

CYTEC INDUSTRIES INC/DE/
Form 10-Q
August 06, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2012

Commission file number 1-12372

CYTEC INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

Delaware

22-3268660

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(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No).

Five Garret Mountain Plaza

Woodland Park, New Jersey
(Address of principal executive offices)

07424
(Zip Code)

Registrant's telephone number, including area code (973) 357-3100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definition of "accelerated filer, large accelerated filer, and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Small reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 46,057,597 shares of common stock outstanding at July 20, 2012.

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CYTEC INDUSTRIES INC. AND SUBSIDIARIES

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. CONSOLIDATED FINANCIAL STATEMENTS****CYTEC INDUSTRIES INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME****(Unaudited)****(Dollars in millions, except per share amounts)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net sales	\$ 404.0	\$ 347.3	\$ 782.0	\$ 683.0
Manufacturing cost of sales	273.8	244.1	526.7	483.4
Selling and technical services	35.4	32.5	68.5	64.5
Research and process development	13.2	11.2	26.1	22.0
Administrative and general	36.2	26.5	62.8	51.4
Amortization of acquisition intangibles	0.9	0.8	1.7	1.6
Gain on sale of assets				3.3
Earnings from operations	44.5	32.2	96.2	63.4
Other expense, net	2.0	2.0	1.0	6.3
Net loss on early extinguishment of debt	0.2	0.2	0.2	0.3
Interest expense, net	8.3	9.6	17.0	18.8
Earnings from continuing operations before income taxes	34.0	20.4	78.0	38.0
Income tax provision	25.4	6.4	39.1	9.5
Earnings from continuing operations	8.6	14.0	38.9	28.5
Earnings from operations of discontinued business, net of tax	27.5	24.1	50.9	56.7
Gain (loss) on sale of discontinued operations, net of tax		(2.2)		34.6
Earnings from discontinued operations, net of tax	27.5	21.9	50.9	91.3
Net earnings	36.1	35.9	89.8	119.8
Less: Net earnings attributable to noncontrolling interests	(0.4)	(0.8)	(1.0)	(1.5)
Net earnings attributable to Cytec Industries Inc.	\$ 35.7	\$ 35.1	\$ 88.8	\$ 118.3
Comprehensive income (loss)	\$ (6.0)	\$ 61.5	\$ 82.5	\$ 199.0
Less: Comprehensive income attributable to noncontrolling interest	(0.5)	(0.8)	(0.7)	(1.5)
Comprehensive income (loss) attributable to Cytec Industries Inc.	\$ (6.5)	\$ 60.7	\$ 81.8	\$ 197.5
Earnings per share attributable to Cytec Industries Inc.				
Basic earnings per common share				
Continuing operations	\$ 0.18	\$ 0.28	\$ 0.84	\$ 0.58
Discontinued operations (net of noncontrolling interests)	0.59	0.43	1.08	1.81

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	\$ 0.77	\$ 0.71	\$ 1.92	\$ 2.39
Diluted earnings per common share				
Continuing operations	\$ 0.18	\$ 0.28	\$ 0.83	\$ 0.57
Discontinued operations (net of noncontrolling interests)	0.58	0.42	1.07	1.79
	\$ 0.76	\$ 0.70	\$ 1.90	\$ 2.36
Dividends per common share	\$ 0.1250	\$ 0.1250	\$ 0.2500	\$ 0.2500
See accompanying Notes to Consolidated Financial Statements				

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Table of Contents**CYTEC INDUSTRIES INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(Unaudited)****(Dollars in millions, except per share amounts)**

	June 30, 2012	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 590.6	\$ 415.8
Trade accounts receivable, less allowance for doubtful accounts of \$1.9 and \$1.3 in 2012 and 2011, respectively	218.3	184.2
Other accounts receivable	22.1	28.3
Inventories	230.8	186.5
Deferred income taxes	23.6	34.9
Other current assets	18.2	13.4
Current assets held for sale	503.0	424.7
 Total current assets	 1,606.6	 1,287.8
Plants, equipment and facilities, at cost	1,163.2	1,109.8
Less: accumulated depreciation	(463.8)	(385.1)
 Net plant investment	 699.4	 724.7
Acquisition intangibles, net of accumulated amortization of \$36.4 and \$34.7 in 2012 and 2011, respectively	11.6	12.2
Goodwill	339.4	314.5
Deferred income taxes	9.5	16.3
Other assets	91.2	87.1
Non-current assets held for sale	1,100.7	1,094.1
 Total assets	 \$ 3,858.4	 \$ 3,536.7
Liabilities		
Current liabilities		
Accounts payable	\$ 141.3	\$ 118.9
Short-term borrowings	10.8	3.5
Accrued expenses	134.2	126.1
Income taxes payable	15.8	20.8
Deferred income taxes	1.1	0.6
Current liabilities held for sale	285.4	252.0
 Total current liabilities	 588.6	 521.9
Long-term debt	807.2	635.9
Pension and other postretirement benefit liabilities	255.2	277.0
Other noncurrent liabilities	202.0	208.3
Deferred income taxes	56.4	41.2
Non-current liabilities held for sale	161.9	159.1
Stockholders' equity		

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Preferred stock, 20,000,000 shares authorized; none issued and outstanding	0.0	0.0
Common stock, \$.01 par value per share, 150,000,000 shares authorized; issued 49,592,268 in 2012 and 49,586,198 in 2011	0.5	0.5
Additional paid-in capital	461.7	461.2
Retained earnings	1,553.6	1,476.4
Accumulated other comprehensive loss	(73.5)	(66.5)
Treasury stock, at cost, 3,545,779 shares in 2012 and 4,077,360 shares in 2011	(159.6)	(185.0)
Total Cytec Industries Inc. stockholders' equity	1,782.7	1,686.6
Noncontrolling interests	4.4	6.7
Total equity	1,787.1	1,693.3