

**CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

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

	Fiscal 2015 <sup>(A)</sup>				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net (loss) income per share attributable to Cabot Corporation	\$ 0.69	\$ 0.41	\$ (7.04)	\$ 0.63	\$ (5.29)
Less: Net loss per share from discontinued operations	-	-	0.01	0.01	0.02
Net (loss) income per share from continuing operations	\$ 0.69	\$ 0.41	\$ (7.05)	\$ 0.62	\$ (5.27)
Less: Certain items after tax	(0.11)	(0.12)	(7.65)	(0.12)	(7.96)
Less: Dilutive impact of shares <sup>(B)</sup>	-	-	(0.04)	-	(0.02)
<b>Adjusted earnings per share</b>	<b>\$ 0.80</b>	<b>\$ 0.53</b>	<b>\$ 0.64</b>	<b>\$ 0.74</b>	<b>\$ 2.71</b>

<sup>(A)</sup> Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

<sup>(B)</sup> 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
<b>Reconciliation of Segment EBIT to Segment EBITDA Margin</b>					
Total Segment EBIT	\$ 97	\$ 69	\$ 86	\$ 80	\$ 332
Plus: Total Depreciation & Amortization	45	47	48	43	183
Plus: Adjustments to Depreciation <sup>(C)</sup>	3	-	(2)	-	1
Less: Unallocated Corporate Costs	(12)	(11)	(12)	(11)	(46)
<b>EBITDA</b>	<b>\$ 133</b>	<b>\$ 105</b>	<b>\$ 120</b>	<b>\$ 112</b>	<b>\$ 470</b>

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Reinforcement Materials EBIT <sup>(D)</sup>	\$ 53	\$ 27	\$ 32	\$ 31	\$ 143
Plus: Depreciation & Amortization <sup>(D)</sup>	22	21	21	19	83
<b>Reinforcement Materials EBITDA <sup>(D)</sup></b>	<b>\$ 75</b>	<b>\$ 48</b>	<b>\$ 53</b>	<b>\$ 50</b>	<b>\$ 226</b>
Reinforcement Materials Sales <sup>(D)</sup>	\$ 460	\$ 358	\$ 351	\$ 338	\$ 1,507
<b>Reinforcement Materials EBITDA Margin <sup>(D)</sup></b>	<b>16%</b>	<b>13%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Performance Chemicals EBIT <sup>(D)</sup>	\$ 39	\$ 42	\$ 48	\$ 49	\$ 178
Plus: Depreciation & Amortization <sup>(D)</sup>	14	13	13	14	54
<b>Performance Chemicals EBITDA <sup>(D)</sup></b>	<b>\$ 53</b>	<b>\$ 55</b>	<b>\$ 61</b>	<b>\$ 63</b>	<b>\$ 232</b>
Performance Chemicals Sales <sup>(D)</sup>	\$ 229	\$ 237	\$ 234	\$ 227	\$ 927
<b>Performance Chemicals EBITDA Margin <sup>(D)</sup></b>	<b>23%</b>	<b>23%</b>	<b>26%</b>	<b>28%</b>	<b>25%</b>

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Purification Solutions EBIT	\$ (1)	\$ 1	\$ 3	\$ 2	\$ 5
Plus: Depreciation & Amortization	12	12	11	10	45
<b>Purification Solutions EBITDA</b>	<b>\$ 11</b>	<b>\$ 13</b>	<b>\$ 14</b>	<b>\$ 12</b>	<b>\$ 50</b>
Purification Solutions Sales	\$ 76	\$ 71	\$ 72	\$ 77	\$ 296
<b>Purification Solutions EBITDA Margin</b>	<b>14%</b>	<b>18%</b>	<b>19%</b>	<b>16%</b>	<b>17%</b>

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
Specialty Fluids EBIT <sup>(D)</sup>	\$ 6	\$ (1)	\$ 3	\$ (2)	\$ 6
Plus: Depreciation & Amortization <sup>(D)</sup>	-	1	1	-	2
<b>Specialty Fluids EBITDA <sup>(D)</sup></b>	<b>\$ 6</b>	<b>\$ -</b>	<b>\$ 4</b>	<b>\$ (2)</b>	<b>\$ 8</b>
Specialty Fluids Sales <sup>(D)</sup>	\$ 16	\$ 8	\$ 12	\$ 6	\$ 42
<b>Specialty Fluids EBITDA Margin <sup>(D)</sup></b>	<b>38%</b>	<b>-</b>	<b>33%</b>	<b>(33%)</b>	<b>19%</b>

	Fiscal 2015				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2015
<b>Calculation of Free Cash Flow</b>					
Segment EBIT	\$ 97	\$ 69	\$ 86	\$ 80	\$ 332
Less: Unallocated Corporate Costs	(12)	(11)	(12)	(11)	(46)
Adjusted segment EBIT	\$ 85	\$ 58	\$ 74	\$ 69	\$ 286
Adjusted segment earnings after tax	62	42	54	51	213
Depreciation & Amortization	45	47	48	43	183
Adjustments to Depreciation <sup>(C)</sup>	3	-	(2)	-	1
Change in Net Working Capital	(7)	92	(19)	123	189
CapEX	(41)	(29)	(33)	(38)	(141)
<b>Free Cash Flow</b>	<b>\$ 62</b>	<b>\$ 152</b>	<b>\$ 48</b>	<b>\$ 179</b>	<b>\$ 445</b>

<sup>(C)</sup> 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.

<sup>(D)</sup> 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
<b>Adjusted ROIC <sup>(E)</sup></b>				
Twelve month rolling adjusted net income excluding certain items	\$ 270	\$ 257	\$ 238	\$ 224
Five quarter average of adjusted invested capital	\$ 3,274	\$ 3,171	\$ 2,929	\$ 2,746
<b>Adjusted ROIC</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>

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