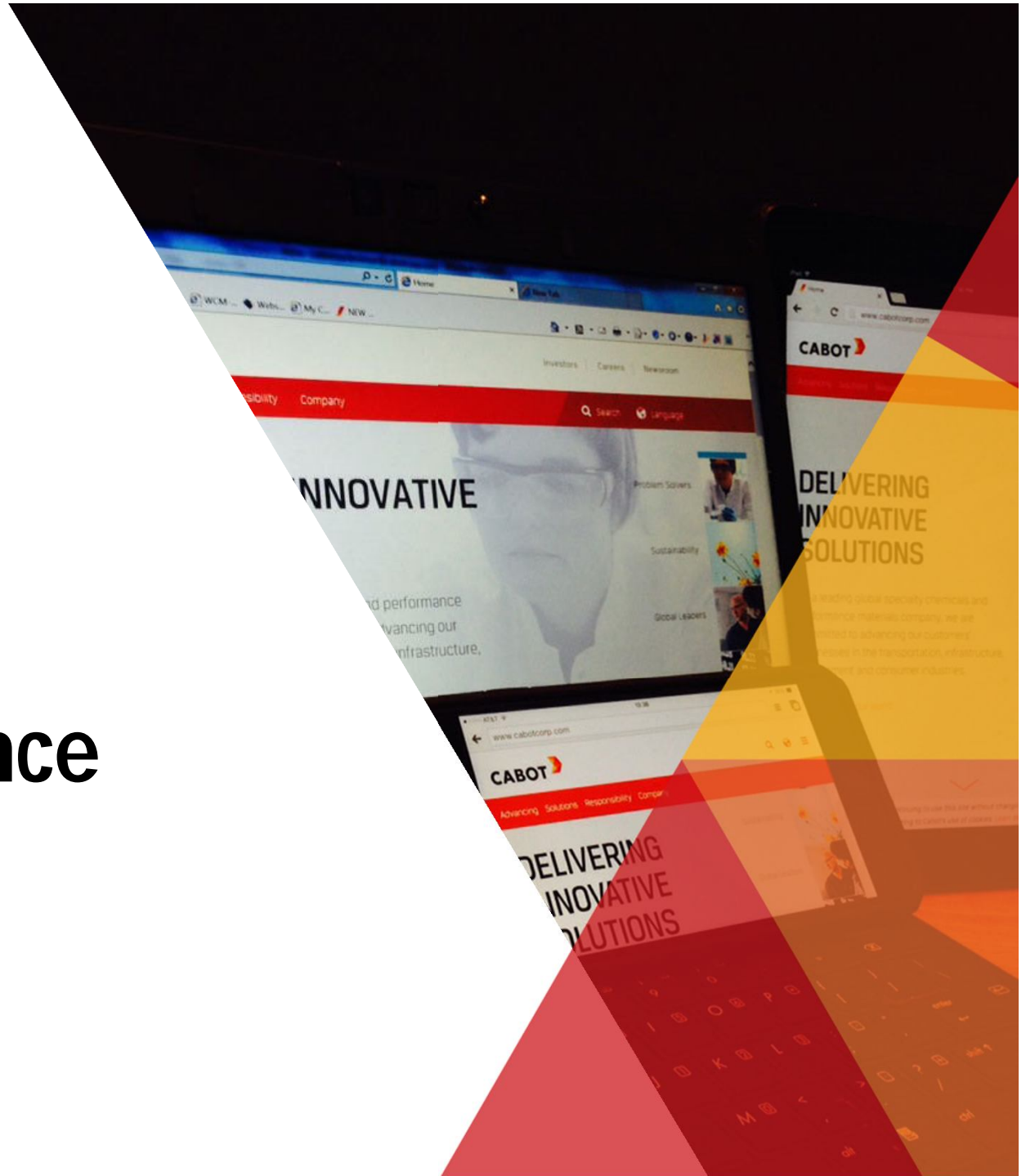




# Earnings Teleconference

First Quarter / Fiscal 2015



# Forward Looking Statements, Use of Non-GAAP Financial Measures & Definitions of Terms Used

This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our actions that will drive earnings growth, demand for our products, and our future financial performance, are forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, potentially inaccurate assumptions, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our inability to complete capacity expansions or other development projects, including at our mine in Manitoba, as planned; the timing of implementation of environmental regulations; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations. These factors are discussed more fully in the reports we file with the Securities and Exchange Commission, particularly our latest annual report on Form 10-K.

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, adjusted EBITDA, and operating tax rate, which are non-GAAP measures. A reconciliation of adjusted EPS to EPS from continuing operations, the most directly comparable GAAP financial measure, a reconciliation of total segment EBIT to Income from continuing operations before taxes, the most directly comparable GAAP financial measure, and a reconciliation of operating tax rate to effective tax rate, the most directly comparable GAAP financial measure, are provided in the tables included in our first quarter earnings release and filed on our Current Report on Form 8-K dated January 28, 2015. The definition of adjusted EBITDA is included in our first quarter earnings release and filed on our Current Report on Form 8-K dated January 28, 2015 and a reconciliation of adjusted EBITDA from segment EBIT for the first quarter of fiscal year 2015 is provided in the investor section of our website at <http://investor.cabot-corp.com>, under the Non-GAAP Reconciliations section.

The term "operating tax rate" represents the tax rate on our recurring operating results. This rate excludes discrete tax items, which are unusual or infrequent items that are excluded from the estimated annual effective tax rate and other tax items, including the impact of the timing of losses in certain jurisdictions, cumulative rate adjustment and the impact of certain items on both operating income and tax provision.

The term "product mix" refers to the mix of types and grade of products sold or the mix of geographic regions where products are sold, and the positive or negative impact this has on the revenue or profitability of the business or segment.

# Q1 2015 Highlights

- ◆ Improved margins and lower costs offset a weak demand environment
- ◆ Purification Solutions results improve year-over-year from higher volumes and better operational performance
- ◆ Solid cash flow generation used to repurchase approximately 925,000 shares for \$42 million



# Q1 2015 Highlights



- ◆ Opened new lignite mine in Texas
- ◆ Completed transition to new EMEA business service center in Latvia
- ◆ Opened a new Purification Solutions sales and R&D center in EMEA
- ◆ Launched new activated carbon for sweetener applications
- ◆ Realigned segment reporting structure



# Q1 2015 Cabot Operating Results

	Q1 2015	Q1 2014	Q4 2014
Total Segment EBIT (in millions)	\$97	\$114	\$108
Adjusted EPS	\$0.80	\$0.87	\$0.85
Adjusted EBITDA (in millions)	\$133	\$151	\$147

## Q1 2015 Total Segment EBIT of \$97 million

- ◆ Volumes under pressure during the quarter from customer inventory destocking and a challenging global economic environment
- ◆ Benefits from higher margins, inventory build, and corporate-wide cost controls

# Reinforcement Materials Segment

## Operating Performance

In millions	Q1 2015	Q1 2014	Q4 2014
Net sales	\$460	\$533	\$525
Segment EBIT	\$53	\$73	\$59

## Key Highlights

- ◆ Volumes decreased 3% year-over-year
- ◆ Weak demand environment in South America and Europe
- ◆ Customer inventory destocking
- ◆ Elastomer composites year-over-year decline of \$6 million

## Segment Outlook

- ◆ 2015 contracts
- ◆ Demand and margin pressure expected in second fiscal quarter
- ◆ Volume growth expected in second half of fiscal 2015

# Performance Chemicals Segment

## Operating Performance

In millions	Q1 2015	Q1 2014	Q4 2014
Net sales	\$229	\$237	\$259
Segment EBIT	\$39	\$37	\$41

## Key Highlights

- ◆ Volumes improved 4% year-over-year in Metal Oxides
- ◆ Improved margins from the combination of price increases and lower raw material costs
- ◆ Volumes decreased 1% year-over-year in Specialty Carbons and Formulations

## Segment Outlook

- ◆ Anticipate continued destocking into second fiscal quarter
- ◆ Growth in construction, automotive and consumer applications expected in the second half of fiscal 2015



# Purification Solutions Segment

## Operating Results

In millions	Q1 2015	Q1 2014	Q4 2014
Net sales	\$76	\$72	\$85
Segment EBITDA	\$11	\$5	\$14

## Key Highlights

- ◆ Year-over-year EBITDA increase due to higher volumes, inventory build and improved operational performance
- ◆ Ex-insurance payment, sequential EBITDA increase from price increases, favorable product mix and improved operational performance
- ◆ Awarded two additional mercury removal contracts

## Segment Outlook

- ◆ Supreme Court review of MATS
- ◆ Customer implementation of MATS remains on track for April 2015
- ◆ Confident in long-term growth of the business



# Specialty Fluids Segment

## Operating Performance

In millions	Q1 2015	Q1 2014	Q4 2014
Net sales	\$16	\$28	\$21
Segment EBIT	\$6	\$13	\$7

## Key Highlights

- ♦ Lower sales and rental volumes as a result of a lower level of project activity

## Segment Outlook

- ♦ Lower level of activity for Specialty Fluids continues next quarter
- ♦ Limited impact of lower oil prices on the business

# Q1 2015 Corporate Financial Items

- ◆ Liquidity remained strong at \$691 million
- ◆ Repurchased approximately 925,000 shares for \$42 million
- ◆ Capital expenditures of \$41 million
- ◆ LIFO benefit of \$5 million
- ◆ Operating tax rate of 28%

# Conclusion

## OUTLOOK

- ◆ Cautious about near-term outlook
- ◆ Volume growth anticipated in the second half of fiscal 2015
- ◆ Strong cash flow generation expected
- ◆ Focused on strengthening our global industry-leading positions



