by our Compensation Committee. This Committee also approves compensation plans for our officers, authorizes incentive compensation and equity-based plans, evaluates our CEO s and other officers performances against established goals and objectives, and makes related recommendations. This Committee also reviews succession plans for our CEO and other executive management positions. Our Compensation and Management Development Committee held four meetings during 2007.

• **Environmental, Health and Safety Committee.** Our Environmental, Health and Safety Committee is comprised of Messrs. Johnson, Sharpe and Stanley (Chair). This Committee reviews, monitors and, as it deems appropriate, advises our Board of Directors with respect to our policies and practices in the areas of occupational health and safety and environmental affairs. The Environmental, Health and Safety Committee held two meetings during 2007.

• **Governance Committee.** Our Governance Committee is comprised of Messrs. Fernandes, Hoynes and Powell (Chair). Each of its members is an independent director based on the independence standards discussed under the heading Director Independence and all of the relevant facts and circumstances. This Committee was responsible for developing and recommending to the Board our Principles of Corporate Governance and is responsible for periodically reviewing and recommending changes to such principles. This Committee makes recommendations to the Board on candidates for election to our Board. The Committee also recommends committee assignments for directors and periodically reviews and recommends changes in the compensation of our directors. Our Governance Committee held three meetings during 2007.

Our Governance Committee will consider nominees recommended by stockholders who submit such recommendations in writing to our Secretary and include the candidate s name, biographical data and qualifications. Stockholders recommending nominees must disclose the stockholder s name and address, class and number of shares of our stock that are owned, the length of such ownership and any relationship between the stockholder and the nominee. Stockholders must also comply with such other procedural requirements as we may establish from time to time. Each nominee is evaluated by our Governance Committee and should have distinguished him or herself in a career in industry, government or academia and should be capable of offering sound advice and counsel to our Board and our CEO. Nominees must possess the highest personal and professional ethics, integrity and values and must be eligible to serve a minimum of five years under our age qualification rules. The Governance Committee considers not only the individual talents and skills of each nominee, but also the range of talents and skills represented by all members of our Board of Directors. Our Governance Committee typically uses the services of an executive search firm to help it to identify, evaluate and attract the best candidates for nomination as a director and retained Russell Reynolds and Associates in each of the past three years for this purpose.

• **Technology Committee.** Our Technology Committee is comprised of Messrs. Johnson (Chair), Sharpe and Stanley. This Committee reviews and makes recommendations to our management regarding the strength and integrity of our research and new product development processes and disciplines and reviews the talent resource plans within our research and development organization. In addition, this Committee advises our Board of Directors on the Company s management of scientific and technology matters. The Technology Committee held two meetings during 2007.

AUDIT COMMITTEE REPORT

The Audit Committee s powers and responsibilities, and the qualifications required of each of its members, are set forth in the Audit Committee Charter (the Charter). The full text of the Audit Committee Charter may be viewed on the Company s website (www.cytec.com).

Responsibilities. This Committee meets periodically with Cytec s auditors, internal auditors and management, including with each in executive session. Management is solely responsible for the financial statements and the financial reporting process, including the system of internal controls. Management has represented to this Committee and the Board of Directors that the financial statements discussed below were prepared in accordance with accounting principles generally accepted in the United States of America appropriate in the circumstances and necessarily include some amounts based on management s estimates and judgments and that an evaluation was carried out under the supervision and with the participation of Cytec s Chief Executive Officer and Chief Financial Officer of the effectiveness of Cytec s internal controls as of December 31, 2007. Cytec s auditors, KPMG LLP (KPMG), are responsible for expressing an opinion on the conformity of these financial statements, in all material respects, with accounting principles generally accepted in the United States of America and an opinion on management s assessment of and effectiveness of Cytec s internal controls.

Independence. This Committee pre-approves the services provided by KPMG and the related fees paid to them for audit and non-audit services and consider the effect of such services and the related fees on KPMG s independence. Details regarding fees paid to KPMG during the years 2007 and 2006 are set forth in this proxy statement under the caption Fees Paid to the Auditors . This Committee has concluded that the services provided by KPMG and the compensation therefor is compatible with maintaining KPMG s independence.

Recommendation. This Committee reviewed Cytec s audited consolidated financial statements at, and for the year ended, December 31, 2007 and discussed such financial statements with management and the auditors, and recommended to the Board of Directors that such financial statements be included in Cytec s Annual Report on Form 10-K for 2007. This recommendation was based on: this Committee s review of the audited financial statements; discussion of the financial statements with management; discussion with KPMG of the matters required to be discussed by Statement on Auditing Standards No. 61, discussion with KPMG regarding KPMG s independence as well as other matters including the written material disclosed below; receipt from KPMG of the written disclosures and letter required by Independence Standards Board Standard No. 1 (*Independence Discussions with Audit Committees*); receipt from KPMG of the written disclosures and letter required by Public Company Accounting Oversight Board Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements*; receipt of the document entitled KPMG-Our System of Quality Controls ; and KPMG s confirmation that: (i) it would issue its opinions that the financial statements present fairly, in all material respects, Cytec s financial position and the results of Cytec s operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America and (ii) management s assessment that Cytec has maintained effective internal controls over financial reporting as of December 31, 2007 is fairly stated, in all material respects, and that Cytec maintained effective internal controls over financial reporting as of December 31, 2007, in all material respects.

C.A. Davis, Chair

A.G. Fernandes

W.P. Powell

J.R. Satrum

February 27, 2008

AGENDA ITEM 1 ELECTION OF DIRECTORS

In accordance with the recommendation of the Governance Committee, our Board of Directors has nominated Anthony G. Fernandes, David Lilley, Jerry R. Satrum and Raymond P. Sharpe for election as directors for three-year terms ending at the 2011 Annual Meeting until a successor is duly elected and qualified. Each nominee is currently serving as a director. Each nominee has consented to serve if elected. The nominees biographies, as well as the biographies of the other directors, are set forth below.

Our Board of Directors recommends a vote for the election of each of these nominees as directors.

If at the time of the meeting any of the nominees is not available to serve as director, an event which our Board does not anticipate, the proxies will be voted for a substitute nominee or nominees designated by or at the direction of our Board, unless our Board has taken prior action to reduce the size of the Board.

The affirmative vote of a plurality of the votes cast at the meeting is required for the election of directors. Therefore, an abstention or a broker non-vote is neither an affirmative nor a negative vote, and will not have any effect on the outcome of the election.

A properly executed proxy marked Withhold Authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

Board of Directors Membership

Set forth below is certain information concerning the nominees and our other directors whose terms of office will continue after the meeting.

Chris A. Davis, age 57, has been our director since April 2000. Ms. Davis has been a general partner of Forstmann Little & Co. (Forstmann) since November 2005 and was previously a Special Limited Partner since August 2001. Ms. Davis was Chairman of McLeodUSA (McLeodUSA), a telecommunication services provider, from August 2005 until January 2006 and was Chairman and Chief Executive Officer from April 2002 until August 2005. Prior to this, Ms. Davis was Chief Operating and Financial Officer of McLeodUSA from August 2001 until April 2002. Prior to her positions at McLeodUSA, Ms. Davis was Executive Vice President and Chief Financial and Administrative Officer of ONI Systems Corp. from May 2000. From July 1993 through April 2000, Ms. Davis was Executive Vice President and Chief Financial and Administrative Officer and a director of Gulfstream Aerospace Corp. and, upon General Dynamics Corporation s acquisition of Gulfstream in July 1999, a vice president of General Dynamics Corporation. Before joining Gulfstream in 1993, Ms. Davis held numerous financial positions during her 17 year career at General Electric Company. McLeodUSA filed for a prepackaged plan of reorganization under Chapter 11 of the Bankruptcy Code in October 2005 and emerged from bankruptcy protection in January 2006. Ms. Davis is a director of Rockwell Collins, Inc.

Anthony G. Fernandes, age 62, has been our director since July 2002. Mr. Fernandes was Chairman, Chief Executive Officer and President of Philip Services Corporation, an industrial services and integrated metals recovery company, from 1999 to 2002. Prior to joining Philip Services, Mr. Fernandes worked at Atlantic Richfield Company for more than 30 years, including from 1994 to 1999 as Executive Vice President and director. In addition, from 1997 to 1998 he was chairman of ARCO Chemical Co., a publicly traded company owned 80% by Atlantic Richfield. Mr. Fernandes is a director of ABM Industries Inc., Baker Hughes Corporation, and Black and Veatch.

Louis L. Hoynes, Jr., age 72, has been our director since December 1994. Until September 2004, Mr. Hoynes was elected to the Board on an annual basis by the holder of our Series C Preferred Stock. After we redeemed the Series C Preferred Stock in September 2004, Mr. Hoynes term automatically ended. Our Board then elected Mr. Hoynes to fill a vacancy on our Board. Mr. Hoynes was Executive Vice President and General Counsel of Wyeth until his retirement on July 1, 2003, having served in that capacity since 1990. Prior to that time he was a partner in the law firm of Willkie Farr & Gallagher.

Barry C. Johnson, age 64, has been our director since August 2003. Dr. Johnson retired as Dean of Engineering at Villanova University, having been appointed to that position in 2002. Previously, he was Senior Vice President and Chief Technology Officer of Honeywell International Inc. from 2000; prior to that Dr. Johnson served as Corporate Vice President of Motorola, Inc. and Chief Technology Officer for that company s Semiconductor Product Sector. He joined Motorola in 1976 and held a variety of technology, product development and operations leadership positions during his 16 year career with the company. Dr. Johnson is a director of Rockwell Automation, Inc. and IDEXX Laboratories, Inc.

David Lilley, age 61, has been our director since January 1997. Mr. Lilley is our Chairman (since January 1999), President (since January 1997) and Chief Executive Officer (since May 1998). From 1994 until January 1997, he was a vice president of American Home Products Corporation, responsible for its Global Medical Device business. Prior to that time, he was a vice president and a member of the Executive Committee of American Cyanamid Company (Cyanamid). Mr. Lilley is a director of Arch Chemicals Inc.

Carol P. Lowe, age 42, has been our director since October 2007. Ms. Lowe has been the Vice President and Chief Financial Officer of Carlisle Companies Incorporated, a global diversified manufacturing company, since 2004 and its Treasurer from 2002 through 2004. Prior to joining Carlisle, Ms. Lowe spent eight years at National Gypsum Company where she held various accounting and treasury positions including Treasurer. Preceding that, she spent seven years with Ernst & Young. Ms. Lowe is a Certified Public Accountant.

William P. Powell, age 52, has been our director since our formation in December 1993. Until March of this year, Mr. Powell was a Managing Director of Williams Street Advisors LLC, a merchant banking firm, having served in that capacity since May 2001. Mr. Powell recently formed 535 Partners LLC, a family office. Prior to William Street, he had been Managing Director, Corporate Finance, of UBS Warburg LLC and its predecessor, Dillon, Read & Co. Inc., since January 1991. Mr. Powell is a director of CONSOL Energy, Inc.

Thomas W. Rabaut, age 59, has been our director since February 2007. Mr. Rabaut was President and Chief Executive Officer of United Defense Industries Inc. and its predecessors from 1994 until June 2005 when it was acquired by BAE Systems PLC. Mr. Rabaut then served as President of the Land & Armaments Group of BAE Systems until his retirement in January 2007. Mr. Rabaut is a director of Kaman Corp.

Jerry R. Satrum, age 63, has been our director since May 1996. Before his retirement from Georgia Gulf Corporation in 1998, he served as Georgia Gulf s Chief Executive Officer (1991-1998), President (1989-1997) and Vice President - Finance and Treasurer (from its inception until 1989). Mr. Satrum has been a director of Georgia Gulf Corporation since its inception.

Raymond P. Sharpe, age 59, has been our director since April 2005. He has been President and CEO of Isola Group, a privately held manufacturer of base materials for printed circuit boards since June 2004. The principal investor in Isola Group is the Texas Pacific Group. For more than ten years prior thereto, he was CEO of the Cookson Electronics Division of Cookson Group PLC., London UK. He served as Director of Cookson Group PLC from 1995 until 2004 and a Director of SPS Technologies Inc., a manufacturer of aerospace components, from 1994 until 2004.

James R. Stanley, age 64, has been our director since October 2001. Mr. Stanley retired as President and Chief Executive Officer of Howmet Corporation, a manufacturer of turbine engine components used in jet aircraft and industrial gas power generation that is a wholly-owned subsidiary of Alcoa Inc., in January, 2003. He had served in that capacity since July, 2000. Prior to that time, Mr. Stanley had served as a Senior Vice President of Howmet for more than five years.

AGENDA ITEM 2

RATIFICATION OF THE APPOINTMENT

OF THE AUDITORS

RESOLVED, that the appointment by our Audit Committee of the firm of KPMG to audit our 2008 consolidated financial statements is hereby ratified.

Our Audit Committee has selected KPMG as the auditors to perform the audit of our financial statements for 2008. KPMG has audited our consolidated financial statements since our inception in 1993. KPMG has offices or affiliates at or near most of the locations where we operate. KPMG is an independent registered public accounting firm.

Before making its recommendation for appointment, the Audit Committee carefully considered KPMG s qualifications. This consideration included a review of KPMG s performance in prior years, its independence, as well as its reputation for integrity and for competence in the fields of accounting and auditing. Our Audit Committee has expressed its satisfaction with KPMG. In February 2008, KPMG advised the Audit Committee that it believed that the resolution of all litigation against KPMG will not affect its ability to serve as our auditors.

Representatives of KPMG will attend the Annual Meeting and may make a statement if they desire to do so. They will also be available to respond to appropriate stockholder questions.

We are asking our stockholders to ratify the selection of KPMG as our auditors as a matter of good corporate practice since ratification is not legally required. Even if the selection is ratified, our Audit Committee in its discretion may select different auditors at any time during the year if it determines that such a change would be in the best interests of our Company and our stockholders.

The affirmative vote of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting is required to ratify the appointment of our auditors. Because abstentions are deemed to be shares present at the meeting, they will have the same effect as a vote against this matter. If Agenda Item 2 does not pass, the selection of auditors will be reconsidered by our Audit Committee.

Our Board of Directors unanimously recommends that stockholders vote for the proposal to ratify the Audit Committee s selection of KPMG as our auditors for 2008.

FEES PAID TO THE AUDITORS

Pre-Approval Policies and Procedures. Our Audit Committee is required to pre-approve the audit and non-audit services performed by the auditors in order to assure that the provision of such services does not impair the auditors independence. Our Audit Committee specifically pre-approves all audit fees, audit related fees, tax service fees and all other fees. Our Audit Committee has delegated authority to the Chair of the Committee to approve any services not exceeding $50,000 not specifically pre-approved by the Committee provided that disclosure of such services and fees is made to the Audit Committee at the next scheduled meeting following such approval. During the years ended December 31, 2007 and 2006, all services provided by the auditors received specific pre-approval.

In connection with the audit of the 2008 financial statements, we entered into an engagement letter with KPMG which sets forth the terms by which KPMG will perform its audit services. Under the terms of this letter, we agreed to arbitrate any disputes and that we are not entitled to punitive damages.

Audit Fees. The aggregate fees billed by KPMG for professional services rendered for the audit of our consolidated financial statements and for the reviews of the financial statements included in our Quarterly Reports on Form 10-Q for the years ended December 31, 2007 and 2006 were approximately $4.1 million and $4.3 million respectively.

Audit-Related Fees. There were no audit related fees in 2007 or 2006.

Tax Fees. The aggregate fees billed by KPMG for tax services, primarily services regarding the preparation of certain of our international legal entities income tax returns, for the years ended December 31, 2007 and 2006 were approximately $0.3 million and $0.6 million respectively.

All Other Fees. We did not utilize KPMG for any other services during the two years ended December 31, 2007.

As advised in the Audit Committee Report, our Audit Committee considered whether, and concluded that, provision of these services is compatible with maintaining KPMG s independence.

AGENDA ITEM 3

AMENDED AND RESTATED 1993

STOCK AWARD AND INCENTIVE PLAN

RESOLVED: that the adoption by the Board of Directors of the Amended and Restated 1993 Stock Award and Incentive Plan is hereby ratified and approved.

At its meeting held January 30, 2008, acting on the recommendation of the Compensation and Management Development Committee, the Board of Directors approved amendments to the 1993 Stock Award and Incentive Plan (the 1993 Plan) and the Amended and Restated 1993 Stock Award and Incentive Plan (the Amended Plan) which incorporates those amendments.

The principal amendments incorporated in the Amended Plan are as follows:

(1) The number of shares available for issuance is increased by 3,200,000.

(2) The existing 250,000 cap on the number of shares of restricted stock that may be issued after January 2003 is deleted and the number of shares available for issuance will be decreased by 2.4 for each share of stock issued under the Amended Plan after February 1, 2008 as (i) a restricted stock award or a restricted stock unit award, (ii) as an unrestricted stock award, including stock awards in lieu of cash, (iii) as a dividend equivalent award, (iv) as a deferred stock award or (v) as an other stock based award (not including stock options or SARs), unless such award is subsequently forfeited, cancelled, exchanged, surrendered, terminated or expired without a distribution of shares to the recipient.

(3) The number of shares available for issuance will be decreased by one for each stock-settled stock appreciation right issued under the Amended Plan after January 1, 2006, unless such stock-settled stock appreciation right is subsequently forfeited, canceled, exchanged, surrendered, terminated or expired without a distribution of shares to the recipient.

(4) Two additional Performance Measures, return on invested capital (ROIC) and adjusted EPS , will be added as metrics that may be used to establish performance goals for awards under the Amended Plan so that such awards may qualify as performance based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

(5) No incentive stock options may be issued under the Amended Plan.

A description of the Amended Plan is set forth below under the caption Description of Plan.

Reasons for the Amendments

At January 31, 2008, there were only approximately 760,000 shares available for issuance under the 1993 Plan. Accordingly, the Company seeks to authorize the issuance of additional shares under the Amended Plan so that the Company may continue to offer appropriate long-term equity incentives to attract and retain qualified employees. After giving effect to all of the amendments described above, at January 31, 2008, there would have been approximately 2,900,000 shares available for issuance under the Amended Plan. Additionally, the Amended Plan will be easier to administer.

Since 2006 the primary form of long-term incentive utilized by the Company has been grants of stock settled stock appreciation rights (stock settled SARs). On exercise of a stock settled SAR, the holder receives a number of shares of Cytec stock equal to the number of SARs exercised multiplied by the excess of the then current price of Cytec common stock less the grant price of the SARs divided by the then current price of Cytec common stock. We started granting stock settled SARs instead of stock options in 2006, among other reasons, to reduce the number of shares of stock we issue under the 1993 Plan. See Compensation, Discussion and Analysis Long-Term Incentives and Compensation Program Review .

The Company believes that long term equity incentive awards such as stock settled SARs help to align the interests of the recipients with the interests of stockholders. Additionally, grants of equity incentives allow the Company to maintain lower cash compensation costs. The Company believes it is critical to include equity-based long-term incentives in order to attract and retain the most qualified candidates. The Company believes the most qualified candidates seek opportunities where their long term efforts and willingness to put a portion of their compensation at risk may be rewarded with equity gains. Additionally, equity incentives are necessary to compete with the compensation packages offered by competitors.

During the past 3 years, the Company has been granting options and stock appreciation rights and other stock awards covering approximately 600,000 to 700,000 shares per year under the 1993 Plan. The Company anticipates that if stockholders approve the Amended Plan, the Company will have enough shares authorized under the Amended Plan for four additional years of grants.

The Amended Plan will also be easier to administer. The number of shares actually issued under the 1993 Plan will vary depending on the ratio of the fair market value of our stock on the date each SAR is exercised to the exercise price of such SARs. For example, if an employee exercised SARs at a time when the fair market value of our stock was 10% higher than the grant price of such SARs, the Company would be required to issue only one share of stock under the plan for every 10 SARs exercised. If an employee exercised SARs at a time when the fair market value of the Company s stock was 100% higher than the grant price of such SARs, the Company would be required to issue five shares of stock under the plan for every 10 SARs exercised. Assuming that on average the Company will issue one share for every three SARs exercised, there were approximately 760,000 shares available for issuance on January 31, 2008. After giving effect solely to the proposed amendment that each SAR granted after January 1, 2006 will reduce the shares available for issuance under the Plan by one, the Company would have issued an aggregate of approximately 300,000 SARs, stock options, deferred shares and restricted shares in excess of what is authorized for issuance under the Plan. After also giving effect to the proposed amendment to add an additional 3,200,000 shares to the Plan, there would have been approximately 2,900,000 shares available for issuance at January 31, 2008. See Equity Compensation Plan Information below.

By deleting the limitation on the number of Restricted Stock Awards that may be issued under the Amended Plan, our Compensation Committee will have more flexibility to design compensation packages to attract and retain highly qualified employees. Currently, we issue only limited amounts of restricted stock, primarily to directors, because of the limit on shares of restricted stock that may be awarded under the 1993 Plan. Under the Amended Plan, the special limitation on the number of shares of Restricted Stock that could be issued is deleted. We have included a provision to treat each share of stock, restricted stock or deferred stock issued under the Amended Plan as the equivalent of 2.4 options. The ratio of 2.4 was based on our calculations in December 2007 that an Award of one share of Restricted Stock (valued at Cytec s average price over 200 days) was approximately equal in value to 2.4 ten year options with an exercise price equal to the market price. Accordingly we included this provision in the Amended Plan so that the total value of the equity Awards that may be issued under the Amended Plan is approximately constant (at values in December 2007), whether such Awards are in the form of SARs or options or restricted stock.

The Company is seeking shareholder approval of the Amended Plan to comply with Code Section 162 (m). This code section contains special rules regarding the federal income tax deductibility of compensation paid to the company s principal executive officer and to certain other covered employees. The general rule is that annual compensation paid to any covered executive will be deductible only to the extent that it does not exceed $1,000,000. However, the company can preserve the deductibility of certain compensation in excess of $1,000,000 if such compensation qualifies as performance-based compensation by complying with certain conditions imposed by the Code Section 162 (m) rules and if the material terms of such compensation are disclosed to and approved by the shareholders. The 1993 plan was structured, and the Amended Plan continues to be structured with the intention that the Compensation Committee will have the discretion to make awards that would qualify as performance-based compensation and be fully deductible in accordance with the shareholder approval requirements of code Section 162 (m). Because the Compensation Committee now uses performance metrics of adjusted EPS and ROIC, these performance metrics are being added to the Amended Plan. The entire list of performance metrics that may be used by the Compensation Committee is set forth in Exhibit A to Exhibit A of this proxy statement. The performance metrics currently used by the Compensation Committee are explained more fully below under the caption Compensation Discussion and Analysis Total Direct Compensation Description Long-Term Incentives .

Finally, the Amended Plan prohibits issuing incentive stock options under the Plan. Incentive stock options are options that have less favorable tax consequences to the Company and more favorable tax consequences to the recipient than non-qualified stock options. The Company has not issued incentive stock options and this change is proposed to simplify the Plan.

If the Amended Plan is not approved, the 1993 Plan will remain in effect and the Company will continue to grant Awards under the 1993 Plan. Certain awards granted to officers may not be a deductible expense for the Company to the extent they result in compensation in excess of the limits set forth in Section 162(m).

The Board of Directors recommends that the stockholders approve the Amended Plan.

The affirmative vote of a majority of the shares represented in person or by proxy is required for approval of the Amended Plan. Because abstentions and broker non-votes are deemed to be shares present at the meeting, they will have the same effect as a vote against this matter.

Description of the Amended Plan

The principal features of the Amended Plan are set forth below. The complete text of the Amended Plan is set forth as Exhibit A to this Proxy Statement, and the following description is qualified by such reference.

The Amended Plan continues to provide for various types of awards (Awards) which may be granted to present and prospective employees (including officers), directors and independent contractors. Under present guidelines, approximately 250 employees are eligible to receive annual awards. Awards may consist of stock options, stock appreciation rights, restricted stock (including performance stock), restricted stock units, deferred cash awards, deferred stock awards, including deferred stock awards in lieu of directors fees, and other stock-based or cash-based awards on an ongoing basis. The Amended Plan is not exclusive and the Board may adopt, or permit the adoption of, other compensation and benefit plans or arrangements.

At January 31, 2008 and after giving effect to the terms of the Amended Plan, there would have been 2,932,495 shares remaining available for future issuance under the Amended Plan. This number does not include approximately 3.1 million shares reserved for issuance pursuant to outstanding options SARs, restricted stock awards, performance stock awards or deferred stock awards. See Equity Compensation Plan Information below. The total number of shares issuable under the Amended Plan from its inception in 1993 until its ultimate expiration is 17,900,000. The number of shares reserved for issuance is subject to equitable adjustment in the event of future stock splits, stock dividends, mergers, consolidations, recapitalizations, reorganizations or similar corporate transactions. There is no limitation on the amount of non-stock Awards which can be made.

The Amended Plan is administered by the Compensation Committee, which shall be comprised solely of directors who qualify as non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 and as outside directors within the meaning of Section 162(m) of the Internal Revenue Code. The Committee generally has full authority to construe and interpret the Amended Plan and the terms, including size, of Awards and to determine the recipients of Awards. Under the Amended Plan, the Committee may delegate to the Executive Leadership Team of the Company certain of its authority to make Awards, and establish the terms of Awards, in respect of persons who are not executive officers of the Company; and therefore, the term Committee as used herein includes the Executive Leadership Team when acting pursuant to such delegated authority.

The benefits or amounts that may be received by executive officers under the Amended Plan will, in accordance with past practice, be determined annually by the Compensation and Management Development Committee based on individual and Company performance and are not now determinable. In 2007, the following amounts were awarded under the 1993 Plan:

	SARs and Options	Restricted Stock and Deferred stock
D. Lilley	72,000	
S.D. Fleming	20,000	
S.C. Speak	18,000	
D.M. Drillock	20,000	
W.N. Avrin	13,500	
J.P. Cronin	30,000	
All current Executive officers as a group	204,000	
All current Directors who are not executive officers	0	15,565
All employees who are not executive officers	409,006	

These grants would not have been different if the amendments to the Amended Plan had been in effect with respect to 2007. See Compensation of Directors elsewhere in this Proxy Statement for a description of the terms of the annual grants of restricted stock made to each non-employee director and their terms.

Stock Options and SARs

Only nonqualified stock options may be granted under the Amended Plan. No one person may be granted options under the Amended Plan covering more than fifteen percent of the shares of Common Stock originally authorized under the Amended Plan.

The exercise price of an option and the grant price of a SAR may not be less than the fair market value of the Common Stock on the date of grant. The exercise price must be paid at the time of exercise, in cash, unless the Committee permits the purchase price to be paid by an exchange of previously-owned stock, or by combination of cash and stock, or in whole or in part by having shares withheld by the Company or sold by a broker-dealer. In the case of a SAR, no purchase price is applicable. Instead, on the date of exercise by the grantee, the grantee receives the excess of the then current market price of one share of our common stock over the grant price. This amount is paid in cash, or in the case of stock settled SARs, in shares of our common stock.

Options and SARs may be granted to nonemployee directors and independent contractors, as well as employees and prospective employees. Options and SARs must be exercised, if at all and to the extent exercised, no later than ten years from the date of grant. In the event of termination of employment or independent contractor relationship, an option or SAR, to the extent not theretofore exercised, terminates except under certain circumstances as provided in the grant letter. Nothing in any option or SAR shall confer on any person any right to continue in the employ of the Company or any of its subsidiaries or affiliates or interfere in any way with the right of the Company or any subsidiary to terminate such employment at any time.

Change of Control

In the event of a change of control (as defined in the Amended Plan), unless specifically provided to the contrary in the Award Agreement or grant letter establishing the Award, (i) any Award, including non-employee directors Awards, carrying a right to exercise that was not previously exercisable and vested will become fully exercisable and vested, (ii) the restrictions, deferral limitations, payment conditions and forfeiture applicable to any other Award, including non-employee directors Awards, granted under the Amended Plan will lapse, and such Awards will be deemed fully vested, and (iii) any performance conditions imposed with respect to Awards shall be deemed to be fully achieved.

Amendment

The Amended Plan may, at any time and from time to time, be altered, amended, suspended, or terminated by the Board of Directors, in whole or in part; provided, that, no amendment that requires stockholder approval in order for the Plan to continue to comply with Section 162(m) of the Code and no amendment changing the types of performance measures which may be utilized under the Plan, will be effective unless such amendment has received the requisite approval of stockholders. Amendments made by the Board of Directors could increase the cost of the Amended Plan, although no such amendment may be made to reprice options without stockholder approval. In addition, no amendment may be made that adversely affects any of the rights of a grantee under any Award theretofore granted, without such grantee s consent.

Certain Federal Income Tax Considerations

This summary is not intended to be exhaustive and does not address all matters which may be relevant to a particular participant based on his or her specific circumstances. The summary expressly does not discuss the income tax laws of any state, municipality, or non-U.S. taxing jurisdiction, or the gift, estate, excise (including the rules applicable to deferred compensation under Code Section 409A), or other tax laws other than federal income tax law. The following is not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. Because individual circumstances may vary, the Company advises all participants to consult their own tax advisors concerning the tax implications of awards granted under the Amended Plan.

Nonqualified Stock Options (NQSOs)

A grantee will not recognize any income, and the Company will not be entitled to a deduction, upon the grant of a NQSO. Except as noted below, upon the exercise of the NQSO the grantee will recognize ordinary income equal to the excess of the fair market value of the Common Stock acquired over the option price. The amount the participant recognizes as ordinary income in connection with an NQSO exercise is subject to withholding taxes and the Company is allowed a tax deduction equal to the amount of ordinary income recognized by the participant (subject to the discussion in Limitation on Deductions below). If an option is exercised within six months of the date of grant and the sale of Common Stock acquired on exercise could subject the holder to suit under Section 16(b) of the Exchange Act, then the recognition and determination of the amount of income, and the corresponding deduction by the Company, will be postponed until the earlier of six months after exercise or the first day on which the sale would not subject the holder to such suit. However, the holder may affirmatively elect under Section 83(b) of the Code, within thirty days after exercise, to be taxed as of the exercise date in the manner described above.

Except as stated in the next sentence, a holder s basis for Common Stock acquired upon exercise of a NQSO will be equal to the fair market value of such stock on the date that governs the determination of the holder s ordinary income, and the holding period for such stock will commence on the day after such date and, accordingly, will not include the period during which the NQSO was held. The number of shares acquired upon the non-cash exercise of a NQSO that is equal in number to the shares surrendered will have a basis equal to the basis of shares surrendered and the holding period for such shares will include the holding period for the shares surrendered.

Generally, upon a sale or other disposition of Common Stock acquired pursuant to the exercise of a NQSO, the holder will recognize capital gain or loss in an amount equal to the difference between the amount realized on such sale or other disposition and the holder s basis in such stock. Such gain or loss will be long-term capital gain or loss if the holding period for such stock is more than one year.

Exercise of Options with Shares

NQSOs. A holder who pays the option price upon exercise of a NQSO, in whole or in part, by delivering Common Stock already owned by him will recognize no gain or loss on the stock surrendered, but otherwise will be taxed according to the rules described above for NQSOs.

Limitation on Deductions

If a limited SAR is exercised, or if the termination of any restriction, limitation or condition, or acceleration of any vesting or exercise right with respect to any Award under the Plan is due to a change in control of the Company or similar event, payments with respect to such limited SAR or other Award may be nondeductible to the Company in whole or in part and may subject the holder to a nondeductible 20% federal excise tax on all or a portion of such payments (in addition to other taxes ordinarily payable).

SEC Registration

The Company intends to file a registration statement covering the offering and sale of the additional 3,200,000 shares reserved for issuance under the Amended Plan shortly after the Amended Plan is approved by the Company s shareholders.

Equity Compensation Plan Information

The first table below sets forth, as of December 31, 2007, the number of shares of the Company s Common Stock issuable upon the exercise of outstanding options, warrants and rights and their weighted average exercise price. The second table below sets forth the same data as of January 31, 2008 after the Company s annual grants of long-term incentives and giving pro forma effect to the approval of the Amended Plan as proposed in this proxy statement.

Actual at December 31, 2007

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column)
Equity compensation plans approved by stockholders	2,907,026(1)	$ 38.35	1,047,777(2)
Equity compensation plans not approved by stockholders	0	0	0

1. The number of securities to be issued upon exercise of outstanding stock settled SARs cannot be determined precisely because it depends on the relative price of a share of Cytec s stock to the grant price of the stock settled SAR on the date such SAR is exercised. At December 31, 2007, there were 1,040,859 stock settled SARs outstanding. The weighted average grant price for these SARs was $53.73 and the weighted average remaining life was 8.59 years. We estimate that 346,953 shares will be issued on exercise of these SARs, and that is the number included in this aggregate. The remainder of this number consists of 2,560,073 shares reserved for issuance upon the exercise of outstanding stock options with a weighted average exercise price of $32.10 and a weighted average remaining life of 4.21 years.

2. Because the number of shares that will be issued on exercise of outstanding options, rights and warrants is estimated (see footnote 1 above), the number available for future issuance is also an estimate.

Pro forma at January 31, 2008 giving effect to approval of Amended Plan

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column)

Equity compensation plans approved by stockholders	3,051,044(1)	$ 40.08	2,932,495(2)
Equity compensation plans not approved by stockholders	0	0	0

1. The number of securities to be issued upon exercise of outstanding stock settled SARs cannot be determined precisely because it depends on the relative price of a share of Cytec s stock to the grant price of the stock settled SAR on the date such SAR is exercised. At January 31, 2008, there were 1,528,320 stock settled SARs outstanding. The weighted average grant price for these SARs was $53.32 and the weighted average remaining life was 8.98 years. We estimate that 509,440 shares will be issued on exercise of these outstanding SARs, and that is the number included in this aggregate. The remainder of this number consists of 2,541,604 shares reserved for issuance upon the exercise of outstanding stock options with a weighted average exercise price of $32.11 and a weighted average remaining life of 4.30 years and 82,888 shares reserved for issuance in January 2011 at no cost to the recipient if 2010 performance conditions are met at the 200% level.

2. During January 2008, the Company issued 535,402 stock options and SARs and reserved 82,888 shares for issuance pursuant to the terms of certain performance awards. In addition, this number is calculated on the pro forma assumption that the Amended Plan is approved at the Stockholders Meeting in April further decreasing the number of shares remaining available for future issuance by 693,906 as a result of the amendment, retroactive to January 1, 2006 to reduce the shares available for future issuance by one for each SAR issued (unless subsequently canceled without the distribution of shares to the recipient) and increasing the number of shares available for future issuance by 3,200,000 as a result of the amendment to reserve an additional 3,200,000 shares for issuance.

CYTEC STOCK OWNERSHIP BY DIRECTORS AND OFFICERS

The following table sets forth, as of January 31, 2008, the total beneficial ownership of Cytec s Common Stock by Cytec s directors and the six executive officers named in the Summary Compensation table (see the Executive Compensation portion of this proxy statement):

Beneficial Stock Ownership of Directors & Officers

Name	Record & Street Name Shares(1)	+	Savings Plan Shares(2)	+	Deferred Stock Shares(3)	+	Stock Option Shares(4)	=	Total Beneficial Ownership	Percent of Class
W.N. Avrin	28,340		10,653				163,040		202,033	.4
J.P. Cronin	66,285		7,071		47,257		41,733		162,346	.3
C.A. Davis	2,183				3,381		27,500		33,064	(5)
D.M. Drillock	10,750		12,789		13,589		114,133		151,261	.3
A.G. Fernandes	3,195				4,181		14,000		21,376	(5)
S.D. Fleming	17,272		5,948		15,273		36,332		74,825	.2
L.L. Hoynes, Jr.	2,291				3,381		5,000		10,672	(5)
B.C. Johnson	2,001				2,502		9,500		14,003	(5)
D. Lilley	31,998		7,987		142,930		987,333		1,170,248	2.4
C.P. Lowe	1,160								1,160	(5)
W.P. Powell	7,771						30,500		38,271	(5)
T.W. Rabaut	2,244								2,244	
J.R. Satrum	25,266						30,500		55,766	.1
R.P. Sharpe	2,790				3,184		4,000		9,974	(5)
S.C. Speak	1,250		14,123		17,332		86,833		119,538	.2
J.R. Stanley	2,500				3,381		9,500		15,381	(5)
All directors and officers as a group (19 persons)(6)	248,130		79,062		295,509		1,803,953		2,426,654	5.0

(1) Includes for each of Mr. Powell and Mr. Fernandes shares held in family trusts or foundations. Also includes for each of Messrs. Avrin, Cronin, Hoynes and Sharpe shares owned jointly with his wife.

(2) Represents the officers proportionate share of our Common Stock held by the Cytec Employees Savings & Profit Sharing Plan and the Cytec Supplemental Savings and Profit Sharing Plan at January 31,

2008. In the case of Mr. Cronin and all directors and officers as a group, also includes shares held in Individual Retirement Accounts.

(3) Shares issuable under 1993 Stock Award and Incentive Plan (the 1993 Plan) following termination of employment or, as to the directors, retirement from the Board of Directors.

(4) Shares which may be acquired within 60 days through the exercise of stock options or stock settled SARs (assuming a one for one conversion ratio), regardless of whether the exercise price is below, at or above the current market price of our common stock.

(5) Less than .1%

(6) The number of shares shown excludes the following shares as to which beneficial ownership is disclaimed: 1,000 shares for all directors and officers as a group.

None of the shares reflected in the stock ownership table have been pledged as security.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on our review of copies of 162 forms 3, 4 and 5 received by us, we believe that during 2007 all but 15 filings required under Section 16(a) of the Securities Exchange Act of 1934 were filed timely. Ms. Davis and Mr. Sharpe each filed late a Form 5 reporting the acquisition of an aggregate of 12 shares through broker sponsored dividend reinvestment plans during 2006. Each of the thirteen officers and directors holding deferred stock shares filed late a single Form 4 reporting the acquisition of, in the aggregate for all 13 persons, 515 deferred stock shares awarded as dividend equivalents on their outstanding deferred stock award balances.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class[1]
Common Stock	Barclays Global Investors, NA 45 Fremont Street San Francisco, CA 74105	2,492,252 Shares[2]	5.2

(1) Percent of class based on shares outstanding at December 31, 2008.

(2) Per Schedule 13G, filed February 5, 2008, which reports beneficial ownership of six funds aggregating as of December 31, 2007 (i) sole power to vote or direct the vote as to 2,188,136 shares and (ii) sole power to dispose or direct the disposition of 2,492,252 shares.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Under our written Policy on Transactions with Related Person, any related party transaction which would be required to be reported in the Company s annual proxy statement under applicable laws and regulations must be approved in advance by the Governance Committee of our Board of Directors. In considering whether or not to approve such transaction, the Governance Committee shall consider the following factors: (i) is the proposed transaction in the ordinary course of business of the Company and the Related Person; (ii) are any alternate transactions available; (iii) is the transaction on terms at least as favorable to the Company as available from unrelated third parties; (iv) does the transaction pose any more risks to the Company than alternate transitions available from unrelated third parties; and (v) such other factors as the Governance Committee may consider relevant or important to its decision.

There were no transactions during 2007, and there are no currently proposed transactions, involving more than $120,000 in which Cytec was or is to be a participant and in which any executive officer or director has a direct or indirect material interest other than the compensation arrangements described in this proxy statement.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Program General

Our executive compensation program is designed to contribute to our long-term success and the long term performance of our stock price by:

- Attracting and retaining highly competent, performance oriented executives;
- Rewarding achievements that we believe will increase the value of Cytec s stock over time, such as growth in earnings per share and increased returns on invested capital; and
- Aligning executives financial interests with those of stockholders by linking a significant portion of executive compensation to the performance of Cytec s stock, both through grants of equity incentives and stock ownership guidelines.

Our executive compensation program has three basic components: (i) base salary; (ii) annual incentives; and (iii) long term incentives consisting of three year performance cash awards and ten year stock appreciation rights (SARs). These components are discussed in more detail under the heading Total Direct Compensation Description below. We also maintain benefits programs for all employees, including for executive officers, that we believe are competitive with those of our competitors. These are discussed in more detail under the heading Benefits below.

Our general executive compensation philosophy is to pay for performance. We target executive base salaries and annual bonuses at 5% below the median of a competitive benchmark and long-term incentives, which consist of three years performance cash awards and stock appreciation rights (SARs), at the 62.5 percentile of a competitive benchmark. We believe this reduces our fixed costs and emphasizes long-term results which we believe will enhance the value of Cytec stock over time. We believe this compensation structure, and the performance metrics we rely on in determining incentive payments, are likely to result in our executives earning above median compensation over the longer term only when stockholders are also enjoying positive returns on their investments. We place more weight on both performance based compensation and long-term compensation for those executive positions with the broadest scope, primarily our CEO.

Total Direct Compensation Description

The three basic components of executive officer compensation are base salary, annual incentive awards and long-term incentive awards. Each year, the CEO and the Vice President, Human Resources review with the Compensation Committee compensation survey data provided by an independent compensation consultant. Based on feedback from the Compensation Committee regarding the survey data, and the CEO s views of each officer s performance, the CEO and Vice President, Human Resources recommend annual salary adjustments, annual incentive awards and annual grants of long term incentives. The Compensation Committee reviews these recommendations and the competitive benchmark data and approves annual salary adjustments, annual incentive awards and annual grants of long term incentive awards for all executive officers other than the CEO. The Compensation Committee reviews competitive benchmark data for the CEO and the performance of the CEO with the independent directors of the Board and makes recommendations on the CEO s salary and incentive awards. The independent directors discuss these recommendations, revise them if appropriate and then approve a salary adjustment, an annual incentive award and annual grants of long term incentive awards for the CEO. The CEO does not participate in this process. Salary adjustments and changes in the annual incentive awards and long-term incentive awards are the principle means used to ensure that each officer s compensation is based on his or her performance.

More information on each of the three base components of compensation appears below.

Base Salary: The target base salary for each executive officer is 5% below the median of a competitive benchmark, with an approximate range of plus or minus ten percent based on experience, sustained individual performance and internal equity. The Committee s process to determine a competitive benchmark is described under the caption Competitive Benchmarking below. Base salaries for each of the six most highly compensated officers (the named executive officers) are set forth in the Summary Compensation Table, which appears on page 29.

Annual Incentive Plan: The target annual incentive for each executive officer, as a percentage of base salary, is the median of a competitive benchmark, with an approximate range of plus or minus ten percentage points based on experience, sustained individual performance and internal equity. Since our targets for base salaries are slightly below median, this means our target annual incentive payments are also slightly below median. The Compensation Committee sets the target conditions for receiving an award typically around the beginning of the relevant performance period. The actual annual incentive award paid can range from 0 to 200% of the target percentage based on achievement of the target conditions as described below.

For all executive officers except the two Business Unit Presidents, the annual incentive multiplier (the Corporate Incentive) is based 60% on achievement of target fully diluted earnings per share adjusted to exclude special items (adjusted EPS) and 40% on achievement of important non-financial corporate objectives. At the end of each year, the officer group collectively assesses its performance in achieving the non-financial objectives for that year and recommends a percentage ranging from 0 to 200% of target be used on this part of the annual cash bonus calculation. The CEO presents this recommendation to the Compensation Committee which considers this recommendation, among other factors, in determining the achievement factor for non-financial objectives for all officers, including the CEO. The Committee also reviews the actual adjusted EPS against the adjusted EPS target for the year, which, together with the non-financial element, determines the combined full bonus amount. The payout on the annual cash bonus and all other compensation for the CEO is subject to approval by the independent directors of the Company s board. Adjusted EPS is a non-GAAP financial measure that is calculated by excluding special items such as restructuring and asset impairments, among other items, which are discussed as special items in our quarterly earnings releases. Except in cases of material under or over performance, the same Corporate Incentive applies to each of these officers since the Company believes a common multiplier applied to the individual incentive targets fosters the teamwork necessary for success. The annual incentive multiplier for each of the two Business Unit Presidents is based 70% on achievement of the EBIT target and other non-financial objectives of their respective business units and 30% on the Corporate Incentive. The Compensation Committee generally sets the target adjusted EPS condition equal to our adjusted EPS as set forth in the annual business plan for the relevant performance period. The target adjusted EPS for 2006 and 2007 is discussed at page 30 below. The Compensation Committee set the 2008 target adjusted EPS at $4.25 per share. The Compensation Committee sets the non-financial objectives target based on their view of our most important non-financial objectives during that year after considering the CEO s recommendations in regard thereto. In both 2006 and 2007, there were eight categories of these objectives as follows: safety, health and environmental performance; strategic planning; investor relations; technology; manufacturing and operations; management development and diversity; finance; and the integration of Surface Specialties. The Compensation Committee has the discretion to adjust the financial and non-financial targets as it deems appropriate. In 2006, the Compensation Committee used its discretion to decrease the adjusted EPS targets for 2006 by $.04 per share from the targets established at the beginning of the year to reflect the divestiture of the water treating and acrylamide product lines at the beginning of the fourth quarter of 2006. The annual incentives for the 2006 and 2007 performance periods paid to the named executive officers consistent with these determinations are set forth in the Summary Compensation Table. The Compensation Committee approved the annual incentives paid to all officers other than the CEO and the independent directors of the Board approved the annual incentives paid to the CEO.

Long-Term Incentives (LTIs): Each executive officer is awarded annual grants of LTIs based on the 62.5 percentile of a competitive benchmark for long-term incentive awards, with an approximate range of plus or minus ten percent based on experience, sustained individual performance and internal equity. Cytec s long-term incentives consist of performance cash awards and SARs. Approximately 30% of the value of the LTIs is awarded in grants of performance cash and 70% is awarded in SARs. The Compensation Committee believes this ratio strikes the right balance between medium and long-term incentives. The actual performance cash paid can range from 0 to 200% of the target and is based 50% on achievement of target adjusted EPS in the third year after the date of grant and 50% on achievement of target return on invested capital (ROIC) in the third year after the date of grant. ROIC measures the economic returns on capital invested and is widely used by investors, analysts and corporate managers to evaluate performance. The target for adjusted EPS in the third year is set at the amount that represents 10% compounded annual growth in adjusted EPS from the year immediately prior to the date of the grant, so the target adjusted EPS for a par payout for the 2010 performance period is $5.19. There is a minimum payout of 50% of the award for 4% compounded annual growth and a maximum payout of 200% of the award for 14% compounded annual growth. The targets for ROIC in the third year are calculated assuming adjusted earnings in the first year as set forth in the Company s business plan and then using the same growth rates as for adjusted EPS targets and the Company s assets and current liabilities adjusted for projected working capital changes and capital expenditures. Based on this methodology, the target ROIC for a par payout for the 2010 performance period is 8.1%. The Company believes that achievement of these goals is consistent with shareholders interests because it believes that companies with increasing EPS and increasing ROIC will have an appreciating stock price. The adjusted EPS is also consistent with management s published goal that the Company s adjusted EPS should increase at a double digit percentage rate over the course of a business cycle. The Company believes that three years is an appropriate period of time over which to provide executives incentives to improve the medium term performance of the Company. The Compensation Committee has the discretion to adjust the targets as it deems appropriate. In February, 2006 the Compensation Committee used its discretion to decrease the adjusted EPS targets for 2006 and 2007 to reflect the Company s adoption of FAS 123R, which resulted in a reduction in adjusted EPS due to the recognition of stock option expense. Shortly after year-end of the final year of the award, the Compensation Committee meets to review actual ROIC and adjusted EPS against the targets to determine the payout of the performance cash award. The payout for the CEO is subject to approval by the Board of Directors. Starting in 2008, the Committee allows each projected recipient of a performance cash award to choose in advance of the time the award is granted whether the award will be payable in cash or shares of our common stock valued at their fair market value on the date of the grant.

The grant exercise price of SARs granted after October 2006 is equal to the closing price of Cytec common stock on the date of the grant. Prior to October 2006, the grant price was equal to the closing price of Cytec common stock on the day before the day of the grant. The change in practice was made in order to avoid administrative disclosures required if the grant price of SARs is less than the closing price on the date of grant. The SARs have a ten year term and vest in equal installments on the first three anniversaries of the date of the grant. The SARs are settled in stock, which means that on exercise, an officer receives a number of shares of Cytec common stock equal to the number of SARs exercised multiplied by the excess of the then current price of Cytec common stock over the grant price of the SAR divided by the then current price of Cytec common stock. Because the SARs have value only if the price of the Company s stock increases, the Company believes that grants of SARs closely align executives interests with those of our shareholders. Both the performance awards and the SARs have an important retention element since any unexercised performance awards and SARs are generally immediately terminated on voluntary termination by an executive. In the event an executive retires, he retains a pro rata portion of any unexercised performance cash awards and all SARs issued more than eight months previously and the period in which he or she may exercise any unexercised options is reduced to a maximum of three years and four months after the date of his or her retirement.

The performance cash awards and the SARs are granted under the provision of our 1993 Stock Award and Incentive Plan (the 1993 Plan). We generally grant LTIs to executive officers only on the date of the first meeting of the Compensation Committee each year although we may from time-to-time also grant LTIs on the date an executive officer is hired or promoted. The first meeting of the Compensation Committee each year is typically held the day before we release our earnings for the preceding year. LTIs granted to the CEO are subject to ratification by the independent directors of the Board.

Compensation Program Review

The Compensation Committee is responsible for reviewing and approving compensation arrangements for our executive officers other than the CEO, and for reviewing and recommending to the independent directors of the Board compensation arrangements for the CEO. The Compensation Committee meets at least three times annually. At a minimum, on an annual basis, the Compensation Committee determines the amount of salary adjustments and annual and long-term incentives awarded to executive officers, determines the criteria for achieving annual and long-term incentive awards, determines whether the conditions to payment of past awards have been met and evaluates its own performance. To the extent these matters relate to compensation of the CEO, they are also approved or ratified by the independent directors of the Board. The Compensation Committee periodically reviews all of the components of our compensation program to make sure they are best serving our needs in light of changing standards and market conditions.

The Compensation Committee retained The Hay Group (Hay) during the annual compensation cycle ending January 2006 to review our executive compensation practices, to benchmark our compensation practices against those of competitors and general industry, and to establish competitive benchmarks for total direct compensation for our executive officers. After reviewing and discussing Hay s report on our executive compensation practices, the Compensation Committee concluded that our practices were generally consistent with our objectives and competitive benchmarks, although we made three significant changes to our executive compensation program:

- The Committee decided to substitute stock settled SARs for stock options effective for grants after January 1, 2006. The Committee considered numerous possible equity-linked incentives. The Committee concluded that stock settled SARs were the best equity-linked incentive for us to offer our executives because stock settled SARs result in reduced issuance of our common stock as compared to a stock option grant of equivalent value. Additionally, we preferred to utilize an equity incentive such as stock settled SARs, that has a determinable value for accounting purposes on the date of grant, subject to limited exceptions, rather than equity incentives such as cash settled SARs which have mark-to-market accounting treatment.

- The Committee decided to substitute performance cash awards for performance stock awards and to establish two conditions for payout instead of one, in each case effective for grants made after January 1, 2006. The Committee made the change to performance cash from performance stock primarily to reduce issuance of our common stock under the 1993 Plan given the limited availability to issue common stock under such plan. The Committee also established a second condition, increasing ROIC, for full vesting of performance cash awards. The Committee added this metric because it believes companies with increasing ROIC are valued more highly by investors.

- The Committee decided to alter the balance of LTI awards over a two year period from approximately 15-20% in value of three year performance grants and 80-85% in value of long-term equity-linked grants to approximately 30% in value of three year performance grants and 70% in value of long-term equity-linked grants for grants made in or after 2007. The Committee believed this change was appropriate to place more emphasis on medium term performance.

The Compensation Committee retained Towers Perrin (Towers Perrin) during the annual compensation cycle ending January 2008 to review our executive compensation practices, to benchmark our compensation practices against those of competitors and general industry and to establish competition benchmarks for total direct compensation for our executive officers. After reviewing and discussing Towers Perrin s report on our executive compensation practices, the Compensation Committee concluded that our executive compensation philosophy, policies and procedures were generally consistent with our objectives and competitive benchmarks.

Competitive Benchmarking

The Compensation Committee relies on competitive benchmarks for total direct compensation for each of its executive officers to help it determine the appropriate compensation for those officers. For the compensation cycles ending in January 2005 and January 2006 the Committee used Hay to help it establish competitive benchmarks. The Committee determined to use a benchmark weighted 60% to executive compensation in the chemical industry and 40% to executive compensation in general industry. The Committee believes this weighting reflects an appropriate balance of the companies from which the Company might recruit future executives. The Compensation Committee established a group of peers in the chemical industry that are subject to Securities and Exchange Commission disclosure requirements regarding executive compensation of their five most highly compensated officers (the Peer Group). The Compensation Committee selected the individual companies in the Peer Group because they directly compete with the Company or are similar to the Company in the size and scope of their operations. The Compensation Committee also considered the recommendation of management and Hay on the members of the Peer Group. The Peer Group was balanced by size so that half of the companies had revenues greater than the Company, and the other half had revenues less than the Company. The Peer Group used in 2005 consisted of the 15 companies listed below.

Air Products & Chemicals Inc.

Albemarle Corp.

Arch Chemicals Inc.

Cabot Corp.

Crompton Corp.

Eastman Chemical Co.

Engelhard Corporation

Rohm & Haas Co.

Ferro Corp.

FMC Corp.

Great Lakes Chemical Corp.

Hercules Inc.

Hexcel Corporation

The Lubrizol Corporation

Praxair, Inc.

Compensation for executive officer positions generally reported by the Peer Group in their public filings, including the CEO and the CFO, was used to set half of the competitive benchmark for the chemical industry for those executive officer positions. The remaining half of the competitive benchmark for the chemical industry for those officer positions, and all of the competitive benchmark for the chemical industry for other executive officer positions was determined from Hay s proprietary Chemical Industry compensation database. Hay s Chemical Industry Compensation database consisted of compensation data for more than 50 chemical companies (including 8 companies also in the Peer Group) acquired by Hay in the course of its extensive compensation consulting work. The competitive benchmark for general industry was determined from Hay s proprietary General Industry compensation database, which consisted of compensation data for more than 200 companies, including all of the companies included in the Chemical Database. Hay utilized its compensation databases to price each executive position on the basis of job function, job size and organization size/revenue. Job size was determined using Hay s proprietary method based on a position s functional breadth, reporting relationships, geographical scope, and other complexity factors. Because Peer Group data in then available proxy statements was for the 2004 year, and Hay s compensation databases were current as of mid-2005, Hay adjusted the compensation data upwards by 4% to reflect estimated overall executive pay movement to bring the data current to estimated 2006 levels. Hay utilized its proprietary expanded Black-Scholes model to evaluate options and SARs and its proprietary performance share/performance unit calculator to value performance shares and performance cash so that comparisons would be on an apples-to-apples basis.

The Compensation Committee does not believe it is necessary to evaluate competitive benchmark standards in such a rigorous manner every year since it believes competitive standards take more than one year to change significantly. Accordingly, for the compensation cycle ended January 2007 the Committee used a database from Equilar, Inc. to update the analysis for the Peer Group on the basis of the most recent proxy statement disclosure available, generally for the year ended 2005, and also continued to rely on the benchmark data provided by Hay the previous year, adjusted upwards in each case by 4.5% to reflect estimated overall executive pay movement to bring the data current to estimated 2007 levels. The Compensation Committee modified the Peer Group to include Chemtura, a new entity formed from the combination of Crompton Corp. and Great Lakes Chemical Corp. and to delete Engelhard, which was acquired by a much larger company earlier in 2006, as well as Crompton and Great Lakes.

For the compensation cycle ending in January 2008, the Committee retained Towers Perrin to help it establish competitive benchmarks, using the same Peer Group as previously and Towers Perrin s proprietary 2006 General Industry and Chemical Industry databases.

Stock Ownership Guidelines: We require each officer to attain and hold an ownership stake in our Company that is a specified multiple of his or her salary as set forth below:

Position	Multiple of Annual Base Salary
Chief Executive Officer	8
Chief Financial Officer	5
President, Cytec Specialty Chemicals	5
President, Cytec Engineered Materials	5
Other Officers	3

We think this requirement helps to align executive interests with those of stockholders. Achievement of the required ownership is expected within five years election to a position requiring an increase in target ownership. We determine stock ownership net of any shares with respect to which the economic risk of ownership has been hedged. We include deferred stock awards as shares owned and do not include options, SARs or unvested performance stock as shares owned. At January 31, 2008, all executive officers met their ownership requirements. None of the officers have hedged their position in Cytec stock.

Benefits

With the exception of benefits available under the Executive Supplemental Employee Retirement Plan and the Executive Income Continuity Plan described below, our named executive officers participate in the same employee benefit plans as all other similarly situated U.S. salaried employees.

Flexible Health & Welfare Benefits: We provide U.S. employees, including our executive officers, with a cafeteria-style health and welfare benefit program, providing a comprehensive choice of coverage, including medical, dental, vision, life and accidental death & dismemberment insurance, disability and long term care coverage and health care and dependent care spending accounts.

Retirement Income Plans: Our executive officers are entitled to receive benefits as applicable under (i) the Cytec Past Service Retirement Plan (the Past Service Plan), (ii) the Cytec Salaried and Nonbargaining Employees Retirement Plan (the Salaried Plan), (iii) the Cytec Supplemental Employees Retirement Plan (the Supplemental Plan), (iv) the Cytec Excess Retirement Plan (the Excess Plan), (v) the Cytec Executive Supplemental Employees Retirement Plan (the ESERP), (vi) the Cytec Employees Savings and Profit Sharing Plan (the Existing Savings Plan), (vii) the Cytec Employees Savings Plan (the New Savings Plan) , and (viii) the Cytec Supplemental Savings and Profit Sharing Plan (the Supplemental Savings Plan). The benefits available under each of these plans are described below. The value for each of the named executive officers of these plans is set forth in the Pension Benefits Table on page .

Past Service Plan: This plan is a qualified plan that provides an annual defined pension benefit upon retirement for all Cytec employees who transferred from American Cyanamid Company (Cyanamid) in connection with the spin-off of Cytec from Cyanamid relating to their years of service recognized by Cyanamid. The benefit in general is equal to 1.67% of an employee s final average pay at Cyanamid multiplied by their years of service at Cyanamid less a social security offset. Mr. Lilley is the only named executive officer who is not entitled to benefits under the Past Service Plan since he did not become an employee of Cytec until 1997. Benefits under this plan are subject to reduction for early retirement and are also subject to applicable limitations under IRS regulations.

The Salaried Plan: This plan is a qualified plan that provides all US salaried and nonbargained hourly employees an annual defined pension benefit upon retirement which is made up of the sum of two components: (i) a benefit which, in general, is equal to 1.33% of the employee s base salary plus actual annual bonus (up to one-third of base salary) for each year of service at Cytec before January 1, 2008, plus (ii) a roll-up benefit based on credited service recognized by Cyanamid. The roll-up benefit was instituted to partly compensate employees for lower pension accruals at Cytec compared to those they would have received if they had remained at Cyanamid and, in general, is equal to 1.67% of the retiree s average base salary plus actual annual bonus (up to one-third of base salary) during the highest five of the last ten years of service from 1994 through 2003 times the number of years of service at Cyanamid, less amounts payable under the Past Service Plan and subject to certain adjustments including a social security offset. Benefits under this plan are subject to reduction for early retirement and are also subject to applicable limitations under IRS regulations.

Excess Plan: Under Section 415 of the Internal Revenue Code, a qualified plan may not pay an annual pension benefit to any single retiree of more than a specified amount from time-to-time in effect. This plan is a non-qualified plan for all employees whose benefits would be subject to that limitation that provides a benefit equal to the benefits that would be payable under the Past Service Plan and the Salaried Plan without regard to the limitation under Section 415 of the Internal Revenue Code less any amounts payable to the officer under the Past Service Plan and the Salaried Plan.

Supplemental Plan: Under Section 401(a)(17) of the Internal Revenue Code, a qualified plan may not include a pension benefit on any individual s earnings in excess of an annual amount as specified from time-to-time, currently $230,000 per year. This plan is a non-qualified plan for all employees whose earnings in any year exceeded the 401(a)(17) limit that provides a benefit equal to the benefits that would be payable under the Past Service Plan and the Salaried Plan without regard to the limitations under Section 401(a)(17) and Section 415 of the Internal Revenue Code less any amounts payable to the officer under the Past Service Plan, the Salaried Plan and the Excess Plan.

We froze the Salaried Plan effective December 31, 2007 (the Frozen Date). As a result, no further benefits will accrue after the Frozen Date under any of the foregoing plans, although all employees including the named executive officers will continue to be credited with service for purposes of early retirement and certain other benefits. Commencing January 1, 2008, we are offering non-bargaining employees participation in the New Savings Plan in place of the Salaried Plan as described more fully below. We believe that the change from a defined benefit plan to a defined contribution plan will help reduce the volatility of our earnings as pension liabilities are subject to large swings with changes in the discount rate, return on asset rate and other assumptions.

ESERP: This Plan is applicable only to persons who were elected as a corporate officer before April 1, 2007. The benefits payable under this non-qualified plan are calculated in the same manner as the benefits payable under the Salaried Plan except that (i) no IRS limitations on the annual salary covered or annual benefits payable apply, (ii) benefits are calculated on annual salary and target bonus rather than annual salary and actual bonus up to 1/3 of annual salary, (iii) the roll-up benefit in the Salaried Plan is also calculated using target bonus rather than actual bonus up to 1/3 of annual salary, (iv) there is no reduction for commencing benefits at age 60, or as early as age 55 with the approval of the Compensation Committee or after a change in control and (v) members are credited with up to five additional years of service through age 65 at their final annual salary and target bonus. The benefits payable under this plan are offset by benefits payable under the Past Service Plan, the Salaried Plan, the Excess Plan and the Supplemental Plan. Benefits under this plan are available only to eligible employees who have been elected as members of the Plan by the Compensation Committee, except that all executive officers are entitled to certain death and disability benefits. Mr. Lilley is the only current executive officer who has been elected as a full member of this plan. Mr. Cronin was elected as a full member of the plan in June 2007 in connection with his retirement. In the event of a change in control of Cytec, all persons elected as executive officers prior to April 1, 2007, will automatically be elected as full members of this Plan. This plan was intended to provide equivalent benefits as were or would have been available to officers under the Cyanamid Executive Retirement Plan and to encourage the transition of executive management at an earlier age by providing a benefit equal to up to five years of retirement income credits under our other defined benefit pension plans.

Savings Plans: We currently offer our US employees participation in one of two Savings Plans. The Existing Savings Plan is currently available to all bargaining employees and prior to January 1, 2008 was also available to all non-bargaining employees hired before April 1, 2007. Under this 401(k) plan, participating employees may contribute up to 50% of their pay on a pre-tax or after-tax basis subject to applicable IRS limitations. We provide matching contributions up to 4% of pay. In addition, we made an additional annual contribution for years through 2007 ranging from 0% to 5% of annual base pay based upon growth in our adjusted EPS compared to the previous year. The additional contributions for growth in adjusted EPS was 4% for 2006 and 4% for 2007. Payments are made on a pretax basis and deposited directly to the employees qualified savings plan accounts.

We froze the Existing Savings Plan on the Frozen Date with respect to participation by non-bargaining employees and transferred their enrolment and plan balances to an enhanced savings plan (the New Savings Plan). The New Savings Plan provides for Company contributions of 3% of annual pay, additional matching contributions of up to 6% of annual pay and will also provide for a ten year transition benefit ranging from 1% to 10% of an employee s annual pay per year for all participants in the New Savings Plan with more than 10 years of service on the Frozen Date other than employees, such as our Chief Executive Officer, who have been elected as a full member of the ESERP . The transition benefit is intended to compensate long service employees for a limited period for the loss of the accrual of future benefits under the Salaried Plan. We believe that the New Savings Plan is competitive with the retirement plans offered by other chemical companies.

Supplemental Savings Plan: Benefits under the Existing Savings Plan are limited by various IRS regulations on the salary covered and maximum annual contributions. We offer participation in a supplemental savings plan to all US employees whose benefits under the Existing Savings Plan are limited by IRS regulations. The Supplemental Savings Plan is designed to provide similar benefits to those available under the Existing Savings Plan except that the maximum contribution is limited to 25% of a participant s annual salary and bonus. Contributions to the Supplemental Savings Plan are held in trust for the benefit of the participants, though the trust fund would be subject to the claims of our creditors. We invest the funds held in trust in actual mutual funds that correspond with various hypothetical investment accounts selected by the participants. Accordingly, the investment returns earned by participants are supported by actual underlying investments made by us. The hypothetical investments available to participants are generally the same as the investment alternatives available under the Existing Savings Plan.

Deferred Stock Awards: Under Cytec s 1993 Plan, the Compensation Committee may grant deferred stock awards (Deferred Stock Awards). The Committee has generally granted Deferred Stock Awards at an executive officer s request in lieu of performance stock awards or restricted stock awards that would otherwise vest. Deferred Stock Awards are phantom shares of Cytec stock that accrue dividends in the form of additional shares of Deferred Stock Awards. The Deferred Stock Awards are paid in the form of an equivalent number of shares of Cytec stock after an executive retires. Also under this plan, directors are entitled to receive their annual retainer fees in the form of Deferred Stock Awards rather than cash. These Deferred Stock Awards are paid in shares of actual Cytec stock after the director ceases to be a director.

Deferred Compensation Plan: Under this plan, an executive officer may elect to defer any compensation in excess of $1 million per year to the extent it would be a non-deductible expense for the Company as a result of IRS section 162(m). Mr. Lilley is the only executive officer who is a member of this Plan. He received a Deferred Stock Award of equivalent value to the compensation deferred under this plan. Mr. Lilley did not defer any compensation under this plan in 2006 or 2007.

Executive Income Continuity Plan: All executive officers are automatically members of this Plan. This plan is intended to help retain the services of our executive officers and to reinforce and encourage the continuing attention, dedication and loyalty of these executives without the distraction of concern over the possibility of involuntary or constructive termination of employment resulting from unforeseen developments, by providing income continuity for a limited period. This plan provides that members will receive a benefit on termination of their employment unless such termination is (i) on account of death, disability or retirement, (ii) by us for cause, or (iii) by the member without good reason (as defined in the plan). Generally, good reason for termination by a member involves reductions in compensation or other actions by us inconsistent with the member s status. The benefit payable is one time annual salary and bonus, or, if the termination occurs after a change in control, three times annual salary and bonus, subject to some exceptions. The plan also provides for certain miscellaneous payments, including relocation payments, certain legal fees, and expenses incurred in seeking new employment.

The amounts payable to Executive Officers in various circumstances under Cytec s Executive Income Continuity Plan were originally determined in 1994 to duplicate the benefits in similar circumstances under the equivalent plan of Cyanamid, our former corporate parent. In 2000, after reviewing change of control benefits offered by a group of peer companies, the Board determined to increase the change of control benefit from two times annual pay plus bonus to three times annual pay plus bonus so as to provide competitive benefits. The Compensation Committee believes the Executive Income Continuity plan addresses the risk of an executive losing his job, particularly during periods of uncertainty, in a manner that allows the executive to remain focused on the Company s interests. The Committee further believes that the plan meets specific concerns of executives that are not addressed by other elements of the compensation package. Accordingly, the Committee does not consider benefits that might or might not be paid under the Executive Income Continuity Plan when it establishes other elements of an executive s compensation.

Compensation Taxation Equalization Plan: This plan provides that we will reimburse any employee, officer or director for any excise tax imposed by Section 4999 of the Internal Revenue Code of 1986 (the Code) on compensatory payments defined as an excess parachute payment under Code Section 280G, plus all other taxes imposed on the reimbursement.

The American Jobs Creation Act of 2004 provides in part that amounts deferred under a non-qualified deferred compensation plan will be includible in gross income to the extent not subject to a substantial risk of forfeiture and not previously included in income, unless the plan meets certain requirements (the 409A Requirements), including requirements relating to the definition of a change in control and provisions limiting a participant s right to accelerate the receipt of benefits under a deferred compensation plan. These provisions affect certain provisions of many of our plans described above, including but not limited to our Supplemental Savings Plan, our Executive Income Continuity Plan, our Deferred Compensation Plan and our 1993 Stock Award and Incentive Plan. As final guidance about 409A Requirements has only recently been released, we have been administering our plans since January 1, 2005 in good faith compliance with the 409A Requirements as permitted by the regulations.

Relocation and Expatriation Packages: We have an international mobility policy, which includes programs, procedures and processes for long term assignments, short term or limited duration assignments and permanent relocation. These policies cover the various aspects of moving, compensation and reimbursement methods and are designed to strike a balance between the costs in the employee s home country and costs of the new location. For the duration of the assignment, the relocated employee continues to follow as much as possible the home location compensation rules and benefit schedules. This approach facilitates the reintegration process at the conclusion of the assignment. We compare compensation and living expenses to norms and make adjustments or allowances for such factors as sale of home, differences in housing and living costs and differing tax structures. Mr. Fleming is the only executive officer who is currently receiving any benefits under these policies.

SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Stock Awards ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($) (h)	All Other Compensation ($) (i)	Total ($) (j)
D. Lilley	2007	$ 865,000	$ 221,667	$ 2,123,267	$ 1,124,500	$ 0	$ 104,608	$ 4,439,042
Chairman, President and Chief Executive Officer[1]	2006	$ 828,000	$ 350,002	$ 2,524,934	$ 794,466	$ 488,650	$ 82,386	$ 5,068,438
S.D. Fleming	2007	$ 395,000	$ 90,421	$ 402,610	$ 234,630	$ 29,835	$ 222,126	$ 1,374,622
President - Cytec Specialty Chemicals	2006	$ 360,000	$ 92,926	$ 407,527	$ 229,680	$ 50,701	$ 431,123	$ 1,571,957
S.C. Speak	2007	$ 327,000	$ 90,421	$ 467,371	$ 215,820	$ 28,719	$ 31,205	$ 1,160,536
President Cytec Engineered Materials	2006	$ 315,000	$ 92,926	$ 394,867	$ 155,925	$ 40,243	$ 33,824	$ 1,032,785
D.M. Drillock, Vice	2007	$ 312,500	$ 31,662	$ 278,610	$ 223,438	$ 29,055	$ 22,346	$ 897,611
President and Chief Financial Officer since May 24, 2007, previously Vice President, Controller and Investor Relations	2006	$ 260,000	$ 42,236	$ 245,810	$ 113,265	$ 50,234	$ 16,301	$ 727,846
W.N. Avrin	2007	$ 300,000	$ 87,703	$ 301,233	$ 175,500	$ 31,341	$ 41,848	$ 937,625
Vice President Corporate and Business Development	2006	$ 285,000	$ 110,612	$ 321,417	$ 129,533	$ 66,163	$ 38,603	$ 951,328
J.P. Cronin	2007	$ 205,000	$ 199,491	$ 0	$ 0	$ 1,245,476	$ 699,318	$ 2,349,285
Executive Vice President and Chief Financial Officer through May 24, 2007[2]	2006	$ 392,000	$ 225,215	$ 687,734	$ 217,756	$ 101,288	$ 27,073	$ 1,651,066

(1) The actual present value of Mr. Lilley s accumulated benefits under all of our defined benefit plans decreased by $64,887 during 2008. Mr. Lilley was elected as a member of our ESERP prior to 2007 with five projected years of service but not past age 65 and he turned age 60 in January 2007. Mr. Lilley s annual pension benefit is substantially the same at the end of 2007 as at the beginning since he received an extra year of service under all of our defined benefits plans except the ESERP and lost approximately one year of projected service under the terms of the ESERP. Additionally, because Mr. Lilley is one year older, for actuarial purposes the period during which he can expect to receive his pension benefits is less at the end of 2007 than at the beginning.

(2) In connection with his retirement in June 2007, Mr. Cronin forfeited all 30,000 SARs granted to him in January 2007, 2/3 of the 32,500 SARs granted to him in January 2006 and 1/3 of the 42,000 options granted to him in January 2005. The Company recorded a gain on these forfeitures, in excess of the amounts that were accrued with respect to Mr. Cronin s remaining SARs and options, so no compensation is reflected for Mr. Cronin in column (f). Also in connection with his retirement, Mr. Cronin was elected to the ESERP with one projected year of service and with no actuarial reduction for beginning benefits at age 55. This had a value of approximately $850,000. Most of the remaining increase in the value of Mr. Cronin s pension during 2007 was due to his decision to commence his retirement benefits at age 55

taking advantage of the early retirement subsidy available to all employees whose age plus years of service is equal to 65 or more.
The amounts reported in column (c) of the Summary Compensation Table represent the base salary of each of the named executive officers during the periods reported, prior to any deferrals of income by such officers under the terms of our existing Savings Plan or the Supplemental Savings Plan.

The amounts reported in column (e) of the Summary Compensation Table represent the dollar amount we recognized for financial statement reporting purposes with respect to the periods reported in accordance with FAS 123R with respect to Performance Stock Awards made to the named executive officers in 2004 and 2005 and in the case of each of Messrs. Cronin and Avrin also with respect to a special recognition award of restricted stock units with a three year payout granted to each of them in 2005. The assumptions made in these evaluations are incorporated by reference from footnote 5 to our Consolidated Financial Statements for the year ended December 31, 2007.

The amounts in column (f) of the Summary Compensation Table represent the dollar amount we recognized for financial statement reporting purposes with respect to the periods reported in accordance with FAS 123R with respect to grants of options made to the named executive officers in 2004 and 2005 and grants of SARs made to the named executive officers in 2006 and 2007. The assumptions made in this evaluation are incorporated by reference from footnote 5 to our Consolidated Financial Statements for the year December 31, 2007. Generally, the fair value of the option or SAR on the grant date is expensed over the three year vesting period, except that starting in 2006, the fair value of the option or SAR is expensed over the three year vesting period, or if shorter, the period to which an officer is entitled to retire without loss of his option. As a result of this rule change in 2006, we recognized 11/12 and 11/32 of the fair value of the SARs granted in 2006 to Mr. Lilley and Mr. Cronin, respectively and in 2007, we recognized 100% of the fair value of the SARs granted to Mr. Lilley in 2007 compared to 1/3 of the fair value of the SARs granted to the other named executive officers in 2006 and 2007.

The amounts reported in column (g) of the Summary Compensation Table represent the amounts paid under the annual incentive plan with respect to the periods reported prior to any income deferrals. The annual incentive plan is generally described under the heading Total Direct Compensation-Annual Incentive Plan above and the annual target amounts for 2006 and 2007 are shown in the Grants of Plan Based Awards table below. The Corporate Incentive for 2006 was 101% of par. It was determined based on adjusted EPS of $3.45, which was 91% of the difference between the threshold for any financial incentive payment of $3.13 adjusted EPS and the $3.48 adjusted EPS target for par payout, and 116% achievement of the 2006 non-financial objectives. The Corporate Incentive for 2007 was 130% of target. It was determined based on adjusted EPS of $3.90, which was 43% of the difference between the $3.59 adjusted EPS target for par payout and the $4.31 adjusted EPS target for a 200% payout, and 111% achievement of the 2007 non-financial objectives. As an example, Mr. Lilley s annual bonus for 2007 was determined by the following formula:

Annual Bonus = Annual Salary * Target Bonus % [.6(1+ ((Actual 2007 Adjusted EPS 2007 Target Adjusted EPS) ÷ (2007 200% Target Adjusted EPS 2007 Target Adjusted EPS))) + .4 (Achievement factor on 2007 non-financial objectives)].

Accordingly,

Annual Bonus = $865,000 * 100% [.6(1+ ((3.90-3.59) ÷ (4.31-3.59))) + .4(1.11)] = $865,000*(.6(1.43) + .4(1.11)) = $865,000(1.30)= $1,124,500

The achievement factor for the non-financial objectives was approved by the Compensation Committee based on their review of non-financial achievements for the periods reported against the objectives established at the beginning of those periods including management s reports thereon. The annual incentive multipliers for 2006 for Mr. Fleming and Mr. Speak were 116% and 90% respectively based on their business unit s performance and the 2006 Corporate Incentive of 101%. The annual incentive multipliers for 2007 for

Mr. Fleming and Mr. Speak were 108% and 120% respectively, based on their business unit s performance and the 2007 Corporate Incentive of 130%.

The amounts reported in column (h) of the Summary Compensation Table represent the aggregate change in the actuarial present value of each named executive officer s accumulated benefit under all of our defined benefit plans during the periods reported, including as a result of changes in actuarial assumptions. The actuarial present value of each named executive officer s accumulated benefit under each of our defined benefit plans at December 31, 2007 is set forth in the Pension Benefits table below.

The amounts reported in column (i) of the Summary Compensation Table include matching contributions by the Company under the terms of our Existing Savings Plan and Supplemental Savings Plan with respect to deferrals by the named executive officers in 2007 as follows: Mr. Lilley, $61,207; Mr. Drillock, $16,607; Mr. Fleming, $23,451; Mr. Speak, $21,040; Mr. Avrin, $17,458; and Mr. Cronin, $16,911. The 2007 amounts reported in this column also include amounts paid with respect to dividends previously withheld on performance stock that vested in 2007 as follows: Mr. Lilley, $22,636, Mr. Drillock, $3,234, Mr. Avrin , $4,398 and Mr. Cronin , $9,054. The 2007 amounts reported in this column also include the values of perquisites and personal benefits provided to each named executive officer who received more than $10,000 in 2007 in perquisites and personal benefits as follows: Mr. Lilley, $20,765; Mr. Fleming, $198,675; Mr. Speak, $10,165; Mr. Avrin, $24,390 and Mr. Cronin, $699,318. Mr. Lilley s perquisites and benefits consist of financial counseling and tax preparation, fringe insurance, home security and a club membership. Mr. Fleming s perquisites and personal benefits consist of financial counseling and tax preparation, fringe insurance, reimbursement of his relocation expenses in connection with his move from New Jersey to Brussels, Belgium a housing allowance during his stay in Belgium ($77,214) and other expatriate benefits including car and hardship allowances ($105,724). These amounts were all determined in accordance with our international mobility policy described under the heading Benefits-Relocation and Expatriation Packages above and which is generally applicable to all employees relocated across international borders. Approximately half of these amounts were paid in euros. We converted these amounts to US dollars using the average exchange rate for 2007 of US$1.3788 per euro. Mr. Fleming is also entitled to receive a tax equalization payment under his relocation package with respect to his compensation. The payment will be determined as the amount required to reimburse him for any additional income taxes he is required to pay with respect to his compensation (not including his stock and option awards) as a result of his relocation compared with the taxes he would have paid if he had remained in the United States. This amount cannot be calculated until after Mr. Fleming files his 2006 and 2007 US and Belgium tax returns. Mr. Speak s perquisites and personal benefits consist of financial counseling and tax preparation fees and fringe insurance. Mr. Cronin s perquisites and personal benefits consist of fringe insurance, home security, vacation pay and $665,500 accrued under the terms of The Executive Income Continuity Plan in connection with his retirement at the request of the Company. Mr. Avrin s perquisites and personal benefits consist of financial counseling, fringe insurance and a club membership.

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Stock and Option Awards ($)
(a)	(b)	(c)	(d)	(e)	(i)	(j)	(k)
D. Lilley	1/31/2007	$ 175,000	$ 700,000*	$ 1,400,000	72,000	$ 58.22	$ 1,404,000
	1/31/2007	0	$ 865,000**	$ 1,730,000			
S.D. Fleming	1/31/2007	$ 56,250	$ 225,000*	$ 450,000	20,000	$ 58.22	$ 390,000
	1/31/2007	0	$ 217,250**	$ 434,500			
S.C. Speak	1/31/2007	$ 43,750	$ 175,000*	$ 350,000	18,000	$ 58.22	$ 351,000
	1/31/2007	0	$ 179,850**	$ 359,700			
D.M. Drillock	1/31/2007	$ 37,500	$ 150,000*	$ 300,000	10,000	$ 58.22	$ 195,000
	1/31/2007	0	$ 117,000**	$ 234,000			
	5/30/2007	$ 6,250	$ 25,000*	$ 50,000	10,000	$ 58.80	$ 195,900
	5/30/2007	0	$ 44,842**	$ 89,684			
W.N. Avrin	1/31/2007	$ 37,500	$ 150,000*	$ 300,000	13,500	$ 58.22	$ 263,250
	1/31/2007	0	$ 135,000**	$ 270,000			
J.P. Cronin***	1/31/2007	$ 75,000	$ 300,000*	$ 600,000	30,000	$ 58.22	$ 585,000
	1/31/2007	0	$ 225,500**	$ 451,000			

* Target amount for Performance Cash Award for the 2009 performance period.

** Target amount for Annual Incentive Award for the 2007 performance period.

*** In connection with his retirement, Mr. Cronin forfeited (i) any right to the annual incentive award granted to him on January 31, 2007, (ii) 2/3 of his Performance Cash Award granted to him on January 31, 2007, and (iii) all 30,000 SARs granted to him on January 31, 2007. The amounts shown in this table are shown prior to such forfeitures.

At its January 31, 2007 meeting, the Compensation Committee finalized annual incentive targets for the 2007 performance period and granted LTIs to each of the named executive officers consisting of a performance cash award and SARs. The performance cash awards have a target pay out as set forth in column (d) above which will be achieved if the targets for adjusted EPS and ROIC in the 2008 performance period are met. See Total Direct Compensation Description Long Term Incentives .

The target amounts for annual incentive awards for the 2007 performance period are set forth in column (d) of the table above. The actual amounts paid in 2008 with respect to these awards are set forth in column (g) of the Summary Compensation Table.

The aggregate fair value of the SARs granted to each of the named executive officers determined as of the date of grant is set forth in column (k) above. These amounts were calculated in accordance with FAS 123R. The assumptions made in this valuation are incorporated by the reference from footnote 15 to our Consolidated Financial statements for the year ended December 31, 2007.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards				Stock Awards			
Name (a)	Number of Securities Underlying Unexercised Options (#) Exercisable[(1)] (b)	Number of Securities Underlying Unexercised Options (#) Unexercis-able[(2)] (c)	Option Exercise Price ($) (e)	Option Expira-tion Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)
D. Lilley	200,000	0	$ 20.4375	1/24/2009			14,709	$ 905,780
	130,000	0	$ 24.4375	1/23/2010				
	130,000	0	$ 33.6300	1/21/2011				
	130,000	0	$ 24.0000	1/20/2012				
	130,000	0	$ 26.7000	1/19/2013				
	100,000	0	$ 37.1100	1/20/2014				
	66,666	33,334	$ 47.5900	1/18/2015				
	26,666	53,334	$ 49.4900	2/7/2016				
		72,000	$ 58.2200	1/30/2017				
S. D. Fleming	7,500	7,500	$ 47.5900	1/18/2015			6,000	$ 369,480
	7,333	14,667	$ 49.4900	2/7/2016				
	0	20,000	$ 58.2200	1/30/2017				
S. C. Speak	20,000	0	$ 26.7000	1/19/2013			6,000	$ 369,480
	25,000	0	$ 37.1100	1/20/2014				
	15,000	7,500(2)	$ 47.5900	1/18/2015				
	6,666	13,334	$ 49.4900	2/7/2016				
	0	18,000	$ 58.2200	1/30/2017				
D. M. Drillock	18,200		$ 24,4375	1/23/2010			2,101	$ 129,380
	18,200		$ 33.6300	1/21/2011				
	18,200		$ 24.0000	1/20/2012				
	18,200		$ 26.7000	1/19/2013				
	15,000		$ 37.1100	1/20/2014				
	10,000	5,000	$ 47.5900	1/18/2015				
	4,000	8,000	$ 49.4900	2/7/2016				
		10,000	$ 58.2200	1/30/2017				
		10,000	$ 58.8000	5/29/2017				
W. N. Avrin	11,540	0	$ 20.4375	1/24/2009	666	$ 41,012	2,858	$ 175,996
	16,000	0	$ 24.4375	1/23/2010				
	25,000	0	$ 33.6300	1/21/2011				
	28,000	0	$ 24.0000	1/20/2012				
	28,000	0	$ 26.7000	1/19/2013				
	20,000	0	$ 37.1100	1/20/2014				
	13,333	6,667	$ 47.5900	1/18/2015				
	5,000	10,000	$ 49.4900	2/7/2016				
		13,500	$ 58.2200	1/30/2017				
J. P. Cronin	2,900	0	$ 33.6300	6/30/2008	1,333	$ 82,086	5,884	$ 362,337
	28,000	0	$ 47.5900	6/30/2008				
	10,833	0	$ 49.4900	6/30/2008				

(1) All exercisable options are fully vested

(2) The options shown in this column have the following vesting dates: (1) the options with an exercise price of $47.59 vested on 1/19/2008; one-half of the options with an exercise price of $49.49 vested on February 8, 2008 and the other half will vest on February 8, 2009, one-third of the options with an exercise price of $58.22 vested on January 31, 2008, one-third will vest on January 31, 2009 and the final third will vest on January 31, 2010; and one-third of the options with an exercise price of $58.80 will vest on May 30, 2008, one-third will vest on May 30, 2009 and the final third will vest on May 30, 2010.

Up until 2006, we made annual grants of stock options to each named executive officer. In 2006, we substituted SARs for stock options. See Compensation Program Review . Accordingly, all of the securities reported in columns (b) and (c) of the Outstanding Equity Awards table represent stock options except for the securities expiring on or after February 7, 2016 which are SARs. The units reported in column (g) of the Outstanding Equity Awards table represent special recognition awards of restricted stock units with a three year payout granted to Mr. Avrin and Mr. Cronin. The unvested equity awards reported in column (g) represent performance stock awards that had not vested as of December 31, 2007. Subsequent to year end, the Compensation Committee determined that the performance condition for vesting each award shown was met at the 131% level and each named executive officer received 65.5% of the full amount of this award, or an equivalent Deferred Stock Award in lieu thereof. See Compensation Program Review . The value of the unvested equity incentive awards set forth in column (j) above was determined using the closing price of Cytec common stock on December 31, 2007, the last trading day of the year.

OPTION EXERCISES AND STOCK VESTED

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**
D. Lilley	230,000	$ 6,674,475	18,863	$ 1,098,204
S.D. Fleming	38,000	$ 1,188,071	3,741	$ 217,801
S C. Speak	1,500	$ 33,942	3,741	$ 217,801
D.M. Drillock	10,800	$ 129,986	2,695	$ 156,903
W.N. Avrin	6,200	$ 139,902	3,665	$ 213,376
J.P. Cronin	313,100	$ 10,343,454	7,545	$ 439,270

Columns (b) and (c) in the Option Exercises and Stock Vested table set forth the number of options exercised during 2007 by each of the named executive officers and the pre-tax value realized on exercise. Column (d) of the Option Exercises and Stock Vested table sets forth the number of shares of performance stock that vested during 2007 (or would have vested if they had not been voided in return for a Deferred Stock Award) in the name of each named executive officer. All of the shares that vested were for Performance Stock Awards granted in January 2004. The performance condition for 2006 was satisfied at the 200% level so the maximum amount of the award vested in the officer s name in January 2007. Each of Messrs. Fleming and Speak elected to defer receipt of his performance stock and instead received a Deferred Stock Award of similar amount. Dividends are not paid on performance stock prior to the time it vests but the withheld dividends are paid if and when any shares vest. Named executive officers who elected to defer receipt of their performance shares also received the equivalent value of the withheld dividend payments as an additional Deferred Stock Award which is included in the amount shown in column (d). Since Messrs. Lilley, Avrin, Cronin and Drillock took possession of their vested performance stock (less shares withheld for tax in the case of Messrs. Avrin and Drillock), their previously withheld dividends were paid in cash which is reported in column (i) of the Summary Compensation Table.

PENSION BENEFITS

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d)
D. Lilley	Salaried Plan	11	$ 238,991
	Supplemental Plan	11	$ 737,855
	ESERP	15	$ 2,062,006
S.D. Fleming	Past Service Plan	11	$ 67,331
	Salaried Plan	14	$ 252,432
	Supplemental Plan	14	$ 112,425
S.C. Speak	Past Service Plan	1	$ 2,534
	Salaried Plan	14	$ 170,821
	Supplemental Plan	14	$ 79,413
D.M. Drillock	Past Service Plan	11	$ 139,615
	Salaried Plan	14	$ 321,846
	Supplemental Plan	14	$ 144,500