



Cabot Corporation to Increase Prices Globally for Carbon Black Used in Tire and Industrial Rubber Products Applications

July 30, 2015

BOSTON - July 30, 2015 - Effective as of September 1, 2015, or as customer contracts allow, [Cabot Corporation](#) is increasing prices globally on all carbon black products in its Reinforcement Materials segment.

In most regions, carbon black producers utilize oil-derived feedstocks that are specifically selected for the production of carbon black. Historically, certain fuel oil indices have been used as a proxy for the cost of these feedstocks, and Cabot's costs have typically tracked to these indices over time. However, the actual costs of carbon black feedstocks relative to fuel oil indices have been rising. This widening difference between the indices and actual costs has persisted since early this year, and is forecasted to continue into the future.

"Despite our best efforts to manage costs, we find that the price of our carbon black products now needs to be adjusted to account for the increased cost of these specific feedstocks in order to allow us to continue the same level of service to our customers," said Sean Keohane, executive vice president and president of Cabot's Reinforcement Materials segment. "However, we will continue to aggressively control costs and provide our customers with the best possible product value."

The following price adjustments will be implemented, in addition to any applicable feedstock index adjustments, for all carbon black products in Cabot's Reinforcement Materials segment.

Region	Increase
North American Free Trade Agreement (NAFTA)	4%
South America	2%
Europe, Middle East and Africa (EMEA)	7%
Association of Southeast Asian Nations (ASEAN)	6%
Japan	6%

As a region, South America is exhibiting high inflation and high currency volatility in 2015. Moving forward, we are making an additional price adjustment of 14% to account for the impact of local currency devaluation and cost increases in Brazil and Colombia, and are modifying all price formulas in those countries to mitigate future currency fluctuations.

Cabot will continue to monitor the situation and will adjust prices as conditions in these markets change.

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>.

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