

**CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

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

|   | Fiscal 2013 <sup>(A)</sup> |                |                |                |                |
|---|----------------------------|----------------|----------------|----------------|----------------|
|   | Dec. Q                     | Mar. Q         | Jun. Q         | Sept. Q        | FY 2013        |
| <b>Reconciliation of Adjusted EPS to GAAP EPS</b>       |                            |                |                |                |                |
| Net income per share attributable to Cabot Corporation  | \$ 0.31                    | \$ 0.42        | \$ 0.90        | \$ 0.75        | \$ 2.38        |
| Less: Net income per share from discontinued operations | (0.02)                     | -              | 0.04           | 0.02           | 0.04           |
| Net income per share from continuing operations         | \$ 0.33                    | \$ 0.42        | \$ 0.86        | \$ 0.73        | \$ 2.34        |
| Less: Certain items after tax                           | (0.33)                     | (0.21)         | 0.02           | (0.05)         | (0.57)         |
| <b>Adjusted earnings per share</b>                      | <b>\$ 0.66</b>             | <b>\$ 0.63</b> | <b>\$ 0.84</b> | <b>\$ 0.78</b> | <b>\$ 2.91</b> |

<sup>(A)</sup> Per share amounts are calculated after tax.

|  | Fiscal 2013   |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | Dec. Q        | Mar. Q        | Jun. Q        | Sept. Q       | FY 2013       |
| <b>Reconciliation of Segment EBIT to Segment EBITDA Margin</b> |               |               |               |               |               |
| Total Segment EBIT   | \$ 89         | \$ 87         | \$ 110        | \$ 98         | \$ 384        |
| Plus: Total Depreciation & Amortization                        | \$ 49         | \$ 50         | \$ 45         | \$ 46         | \$ 190        |
| Plus: Adjustments to Depreciation <sup>(B)</sup>               | \$ 1          | \$ 1          | \$ -          | \$ 2          | \$ 4          |
| Less: Unallocated Corporate Costs                              | \$ (12)       | \$ (14)       | \$ (12)       | \$ (11)       | \$ (49)       |
| <b>EBITDA</b>  | <b>\$ 127</b> | <b>\$ 124</b> | <b>\$ 143</b> | <b>\$ 135</b> | <b>\$ 529</b> |

|  | Dec. Q                       | Mar. Q       | Jun. Q       | Sept. Q      | FY 2013       |
|--|------------------------------|--------------|--------------|--------------|---------------|
|  | Reinforcement Materials EBIT | \$ 50        | \$ 42        | \$ 49        | \$ 47         |
| Plus: Depreciation & Amortization            | \$ 22                        | \$ 21        | \$ 19        | \$ 19        | \$ 81         |
| <b>Reinforcement Materials EBITDA</b>        | <b>\$ 72</b>                 | <b>\$ 63</b> | <b>\$ 68</b> | <b>\$ 66</b> | <b>\$ 269</b> |
| Reinforcement Materials Sales                | \$ 475                       | \$ 459       | \$ 486       | \$ 482       | \$ 1,902      |
| <b>Reinforcement Materials EBITDA Margin</b> | <b>15%</b>                   | <b>14%</b>   | <b>14%</b>   | <b>14%</b>   | <b>14%</b>    |

|  | Dec. Q                     | Mar. Q       | Jun. Q       | Sept. Q      | FY 2013       |
|--|----------------------------|--------------|--------------|--------------|---------------|
|  | Performance Materials EBIT | \$ 27        | \$ 37        | \$ 35        | \$ 33         |
| Plus: Depreciation & Amortization          | \$ 12                      | \$ 13        | \$ 12        | \$ 12        | \$ 49         |
| <b>Performance Materials EBITDA</b>        | <b>\$ 39</b>               | <b>\$ 50</b> | <b>\$ 47</b> | <b>\$ 45</b> | <b>\$ 181</b> |
| Performance Materials Sales                | \$ 196                     | \$ 243       | \$ 233       | \$ 232       | \$ 904        |
| <b>Performance Materials EBITDA Margin</b> | <b>20%</b>                 | <b>21%</b>   | <b>20%</b>   | <b>19%</b>   | <b>20%</b>    |

|  | Dec. Q                     | Mar. Q       | Jun. Q       | Sept. Q      | FY 2013      |
|--|----------------------------|--------------|--------------|--------------|--------------|
|  | Advanced Technologies EBIT | \$ 7         | \$ 8         | \$ 27        | \$ 26        |
| Plus: Depreciation & Amortization          | \$ 2                       | \$ 3         | \$ 2         | \$ 3         | \$ 10        |
| <b>Advanced Technologies EBITDA</b>        | <b>\$ 9</b>                | <b>\$ 11</b> | <b>\$ 29</b> | <b>\$ 29</b> | <b>\$ 78</b> |
| Advanced Technologies Sales                | \$ 38                      | \$ 41        | \$ 69        | \$ 74        | \$ 222       |
| <b>Advanced Technologies EBITDA Margin</b> | <b>24%</b>                 | <b>27%</b>   | <b>42%</b>   | <b>39%</b>   | <b>35%</b>   |

|   | Dec. Q                      | Mar. Q       | Jun. Q       | Sept. Q     | FY 2013      |
|---|-----------------------------|--------------|--------------|-------------|--------------|
|   | Purification Solutions EBIT | \$ 5         | \$ -         | \$ (1)      | \$ (8)       |
| Plus: Depreciation & Amortization           | \$ 13                       | \$ 13        | \$ 13        | \$ 15       | \$ 54        |
| <b>Purification Solutions EBITDA</b>        | <b>\$ 18</b>                | <b>\$ 13</b> | <b>\$ 12</b> | <b>\$ 7</b> | <b>\$ 50</b> |
| Purification Solutions Sales                | \$ 93                       | \$ 79        | \$ 86        | \$ 90       | \$ 348       |
| <b>Purification Solutions EBITDA Margin</b> | <b>19%</b>                  | <b>16%</b>   | <b>14%</b>   | <b>8%</b>   | <b>14%</b>   |

|  | Fiscal 2013    |              |              |               |               |
|--|----------------|--------------|--------------|---------------|---------------|
|  | Dec. Q         | Mar. Q       | Jun. Q       | Sept. Q       | FY 2013       |
| <b>Calculation of Free Cash Flow</b>       |                |              |              |               |               |
| Segment EBIT                               | \$ 89          | \$ 87        | \$ 110       | \$ 98         | \$ 384        |
| Less: Unallocated Corporate Costs          | (12)           | (14)         | (12)         | (11)          | (49)          |
| Adjusted segment EBIT                      | \$ 77          | \$ 73        | \$ 98        | \$ 87         | \$ 335        |
| Adjusted segment earnings after tax        | 56             | 54           | 72           | 66            | 248           |
| Depreciation & Amortization                | 49             | 50           | 45           | 46            | 190           |
| Adjustments to Depreciation <sup>(B)</sup> | 1              | 1            | -            | 2             | 4             |
| Proceeds from Sale of Business             | 19             | 11           | 10           | -             | 40            |
| Change in Net Working Capital              | (88)           | (28)         | 30           | 139           | 53            |
| CapEX                                      | (62)           | (65)         | (68)         | (69)          | (264)         |
| <b>Free Cash Flow</b>                      | <b>\$ (25)</b> | <b>\$ 23</b> | <b>\$ 89</b> | <b>\$ 184</b> | <b>\$ 271</b> |

<sup>(B)</sup> 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.

|  | Fiscal 2013 |           |           |           |
|--|-------------|-----------|-----------|-----------|
|  | Dec. Q      | Mar. Q    | Jun. Q    | Sept. Q   |
| <b>Adjusted ROIC <sup>(C)</sup></b>                              |             |           |           |           |
| Twelve month rolling adjusted net income excluding certain items | \$ 272      | \$ 254    | \$ 248    | \$ 256    |
| Five quarter rolling average of adjusted invested capital        | \$ 2,520    | \$ 2,780  | \$ 3,057  | \$ 3,321  |
| <b>Adjusted ROIC</b>   | <b>11%</b>  | <b>9%</b> | <b>8%</b> | <b>8%</b> |

<sup>(C)</sup> The definition of Adjusted ROIC is provided in Item 6. of our most recent Annual Report on Form 10K.