



Cabot Corporation Comments on the Mercury and Air Toxics Standards Regulation Court Ruling

December 15, 2015

BOSTON--(BUSINESS WIRE)--Dec. 15, 2015-- Today the United States Court of Appeals for the District of Columbia Circuit ruled to keep the Mercury and Air Toxics Standards (MATS) regulation in place while the Environmental Protection Agency (EPA) works to address the cost analysis required by the U.S. Supreme Court's June 2015 decision.

"We are pleased with the result of this ruling," said Fred von Gottberg, senior vice president and president, Purification Solutions Segment. "We are prepared to supply our customers with Cabot Norit activated carbon for mercury controls to comply with MATS. We expect significant growth for our activated carbon products starting in April 2016 as a result of this regulation."

"Once all coal-fired utilities are in compliance with MATS, we expect the industry will use 300 to 350 million pounds of activated carbon per year to reduce mercury emissions," von Gottberg continued. "We anticipate that our share of sales to this sector will be in excess of 40 percent."

The MATS regulation requires that coal-fired power plants in the U.S. remove approximately 90 percent of mercury from their emissions. Cabot's [DARCO® Hg](#) family of products for mercury control has currently been selected for use in over 90 units throughout the United States and Canada. The utilities chose Cabot products based on their proven ability to enable utilities to meet or exceed mercury removal levels compliant with MATS and their respective state regulations.

Commenting on the outlook for the Company, Executive Vice President and Chief Financial Officer Eduardo Cordeiro said, "The implementation of the MATS regulation on its original schedule provides upside in the second half of the fiscal year to our previously communicated outlook of roughly breakeven EBIT for the Purification Solutions Segment for fiscal 2016." Cordeiro continued, "Although we remain committed to delivering an improvement of \$0.75 of adjusted earnings per share in fiscal 2016 as compared to fiscal 2015, the current market conditions are weaker than originally anticipated, particularly in the first fiscal quarter of 2016. We continue to face ongoing headwinds related to competitive pricing pressures, muted global demand and negative feedstock impacts. The anticipated growth in activated carbon in addition to the restructuring actions previously announced will help offset these headwinds in the second half of the fiscal year."

ABOUT CABOT CORPORATION

[Cabot Corporation](#) (NYSE: CBT) is a global specialty chemicals and performance materials company, headquartered in Boston, Massachusetts. The company is a leading provider of [rubber](#) and [specialty carbons](#), [activated carbon](#), [inkjet colorants](#), [cesium formate drilling fluids](#), [fumed silica](#), and [aerogel](#). For more information on Cabot, please visit the company's website at: <http://www.cabotcorp.com>.

ABOUT CABOT NORIT ACTIVATED CARBON

Cabot Norit Activated Carbon is a global leader in the research, development, manufacturing and sale of high-grade activated carbon used in a growing range of environmental, health, safety and industrial applications. Our activated carbon products effectively remove pollutants, contaminants and other impurities from water, air, food and beverages, pharmaceuticals and more. These products are also used as colorants, carriers and catalysts in industrial processes. In addition to our over 150 activated carbon formulations, we also provide activated carbon solutions through on-site equipment and services, including activated carbon injection systems, mobile water filter units and carbon reactivation services.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in the press release regarding Cabot's business that are not historical facts are forward looking statements, including statements related to expectations for growth in sales of our activated carbon products and our expectations for adjusted earnings in fiscal 2016, that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

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Cabot Corporation

Investor Contact:

Erica McLaughlin, 617-342-6090

or

Media Contact:

Vanessa Craigie, 617-342-6015