



Cabot Corporation Announces Share Repurchase Program, Board Votes Quarterly Dividend

May 14, 2004

BOSTON, MA - (May 14, 2004) - Cabot Corporation (NYSE: CBT) today announced that its Board of Directors has authorized the Company to purchase up to 5 million shares of its common stock. As part of the authorization, the Board terminated the previously existing share repurchase program under which approximately 1.7 million shares remained available for repurchase.

The timing and amount of any shares repurchased will be determined by Cabot's management based on its evaluation of market conditions and other factors. The repurchase program may be suspended or discontinued at any time. All shares repurchased through this program will be retired and restored to the status of authorized but unissued shares of common stock of the Company.

Shares will be repurchased using the Company's existing sources of liquidity and free cash flow generated in the future. As of March 31, 2004, the Company had cash and cash equivalents of approximately \$257 million.

Cabot Corporation had approximately 62 million shares of common stock outstanding as of May 10, 2004.

In addition, the Board of Directors today declared a dividend of \$0.15 per share on all outstanding shares of its common stock. The dividend is payable on June 11, 2004 to stockholders of record of such common stock at the close of business on May 28, 2004.

Cabot Corporation is a global specialty chemicals and performance materials company headquartered in Boston, MA. Cabot produces carbon black, fumed silica and metal oxides, specialty metals, inkjet colorants, and cesium formate drilling fluids. Cabot has approximately 4,400 employees in 45 manufacturing plants and offices located in over 20 countries around the world.

Statements in this press release regarding the Company's intention to repurchase shares of its common stock from time to time under the stock repurchase program, the intended use of any repurchased shares and the source of funding are forward-looking statements. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements. These include, among others, the market price of the Company's stock prevailing from time to time, the nature of other investment opportunities presented to the Company from time to time, the Company's cash flows from operations, general economic conditions, and other factors identified in the Company's Annual Report on Form 10-K and most recent Quarterly Reports on Form 10-Q filed with the SEC.