



Cabot Corporation Hosts Investor Day Event

May 24, 2016

Announces new vision and strategy for the Company, a significant increase in the dividend, and a new capital allocation strategy

BOSTON--(BUSINESS WIRE)--May 24, 2016-- [Cabot Corporation](#) (NYSE: CBT) today unveiled its new "Advancing the Core" corporate strategy during its 2016 Investor Day in Boston.

Key Event Highlights:

- New corporate strategy – "Advancing the Core" – which looks to leverage Cabot's unique strengths and leadership positions to grow its core businesses as well focusing on application innovation and generating strong cash flows
- New capital allocation strategy unveiled in which Cabot commits to returning approximately 50% of discretionary free cash flow to shareholders over time
- Announced 36% increase in quarterly dividend to an annualized rate of \$1.20 per share

Sean Keohane, president and chief executive officer, said, "Our vision is to be the most innovative, respected and responsible leader in our markets – delivering performance that makes a difference. To achieve our vision, our strategy centers on advancing the strong foundation in our core businesses by leveraging our exposure to long-term end markets, our global reach, and our strong innovation capabilities. We will extend our leadership in performance materials by investing for growth in our core businesses and driving application innovation with our customers while generating strong cash flows through efficiency and optimization."

"Our cash flow profile, combined with our strong balance sheet, allows us to adhere to a balanced capital allocation philosophy of investing for long-term growth while also returning cash to our shareholders at a higher rate than we have done historically. We are confident that the result of growing our core businesses, combined with our commitment to our capital allocation priorities, will drive long-term value for our shareholders."

Cabot's investor day webcast and presentation can be accessed through Cabot's investor relations website at <http://investor.cabot-corp.com>

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>.

Forward-Looking Statements -- This release contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our expectations for an annualized dividend rate and the amount of cash we expect to return to shareholders are forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, potentially inaccurate assumptions, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from those expressed in the forward-looking statement. Important factors are discussed more fully in the reports we file with the Securities and Exchange Commission, particularly our latest annual report on Form 10-K. We assume no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

Explanation of Terms Used and Use of Non-GAAP Financial Measures -- The preceding discussion includes a reference to discretionary free cash flow, which is a non-GAAP financial measure. We define discretionary free cash flow as cash flow from operating activities less changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Consolidated Statement of Cash Flows, less sustaining and compliance capital expenditures.

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