

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	Fiscal 2017 ^(A)				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.85	\$ 1.18	\$ 0.71	\$ -	\$ 2.74
Less: Certain items after tax	0.01	0.31	(0.10)	-	0.22
Adjusted earnings per share	\$ 0.84	\$ 0.87	\$ 0.81	\$ -	\$ 2.52

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

	Fiscal 2017				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin					
Net income (loss) attributable to Cabot Corporation	\$ 54	\$ 74	\$ 45	\$ -	\$ 173
Net income (loss) attributable to noncontrolling interests	4	6	8	-	18
Equity in earnings of affiliated companies, net of tax	(2)	(1)	(3)	-	(6)
Provision (benefit) for income taxes	17	(1)	16	-	32
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	\$ 73	\$ 78	\$ 66	\$ -	\$ 217
Interest expense	13	13	13	-	39
Certain items	-	-	2	-	2
Unallocated corporate costs	12	14	11	-	37
General unallocated (income) expense	(5)	1	4	-	-
Equity in earnings of affiliated companies	2	1	3	-	6
Total Segment EBIT	\$ 95	\$ 107	\$ 99	\$ -	\$ 301
Plus: Total Depreciation & Amortization	38	38	39	-	115
Plus: Adjustments to Depreciation ^(B)	-	1	-	-	1
Total Segment EBITDA	\$ 133	\$ 146	\$ 138	\$ -	\$ 417
Less: Unallocated Corporate Costs	(12)	(14)	(11)	-	(37)
Adjusted EBITDA	\$ 121	\$ 132	\$ 127	\$ -	\$ 380

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reinforcement Materials EBIT	\$ 40	\$ 54	\$ 51	\$ -	\$ 145
Plus: Depreciation & Amortization	17	17	17	-	51
Reinforcement Materials EBITDA	\$ 57	\$ 71	\$ 68	\$ -	\$ 196
Reinforcement Materials Sales	\$ 295	\$ 352	\$ 367	\$ -	\$ 1,014
Reinforcement Materials EBITDA Margin	19%	20%	19%	0%	19%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Performance Chemicals EBIT	\$ 49	\$ 51	\$ 46	\$ -	\$ 146
Plus: Depreciation & Amortization	11	12	11	-	34
Performance Chemicals EBITDA	\$ 60	\$ 63	\$ 57	\$ -	\$ 180
Performance Chemicals Sales	\$ 205	\$ 228	\$ 229	\$ -	\$ 662
Performance Chemicals EBITDA Margin	29%	28%	25%	0%	27%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Purification Solutions EBIT	\$ 4	\$ 2	\$ (2)	\$ -	\$ 4
Plus: Depreciation & Amortization	9	10	10	-	29
Purification Solutions EBITDA	\$ 13	\$ 12	\$ 8	\$ -	\$ 33
Purification Solutions Sales	\$ 69	\$ 67	\$ 71	\$ -	\$ 207
Purification Solutions EBITDA Margin	19%	18%	11%	0%	16%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Specialty Fluids EBIT	\$ 2	\$ -	\$ 4	\$ -	\$ 6
Plus: Depreciation & Amortization	1	-	1	-	2
Specialty Fluids EBITDA	\$ 3	\$ -	\$ 5	\$ -	\$ 8
Specialty Fluids Sales	\$ 11	\$ 7	\$ 12	\$ -	\$ 30
Specialty Fluids EBITDA Margin	27%	0%	42%	0%	27%

	Fiscal 2017				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Discretionary Free Cash Flow					
Cash flow from operating activities ^(C)	102	(51)	132	-	183
Less: Changes in net working capital ^(D)	16	(134)	31	-	(87)
Less: Sustaining and compliance capital expenditures	21	18	30	-	69
Discretionary Free Cash Flow	\$ 65	\$ 65	\$ 71	\$ -	\$ 201

^(B) 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.

^(C) As provided in the Consolidated Statement of Cash Flows.

^(D) Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Consolidated Statement of Cash Flows.