



Advancing the Core

Investor Day 2016

Forward Looking Statements

This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, product and application development, market position, expected financial performance and results, and total shareholder return, how we expect to achieve our growth targets, and our expected use of cash are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. Forward-looking statements are based on our current expectations, assumptions, estimates and projections about Cabot's businesses and strategies, market trends and conditions, economic conditions and other factors. 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 past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our inability to complete capacity expansions or other development projects; the timing of implementation and the enforcement of environmental regulations; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations. These 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.

This presentation includes references to the following non-GAAP financial measures: adjusted EPS (earnings per share), adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted EBIT (earnings before interest, taxes), adjusted EBITDA and EBIT margins, adjusted ROIC (return on invested capital), and operating tax rate. The definitions of these non-GAAP financial measures and a reconciliation to the most comparable GAAP financial measures are provided in the investor section of our website at <http://investor.cabot-corp.com>, under the Non-GAAP Reconciliations section, or in our latest annual report on Form 10-K.

Cabot Team Here Today



Sean D. Keohane

President and Chief
Executive Officer



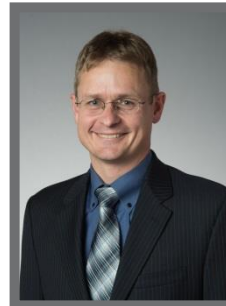
Hobart C. Kalkstein

Senior Vice President and
President, Reinforcement
Materials Segment



Eduardo E. Cordeiro

Executive Vice President, Chief
Financial Officer and President,
Americas and EMEA regions



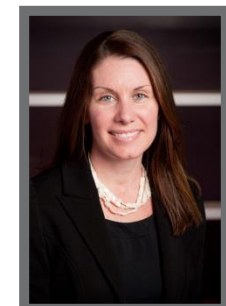
**Friedrich von
Gottberg**

Senior Vice President and
President, Purification Solutions
Segment



Nicholas S. Cross

Executive Vice President and
President, Performance
Chemicals and Specialty Fluids
Segments



Erica McLaughlin

Vice President, Investor
Relations and Corporate
Communications

Investor Day Agenda

AGENDA ITEM	PRESENTER	TIME
Introductions	Erica McLaughlin	9:00 – 9:05
Cabot Business and Strategy	Sean Keohane	9:05 – 9:45
Performance Chemicals	Nick Cross	9:45 – 10:15
<i>Coffee Break</i>		
Reinforcement Materials	Bart Kalkstein	10:30 – 11:00
Purification Solutions	Fred von Gottberg	11:00 – 11:30
Specialty Fluids	Nick Cross	11:30 – 11:45
<i>Break to Bring Back Lunch</i>		
Financial Framework and Capital Allocation Strategy	Eddie Cordeiro	12:15 – 12:45
Closing Remarks, Q&A	Sean Keohane	12:45 – 1:30

Cabot Business

Sean Keohane

President and Chief Executive
Officer



Our Vision

**We will be the most innovative, respected and responsible leader in our markets –
delivering performance that makes a difference.**



Cabot is a Leader Today

Our future success builds upon our current strengths

STRONG FOUNDATION

- ◆ Macro trends
- ◆ Durable end markets
- ◆ Global footprint
- ◆ Technology capabilities
- ◆ Leading businesses

CULTURE OF EXCELLENCE

- ◆ Safety first
- ◆ People
- ◆ Operational effectiveness
- ◆ Customer relationships
- ◆ Technology-driven culture

ROBUST FINANCIAL POSITION

- ◆ Strong balance sheet
- ◆ Growing dividend
- ◆ Excellent and consistent free cash flow generation

VALUES

Integrity

Respect

Excellence

Responsibility

Strong Foundation

Macro-trends that drive global growth

MOBILITY



1.5 billion cars
on the road by
2020

MIDDLE CLASS GROWTH



50% growth in the
middle class from
2010 - 2020

GLOBAL DEVELOPMENT



\$9 trillion
annual global
infrastructure
spend by 2025

SUSTAINABILITY



783 million
people globally
without clean
water

Strong Foundation

Macro trends provide significant opportunity for Cabot

	MOBILITY	MIDDLE CLASS GROWTH	GLOBAL DEVELOPMENT	SUSTAINABILITY
PERFORMANCE CHEMICALS	Light weighting of vehicles	Increased penetration of electronics	Construction and infrastructure development	Need for better energy storage in batteries
REINFORCEMENT MATERIALS	Growth in global miles driven	Higher demand for new cars	Truck and OTR tire growth in emerging markets	Tire development to drive fuel efficiency
PURIFICATION SOLUTIONS	Lower emissions from vehicles	Greater consumer spending on food and beverage / pharmaceuticals	Growth in industrial production drives chemicals, catalysts and mining demand	Higher demand for clean water and clean air
SPECIALTY FLUIDS		Fine cesium for production of consumer goods	Gas recovery aimed at power and industry in emerging markets	Preference for safe, recyclable drilling and completion fluids

Strong Foundation

Durable and proven end-market exposures

TRANSPORTATION

Tires
Coatings
Air purification
Plastics
Batteries



INFRASTRUCTURE / INDUSTRIAL

Plastics
Adhesives and sealants
Reinforcing composites
Thermal insulation
Wire and cable



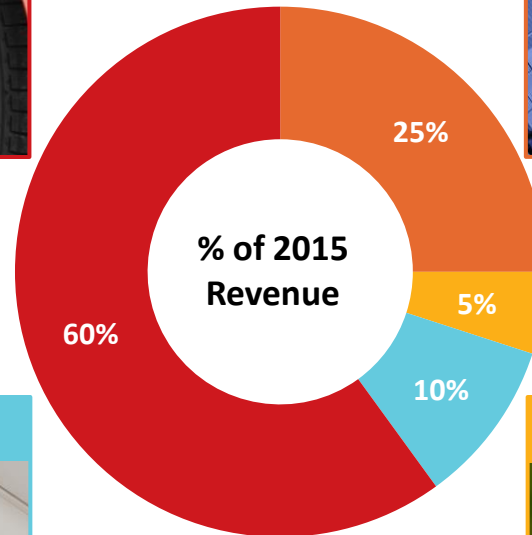
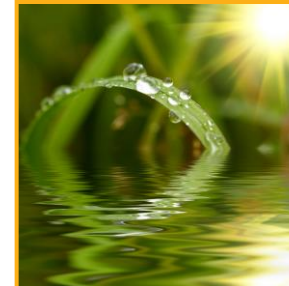
CONSUMER / OTHER

Inkjet printing
Electronics
Food and beverage
Pharmaceuticals and personal care
Oil and gas drilling fluids



ENVIRONMENT

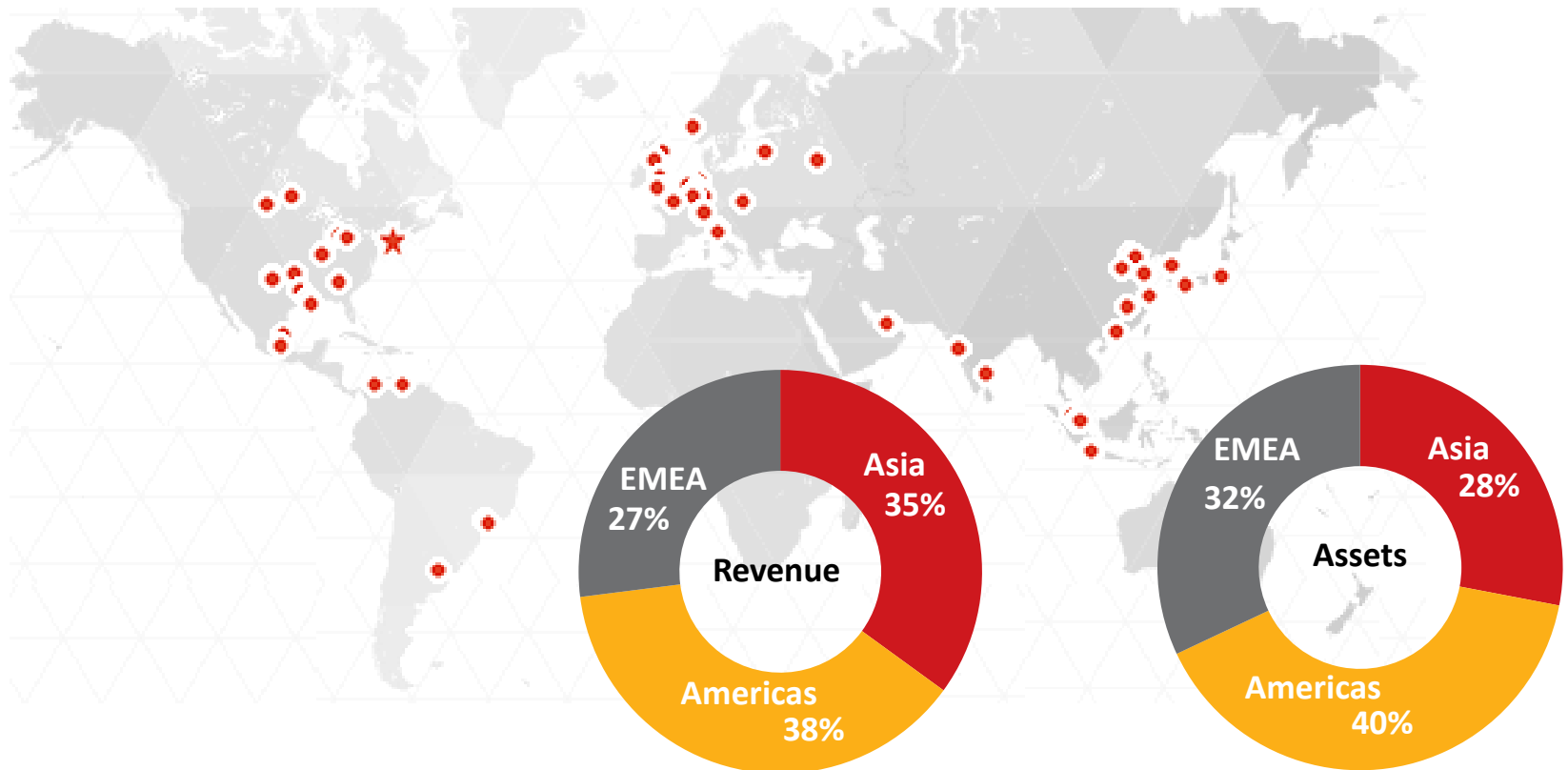
Mercury emission control
Bonding paste
Water purification
Flue gas treatment



Strong Foundation

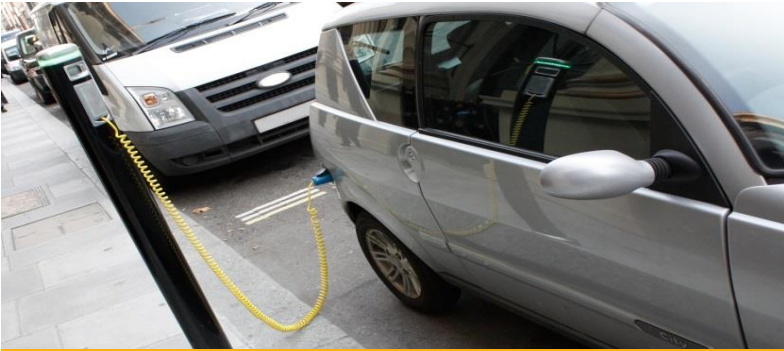
Global reach with regional expertise

- ◆ 44 manufacturing sites in 21 countries
- ◆ 30 sales locations in 20 countries
- ◆ Assets consistent with revenue



Strong Foundation

Value-added technology capabilities



PRODUCT INNOVATION

- ◆ Carbon conductive additives for batteries
- ◆ Specialty carbons for engineering resins
- ◆ Treated fumed silica for adhesives and sealants
- ◆ Carbon blacks for premium tires
- ◆ Advanced activated carbons for food and beverage and pharmaceutical applications
- ◆ Graphenes for electrical conductivity and mechanical properties



PROCESS TECHNOLOGY

- ◆ Scale and yield improvements
- ◆ Raw material flexibility
- ◆ Operational efficiencies
- ◆ Energy recovery
- ◆ Environmental technology
- ◆ Reduced energy inputs

Strong Foundation

Portfolio of leading businesses with attractive margins



PERFORMANCE CHEMICALS



REINFORCEMENT MATERIALS



PURIFICATION SOLUTIONS



SPECIALTY FLUIDS

Adjusted EBITDA	\$232M	\$226M	\$50M	\$8M
Adjusted EBITDA Margin	25%	15%	17%	19%
Specialty carbons #1	Rubber blacks #1	Activated carbon #1	Cesium formate drilling and completion fluids #1	
Fumed metal oxides #2	Unmatched global footprint with 19 manufacturing facilities worldwide	Global footprint with 9 manufacturing plants	High-margin, project driven business	
Inkjet colorants #1		Widest range of application participation	Ultra-niche products	

Culture of Excellence

Embedded within the organization

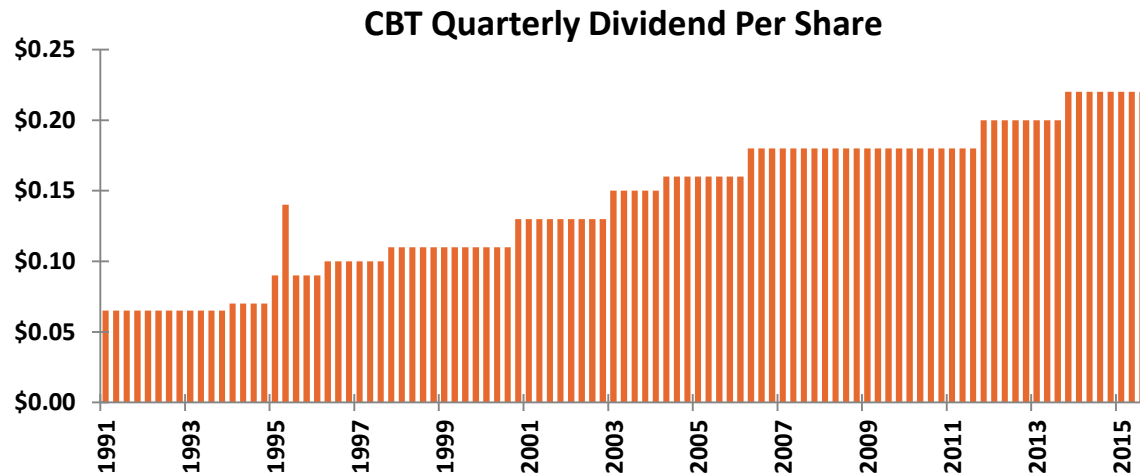
- ◆ Engrained safety-first mindset
- ◆ Zero-incident operational goals
- ◆ World-class people
- ◆ Innovative and collaborative team
- ◆ Focus on operational effectiveness
- ◆ Long-lasting, multi-layered customer relationships
- ◆ Technology-driven culture



Robust Financials

Proven strength over time

- ◆ Strong balance sheet
- ◆ Investment grade credit rating
- ◆ Secure and growing dividend
- ◆ Excellent and consistent discretionary free cash flow
- ◆ Strong EBITDA generation



Note: One-time dividend paid in 1995.

Capital Allocation

Balance of growth and return of cash to shareholders

50%

50% re-invested and
50% returned

- ◆ Invest approximately half of discretionary free cash flow (DFCF) in growing the core franchises
- ◆ Return approximately half of DFCF through dividends and share repurchases

\$1.20

annualized dividend rate

- ◆ Increased quarterly dividend by 36% from \$0.22 per share to \$0.30 per share
- ◆ Intend to increase dividend going forward

>\$200m

of share repurchases since
2010

- ◆ Continue to reduce outstanding shares over time

Corporate Strategy: *Advancing the Core*

Extend our leadership in performance materials by
investing for **growth in our core** businesses,
driving **application innovation** with our customers, and
generating strong cash flows through **efficiency and optimization**.

Corporate Strategy: *Advancing the Core*

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Corporate Strategy: *Advancing the Core*

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GROWTH IN OUR CORE

- ◆ Leverage our global reach
- ◆ Capture market growth
- ◆ Enhance portfolio with new, differentiated products
- ◆ Strengthen positions through bolt-on acquisitions

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APPLICATION INNOVATION

- ◆ Focus on attractive applications
- ◆ Invest to develop application and formulation solutions
- ◆ Participate to create maximum value in the chain
- ◆ Foster long-lasting, multi-layered customer relationships

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EFFICIENCY AND OPTIMIZATION

- ◆ Deliver world-class operational effectiveness
- ◆ Drive capital efficiency
- ◆ Manage working capital rigorously
- ◆ Lead in cost competitiveness

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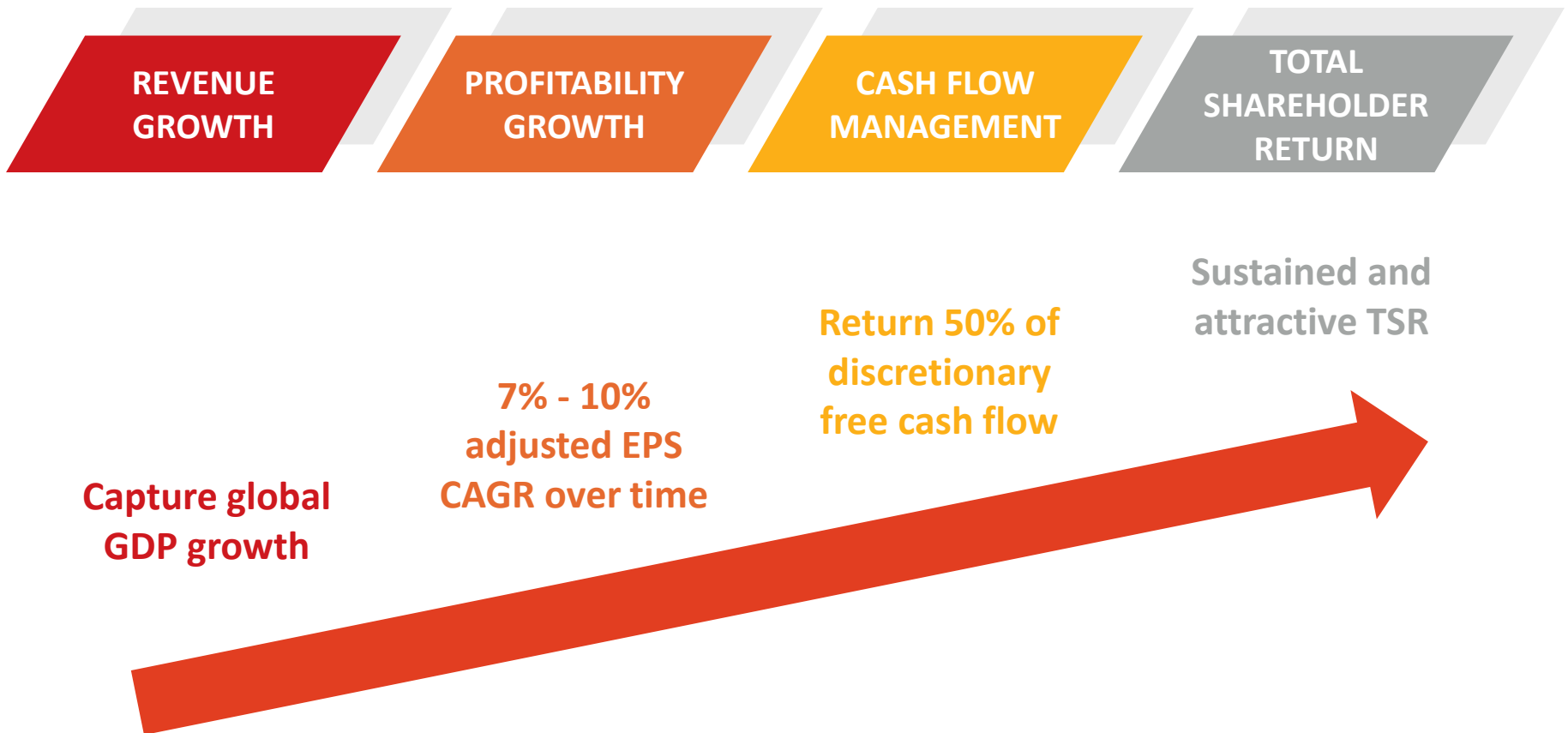
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The Result of 'Advancing the Core'

Strong fundamentals deliver sustained value creation

GROWTH	PROFITABILITY	CASH FLOW AND CAPITAL
<ul style="list-style-type: none">◆ Capture volumes from global GDP industry growth exposures◆ Expand leadership positions through targeted geographic and application-driven penetration	<ul style="list-style-type: none">◆ Invest in process technology and productivity improvements◆ Capture utilization and fixed cost leverage◆ Drive commercial excellence capabilities◆ Pursue growth investments in existing businesses	<ul style="list-style-type: none">◆ Deliver strong cash generation◆ Maintain investment grade credit rating◆ Commit to an industry-leading dividend payout◆ Return ~50% of discretionary free cash flow to shareholders
2.5% - 3.5% global GDP volume growth outlook	7% - 10% adjusted EPS CAGR* over time	>\$1.2 billion of discretionary free cash flow 2016 - 2020

The Result of 'Advancing the Core'



Performance Chemicals

Nick Cross

Executive Vice President and
President, Performance
Chemicals and Specialty Fluids
Segments



Performance Chemicals Segment Overview

SEGMENT FUNDAMENTALS

Specialty businesses, attractive margins

- ◆ Specialty carbons and formulations
 - ◆ Specialty carbons, specialty compounds and inkjet colorants
- ◆ Metal oxides
 - ◆ Fumed metal oxides and aerogel

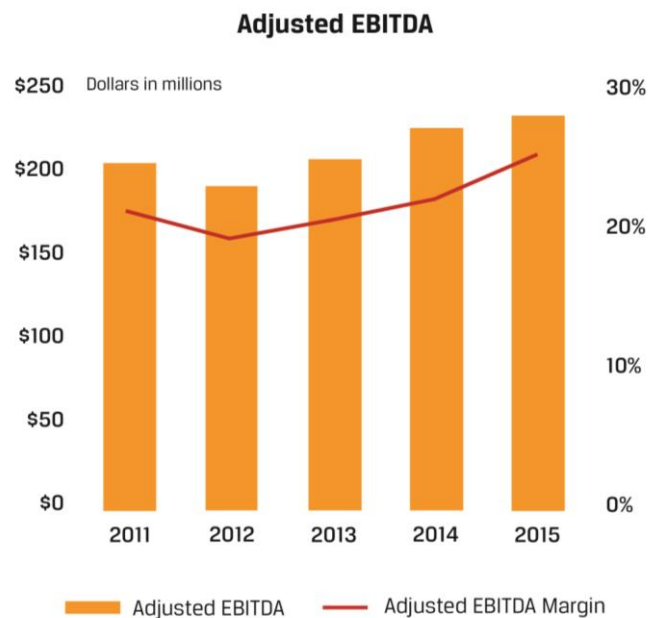
Leading market positions

- ◆ #1 or #2 in major product lines
- ◆ Deep application expertise
- ◆ Strong, long-term customer relationships and strategic partnerships
- ◆ Global supply network

PERFORMANCE

Attractive end markets

- ◆ Diverse applications with extensive qualification requirements
- ◆ GDP+ growth



Specialty Carbons and Fumed Metal Oxides

Specialty applications

SPECIALTY CARBONS



Color in coatings and moldings

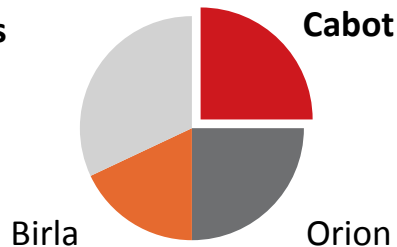


Conductivity in plastics, batteries and consumer applications



UV resistance in plastics

3 Global Players



FUMED METAL OXIDES



Reinforcement of silicones

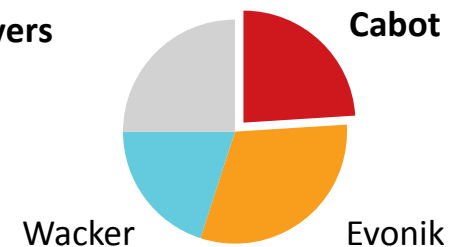


Rheology modification of sealants, adhesives and coatings



Polishing of silicon wafers

3 Global Players



Leading Market Positions

Cabot has #1 or #2 position in all major product lines

Specialty Carbons and Formulations

Specialty Carbons



Global #1, ~25% share

Specialty Compounds



#1 in Black (EU, Asia)

Inkjet Colorants



Global #1, ~40% share

Metal Oxides

Fumed Metal Oxides



Global #2, ~25% share

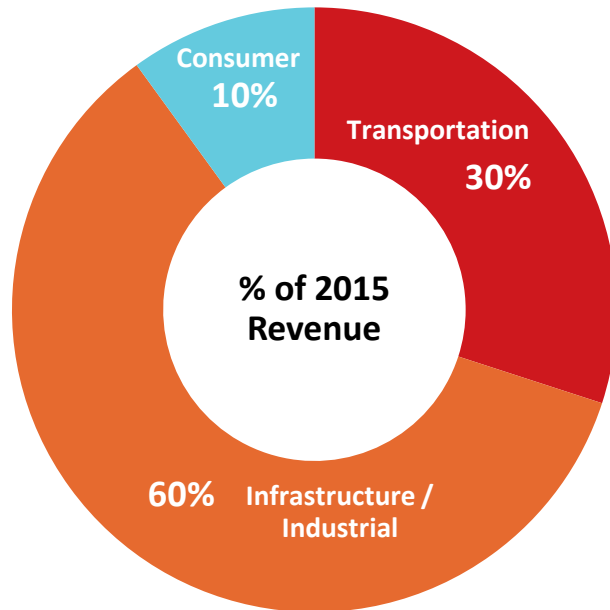
Aerogel



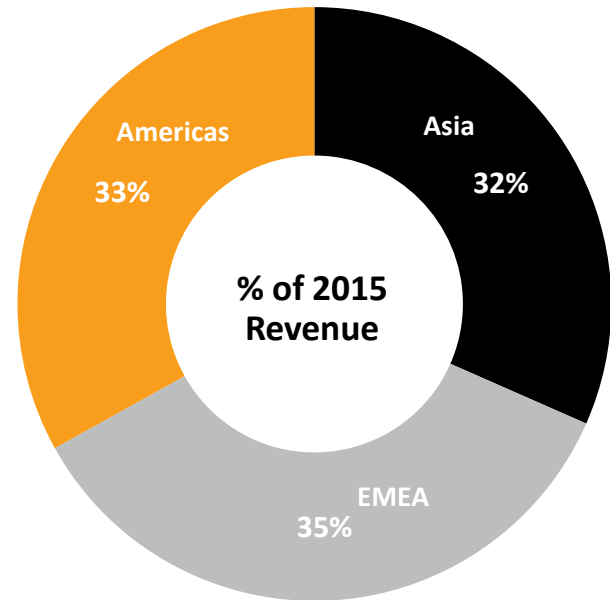
Global #2

Performance Chemicals Positioning

END MARKET EXPOSURE



GEOGRAPHIC EXPOSURE

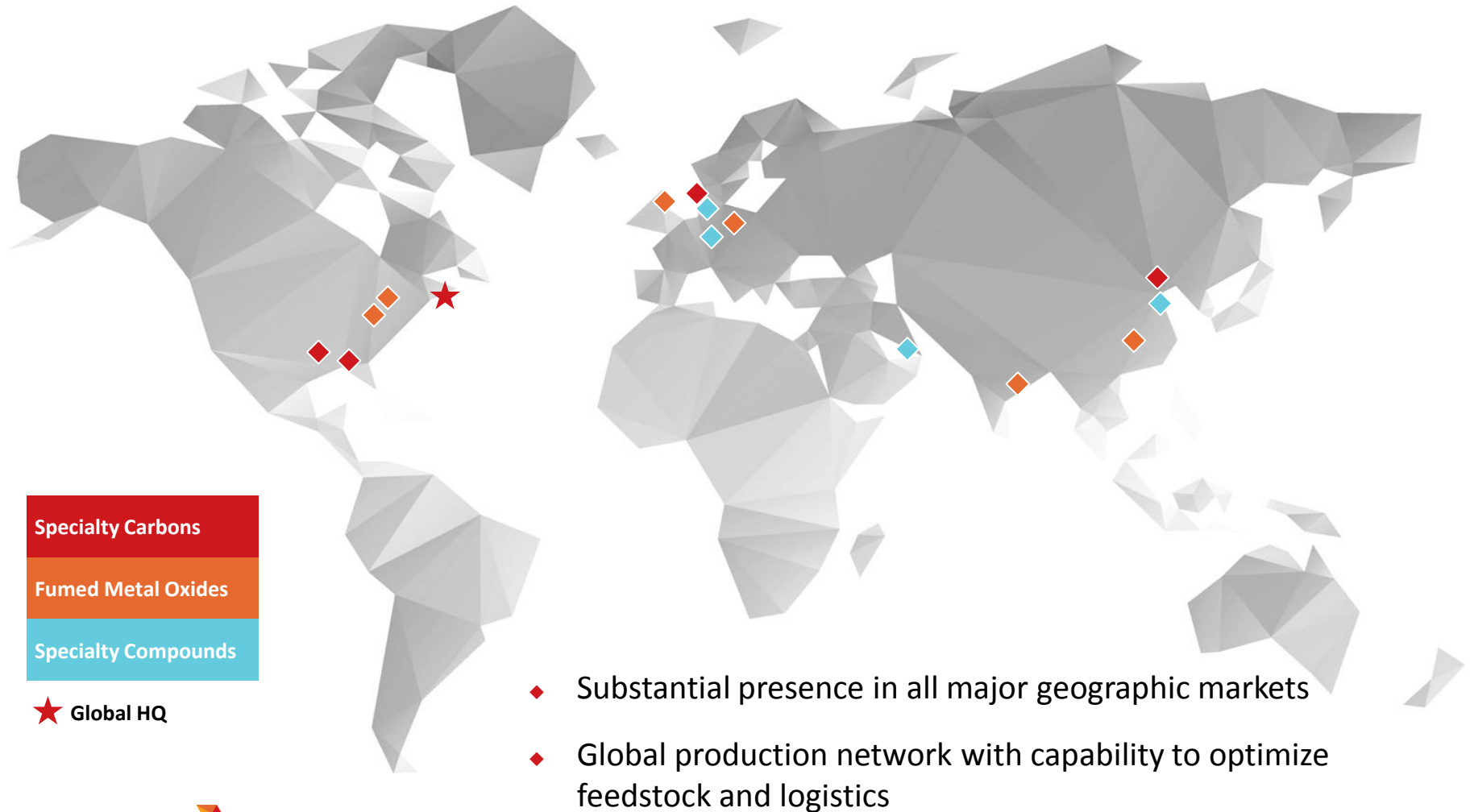


Diversity of customer base, end markets and applications globally

- ◆ More than **3,000** customers
- ◆ More than **500** product grades
- ◆ 3 principal end-markets but multiple applications

Global Manufacturing Network

Specialty carbons and compounds and fumed metal oxides assets



Diverse Applications and End Markets

Drives growth of GDP+

INFRASTRUCTURE



Industry growth: 2-4%

Key applications

- ◆ Wire and cable
- ◆ Pressure pipe
- ◆ Building materials

TRANSPORTATION

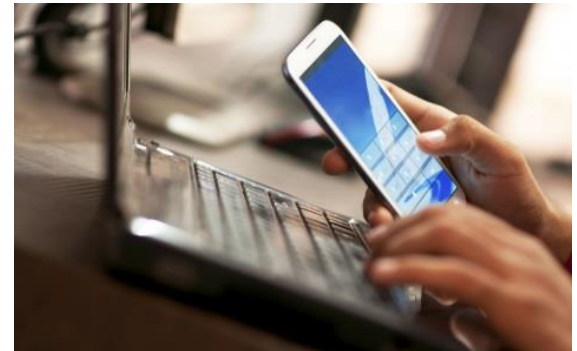


Industry growth: 3-4%

Key applications

- ◆ Engineered plastics
- ◆ Adhesives
- ◆ Coatings

CONSUMER



Industry growth: 5-7%

Key applications

- ◆ Displays
- ◆ Digital printing
- ◆ Batteries

Key Attributes by End Market



Infrastructure Market Trends

WIRE AND CABLE

- ◆ Increased use of underground cables in emerging markets
- ◆ Electrical grid upgrade to facilitate alternative energy in all geographies



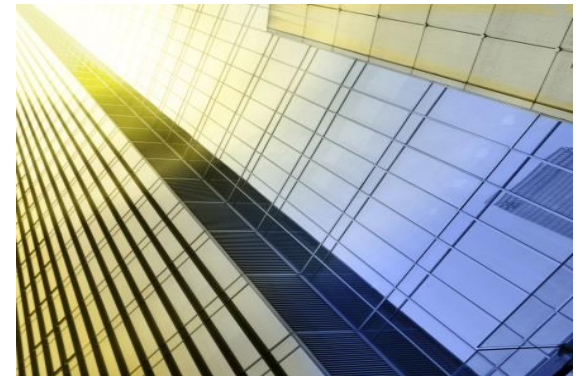
PRESSURE PIPE

- ◆ New water supply infrastructure in emerging markets
- ◆ New natural gas distribution networks in North America



BUILDING MATERIALS

- ◆ Increased use of daylighting in buildings
- ◆ Energy saving requirements in construction



Market leading products with global supply base leverages market trends

New CAB-O-SIL® ULTRABOND™ Treated Silica for Windmill Bonding Pastes

Epoxy bonding pastes are used to join two halves of windmill blades



CAB-O-SIL® ULTRABOND™ treated silicas enable:

- ◆ Effective rheology control during application of bonding paste
- ◆ Superior mechanical properties
- ◆ Superior adhesive shelf life
- ◆ Easy processability during paste production

Transportation Market Trends

ENGINEERED PLASTICS

- ♦ Light weighting of vehicles driven by fuel standards
- ♦ High performance plastics needed for under the hood and fuel systems

ADHESIVES

- ♦ Replacement of metal fasteners with structural adhesives
- ♦ New windshield adhesives compatible with increased production automation

COATINGS

- ♦ Increased productivity and environmental requirements in auto production
- ♦ New coating formulations with high pigmentation and scratch resistance

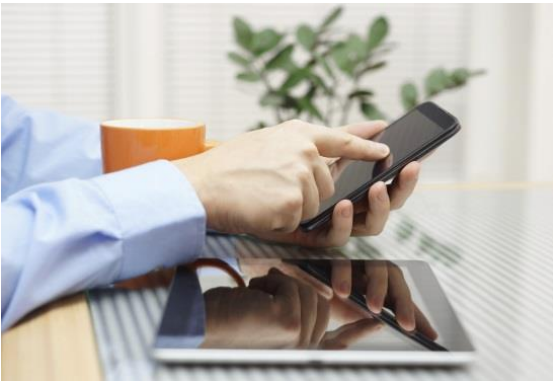


Differentiated specialty carbons and treated silicas enable next generation applications

Consumer Market Trends

DISPLAYS

- ◆ Higher contrast ratio requirements in displays
- ◆ Requirements for touch-screens in mobile displays



DIGITAL PRINTING

- ◆ Digitization of commercial printing
- ◆ New opportunities in packaging



BATTERIES

- ◆ Higher energy density requirements
- ◆ New opportunities in lead acid and lithium ion batteries



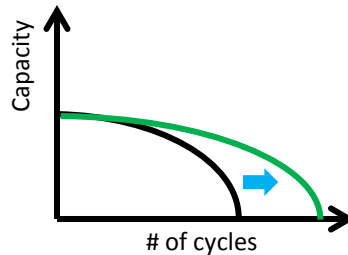
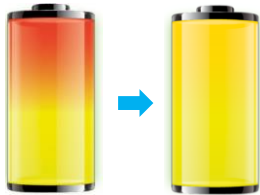
Cabot proprietary carbons and colorants offer unique customized solutions

New LiTX[®] Carbons Enabling Next Generation Batteries

LiTX[®] Carbons



Enable more energetic and longer lasting Li-Ion batteries



For mobile electronics and electric vehicles



- ◆ LiTX[®] carbons improve electrode conductivity for
 - ◆ Superior power
 - ◆ Higher energy density
 - ◆ Optimizing between power, energy and cycle life
- ◆ LiTX[®] carbons provide good balance between conductivity and ease of use
 - ◆ Ease of processing
 - ◆ Electrode adhesion
 - ◆ Mechanical properties

Performance Chemicals

Key drivers of segment value creation

GROWTH IN OUR CORE

- ◆ Build on our strategic, long-term customer relationships
- ◆ Capture targeted volume growth driven by auto builds, infrastructure growth, and adoption of digital printing
- ◆ Enhance product mix in specialty applications
- ◆ Strengthen positions through bolt-on acquisitions

APPLICATION INNOVATION

- ◆ Focus on applications aligned with energy and light weighting trends
- ◆ Partner with innovation leaders across value chain
- ◆ Invest in global technology centers for applications and formulations development
- ◆ Leverage unique integration with specialty compounds

EFFICIENCY AND OPTIMIZATION

- ◆ Optimize sourcing from flexible global asset network
- ◆ Deploy technologies to improve yields and capital efficiency
- ◆ Secure advantaged raw material positions
- ◆ Rigorously manage working capital

Performance Chemicals

Advancing the core



REVENUE
GROWTH

PROFITABILITY
GROWTH

CASH FLOW
MANAGEMENT

- ◆ GDP+ underlying industry growth
- ◆ Available capacity to support growth
- ◆ Extensive product and applications expertise
- ◆ Strategic, long-term customer relationships
- ◆ Global network of assets
- ◆ EBITDA margin 25% - 35%

Reinforcement Materials

Bart Kalkstein

Senior Vice President and
President, Reinforcement
Materials Segment



Reinforcement Materials Segment Overview

SEGMENT FUNDAMENTALS

World's leading producer of carbon black

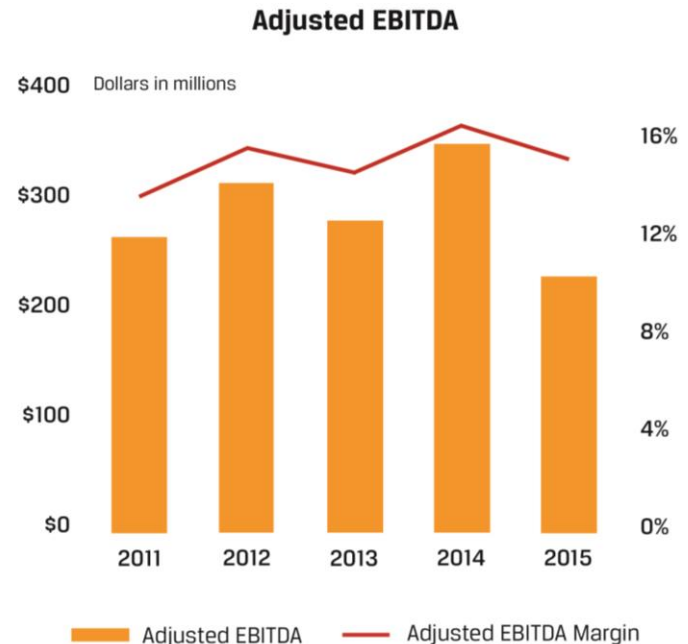
- ◆ #1 position with global supply network
- ◆ Segment includes tire and industrial rubber applications and elastomer composites
- ◆ Proprietary process technology
- ◆ Strong, long-term customer relationships
- ◆ Reputation as the leader in innovation, reliability, quality and consistency

Value creation driven by product offering, asset reliability, utilization, innovation and customer service

PERFORMANCE

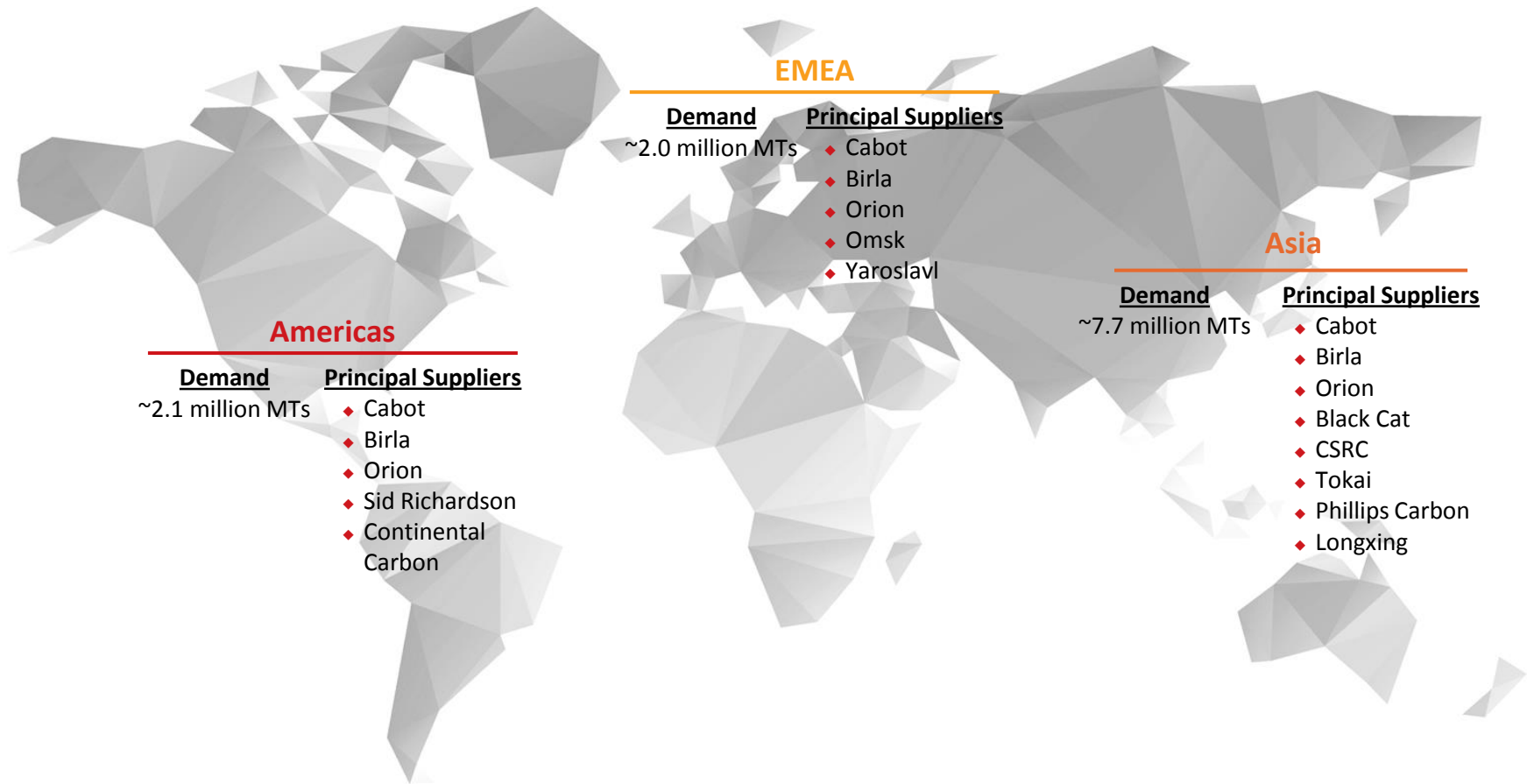
Strong performance with mid-teen EBITDA margins

- ◆ Wide range of products, including premium offerings
- ◆ Linked to global GDP growth



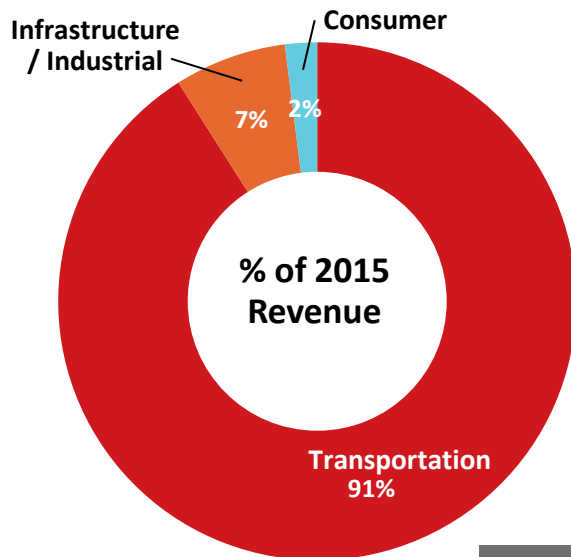
Competitive Landscape

We have #1 global capacity share position

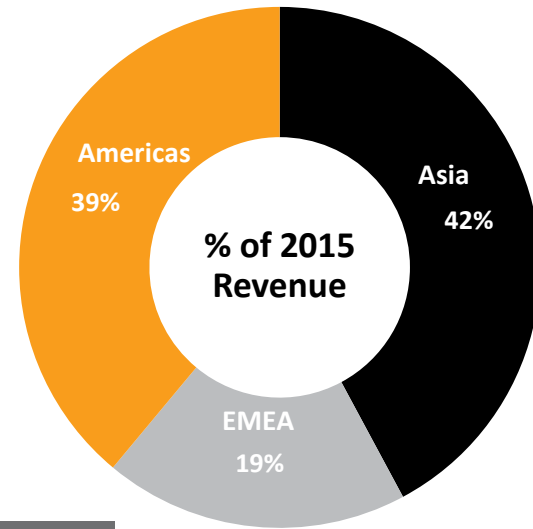


Reinforcement Materials Positioning

END MARKET EXPOSURE



GEOGRAPHIC EXPOSURE



MANUFACTURING FACILITIES

19 Plants

Asia Pacific

China (3)
Indonesia
Japan
Malaysia

Americas

Argentina
Brazil
Canada
Colombia
Mexico
United States (3)
Venezuela*

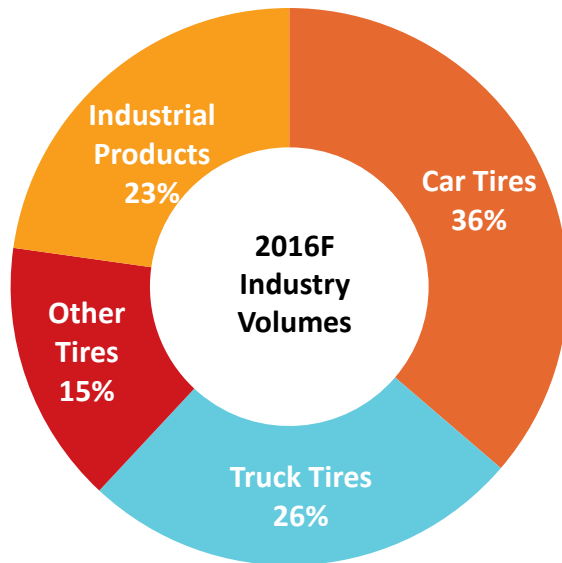
EMEA

Czech Republic
France
Italy
The Netherlands

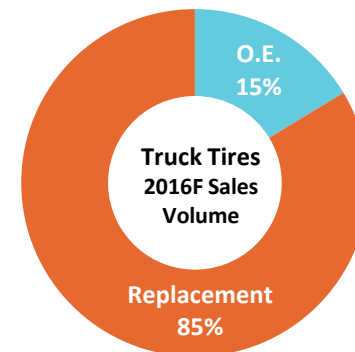
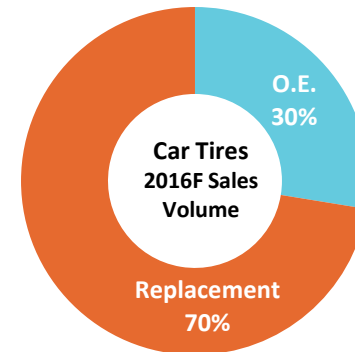
Rubber Black Market Demand

Majority of rubber black demand is for tires

RUBBER BLACK MARKET SEGMENTS

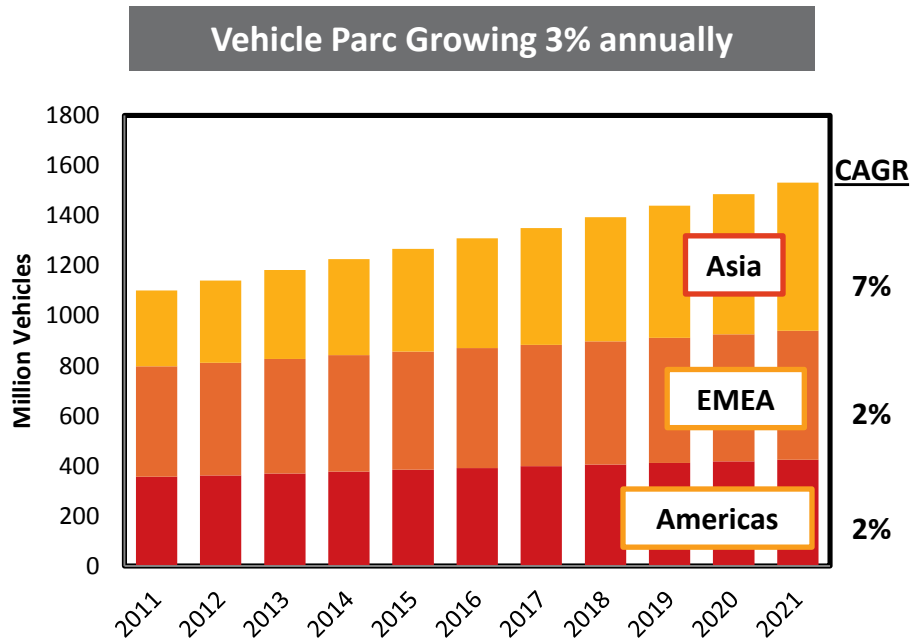


REPLACEMENT 3X SIZE OF NEW TIRES



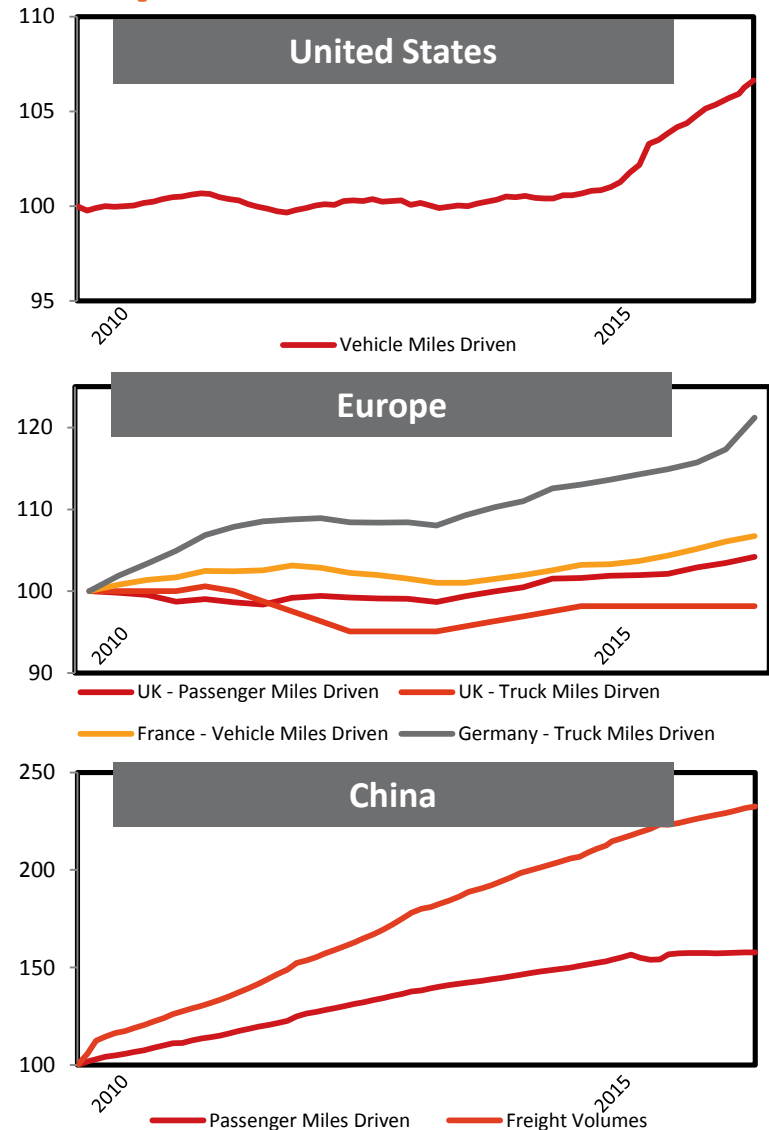
Growth in Vehicle Parc and Miles Driven

Drives replacement tire and auto part demand



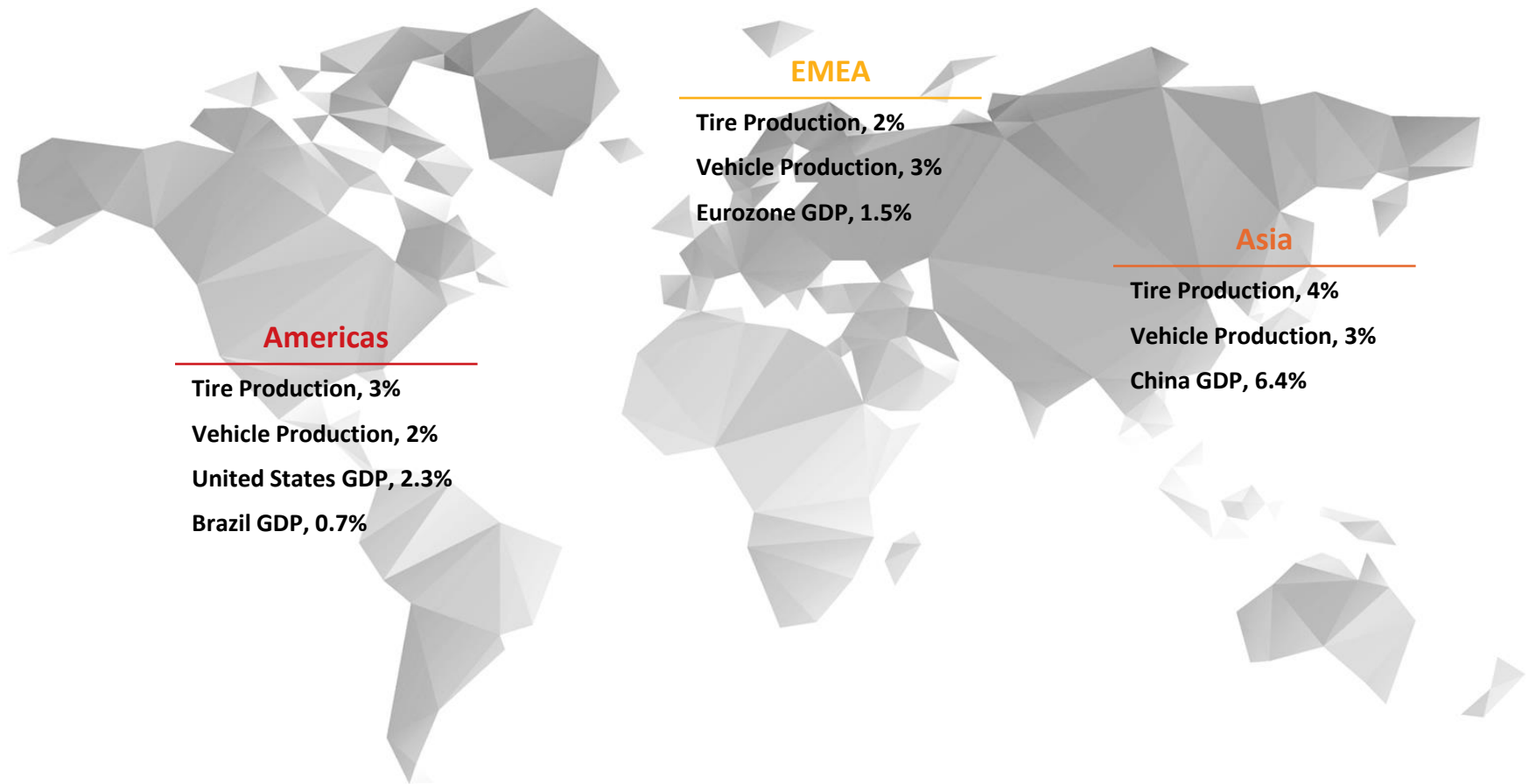
Miles driven and freight volume rolling 12 month averages indexed to 2010

Sources: LMC Q1 2016 ; Cabot internal estimates



Global Market Drivers Improving Year-Over-Year

Growth forecast linked to GDP



Tire Market Trends

Regionally-driven business

AMERICAS

- ◆ North America growth driven by increase in miles driven and new tire capacity additions
- ◆ South America recovery expected in 2017
- ◆ Growth anticipated 1-3%
- ◆ Stable supply situation leads to industry utilization 85+%



EUROPE, MIDDLE EAST, AFRICA

- ◆ Growth from automotive production and stable replacement demand
- ◆ Tire labeling regulation driving use of higher performance tires
- ◆ Focus on high value tire production
- ◆ Growth anticipated 1-2%
- ◆ Industry utilization increasing to 85+%





ASIA

- ◆ Growth from new car sales and increase in car parc will drive replacement market
- ◆ Global freight miles driving demand for truck and bus tires
- ◆ Supply-side additions have slowed
- ◆ Growth anticipated 3-6%
- ◆ Industry utilization 65-75%

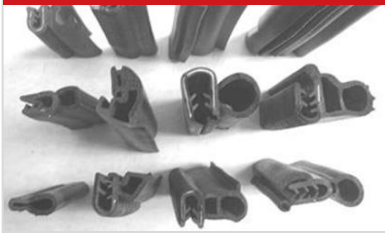


Key Attributes By End Market

	KEY ATTRIBUTES
 TIRE	<ul style="list-style-type: none">◆ Wide range of product offerings for use in various parts of the tire◆ New product development efforts focused on fuel efficiency to reduce environmental impact of mobility, working through customer development partnerships◆ Global footprint with focus on operational efficiencies and regional utilizations◆ Continuous improvement of yield and energy efficiency process technology
 INDUSTRIAL PRODUCTS	<ul style="list-style-type: none">◆ Products engineered to specific applications with consistent quality◆ Value creation driven by technical interface with hands on application knowledge◆ Development of innovative solutions to address regulatory changes and fuel efficiency requirements

Industrial Products: Diverse Application Set

**AUTO
WEATHERSTRIPPING**



**MINING EQUIPMENT,
CONVEYOR BELTS**



BELTS



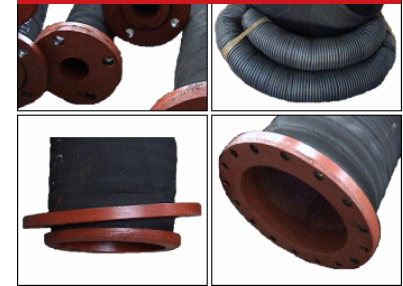
CONSUMER



**SEALS, BELLOWS,
BUSHINGS, ETC.**



HOSES



Industrial Products Market Trends

Application-driven business

AUTOMOTIVE

- ◆ Growth in new car builds in developing markets
- ◆ New technology needs as a result of fuel efficiency requirements
- ◆ Growth anticipated 3-4%



INDUSTRIAL APPLICATIONS

- ◆ Industrial output drives growth
- ◆ Products require advanced properties for improved durability
- ◆ Growth anticipated 2-3%



CONSUMER PRODUCTS

- ◆ General economic activity drives growth
- ◆ Regulatory change towards products with food and skin contact
- ◆ Growth anticipated 2-3%



Raw Materials and Energy

PRIMARY FEEDSTOCKS

- ◆ Residual heavy fuel oils from refining operations
- ◆ Coal tar by-product from steel production
- ◆ Ethylene cracker residue
- ◆ Natural gas

Selection of feedstock

- ◆ Manufacturing sites use various feedstocks based on availability and price of alternatives as well as impact to the end carbon black product
- ◆ Arbitrage opportunities exist from time to time

Carbon black pricing

- ◆ Supply arrangements typically include formula pricing with a raw material component that changes based on relevant indices
- ◆ Spot market pricing also driven by changes in raw material costs

Energy investments

- ◆ Benefits from energy investments linked to the market price of energy (i.e. high energy prices yield a higher return from energy investments)

Cash impact

- ◆ Increasing raw material costs increase net working capital and vice versa (~\$1/bbl feedstock change = ~\$4 million net working capital impact to balance sheet)

Reinforcement Materials

Key drivers of segment value creation

GROWTH IN OUR CORE

- ◆ Capture targeted volume growth from increase in miles driven, auto builds, and replacement tire demand
- ◆ Enhance customer and product mix
- ◆ Balance margin expansion and volume growth
- ◆ Value pricing of premium products
- ◆ Transition capacity to higher value industrial products

APPLICATION INNOVATION

- ◆ New premium carbon blacks for improved fuel efficiency and tread wear in tires (i.e., Propel™ family)
- ◆ Industrial products growth from made-for-purpose products for specific applications (i.e., weather stripping, under the hood)
- ◆ Specially formulated elastomer composites compounds that deliver advanced performance in certain tire and IP applications

EFFICIENCY AND OPTIMIZATION

- ◆ Optimization of capacity to improve utilization rates
- ◆ Yield and energy efficiency investments to continue to drive down costs
- ◆ Feedstock sourcing optimization and flexibility
- ◆ Capital discipline
- ◆ Rigorous management of working capital

Reinforcement Materials

Advancing the core



REVENUE
GROWTH

PROFITABILITY
GROWTH

CASH FLOW
MANAGEMENT

- ◆ #1 capacity position with global footprint
- ◆ Linkage to global GDP growth rates
- ◆ Orientation towards value delivery and pricing
- ◆ Product and process technology leader
- ◆ Long-term customer relationships
- ◆ Leading environmental and sustainability performance
- ◆ EBITDA margin 15% - 20%

Purification Solutions

Fred von Gottberg

Senior Vice President and
President, Purification Solutions
Segment



Purification Solutions Segment Overview

SEGMENT FUNDAMENTALS

Purification of air, water, food, chemicals and pharmaceuticals drive the need for activated carbon products

World's largest producer of activated carbon

- ◆ Proprietary process technology
- ◆ Integrated strategic raw materials
- ◆ Broadest product portfolio
- ◆ Reactivation services and equipment sales

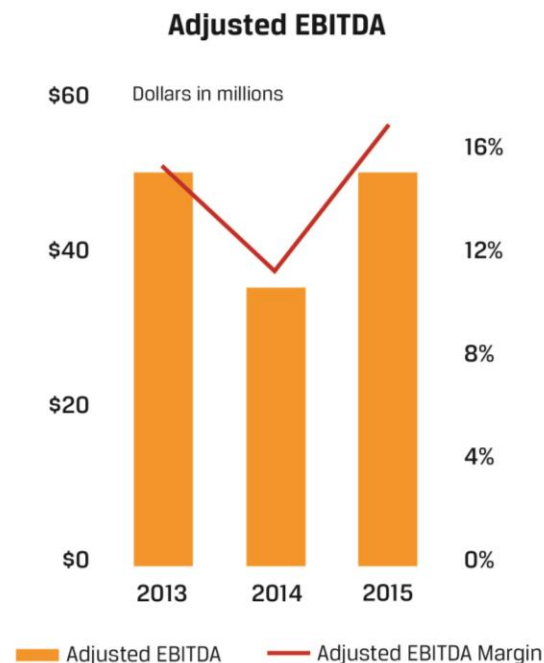
Differentiated product offerings to a variety of industries

- ◆ Enables Cabot to offer the most precise fit and best performance for any application

PERFORMANCE

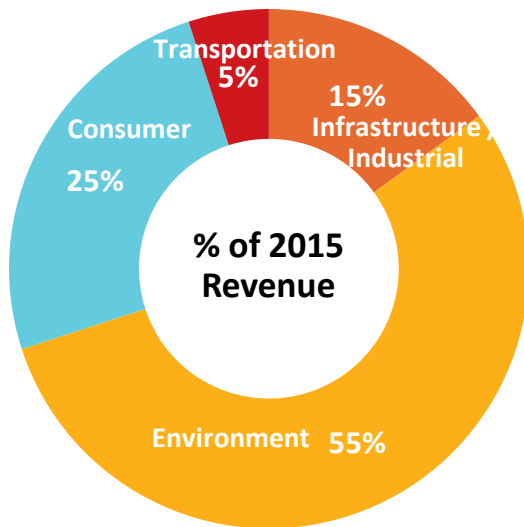
Improving performance

- ◆ Recent growth driven by U.S. mercury removal regulation, improved operational performance and higher prices

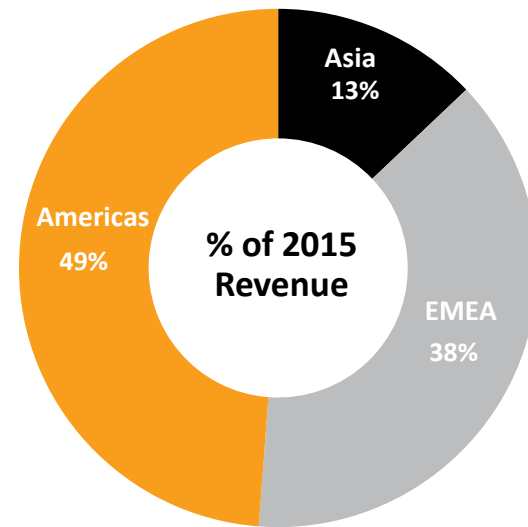


Purification Solutions Positioning

END MARKET EXPOSURE



GEOGRAPHIC EXPOSURE



MANUFACTURING FACILITIES

9 Plants

Americas
Canada*
Mexico**
United States (2)

EMEA
Italy
The Netherlands (2)
United Kingdom (2)

Competitive Landscape

We have #1 global capacity in activated carbon

Activated Carbon Suppliers

<u>Cabot Position</u>	<u>Principal Suppliers</u>
♦ #1	♦ Cabot
♦ ~10% capacity share	♦ Calgon Carbon
	♦ Osaka Gas
	♦ ADA CS
	♦ Ingevity
	♦ Kuraray
	♦ Fujian Yuanli
	♦ Haycarb

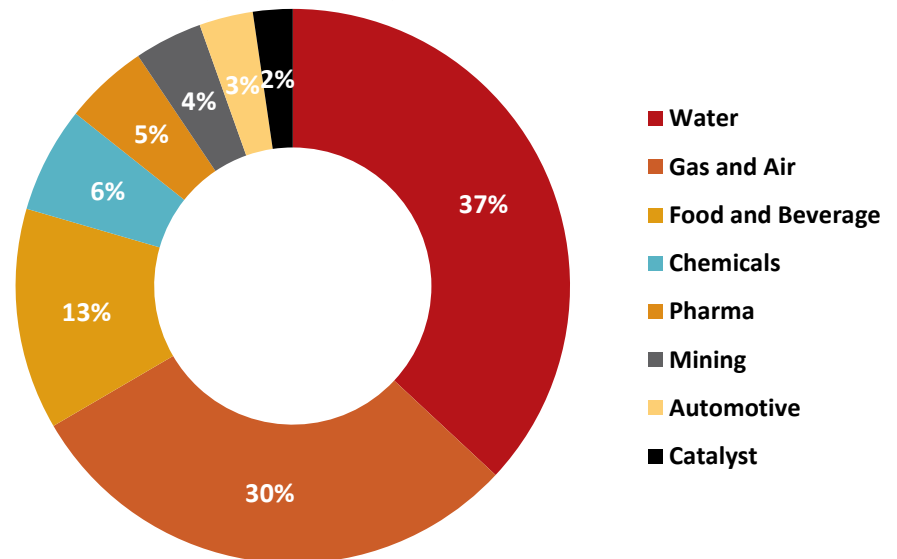
Industry Demand

~1.1 million MTs

Regional Demand Breakdown

♦ Asia	40%
♦ EMEA	30%
♦ North America	25%
♦ South America	5%

Industry Demand by Sector



- ♦ Cabot #1 or #2 in most industry sectors
- ♦ Recent consolidation
- ♦ Industry utilizations 70-75% based on excess capacity in China and North America

Key Attributes By End Market

	KEY ATTRIBUTES
ENVIRONMENT	<ul style="list-style-type: none">◆ Largely compliance driven - customers are required to remove contaminants◆ Provide lowest cost of ownership solutions◆ Drive down manufacturing costs◆ Leverage new regulations for growth
CONSUMER/ INFRASTRUCTURE/ TRANSPORTATION	<ul style="list-style-type: none">◆ Specialty – our products improve our customers' products◆ Customized products for specific applications and customers◆ Value generation and pricing from application understanding and customization◆ Recognized technical leader

Raw Materials

PRIMARY RAW MATERIALS

- ◆ Lignite
- ◆ Bituminous coal
- ◆ Peat
- ◆ Wood char
- ◆ Coconut

Impact on activated carbon

- ◆ Raw material determines activated carbon structure and impacts its performance
- ◆ Specific raw material often best suited for a specific application

Availability

- ◆ Raw materials are in adequate supply, but are often location specific
- ◆ Logistics costs to move raw materials can be high
- ◆ Backward integrated into lignite mines in U.S. and Canada (through JV partner)

Process

- ◆ The raw material used impacts the manufacturing process chosen

Our position

- ◆ We have the widest range of raw material usage and process technology enabling participation in all customer applications
- ◆ Unique know-how to address changing needs of customers

Environment Market Trends

GDP plus regulatory-driven growth

MERCURY REMOVAL

- ◆ ~20% of 2015 revenue
- ◆ U.S. MATS regulation full compliance in April 2016
- ◆ Minamata Convention driving awareness in EMEA, China and India
- ◆ Cabot position #1

GAS AND AIR

- ◆ ~15% of 2015 revenue
- ◆ Incinerator growth to deal with waste, especially in China
- ◆ Removal of dioxins and furans and other gas contaminants
- ◆ Cabot position #1

WATER

- ◆ ~20% of 2015 revenue
- ◆ U.S. Disinfection Byproduct Rule
- ◆ EMEA – micro-pollutants of emerging concern
- ◆ Taste and odor
- ◆ Cabot position #2



North American Mercury Removal Sector

MATS UPDATE

- ◆ U.S. MATS regulation full compliance in April 2016
- ◆ Anticipate size of NA sector 300-350 million pounds
- ◆ Cabot at ~40% volume share
- ◆ Low natural gas prices having an impact on capacity factors of coal electricity generating fleet
- ◆ Seasonal demand – weather related
- ◆ Step-up in volume expected in 2H FY16 with full MATS compliance
- ◆ Broad product slate addressing specific customer needs



Consumer Market Trends

GDP+ growth

PHARMA

- ◆ ~10% of 2015 revenue
- ◆ Aging population and access to medicines driving growth
- ◆ Unique products, high value, custom grades
- ◆ Remove unwanted color, odor or reaction byproducts
- ◆ Cabot position #1



FOOD AND BEVERAGE

- ◆ ~15% of 2015 revenue
- ◆ Drivers - population growth
- ◆ Improve flavor or remove unwanted color or hazardous contaminants
- ◆ Sugar, wine, juice and edible oils
- ◆ Cabot position #1



Infrastructure and Industrial Market Trends

Growth linked to industrial output

CATALYST

- ◆ ~5% of 2015 revenue
- ◆ Activated carbon used as precious metal catalyst carrier and direct catalyst
- ◆ Diverse set of applications
- ◆ Custom grades
- ◆ Cabot position #1



CHEMICALS

- ◆ ~10% of 2015 revenue
- ◆ Growth driven by industrial production
- ◆ Diverse set of applications
- ◆ Cabot position #2



Transportation Market Trends

Growth driven by auto builds & regulation

GASOLINE VAPOR EMISSIONS CONTROL

- ◆ ~5% of 2015 revenue
- ◆ Activated carbon used to reduce gasoline vapor emission from automobiles
- ◆ Custom grades
- ◆ Cabot position #2
- ◆ Stricter / new regulations anticipated in China, Europe, India ... timing uncertain



Multi canister design incorporating various grades of activated carbon for gasoline vapor recovery

New Product Innovations Drive Future Growth

ENVIRONMENT

- ◆ Next generation mercury removal products for high SO₃ and DSI (dry sorbent injection) environments
- ◆ HYDRODARCO® S products for performance municipal drinking water applications
- ◆ NORIT® SAE SUPER products addressing micro pollutants of emerging concern in waste water
- ◆ NORIT® GL series for incinerator dioxin and furan control

CONSUMER

- ◆ NORIT® DX ULTRA products for de-colorization of food and pharmaceuticals
- ◆ Proprietary customer specific products for pharmaceutical customers
- ◆ PURIT® ULTRA products for sugar de-colorization
- ◆ NORIT® KB EV Supra products for wine and juice purification

INFRASTRUCTURE AND INDUSTRIAL

- ◆ DARCO® BG1 products for H₂S removal in biogas applications
- ◆ PETRODARCO® MS products for natural gas condensate polishing
- ◆ Proprietary customer specific products for catalyst customers

Purification Solutions

Key drivers of segment value creation

GROWTH IN OUR CORE

- ◆ Capture targeted growth driven by need for clean air, water and food, new regulation (mercury, water, gasoline vapor emission)
- ◆ Geographic growth (Asia Pacific and South America)
- ◆ Value pricing in specialty applications
- ◆ Continue to upgrade product mix to high value applications

APPLICATION INNOVATION

- ◆ New, differentiated products in high-value applications (consumer, transportation, industrial)
- ◆ Offer lower cost product alternatives in environmental applications
- ◆ Meet local needs through regional product differentiation
- ◆ Improve structure, form and performance of product offerings through process technology enhancements

EFFICIENCY AND OPTIMIZATION

- ◆ Improve plant utilizations to capture operating leverage
- ◆ Retain benefit from implemented cost reductions
- ◆ Improve yield, uptime and first pass quality
- ◆ Drive efficiencies in mining operations
- ◆ Pursue new low cost raw material opportunities
- ◆ Capital discipline
- ◆ Rigorously manage working capital

Purification Solutions

Advancing the core



REVENUE
GROWTH

PROFITABILITY
GROWTH

CASH FLOW
MANAGEMENT

- ◆ GDP plus regulatory-driven growth
- ◆ Leading position in all end market sectors
- ◆ Technology expertise across all applications and raw materials
- ◆ Regulation provides opportunity for additional growth
- ◆ Target EBITDA margin >20%

Specialty Fluids

Nick Cross

Executive Vice President and
President, Performance
Chemicals and Specialty Fluids
Segments



Specialty Fluids Segment Overview

SEGMENT FUNDAMENTALS

Ultra-niche business with attractive margins

- ◆ Oil and gas cesium formate drilling and completion fluids
- ◆ Fine cesium chemicals

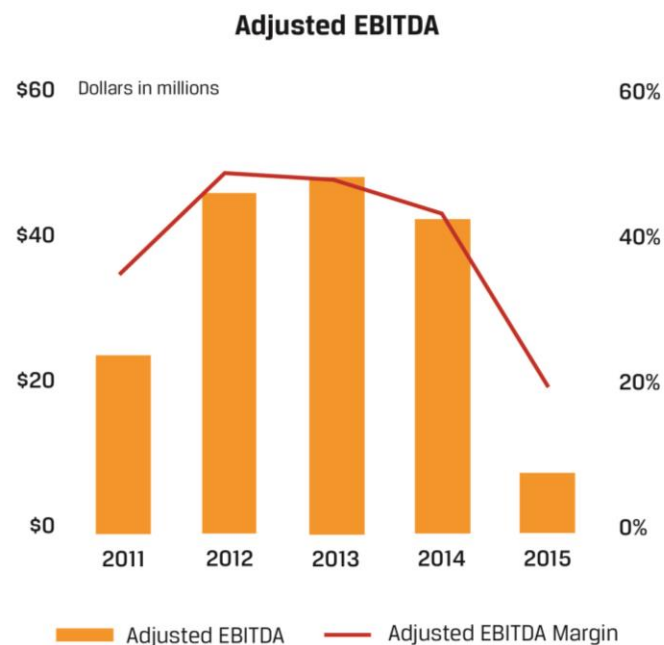
Only producer of cesium formate drilling and completion fluids

- ◆ Unique fluids for challenging high-pressure, high-temperature fields
- ◆ Fluids maximize production rates and deliver recoverable reserves faster
- ◆ Reduced operational risks for field operators

PERFORMANCE

High-margin, project-driven business

- ◆ Leasing business model
- ◆ Expanded customer base in new geographies



Key Attributes By End Market

	KEY ATTRIBUTES
CESIUM FORMATE DRILLING FLUIDS	<ul style="list-style-type: none">◆ Unique, high-performance and environmentally friendly differentiation◆ Expand customer base in Asia and the Middle East with new customers driven by domestic demand for power and petrochemicals◆ Use in new applications
FINE CESIUM CHEMICALS	<ul style="list-style-type: none">◆ High-purity cesium chemicals enable catalysis and are used as a strong base in the chemical production process◆ Small but critical component in a wide range of chemical applications

Specialty Fluids is Uniquely Positioned

GROWTH DRIVERS

- ◆ Global energy needs driving off-shore, high-temperature, high-pressure development
- ◆ Increasing global scrutiny on safety and environmental impact of oil and gas activities
- ◆ Expansion into new geographies and applications

CABOT POSITION

- ◆ Only producer of cesium formate drilling and completion fluids
- ◆ Recent projects in Asia and Middle East enables further penetration outside of the North Sea
- ◆ Compelling value proposition
 - Increased well productivity and reserves recovery
 - Reduced rig time and incident reduction drives lower costs for well operators
 - Reduced risk from blow outs and formation damage

Geographic Footprint and Opportunities



BASINS	OUTLOOK	END USERS
North Sea	Established presence	Statoil, Total, BP, Shell, Marathon, Chevron, COP, DONG
Caspian	Established presence	ENI, NCOC
Asia	Emerging presence	Total, Petronas, Shell Brunei, ONGC
Middle East & Africa	Building presence	

Specialty Fluids

Key drivers of segment value creation

GROWTH IN OUR CORE

- ◆ Capture targeted growth with multi-well programs in Asia and the Middle East
- ◆ Expansion into enhanced drilling and special applications
- ◆ Leverage global sales, marketing and technical service
- ◆ Improve mix from growth in fine cesium chemicals and expanded geographies

APPLICATION INNOVATION

- ◆ Focus on fine cesium chemical applications for new products
- ◆ Enhance process technology with improved fluid reprocessing efficiencies
- ◆ Invest in raw material projects

EFFICIENCY AND OPTIMIZATION

- ◆ Enhance Asia and Middle East operations and infrastructure to support commercial activity
- ◆ Secure advantaged raw material positions with fluid reclamation improvements and the use of previously mined material
- ◆ Capital discipline
- ◆ Rigorous net working capital and cost management

Specialty Fluids

Advancing the core

**REVENUE
GROWTH**

**PROFITABILITY
GROWTH**

**CASH FLOW
MANAGEMENT**

- ◆ Geographic expansion provides opportunity for growth
- ◆ Unique product offering with environmental benefits
- ◆ Compelling value proposition
- ◆ Proven success in challenging well developments
- ◆ EBITDA margin >30%

Financial Framework and Capital Allocation Strategy

Eddie Cordeiro

Executive Vice President, Chief
Financial Officer and President,
Americas and EMEA regions



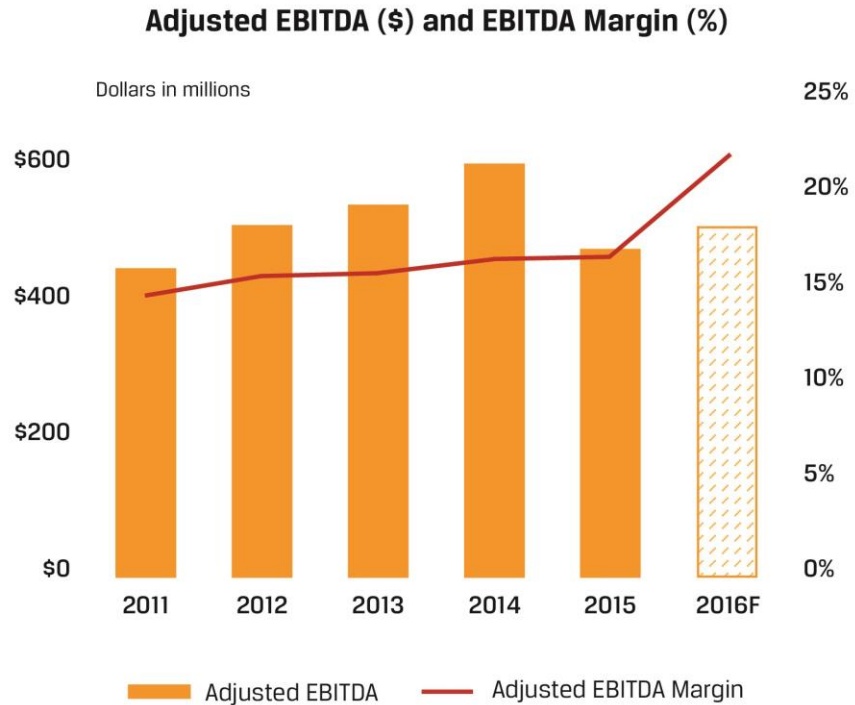
Key Principles of Cabot's Financial Framework

- ◆ **Focus on consistent and robust cash flow generation** through growing EBITDA, managing net working capital, and disciplined capital expenditures
- ◆ **Commit to return half of discretionary free cash flow to shareholders** through dividends and share repurchases
- ◆ **Maintain investment grade credit rating**
- ◆ **Invest to drive attractive returns** through sufficient sustaining capital, high-confidence organic growth projects, and close-to-home M&A opportunities
- ◆ **Deliver sustained and attractive Total Shareholder Return (TSR)**

Adjusted EBITDA and EBITDA Margin

ATTRACTIVE AND IMPROVING MARGIN

- ◆ Value pricing
- ◆ Cost reductions
- ◆ Improved product mix
- ◆ Impact from lower feedstock prices
- ◆ Expect attractive margin profile going forward

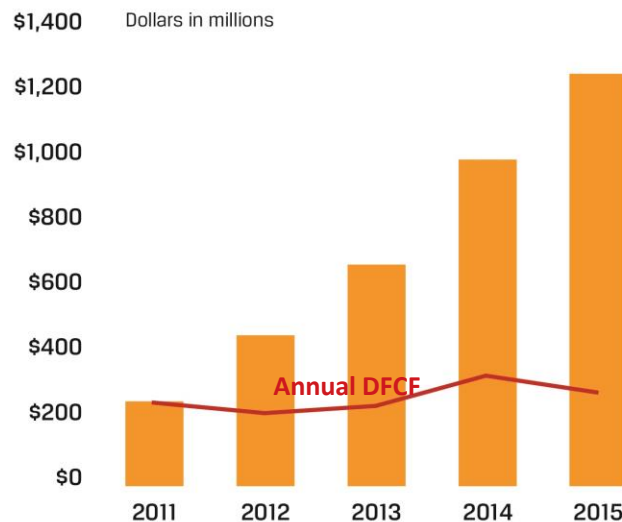


Discretionary Free Cash Flow (DFCF)

CONSISTENT AND ROBUST DFCF

- Generated ~\$250 million of DFCF on average per year
- Strong underlying EBITDA and cash flow generation
- Expect over \$1.2 billion in DFCF over the next five years

Cumulative DFCF (\$)



	2011	2012	2013	2014	2015	Average 2011-2015
Cash Flow for Operating Activities ⁽¹⁾	\$195	\$415	\$419	\$315	\$499	\$369
Less: Changes in Net Working Capital ⁽²⁾	\$(167)	\$76	\$80	\$(139)	\$137	\$(3)
Less: Sustaining and Compliance Capital Expenditures	\$127	\$140	\$116	\$137	\$102	\$124
Discretionary Free Cash Flow (DFCF)	\$235	\$199	\$223	\$317	\$260	\$247
DFCF Per Share ⁽³⁾	\$3.59	\$3.10	\$3.46	\$4.87	\$4.10	\$3.82
DFCF Yield ⁽³⁾	15%	8%	8%	10%	13%	11%

(1) As provided in the Consolidated Statement of Cash Flows

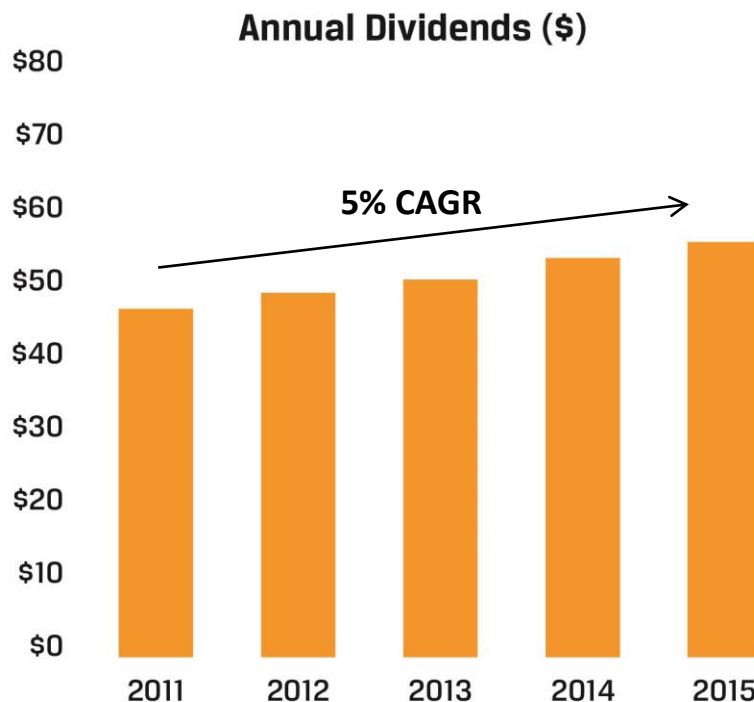
(2) Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Consolidated Statement of Cash Flows

(3) Calculated using the weighted average diluted shares outstanding and the closing market share price as of September 30 of each respective year

Dividends

COMPETITIVE AND GROWING DIVIDEND

- ◆ Consistently paid dividend since becoming a public company
- ◆ 5% CAGR over last five years
- ◆ Strong dividend yield and dividend payout ratio
- ◆ 36% increase in May 2016 and intend to grow going forward



	2011	2012	2013	2014	2015	2011-2015
Annual dividends (\$)	\$47	\$49	\$51	\$54	\$56	5% CAGR
Annual dividends per share	\$0.72	\$0.76	\$0.80	\$0.84	\$0.88	5% CAGR
Dividend yield ⁽¹⁾	2.9%	2.1%	1.9%	1.7%	2.8%	2.3% average
Dividend payout ratio ⁽²⁾	30%	23%	27%	24%	32%	27% average

(1) Calculated using the closing market share price as of September 30 of each respective year

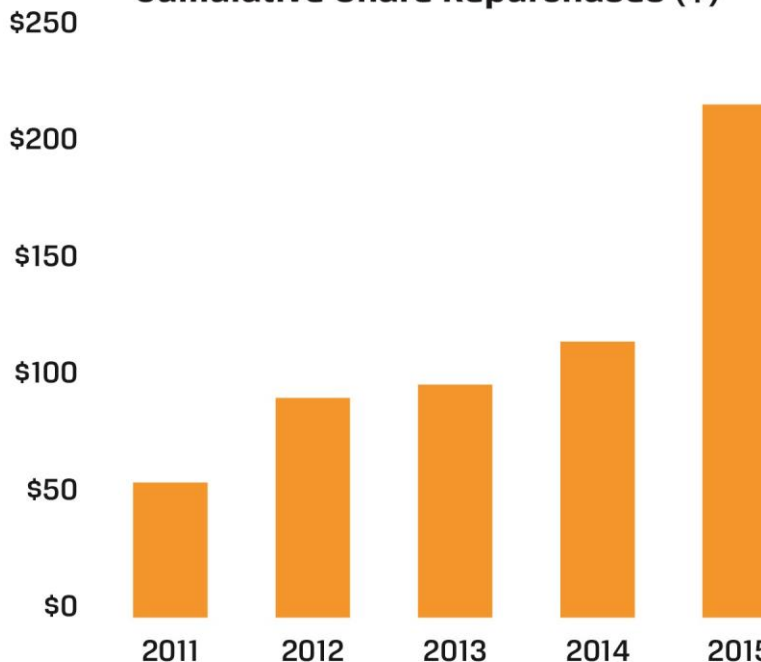
(2) Calculated using dividend per share divided by adjusted earnings per share of each respective year

Share Repurchases

SIGNIFICANT PAYOUT WHILE REDUCING SHARE COUNT

- ♦ Reduced share count by 4% from 2011
- ♦ Average historical payout of DFCF of 39% with dividends and share repurchases
- ♦ Targeting 50% total payout of DFCF going forward

Cumulative Share Repurchases (\$)



Dividends (\$)

Share repurchases (\$)

Total payout (\$)

DFCF (\$)

Total payout ratio (%)

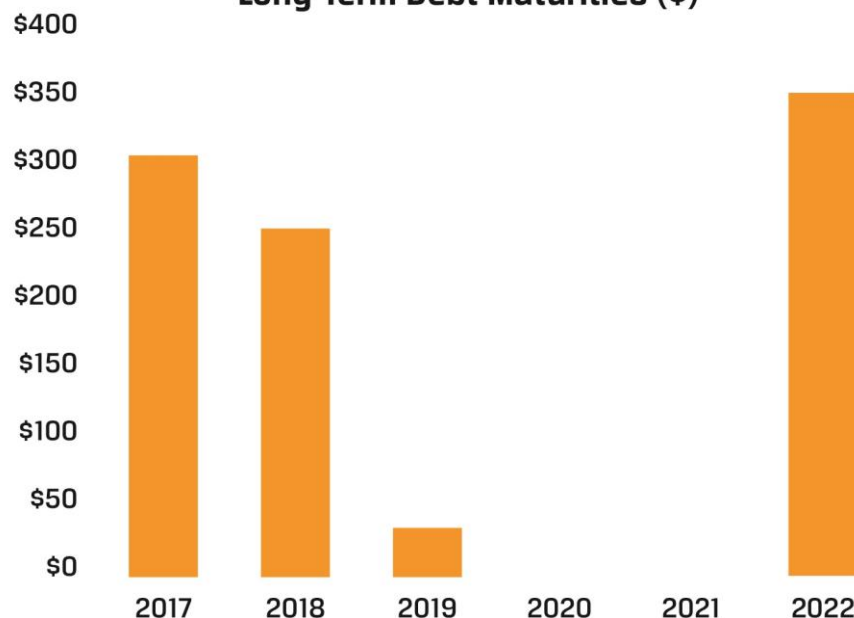
2011	2012	2013	2014	2015	Cumulative
\$47	\$49	\$51	\$54	\$56	\$257
\$59	\$36	\$6	\$18	\$101	\$220
\$106	\$85	\$57	\$72	\$157	\$477
\$235	\$199	\$223	\$317	\$260	\$1,234
45%	43%	26%	23%	60%	39%

Debt

STRONG INVESTMENT GRADE CREDIT RATING

- ◆ BBB / Baa2
- ◆ Reduced debt from peak levels of fiscal 2012
- ◆ Debt to adjusted EBITDA of 2.1x
- ◆ Intend to maintain investment grade rating going forward

Long-Term Debt Maturities (\$)

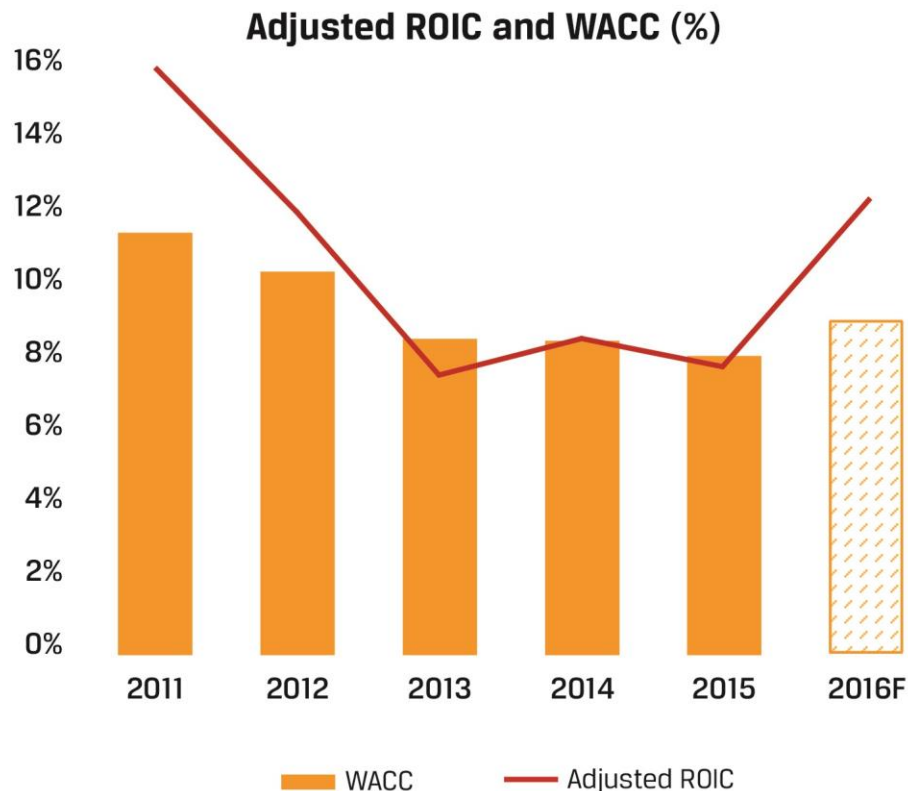


	2011	2012	2013	2014	2015	1H 2016
Adjusted EBITDA	\$442	\$504	\$531	\$593	\$470	\$218
Debt	\$699	\$1,419	\$1,298	\$1,072	\$993	\$977
Cash	\$286	\$120	\$95	\$67	\$77	\$178
Net Debt	\$413	\$1,299	\$1,203	\$1,005	\$916	\$799
Debt to Adjusted EBITDA	1.6	2.8	2.4	1.8	2.1	
Net Debt to Adjusted EBITDA	0.9	2.6	2.3	1.7	1.9	

Adjusted Return on Invested Capital (ROIC) and Weighted Average Cost of Capital (WACC)

FOCUSED ON IMPROVING ROIC PERFORMANCE

- ♦ Adjusted ROIC impacted by 2012 Norit acquisition
- ♦ Fiscal 2016 outlook is for adjusted ROIC / WACC spread to improve
- ♦ Targeting adjusted ROIC in excess of WACC going forward



New Strategy: *Advancing the Core*

Key elements of our capital allocation priorities



Reinvest in our core, advantaged business positions

- ◆ Strengthen existing businesses through investments in high-confidence projects in attractive markets



Reaffirm commitment to cash generation

- ◆ Increase focus on cash generation through disciplined net working capital and capital expenditure management



Reset M&A parameters

- ◆ Target M&A to strengthen existing businesses



Return cash to shareholders

- ◆ Return about half of discretionary free cash flow to shareholders



Retain strong investment grade rating and healthy balance sheet

Capital Expenditures

Reinvest in our core, advantaged business positions

SUSTAINING AND COMPLIANCE CAPITAL

- ◆ Invest to maintain world-class assets
- ◆ Ensure reliability, consistency and quality of supply for our customers
- ◆ Implement compliance capital, such as environmental controls, as needed
- ◆ Anticipate ~\$150 million per year over the next few years (inclusive of environmental spending needs)

GROWTH CAPITAL

- ◆ Sufficient ability for continued investment in the businesses
- ◆ Focus on the advantaged areas within Cabot's portfolio
- ◆ Invest to create value by leveraging our capabilities and positions
- ◆ Financial parameters, incl. IRR, payback period, ROIC, accretion, synergy sources

Acquisition Opportunities

Target M&A to strengthen existing businesses

Reset M&A parameters to focus on close-to-home opportunities building on our advantaged positions

- ◆ **Performance Chemicals**: expand positions in attractive applications and product lines
- ◆ **Reinforcement Materials**: M&A with tangible synergies
- ◆ **Purification Solutions**: geographic expansion and strengthen positions in specialty applications

No “new legs”

Transparency on performance expectations and progress

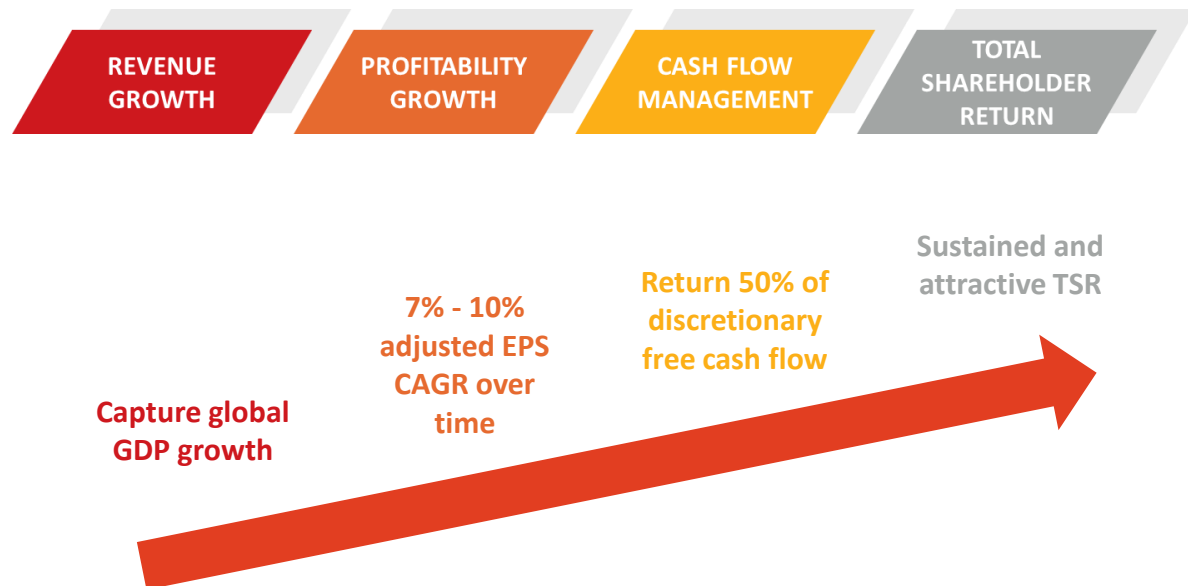
Key Assumptions for ~5-Year Performance

	Metric	Expected range
Key macro drivers	◆ Global GDP	2.5-3.5%
	◆ Tire production	2-4%
	◆ Auto builds	3-4%
	◆ Polymer demand (plastics)	2-4%
	◆ Oil prices	Increase with the forward curve
	◆ Foreign currency exchange rates	Consistent with today
Cabot assumptions	◆ Operating tax rate	26-28%
	◆ Sustaining and compliance capex	~\$150 million annually
	◆ Dividend	Intend to grow

Deliver Sustained and Attractive Total Shareholder Return

FOCUSED ON GROWING SHAREHOLDER VALUE

- ◆ Robust portfolio of businesses with leading market positions
- ◆ Aligned with macro trends that drive global growth
- ◆ Strong and stable balance sheet
- ◆ Disciplined capital allocation priorities



Recap and Q&A

Sean Keohane

President and Chief Executive
Officer



Corporate Strategy: *Advancing the Core*

Extend our leadership in performance materials by

investing for **growth in our core** businesses,

driving **application innovation** with our customers, and

generating strong cash flows through **efficiency and optimization**.

GROWTH IN OUR CORE

- ◆ Leverage our global reach
- ◆ Capture market growth
- ◆ Enhance portfolio with new, differentiated products
- ◆ Strengthen positions through bolt-on acquisitions

APPLICATION INNOVATION

- ◆ Focus on attractive applications
- ◆ Invest to develop application and formulation solutions
- ◆ Participate to create maximum value in the chain
- ◆ Foster long-lasting, multi-layered customer relationships

EFFICIENCY AND OPTIMIZATION

- ◆ Deliver world-class operational effectiveness
- ◆ Drive capital efficiency
- ◆ Manage working capital rigorously
- ◆ Lead in cost competitiveness

Expected Outcome of the Strategy

TSR

Sustained and attractive TSR

Return of cash

Commitment to return half to shareholders

**Strengthened
portfolio**

Continued investment in growth and improvement projects

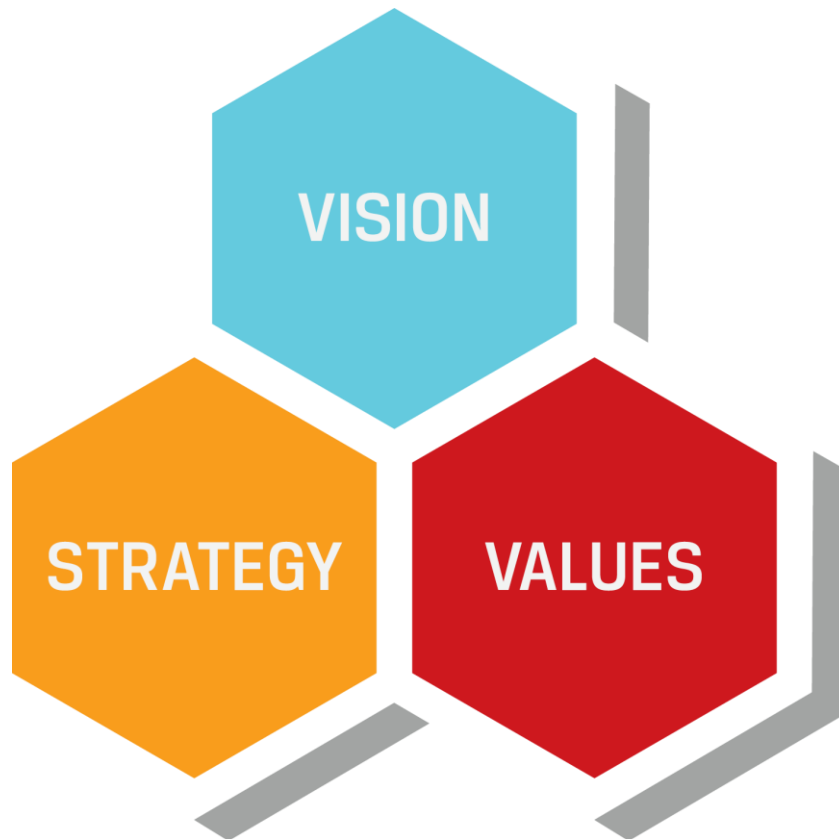
M&A

Disciplined and focused in the core

**Clarity and
confidence**

Clarity of direction, confidence in cash flows

Cabot Corporation



VISION

We will be the most innovative, respected, and responsible leader in our markets — **delivering performance that makes a difference.**

STRATEGY

Extend our leadership in performance materials by investing for **growth in our core** businesses, driving **application innovation** with our customers, and generating strong cash flows through **efficiency and optimization.**

VALUES

As Cabot employees, we value **integrity, respect, excellence** and **responsibility.**



Questions?