



**CYTEC**

**Melamine**

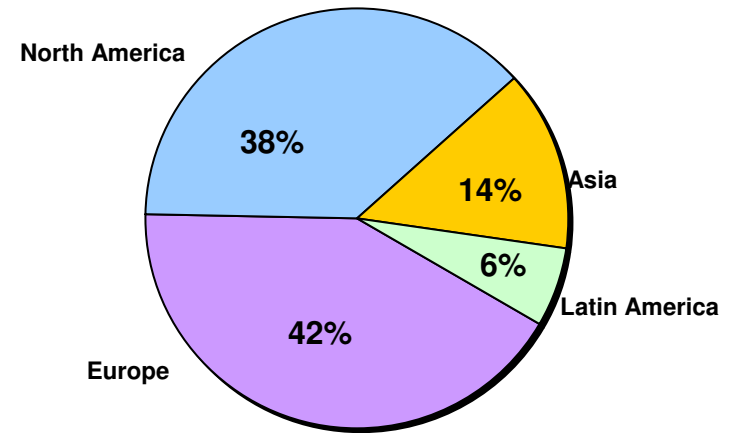
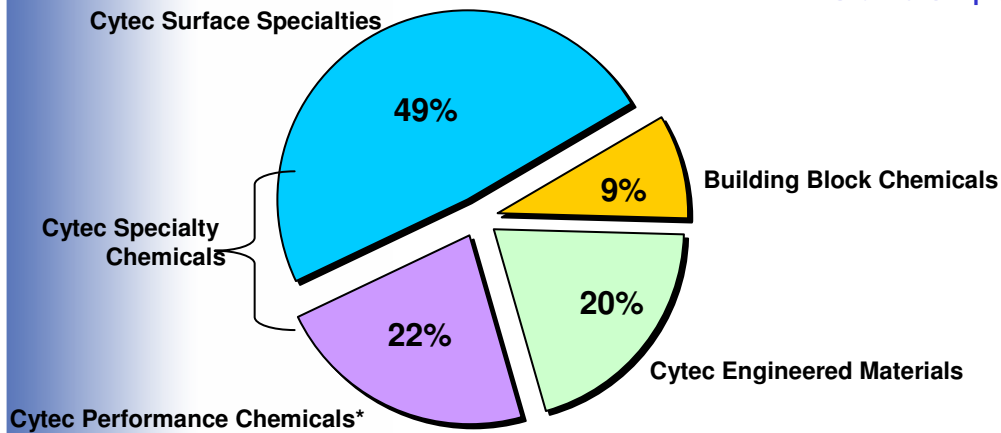
**Cytec Industries Inc  
Building Block Chemicals**

# The Cytec Profile

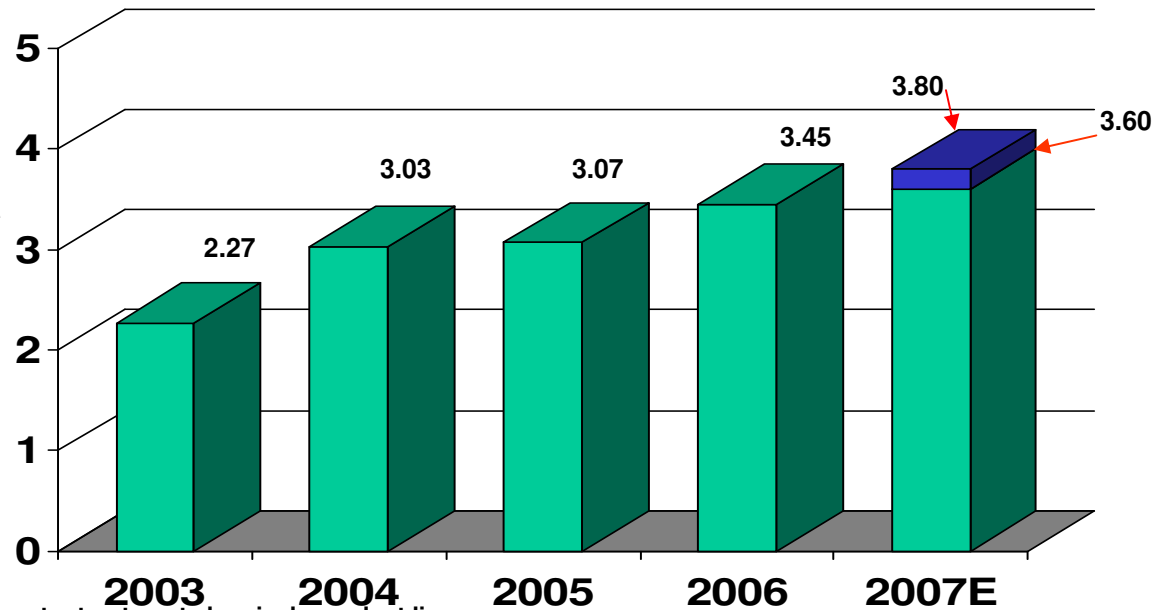
**Sales by Segment**

**2006  
Sales \$3.1B\***

**Sales by Geographic Region**

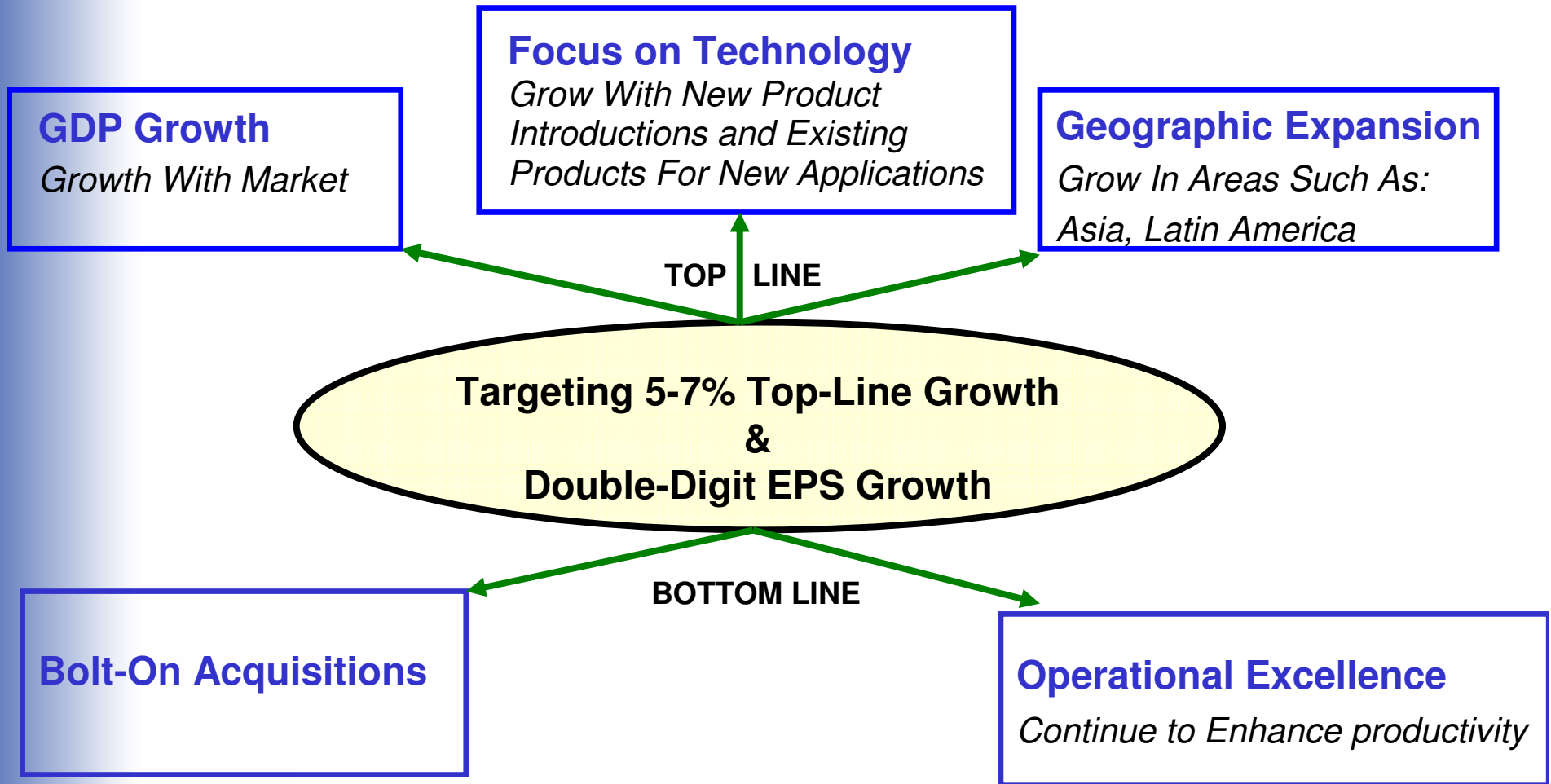


**Diluted Earnings Per Share\*\***



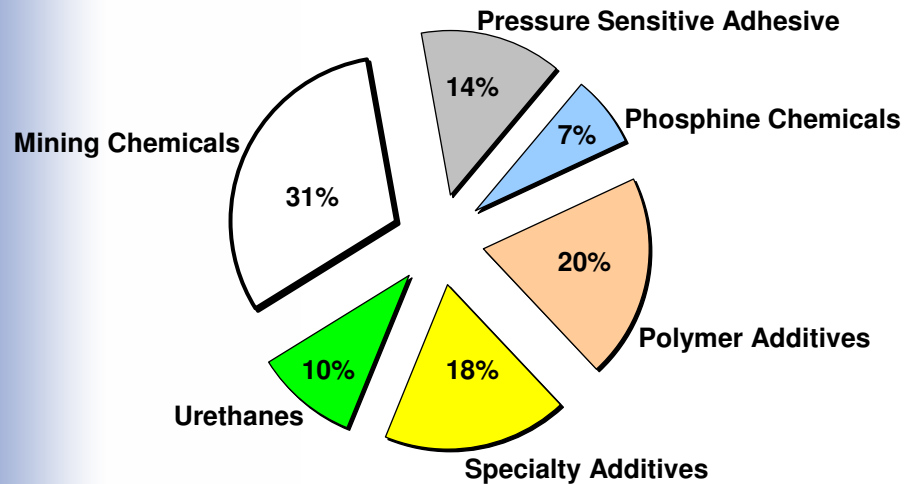
\* Excludes sales of divested water treatment chemicals product lines

\*\* See appendix for reconciliation of Non-GAAP to GAAP EPS

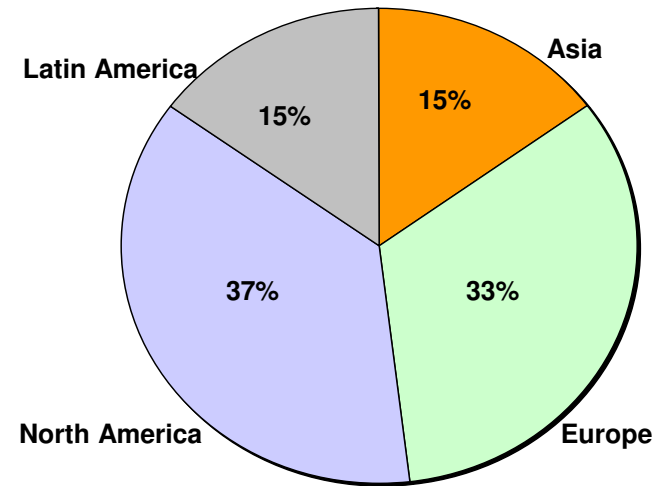


***Focus On Creating Sustainable Technology Franchises***

**Product Portfolio (% of Sales)**      **2006 sales M\$678\***



**By Region (% of Sales)**



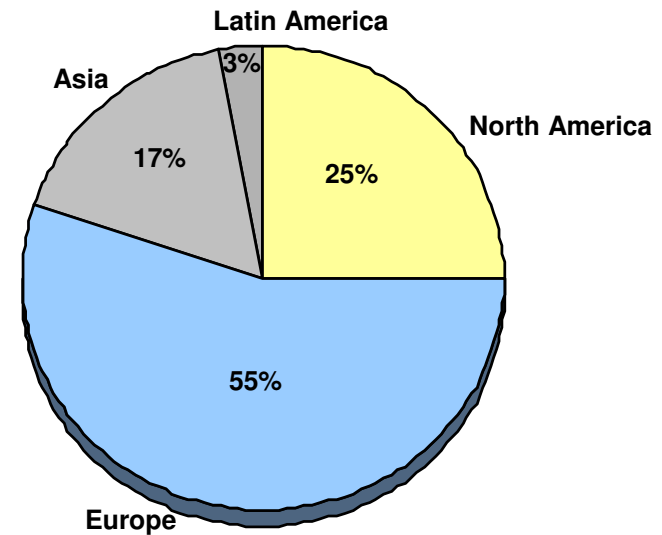
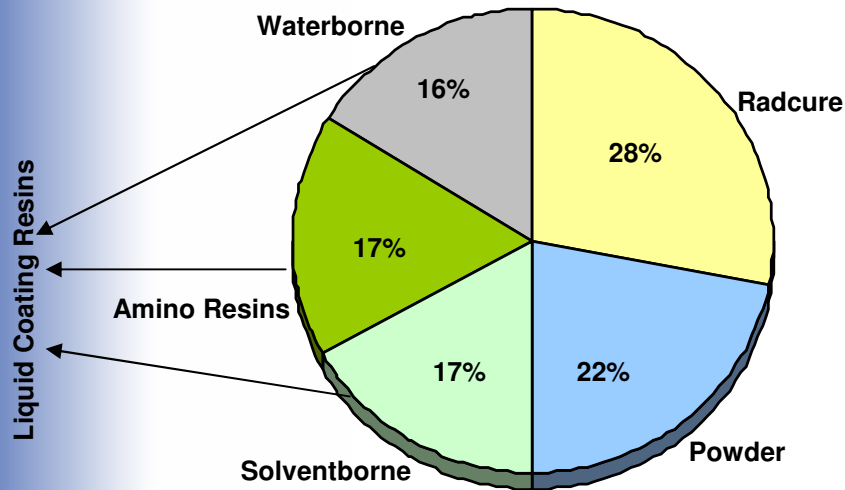
**2006 operating margin 7.9%**

- #1 in specialty mining chemicals for copper and alumina processing
- #1 high purity phosphine and derivative chemicals
- A leading global supplier of polymer additives light stabilizers
- Niche supplier for emulsion polymers, inks, adhesives and acrylic monomer stabilization

\* Excludes sales of divested water treatment chemicals product line

***Staying The Course: Focus On Technology And Manufacturing Improvements***

**2006 Sales M\$1523**

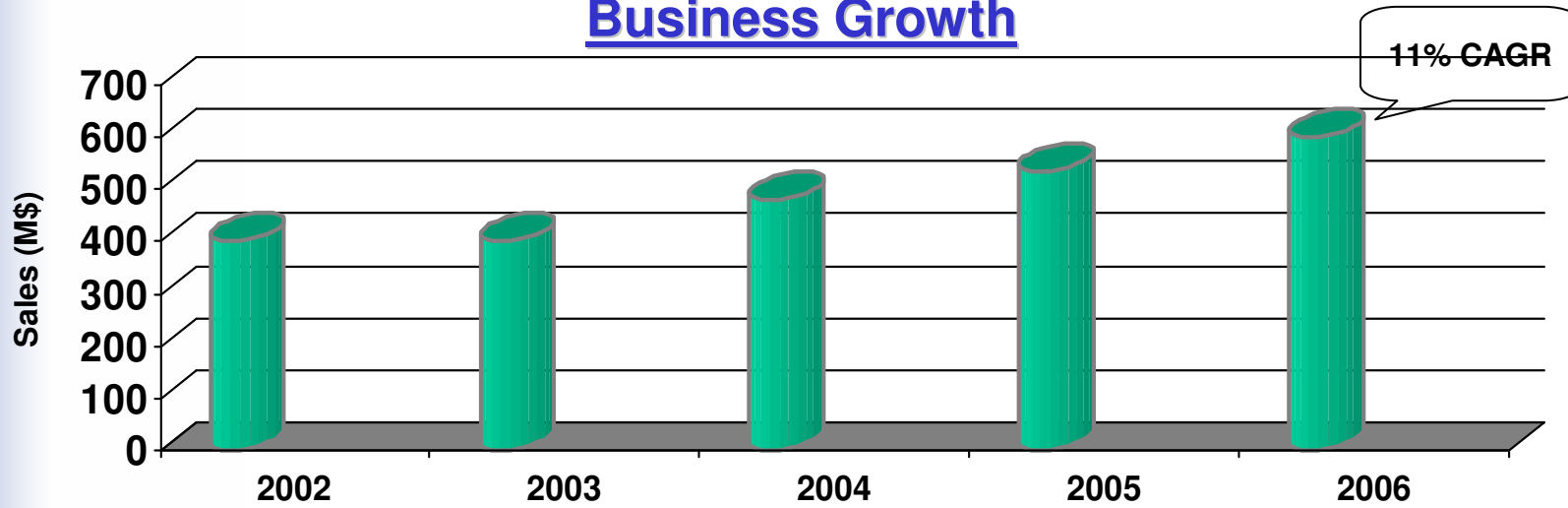


**2006 Operating Margin 6.3%**

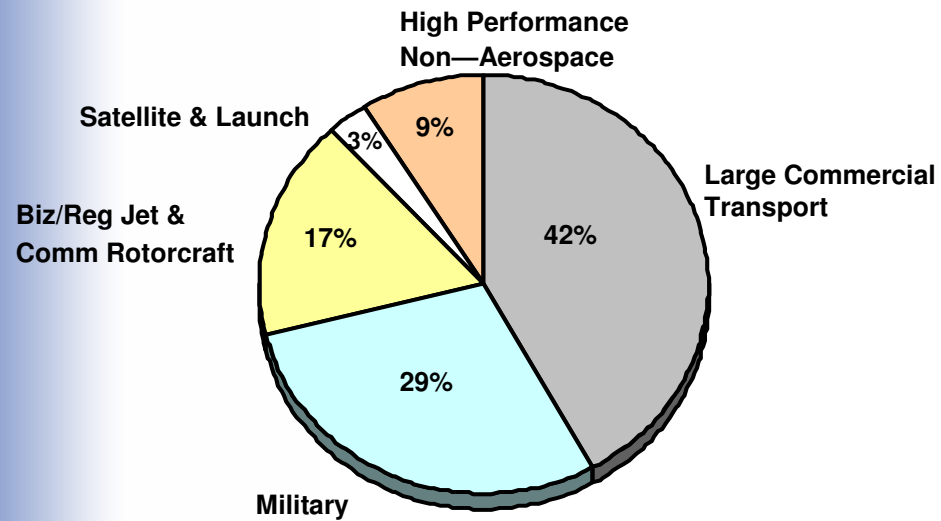
- Leadership positions in eco-friendly and solventborne technologies
- Global presence, including R&D and manufacturing, to service customers

***Significant profit improvement potential from  
growth and productivity initiatives***

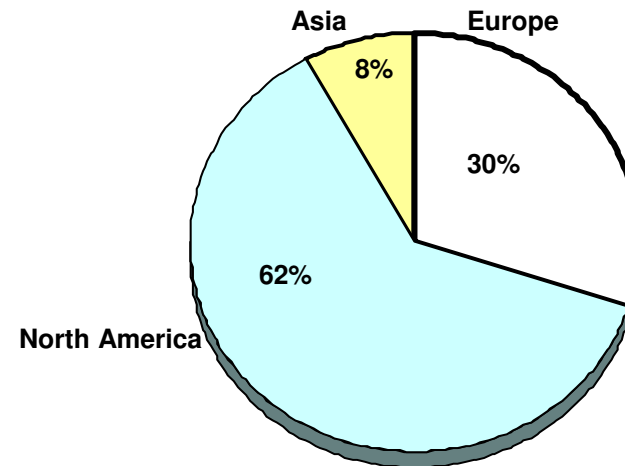
**Business Growth**



**Diverse Range of Applications**



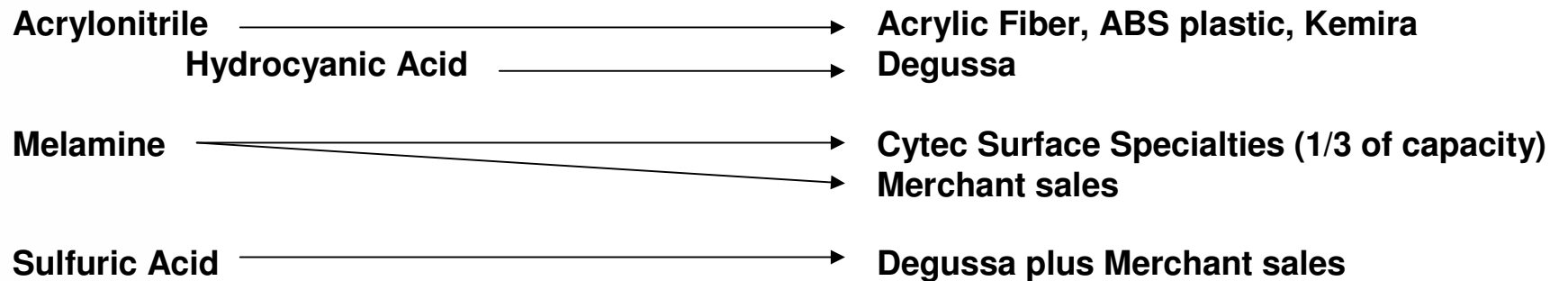
**Global Reach**



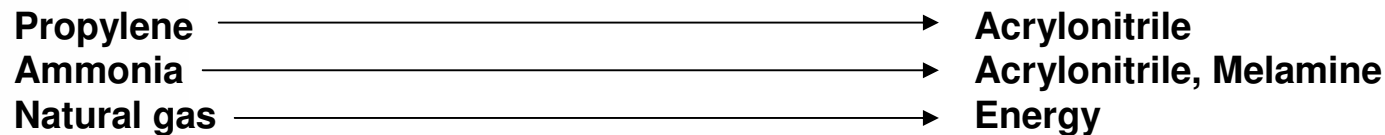
*Run reliable operations to take advantage of market conditions  
and be cash positive in all economic cycles.*

**2006 Sales M\$339  
Operating Margin 5%**

**Major Products**



**Input Costs**



***Well-Run, World-Scale Integrated Operations Focused On Operational Excellence***



## Cytec Building Blocks Division

- ~410+ employees
- Capacity of over 2 billion pounds of industrial chemical production annually
- Location
  - 800 acres on the Mississippi River
  - 219 acres in process area, 20 acres immediately available
- Continuous process operations
- Access to all major forms of transportation





1954



Today



- Land on which plant is sited was granted to Eugene Fortier by Spanish colonial government in 1776
- Fortier family sugar plantation until late 1800's
- 1940-1950 was a decade of significant oil discovery and development in Louisiana
- Plentiful quantities of natural gas and limited shipment infrastructure led oil companies to look for natural gas consuming partners
- Lucrative long-term natural gas contracts brought significant capital investment to the Louisiana gulf coast by major chemical companies, concentrating in Ammonia and Fertilizer production
- 1953 : American Cyanamid constructs original complex at Fortier consisting of the following:
  - Ammonia, Acetylene, HCN, Sulfuric Acid, Acrylonitrile, and Ammonium Sulfate
- 1976 : CYRO Joint Venture formed with RhoeM (now subsidiary of Degussa)
- 1989 : AMEL Joint Venture formed with DSM
- 1999 & 2001 : Shutdown of methanol and ammonia facilities due to high U.S. natural gas prices
- 2005 : Sale of Joint Venture interest in CYRO to Degussa (Cytec as operator)
- 2006 : Sale of Acrylamide business lines to Kemira (Cytec as operator)
- 2006: Assume full control of Melamine business with dissolution of AMEL joint venture

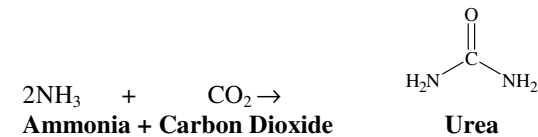
## Plant Characteristics

- 70KMT Plant Capacity
- Original Construction 1971
- Major Expanded/Technology Upgrade 1989
- Expanded to current capacity in 2000
- Process Description:  
    Low Pressure Catalytic Trimerization of Urea

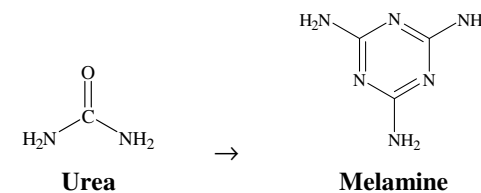


### Melamine

#### Urea Section

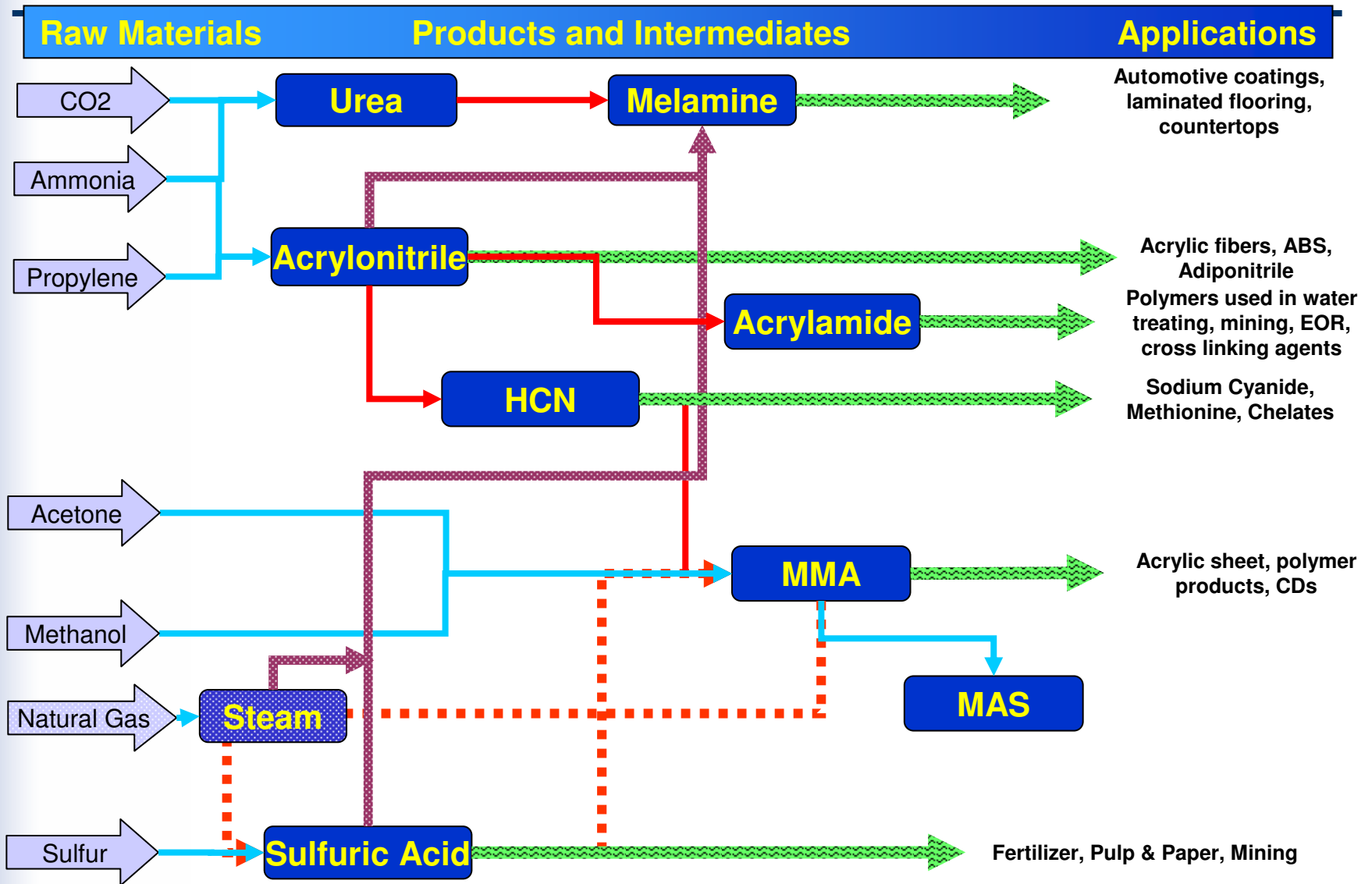


#### Melamine Section



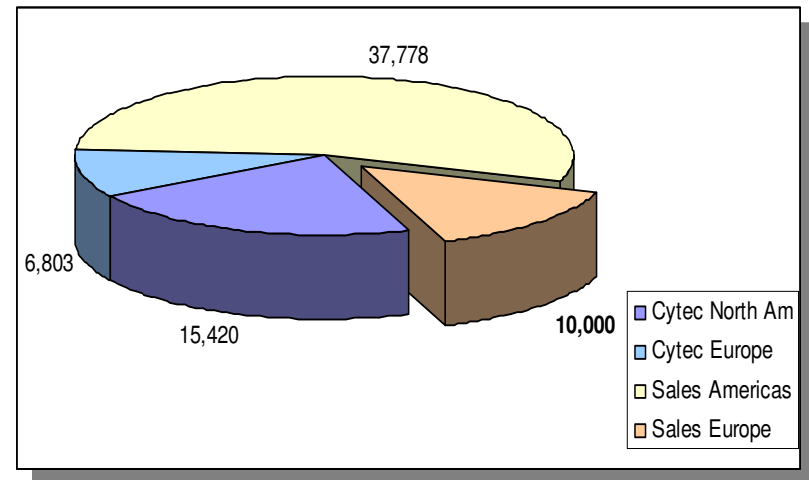
# Building Block Chemicals

# Site Integration



*Sites Synergy is key to Melamine Long Term Viability*

- Capacity (Physical Production) **~70,000**  
Metric Tonnes per annum
- Downstream Cytec Demand Requirement
  - North America                   20,000 MT
  - Europe                            6,000 - 7,000 MT
  - Asia (Purchased)               3,000 - 4,000 MT
  - Total                               ~30,000 MT
- Product Available for Merchant Sale ~40,000
- Target Mix
  - North America                   75%
  - Europe                             25%



10,000MT available for European Export Business

- **Cytec produces Grade 'A' Melamine**
  1. % Melamine                      99.8%
  2. Water                              < 0.1%
  3. Color                              < 15 (APHA)
  
- **Internal Cytec Amino Resins business demands drive quality requirements**
  - Coating and Resin applications primarily for sale to automobile OEM suppliers for use in paint and clearcoat applications
  
- **Other Major end use target markets**
  - Laminates (High and Low Pressure)
    - Melamine Formaldehyde Resins
    - Melamine Urea Formaldehyde Resins
  - Plywood and other lumber applications
  - Foam Products (Flame Retardant Additive)

# CYTEC

## Melamine

marketed by



**United Trading System (UTS/ETC) : Swedish-Russian distribution Company**

- Branches in
  - St. Petersburg, Moscow, Novosibirsk, Yekaterinburg, Chernigov, and Kiev

### **Strengths**

- Largest Distributor in Russia
- Product delivered to customer with tax and duty requirements completed
- Currency capable in Euro, Dollar, Rouble, and Grivna
- Inventory stock stored in Russia
- Local (Russian) sales and technical support

- **Product**

- Quality
  - All Melamine produced to highest melamine specifications supported by Cytec worldwide demand for Amino Resins
- Reliability
  - Business synergies and strong internal demand support Cytec business model
  - Long history of melamine manufacture
- Specialized shipping in package-type, sizes to suit customer needs

- **Promotion**

- UTS provides local expertise for contact on available product, logistics, who can provide market feedback

- **Placement**

- European Cytec-centric organization experienced in global commerce
- Russian supply chain managed by UTS for seamless border clearance, delivery, and support

- **Price**

- Product pricing competitive with other high quality sources of supply
- Local supply chain to support reliability of supply

## **New York Stock Exchange**

- Ticker Symbol : [CYT](#)

## **General Corporate Information or more detailed presentations**

- [www.cyttec.com](http://www.cyttec.com)
  - [Investor Relations](#)
  - [Presentations](#)

## **Building Block Chemical Information**

- [www.cyttec.com/building-block/index.htm](http://www.cyttec.com/building-block/index.htm)

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