

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

All dollar amounts shown below are in millions, except per share information

| | Fiscal 2015 ^(A) | | | | |
|---------------------------------------------------------------|----------------------------|----------------|----------------|----------------|----------------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q | FY 2015 |
| Reconciliation of Adjusted EPS to GAAP EPS | | | | | |
| Net (loss) income per share attributable to Cabot Corporation | \$ 0.69 | \$ 0.41 | \$ (7.04) | \$ 0.68 | \$ (5.23) |
| Less: Net loss per share from discontinued operations | - | - | 0.01 | 0.01 | 0.02 |
| Net (loss) income per share from continuing operations | \$ 0.69 | \$ 0.41 | \$ (7.05) | \$ 0.67 | \$ (5.25) |
| Less: Certain items after tax | (0.11) | (0.12) | (7.65) | (0.11) | (7.98) |
| Less: Dilutive impact of shares ^(B) | — | — | (0.04) | — | (0.02) |
| Adjusted earnings per share | \$ 0.80 | \$ 0.53 | \$ 0.64 | \$ 0.78 | \$ 2.75 |

^(A) Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

^(B) Due to the Company's Net Loss position, GAAP EPS has been calculated using basic weighted average shares only to avoid anti-dilution. However, in order to provide an Adjusted Non-GAAP EPS with a weighted average share figure that is consistent with all other periods presented, the Company has included this reconciling item to quantify the difference between basic and diluted weighted average shares. The net loss in Q3 2015 is driven by a Certain Item so the Company believes this approach provides the most comparable presentation possible.

| | Fiscal 2015 | | | | |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q | FY 2015 |
| Reconciliation of Segment EBIT to Segment EBITDA Margin | | | | | |
| Total Segment EBIT | \$ 97 | \$ 69 | \$ 86 | \$ 83 | \$ 335 |
| Plus: Total Depreciation & Amortization | 45 | 47 | 48 | 43 | 183 |
| Plus: Adjustments to Depreciation ^(C) | 3 | - | (2) | - | 1 |
| Less: Unallocated Corporate Costs | (12) | (11) | (12) | (11) | (46) |
| EBITDA | \$ 133 | \$ 105 | \$ 120 | \$ 115 | \$ 473 |

| | Fiscal 2015 | | | | |
|-------------------------------------------------------------|--------------|--------------|--------------|--------------|---------------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q | FY 2015 |
| Reinforcement Materials EBIT ^(D) | \$ 53 | \$ 27 | \$ 32 | \$ 34 | \$ 146 |
| Plus: Depreciation & Amortization ^(D) | 22 | 21 | 21 | 19 | 83 |
| Reinforcement Materials EBITDA ^(D) | \$ 75 | \$ 48 | \$ 53 | \$ 53 | \$ 229 |
| Reinforcement Materials Sales ^(D) | \$ 460 | \$ 358 | \$ 351 | \$ 338 | \$ 1,507 |
| Reinforcement Materials EBITDA Margin ^(D) | 16% | 13% | 15% | 16% | 15% |

| | Fiscal 2015 | | | | |
|-----------------------------------------------------------|--------------|--------------|--------------|--------------|---------------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q | FY 2015 |
| Performance Chemicals EBIT ^(D) | \$ 39 | \$ 42 | \$ 48 | \$ 49 | \$ 178 |
| Plus: Depreciation & Amortization ^(D) | 14 | 13 | 13 | 14 | 54 |
| Performance Chemicals EBITDA ^(D) | \$ 53 | \$ 55 | \$ 61 | \$ 63 | \$ 232 |
| Performance Chemicals Sales ^(D) | \$ 229 | \$ 237 | \$ 234 | \$ 228 | \$ 928 |
| Performance Chemicals EBITDA Margin ^(D) | 23% | 23% | 26% | 28% | 25% |

| | Fiscal 2015 | | | | |
|---------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q | FY 2015 |
| Purification Solutions EBIT | \$ (1) | \$ 1 | \$ 3 | \$ 2 | \$ 5 |
| Plus: Depreciation & Amortization | 12 | 12 | 11 | 10 | 45 |
| Purification Solutions EBITDA | \$ 11 | \$ 13 | \$ 14 | \$ 12 | \$ 50 |
| Purification Solutions Sales | \$ 76 | \$ 71 | \$ 72 | \$ 77 | \$ 296 |
| Purification Solutions EBITDA Margin | 14% | 18% | 19% | 16% | 17% |

| | Fiscal 2015 | | | | |
|------------------------------------------------------|-------------|-------------|-------------|---------------|-------------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q | FY 2015 |
| Specialty Fluids EBIT ^(D) | \$ 6 | \$ (1) | \$ 3 | \$ (2) | \$ 6 |
| Plus: Depreciation & Amortization ^(D) | - | 1 | 1 | - | 2 |
| Specialty Fluids EBITDA ^(D) | \$ 6 | \$ - | \$ 4 | \$ (2) | \$ 8 |
| Specialty Fluids Sales ^(D) | \$ 16 | \$ 8 | \$ 12 | \$ 6 | \$ 42 |
| Specialty Fluids EBITDA Margin ^(D) | 38% | - | 33% | (33%) | 19% |

| | Fiscal 2015 | | | | |
|--------------------------------------------|--------------|---------------|--------------|---------------|---------------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q | FY 2015 |
| Calculation of Free Cash Flow | | | | | |
| Segment EBIT | \$ 97 | \$ 69 | \$ 86 | \$ 83 | \$ 335 |
| Less: Unallocated Corporate Costs | (12) | (11) | (12) | (11) | (46) |
| Adjusted segment EBIT | \$ 85 | \$ 58 | \$ 74 | \$ 72 | \$ 289 |
| Adjusted segment earnings after tax | 62 | 42 | 54 | 54 | 215 |
| Depreciation & Amortization | 45 | 47 | 48 | 43 | 183 |
| Adjustments to Depreciation ^(C) | 3 | - | (2) | - | 1 |
| Change in Net Working Capital | (7) | 92 | (19) | 124 | 190 |
| CapEX | (41) | (29) | (33) | (38) | (141) |
| Free Cash Flow | \$ 62 | \$ 152 | \$ 48 | \$ 183 | \$ 448 |

^(C) Adjustments to depreciation includes the addition of the depreciation expense of a contractual joint venture in Purification Solutions less accelerated depreciation expense not allocated to a business.

^(D) The amounts above have been recast for all periods to reflect the movement of the Elastomer Composites product line from the Advanced Technologies segment to the Reinforcement Materials segment and the Inkjet Colorants and Aerogel product lines from the Advanced Technologies segment to the Performance Chemicals segment. Specialty Fluids, which was previously included in the Advanced Technologies segment, is now a stand-alone reporting segment.

| | Fiscal 2015 | | | |
|------------------------------------------------------------------|-------------|-----------|-----------|-----------|
| | Dec. Q | Mar. Q | Jun. Q | Sept. Q |
| Adjusted ROIC ^(E) | | | | |
| Twelve month rolling adjusted net income excluding certain items | \$ 270 | \$ 257 | \$ 238 | \$ 178 |
| Five quarter average of adjusted invested capital | \$ 3,274 | \$ 3,171 | \$ 2,929 | \$ 2,774 |
| Adjusted ROIC | 8% | 8% | 8% | 8% |

^(E) The definition of Adjusted ROIC is provided in Item 6. of our most recent Annual Report on Form 10K.