

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

All dollar amounts shown below are in millions, except per share information

	Fiscal 2015 ^(A)				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Reconciliation of Adjusted EPS to GAAP EPS					
Net (loss) income per share attributable to Cabot Corporation	\$ 0.69	\$ 0.41	\$ (7.04)	\$ -	\$ (5.88)
Less: Net loss per share from discontinued operations	-	-	0.01	-	0.01
Net (loss) income per share from continuing operations	\$ 0.69	\$ 0.41	\$ (7.05)	\$ -	\$ (5.89)
Less: Certain items after tax	(0.11)	(0.12)	(7.65)	-	(7.83)
Less: Dilutive impact of shares ^(B)	—	—	(0.04)	—	(0.03)
Adjusted earnings per share	\$ 0.80	\$ 0.53	\$ 0.64	\$ -	\$ 1.97

^(A) Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

^(B) Due to the Company's Net Loss position, GAAP EPS has been calculated using basic weighted average shares only to avoid anti-dilution. However, in order to provide an Adjusted Non-GAAP EPS with a weighted average share figure that is consistent with all other periods presented, the Company has included this reconciling item to quantify the difference between basic and diluted weighted average shares. The net loss in Q3 2015 is driven by a Certain Item so the Company believes this approach provides the most comparable presentation possible.

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Reconciliation of Segment EBIT to Segment EBITDA Margin					
Total Segment EBIT	\$ 97	\$ 69	\$ 86	\$ -	\$ 252
Plus: Total Depreciation & Amortization	45	47	48	-	140
Plus: Adjustments to Depreciation ^(C)	3	-	(2)	-	1
Less: Unallocated Corporate Costs	(12)	(11)	(12)	-	(35)
EBITDA	\$ 133	\$ 105	\$ 120	\$ -	\$ 358

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Reinforcement Materials EBIT ^(D)					
	\$ 53	\$ 27	\$ 32	\$ -	\$ 112
Plus: Depreciation & Amortization ^(D)	22	21	21	-	64
Reinforcement Materials EBITDA ^(D)	\$ 75	\$ 48	\$ 53	\$ -	\$ 176
Reinforcement Materials Sales ^(D)	\$ 460	\$ 358	\$ 351	\$ -	\$ 1,169
Reinforcement Materials EBITDA Margin ^(D)	16%	13%	15%		

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Performance Chemicals EBIT ^(D)					
	\$ 39	\$ 42	\$ 48	\$ -	\$ 129
Plus: Depreciation & Amortization ^(D)	14	13	13	-	40
Performance Chemicals EBITDA ^(D)	\$ 53	\$ 55	\$ 61	\$ -	\$ 169
Performance Chemicals Sales ^(D)	\$ 229	\$ 237	\$ 234	\$ -	\$ 700
Performance Chemicals EBITDA Margin ^(D)	23%	23%	26%		24%

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Purification Solutions EBIT					
	\$ (1)	\$ 1	\$ 3	\$ -	\$ 3
Plus: Depreciation & Amortization	12	12	11	-	35
Purification Solutions EBITDA	\$ 11	\$ 13	\$ 14	\$ -	\$ 38
Purification Solutions Sales	\$ 76	\$ 71	\$ 72	\$ -	\$ 219
Purification Solutions EBITDA Margin	14%	18%	19%		17%

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Specialty Fluids EBIT ^(D)					
	\$ 6	\$ (1)	\$ 3	\$ -	\$ 8
Plus: Depreciation & Amortization ^(D)	-	1	1	-	2
Specialty Fluids EBITDA ^(D)	\$ 6	\$ -	\$ 4	\$ -	\$ 10
Specialty Fluids Sales ^(D)	\$ 16	\$ 8	\$ 12	\$ -	\$ 36
Specialty Fluids EBITDA Margin ^(D)	38%	-	33%		28%

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Calculation of Free Cash Flow					
Segment EBIT	\$ 97	\$ 69	\$ 86	\$ -	\$ 252
Less: Unallocated Corporate Costs	(12)	(11)	(12)	-	(35)
Adjusted segment EBIT	\$ 85	\$ 58	\$ 74	\$ -	\$ 217
Adjusted segment earnings after tax	62	42	54	-	159
Depreciation & Amortization	45	47	48	-	140
Adjustments to Depreciation ^(C)	3	-	(2)	-	1
Change in Net Working Capital	(7)	92	(19)	-	66
CapEX	(41)	(29)	(33)	-	(103)
Free Cash Flow	\$ 62	\$ 152	\$ 48	\$ -	\$ 263

^(C) Adjustments to depreciation includes the addition of the depreciation expense of a contractual joint venture in Purification Solutions less accelerated depreciation expense not allocated to a business.

^(D) The amounts above have been recast for all periods to reflect the movement of the Elastomer Composites product line from the Advanced Technologies segment to the Reinforcement Materials segment and the Inkjet Colorants and Aerogel product lines from the Advanced Technologies segment to the Performance Chemicals segment. Specialty Fluids, which was previously included in the Advanced Technologies segment, is now a stand-alone reporting segment.

	Fiscal 2015			
	Dec. Q	Mar. Q	Jun. Q	Sept. Q
Adjusted ROIC ^(E)				
Twelve month rolling adjusted net income excluding certain items	\$ 270	\$ 257	\$ 238	
Five quarter average of adjusted invested capital	\$ 3,274	\$ 3,171	\$ 2,929	
Adjusted ROIC	8%	8%	8%	

^(E) The definition of Adjusted ROIC is provided in Item 6. of our most recent Annual Report on Form 10K.