

CYTEC INDUSTRIES INC/DE/

Form 11-K

June 28, 2012

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-12372

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Cytec Employees Savings Plan

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

Cytec Industries Inc.

Five Garret Mountain Plaza

Woodland Park, New Jersey 07424

Table of Contents

Cytec Employees Savings Plan

December 31, 2011 and 2010

Index

<u>Report of Independent Registered Public Accounting Firm at December 31, 2011</u>	Page (s) 1
Financial Statements	
<u>Statements of Net Assets Available for Benefits at December 31, 2011 and 2010</u>	2
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2011</u>	3
<u>Notes to Financial Statements</u>	4 12
Supplemental Schedule:*	
<u>Schedule H, line 4i- Schedule of Assets (Held at End of Year) at December 31, 2011</u>	13

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

Table of Contents

Report of Independent Registered Public Accounting Firm

To Participants and Plan Administrator of

Cytec Employees Savings Plan

EisnerAmper LLP

750 Route 202 South, Suite 500

Bridgewater, NJ 08807

T 908.218.5002

F 908.218.5009

www.eisneramper.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator and Participants

of the Cytec Employees Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Cytec Employees Savings Plan (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by the U.S. Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Bridgewater, New Jersey

June 27, 2012

New York | New Jersey | Pennsylvania | California | Cayman Islands

EisnerAmper is an independent member of PKF International Limited

Table of Contents

Cytec Employees Savings Plan

Statements of Net Assets Available For Benefits

At December 31, 2011 and 2010

	2011	2010
Assets		
Plan interest in Cytec Industries Inc. Savings Plans Master Trust, at fair value	\$ 305,513,815	\$ 333,855,610
Total investments	305,513,815	333,855,610
Receivables:		
Notes receivable from participants	3,595,527	3,891,416
Company contributions receivable	580,115	604,904
Participant contributions receivable	411,311	457,403
Total receivables	4,586,953	4,953,723
Net assets available for benefits at fair value	310,100,768	338,809,333
Adjustment from fair value to contract value for interest in Cytec Industries Inc. Savings Plans Master Trust related to fully benefit-responsive investment contract	(3,009,957)	(2,561,162)
Net assets available for benefits	\$ 307,090,811	\$ 336,248,171

The accompanying notes are an integral part of these statements.

Table of Contents

Cytec Employees Savings Plan

Statement of Changes in Net Assets Available For Benefits

For the Year Ended December 31, 2011

Investment loss	
Plan interest in Cytec Industries Inc. Savings Plans Master Trust loss	\$ (6,942,418)
Total investment loss	(6,942,418)
Interest income, notes receivable from participants	172,683
Contributions	
Company contributions	17,821,822
Participant contributions	15,193,028
Total contributions	33,014,850
Other income	20,000
Total additions	26,265,115
Benefits paid to participants	17,796,565
Administrative fees	3,160
Redemption fees paid	4,819
Total deductions	17,804,544
Net increase prior to asset transfers	8,460,571
Assets transferred out due to sale of Building Blocks Chemicals business	(37,617,931)
Net decrease	(29,157,360)
Net assets available for benefits:	
Beginning of year	336,248,171
End of year	\$ 307,090,811

The accompanying notes are an integral part of these statements.

Table of Contents

Cytec Employees Savings Plan

Notes to Financial Statements

1. Description of Plan

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

General

The Plan is a defined contribution plan established effective April 1, 2007, for the benefit of employees of Cytec Industries Inc. (Cytec or the Company) and employees of its participating subsidiaries. All qualifying U.S. salaried and non-bargaining employees are eligible to participate in the Plan.

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

Master Trust

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

Participant Contributions

Participating employees (Participants) may contribute to the Plan as of the first payroll date after the first of the month following their one month anniversary (as defined in the Plan). Contributions are made through payroll deductions (subject to IRS limitations) which may range from 1% to 50% of such Participant's Earnings (as defined), on a before-tax basis, an after-tax basis or a combination thereof. Participants who are at least age 50 or older during a Plan year may make an additional catch-up contribution equal to a specified dollar amount on a before tax basis. Pursuant to an automatic enrollment provision, a Participant's earnings are automatically reduced and contributed to the Plan as of the enrollment date by at least 3% per year (subsequently increasing annually by 1% per year in subsequent Plan Years until reaching 6%) unless the Participant opts out.

Rollovers into Plan

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

Company Contributions

Matching contributions made by the Company are equal to 100% of such Participants' contributions up to the first 6% of the Participants' earnings.

All Company matching contributions for Participants are invested in the Cytec Stock Fund, which invests in the common stock of Cytec Industries Inc. The Pension Protection Act of 2006 mandates that employers provide retirement plan participants with greater flexibility for investing in company stock, for selling it and for investing the proceeds from the sale of company stock in other assets. The Plan allows Participants with three or more years of service to diversify the portion of their accounts that are invested in company stock obtained as a result of Company matching contributions. Effective January 1, 2012, the Plan was amended to allow for immediate diversification of Company matching contributions.

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

The Plan provides for a Company non-discretionary profit sharing contribution of 3% of a Participant's earnings. The Plan also provides for a non-discretionary profit sharing contribution (transition credit) ranging from 1.0% to 10.0% of a Participant's annual pay per year for all Participants with more than 10

Table of Contents

Cytec Employees Savings Plan

Notes to Financial Statements

years of service as of December 31, 2007. This transition credit is provided as a part of the transition of long service employees from the Company's defined benefit pension plan to the Plan and shall apply for a limited period (for ten years or until December 31, 2017).

Vesting

All units representing Participant contributions, and earnings or losses thereon, are fully vested at all times. All Company match and profit sharing contributions become 100% vested after two years of service. Forfeitures are used to reduce Company matching contributions. During 2011, forfeitures of approximately \$140,000 were used to reduce Company contributions. At December 31, 2011 and 2010, forfeited non-vested accounts totaled \$22,586 and \$8,336, respectively.

Participant Accounts

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

Withdrawals

During employment, a Participant may make withdrawals in cash (or common stock of the Company in the case of withdrawals from the Cytec Stock Fund) of amounts applicable to Participant and Company contributions and earnings or losses thereon, subject to certain restrictions.

A Participant can make hardship withdrawals of Participant before-tax contributions which will preclude the Participant from making additional Participant before-tax contributions to the Plan for a six-month period. Participant before-tax contributions and matching contributions can be withdrawn after attainment of age 59 1/2.

Benefit Payments

On termination of service due to death, disability, or retirement, a Participant or the Participant's beneficiary may elect to receive either a lump-sum distribution equal to the value of the Participant's vested interest in his or her account or monthly installments over a period of 60, 120, 180, 240, 300, or 360 months, as elected (subject to limits imposed by the Internal Revenue Code). For termination of service for other reasons, a Participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

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

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

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

Notes Receivable from Participants

A Participant may borrow up to fifty percent of the value of such Participant's before-tax and after-tax account balance, subject to a minimum of \$1,000 and a maximum of \$50,000, reduced by the highest loan balance outstanding during the prior twelve months. Loans for the purchase of a principal residence must be repaid in one to fifteen years, at the Participant's option. Loans for all other purposes must be repaid in one to five years, at the Participant's option. These loans are made at the prevailing market interest rates equal to prime rate plus one percent with such rate

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

fixed for the term of the loan at the time the loan is approved. The applicable rate on loans issued during 2011 and 2010 was 4.25%. Interest rates on outstanding loans range from 4.25% to 10.5%. No more than one loan from the Plan to a Participant shall be permitted at any time. All principal and interest payments made by the Participant are credited back to the Participant's account. Delinquent Participant loans are reclassified as distributions based upon the terms of the plan document.

Table of Contents

Cytec Employees Savings Plan

Notes to Financial Statements

2. Summary of Significant Accounting Policies **Basis of Accounting**

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

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the Master Trust. The Statement of Net Assets Available for Benefits presents the fair value of the investment contract as well as the adjustment of the fully benefit-responsive investment contract from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Recently Issued Accounting Pronouncements

In May 2011, the FASB issued ASU No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and International Financial Reporting Standards (Topic 820) - Fair Value Measurement. The new guidance relates to fair value measurements, related disclosures and consistent meaning of the term fair value in US GAAP and International Financial Reporting Standards. The amendment clarifies how to apply the existing fair value measurements and disclosures. For fair value measurements classified within Level 3, an entity is required to disclose quantitative information about the unobservable inputs. A reporting entity is also required to disclose additional information like valuation processes, a narrative description of the sensitivity of the fair value measurements to changes in unobservable inputs and the interrelationships between those unobservable inputs.

For public entities the guidance is to be applied effective during interim and annual periods beginning after December 15, 2011. Early application for public entities is not permitted. The Plan is currently evaluating the impact of the adoption of ASU 2011-04 on its financial statements.

Use of Estimates

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

Investment Valuation and Income Recognition of the Master Trust

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

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

Purchases and sales of securities are recorded on a trade-date basis. Net appreciation (depreciation) includes gains and losses on securities transactions bought and sold as well as held during the year. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

Table of Contents**Cytec Employees Savings Plan**

Notes to Financial Statements

Payment of Benefits

Benefit payments are recorded when paid.

3. Interest in Master Trust

Plan investments are in the Master Trust, which was established for the investment of assets of the Plan and the Existing Savings Plan. Each participating savings plan has an interest in the Master Trust. The assets of the Master Trust are held by the Trustee. The Plan's interest in the net assets of the Master Trust was approximately 65.0% and 59.7% at December 31, 2011 and 2010, respectively. Investment income or loss related to the Master Trust is allocated to each plan based upon the individual plan's interest in the Master Trust.

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

	As of December 31,	
	2011	2010
Investments, at fair value		
Mutual Funds	\$ 240,815,430	\$ 273,940,845
Common Stock Fund	100,991,384	143,721,325
Common/ Collective Trust	130,142,674	141,704,497
Total investment in Master Trust	471,949,488	559,366,667
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(6,244,416)	(5,714,741)
Net assets held in Master Trust	\$ 465,705,072	\$ 553,651,926

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

	For the Year Ended December 31, 2011
Net depreciation in fair value of investments	
Mutual Funds	\$ (3,161,435)
Common Stock Fund	(15,593,703)
	(18,755,138)
Interest	3,808,429
Dividends	6,647,607

Net investment loss	\$	(8,299,102)
---------------------	----	-------------

Table of Contents**Cytec Employees Savings Plan**

Notes to Financial Statements

4. Non-Participant Directed Funds

All investments are Participant directed with the exception of Cytec matching contributions which are solely invested in the Cytec Stock Fund.

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

	December 31,	
	2011	2010
<u>Net Assets</u>		
Cytec Stock Fund, at fair value	\$ 40,492,159	\$ 50,507,057

	For the Year Ended December 31, 2011	
<u>Changes in Fair Value of Cytec Stock Fund</u>		
Balance at beginning of year	\$	50,507,057
Changes in net assets available for benefits		
Contributions		8,786,906
Net depreciation		(6,812,211)
Benefits paid to participants		(1,886,718)
Transfer to participant directed investments		(10,102,875)
Balance at end of year	\$	40,492,159

5. Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Table of Contents

Cytec Employees Savings Plan

Notes to Financial Statements

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

In January 2010, the FASB issued Accounting Standards Update (ASU) 2010-06, *Fair Value Measurements and Disclosures* (Topic 820): *Improving Disclosures about Fair Value Measurements* (ASU 2010-06), which amended ASC 820. The Plan has adopted the provisions of ASU 2010-06 that are effective for reporting periods beginning after December 15, 2009 regarding disclosures of significant transfers in and out of Level 1 and Level 2 assets and description of the reasons for the transfers. The Plan has adopted the provisions that are effective for fiscal years beginning after December 15, 2010 regarding reporting purchases, sales, issuances, and settlements for Level 3 assets on a gross basis and it did not have an impact on the Plan's financial statements.

Following is a description of the valuation methodologies used for Master Trust assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Company common stock fund: The Cytec Stock Fund is valued at its year-end unit closing price. The year-end unit closing price is comprised of the year-end market price of shares of Cytec common stock owned by the Cytec stock fund, plus a small amount invested in a money market fund for purposes of liquidity (the money market fund represents 0.35% and 0.09% of total value of the Cytec stock fund as of December 31, 2011, and 2010, respectively). Each unit of the Cytec stock fund represents the equivalent of approximately 1.82 shares of Cytec common stock plus a proportionate share of any cash equivalents. The common stock is valued at the closing price reported on the New York Stock Exchange (the active market on which the securities are traded). The fair value of cash equivalents approximates cost.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Master Trust at year end. A 2% redemption fee is paid to the Vanguard International growth fund if held less than two months. A redemption fee of 1% is paid to the Vanguard PRIMECAP fund if held less than one year. No other mutual funds held by the Plan have redemption fees.

Collective trust: The Master Trust invests in the Vanguard Retirement Savings Plan Trust V (VRST), which is a common/collective trust. The VRST invests solely in the Vanguard Retirement Savings Master Trust (the Trust). The VRST's value in the Trust is valued at the unit value of the Trust. As of December 31, 2011 and 2010, the Trust investments are comprised of alternative investment contracts, traditional insurance contracts as well as cash equivalents of approximately 93%, 3% and 4%, and 92%, 5% and 3%, respectively. There are no redemption notices, restrictions or unfunded commitments related to the VRST.

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

Table of Contents**Cytec Employees Savings Plan**

Notes to Financial Statements

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2011 and 2010:

	<i>Master Trust Assets at Fair Value as of December 31, 2011</i>			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Domestic large cap	\$ 65,455,729	\$	\$	\$ 65,455,729
Balanced	93,111,759			93,111,759
Domestic growth	38,122,283			38,122,283
International growth	18,561,538			18,561,538
Fixed income	21,896,768			21,896,768
Domestic mid cap	2,177,428			2,177,428
Domestic small cap	1,467,175			1,467,175
Other	22,750			22,750
Total mutual funds	240,815,430			240,815,430
Company common stock fund		100,991,384		100,991,384
Collective Trust		130,142,674		130,142,674
Total assets at fair value	\$ 240,815,430	\$ 231,134,058	\$	\$ 471,949,488

	<i>Master Trust Assets at Fair Value as of December 31, 2010</i>			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Domestic large cap	\$ 76,501,185	\$	\$	\$ 76,501,185
Balanced	99,014,977			99,014,977
Domestic growth	48,636,431			48,636,431
International growth	26,095,752			26,095,752
Fixed income	20,720,342			20,720,342
Domestic mid cap	1,641,275			1,641,275
Domestic small cap	1,323,199			1,323,199
Other	7,684			7,684
Total mutual funds	273,940,845			273,940,845
Company common stock fund		143,721,325		143,721,325
Collective Trust		141,704,497		141,704,497
Total assets at fair value	\$ 273,940,845	\$ 285,425,822	\$	\$ 559,366,667

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the year ended December 31, 2011,

there were no significant transfers in or out of levels 1, 2 or 3.

Table of Contents

Cytec Employees Savings Plan

Notes to Financial Statements

6. Parties-in-interest Transactions

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

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

7. Plan Expenses

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

8. Plan Termination

The Plan has no termination date and it is the Company's current intention to continue the Plan indefinitely. However, the Company may terminate, amend, modify or suspend the Plan at any time. In the event of plan termination, Participants will become 100 percent vested in their accounts.

9. Mutual Fund Fees

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

10. Tax Status of the Plan

The Company has applied for a determination of the tax exemption status for the Plan from the Internal Revenue Service. The Company believes the Plan and its underlying Trust qualify under the provisions of Section 401(a) of the Internal Revenue Code and therefore, are exempt from the federal income taxes under provisions of Section 501(a) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by a government authority. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

11. Risks and Uncertainties

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

The Plan provides for investments in various investment securities, which in general, investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and Participant account balances. Users of these financial statements should be aware that if the financial markets' recent volatility should continue in subsequent periods, it could significantly impact the subsequent valuation of the Plan's investments. Accordingly, the valuation of investments at December 31, 2011 may not necessarily be indicative of amounts that could be realized in a current market exchange.

Table of Contents**Cytec Employees Savings Plan**

Notes to Financial Statements

12. Transfer of Plan Assets

On February 28, 2011, the Company sold substantially all of the assets and certain liabilities of its Building Block Chemicals business. Pursuant to the sale, a Plan amendment was executed on March 1, 2011 and assets totaling \$37,617,931 were transferred out of the Plan to a Plan of the acquiring company representing the account balances of the former employees of the Building Block Chemical business as of the date of the transfer.

13. Reconciliation of Financial Statements to Form 5500

The investment in the VRST is recorded at fair market value on the Form 5500. The financial statements include an adjustment from fair value to contract value for VRST. The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Forms 5500:

	2011	2010
Net assets available for benefits per the financial statements	\$ 307,090,811	\$ 336,248,171
Adjustment from fair value to contract value for fully-benefit responsive investment contract	3,009,957	2,561,162
Net assets available for benefits per the Form 5500	\$ 310,100,768	\$ 338,809,333

The following is a reconciliation of the net investment loss per the financial statements at December 31, 2011 to the Form 5500:

	2011
Net investment loss per the financial statements	\$ (6,942,418)
Change in adjustment from fair value to contract value for fully-benefit responsive investment contract	448,795
Net investment loss per the Form 5500	\$ (6,493,623)

Table of Contents

Cytec Employees Savings Plan

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

December 31, 2011

Identity of Issuer, borrower, lessor, or similar party	Description of Investment, including maturity date, rate of interest, collateral, par or maturity value	Current Value
* Participant loans (notes receivable from participants)	Rates ranging from 4.25% to 9.5% Due through 2026	\$ 3,595,527

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

Table of Contents

Signature

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

Cytec Employees Savings Plan

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

June 27, 2012

Table of Contents

EXHIBIT INDEX

23.1 Consent of EisnerAmper LLP