



Cabot Plans Major Global Expansion of Carbon Black Manufacturing

March 16, 2011

***\$180 million investment at plants in Asia, South America and Europe
Global manufacturing capacity increases by 15 percent by end of 2013***

BOSTON, Mar 16, 2011 (BUSINESS WIRE) -- Cabot Corp. (NYSE: CBT), the world's No. 1 producer of carbon black, plans to invest more than US\$180 million between now and 2013 to expand manufacturing capacity in some of the fastest growing regions of the world, company officials announced today.

Cabot is expanding capacity at plants in China, Indonesia, Brazil and Argentina by the end of 2013, as well as adding capacity at three facilities in Europe.

The expansions will increase Cabot's annual global carbon black output by about 15 percent, or more than 300,000 metric tons.

Carbon black is an intensely black performance material, used as a reinforcing agent in rubber as well as a pigmenting, UV stabilizing and conductive additive in a variety of other specialty products.

"We are making investments in support of Cabot's long-term strategy to grow in emerging markets," said Patrick Prevost, Cabot president and chief executive officer. "We already have a strong presence in many of the fastest growing regions in the world. These investments will further accelerate our growth."

Investments in South America, specifically in Brazil and Argentina, will increase Cabot's capacity in that region by approximately 20 percent.

In Indonesia, Cabot is increasing capacity by about 50 percent, through a newly announced expansion project in Cilegon, and a previously announced expansion in Merak.

In Europe, Cabot is also preparing de-bottlenecking actions in Europe, which will expand the company's capacity by 10 percent.

Additionally, in China, Cabot has announced it has entered into a joint venture with Risun Chemicals Company, Ltd., to construct a state-of-the-art carbon black facility in Xingtai. The new facility will expand Cabot's capacity in China by approximately 25 percent, with 130,000 metric tons of capacity and the potential for expansion to 300,000 metric tons.

"Globally, the need for carbon black is increasing," said Prevost. "Mobility and transportation of goods is growing dramatically in developing countries around the world. As a result, the global demand for tires is expected to increase by 5 to 10 percent annually over the coming ten years in these developing countries. Tire manufacturers need reliable partners to help them grow in these regions. Cabot is committed to being this kind of partner to our customers."

Dave Miller, Cabot executive vice president, said these upcoming expansions will help solidify the company's long-standing position as the leading global provider of carbon black. "Our customers know they can rely on us to provide tailored, high-quality products and services," he said. "With these new investments, we're taking action to help our customers grow anywhere in the world. We're seeing our customers' needs shift toward higher-performance grades of carbon black, especially in Europe. These investments will help address these needs."

ABOUT CABOT CORPORATION

Cabot Corporation, headquartered in Boston, Massachusetts, USA, is a global specialty chemical and performance materials company. Cabot's major products are carbon black, fumed silica, inkjet colorants, aerogel, capacitor materials, and cesium formate drilling fluids. The company's website is: www.cabot-corp.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in the press release regarding Cabot's business that are not historical facts are forward looking statements that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

SOURCE: Cabot Corporation

Cabot Corporation
Susannah Robinson, 617-342-6129
Director, Investor Relations
or
John Shea, 617-342-6254
Manager, Corporate Communications