Cabot Corporation Announces Agreement with the U.S. Environmental Protection Agency

November 19, 2013

BOSTON--(BUSINESS WIRE)--Nov. 19, 2013-- Cabot Corporation (NYSE: CBT) confirmed that it has entered into a consent decree with the U.S. Environmental Protection Agency (USEPA) in connection with the USEPA's national enforcement initiative to control air emissions from industrial sources including carbon black manufacturing facilities. As a result of the consent decree, Cabot has agreed to reduce emissions of nitrogen oxide (NO_X), sulfur dioxide (SO_2) and particulate matter (PM) from its U.S. carbon black plants in Franklin and Ville Platte, La., and Pampa, Texas.

“Cabot has a long history of leadership in the carbon black industry. Consistent with this, we have been working proactively with the USEPA to implement advanced emissions reduction technologies,” said Patrick Prevost, Cabot president and chief executive officer. “Building on our strategic commitment to sustainability, we have come to an agreement with the USEPA on new air emission limits. This agreement will remove uncertainty and enable a more consistent approach to our manufacturing strategy. As the first party in our industry sector to come to an agreement with the USEPA, we also believe this will set the standard for the entire U.S. carbon black industry.”

As a part of the settlement, Cabot has committed to install advanced control technology and continuous emission monitoring systems. The control technologies will be installed and commissioned over a six and a half year time period at a cost of approximately $85 million. Cabot will be identifying means to recover the impact of this investment over time.

Although Cabot has not acknowledged any noncompliance, under the settlement agreement the company has agreed to a civil penalty payment of $975,000, all of which was previously accrued by the Company. Cabot has further agreed to invest approximately $450,000 toward environmental mitigation projects that will be focused on energy efficiency improvements in the communities where the three U.S. carbon black manufacturing plants are located.

“This investment in advanced emission control technologies demonstrates our commitment to remaining a reliable, long-term partner for our U.S. customers,” said Dave Miller, president, Reinforcement Materials Segment. “Significant investment in new tire production capacity in the U.S. is taking place over the next several years. With this settlement in place, we can now confidently move forward in planning to support this growth.”

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

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