Cabot Corporation to Acquire Mexican Carbon Black Producer NHUMO

June 17, 2013

Cabot to Acquire Remaining 60 Percent of Joint Venture Which Adds 140,000 Tons of Capacity to Its North American Footprint

BOSTON--(BUSINESS WIRE)--Jun. 17, 2013-- Cabot Corporation (NYSE: CBT) announced that it has entered into an agreement with Grupo Kuo S.A.B. de C.V. (KUOB.MX) to purchase the remaining 60 percent equity of its Mexican carbon black manufacturing joint venture, NHUMO, S.A.de C.V, for $105 million, of which $80 million will be paid upon closing, excluding cash acquired. NHUMO is the leading carbon black producer in Mexico, and the acquisition will strengthen Cabot's global carbon black business. This strategic asset in Mexico will also serve to meet the growing demand for carbon black throughout North America.

"This acquisition not only increases Cabot's footprint in North America, but solidifies our global leadership position in the carbon black industry," said Cabot President and Chief Executive Officer, Patrick Prevost. "This gives us expanded access to an important growth market in Mexico and immediate additional capacity to support the expansion of our customers in the U.S. Furthermore, it clearly demonstrates our ongoing commitment to delivering high quality products and services from local supply sources."

With 18 plants globally, and capacity in excess of two million tons, Cabot is the world's leading producer and marketer of carbon black. Cabot has owned approximately 40 percent of the joint venture since 1990. The plant has an annual capacity of 140,000 metric tons and is located in Altamira, Mexico. In fiscal 2012, the joint venture generated adjusted EBITDA of $41 million. The acquisition is expected to close by the fall of 2013, pending regulatory approvals.

"We are excited to bring this plant, and the NHUMO team, fully into the Cabot network," said President of the Reinforcement Materials segment, Dave Miller. "Auto and tire manufacturers have been increasing capacity in the U.S. and Mexico which is driving demand for our high performance rubber black products. Through this acquisition, we will be well positioned to support the growing demands of our North American customers."

The earnings per share accretion is estimated to be approximately $0.15 in fiscal year 2014, excluding one-time costs. In addition, we expect operational synergies to contribute $0.05 to $0.10 earnings per share within the next two to three years.

About Cabot

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, aerogel, and elastomer composites. For more information on Cabot, please visit the company's website at: http://www.cabotcorp.com.

Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release involving the Company that are not statements of historical fact are forward-looking statements and are subject to risks and uncertainties inherent in projecting future conditions, events and results. Such forward-looking statements include statements regarding Cabot's expectations pertaining to the timing of completion of the acquisition, the expected benefits of the acquisition and Cabot's future financial performance, including expectations for growth. Such expectations are based upon certain preliminary information, internal estimates and management assumptions, expectations and plans. For a discussion of the risks and uncertainties that could cause results to differ from those expressed in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

Use of Non-GAAP Financial Measures

The preceding discussion includes a discussion of our future expectations for adjusted earnings per share (EPS), which is a non-GAAP financial measure. In calculating adjusted EPS, we exclude certain items of expense and income that management does not consider representative of the Company's ongoing operations, which will include advisor fees associated with the acquisition and purchase accounting adjustments. Adjusted EPS should be considered as supplemental to, and not as a replacement for, EPS determined in accordance with GAAP.

Adjusted EBITDA for the joint venture is a non-GAAP financial measure and refers to earnings before interest, taxes, depreciation and amortization, and shareholder fees.

Source: Cabot Corporation

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