

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	Fiscal 2016 ^(A)				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reconciliation of Adjusted EPS to GAAP EPS					
Net (loss) income per share attributable to Cabot Corporation	\$ (0.11)	\$ 0.76	\$ -	\$ -	\$ 0.65
Less: Net loss per share from discontinued operations	-	-	-	-	-
Net (loss) income per share from continuing operations	\$ (0.11)	\$ 0.76	\$ -	\$ -	\$ 0.65
Less: Certain items after tax	(0.62)	0.06	-	-	(0.56)
Adjusted earnings per share	\$ 0.51	\$ 0.70	\$ -	\$ -	\$ 1.21

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

	Fiscal 2016				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reconciliation of Segment EBIT to Segment EBITDA Margin					
Total Segment EBIT	\$ 71	\$ 88	\$ -	\$ -	\$ 159
Plus: Total Depreciation & Amortization	41	41	-	-	82
Plus: Adjustments to Depreciation ^(B)	1	-	-	-	1
Less: Unallocated Corporate Costs	(13)	(12)	-	-	(25)
EBITDA	\$ 100	\$ 117	\$ -	\$ -	\$ 217
Reinforcement Materials					
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reinforcement Materials EBIT	\$ 26	\$ 34	\$ -	\$ -	\$ 60
Plus: Depreciation & Amortization	20	18	-	-	38
Reinforcement Materials EBITDA	\$ 46	\$ 52	\$ -	\$ -	\$ 98
Reinforcement Materials Sales	\$ 288	\$ 261	\$ -	\$ -	\$ 549
Reinforcement Materials EBITDA Margin	16%	20%			18%
Performance Chemicals					
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Performance Chemicals EBIT	\$ 50	\$ 58	\$ -	\$ -	\$ 108
Plus: Depreciation & Amortization	12	13	-	-	25
Performance Chemicals EBITDA	\$ 62	\$ 71	\$ -	\$ -	\$ 133
Performance Chemicals Sales	\$ 207	\$ 216	\$ -	\$ -	\$ 423
Performance Chemicals EBITDA Margin	30%	33%			32%
Purification Solutions					
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Purification Solutions EBIT	\$ (5)	\$ (2)	\$ -	\$ -	\$ (7)
Plus: Depreciation & Amortization	9	10	-	-	19
Purification Solutions EBITDA	\$ 4	\$ 8	\$ -	\$ -	\$ 12
Purification Solutions Sales	\$ 66	\$ 67	\$ -	\$ -	\$ 133
Purification Solutions EBITDA Margin	6%	12%			9%
Specialty Fluids					
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Specialty Fluids EBIT	\$ -	\$ (2)	\$ -	\$ -	\$ (2)
Plus: Depreciation & Amortization	1	-	-	-	1
Specialty Fluids EBITDA	\$ 1	\$ (2)	\$ -	\$ -	\$ (1)
Specialty Fluids Sales	\$ 7	\$ 6	\$ -	\$ -	\$ 13
Specialty Fluids EBITDA Margin	14%	(34%)			(8%)

	Fiscal 2016				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Calculation of Free Cash Flow					
Segment EBIT	\$ 71	\$ 88	\$ -	\$ -	\$ 159
Less: Unallocated Corporate Costs	(13)	(12)	-	-	(25)
Adjusted segment EBIT	\$ 58	\$ 76	\$ -	\$ -	\$ 134
Adjusted segment earnings after tax	43	57	-	-	100
Depreciation & Amortization	41	41	-	-	82
Adjustments to Depreciation ^(B)	1	-	-	-	1
Change in Net Working Capital	54	16	-	-	70
CapEX	(24)	(28)	-	-	(52)
Free Cash Flow	\$ 115	\$ 86	\$ -	\$ -	\$ 201

^(B) 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.

	Fiscal 2016			
	Dec. Q	Mar. Q	Jun. Q	Sept. Q
Adjusted ROIC ^(C)				
Twelve month rolling adjusted net income excluding certain items	\$ 204	\$ 217	\$ -	\$ -
Five quarter average of adjusted invested capital	\$ 2,565	\$ 2,390	\$ -	\$ -
Adjusted ROIC	8%	9%		

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