

CABOT



Forward Looking Statements and Use of Non-GAAP Financial Measures

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 statements about the Company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully elsewhere in this presentation and in documents filed with the Securities and Exchange Commission by Cabot, particularly its latest annual report on Form 10-K, could cause results to differ materially from those estimated or projected. These factors include, but are not limited to, increases in raw material costs; the Company's success in responding to changes in competitive market conditions; costs associated with, or delays in, the successful commercialization of new products; the Company's failure to realize benefits from joint ventures or restructuring plans; changes in the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries in which the Company does business; and the occurrence of unforeseen events that cause business interruptions, including plant and power outages, or disruptions in supplier or customer operations.

This presentation includes references to the following non-GAAP financial measures: segment (or business) operating profit before tax (PBT), adjusted earnings per share (EPS), and adjusted ROIC (return on invested capital). A reconciliation of Segment (or Business) PBT to the most comparable GAAP financial measure is provided in the tables included in our first quarter earnings release and filed on our Form 8-K dated January 27, 2010. A copy of the 8-K can be found in the Investor Relations section of our website at <http://investor.cabot-corp.com>. In our discussions, the term "LIFO benefit" or "LIFO impact" includes two factors: (i) the impact of current inventory costs being recognized immediately in cost of goods sold ("COGS") under a last-in first-out method, compared to the older costs that would have been included in COGS under a first-in first-out method ("COGS impact"); and (ii) the impact of reductions in inventory quantities, causing historical inventory costs to flow through COGS ("liquidation impact"). The term "contract lag" refers to the time lag of the price adjustments in certain of our rubber blacks supply contracts to account for changes in feedstock costs and, in some cases, changes in other relevant costs.

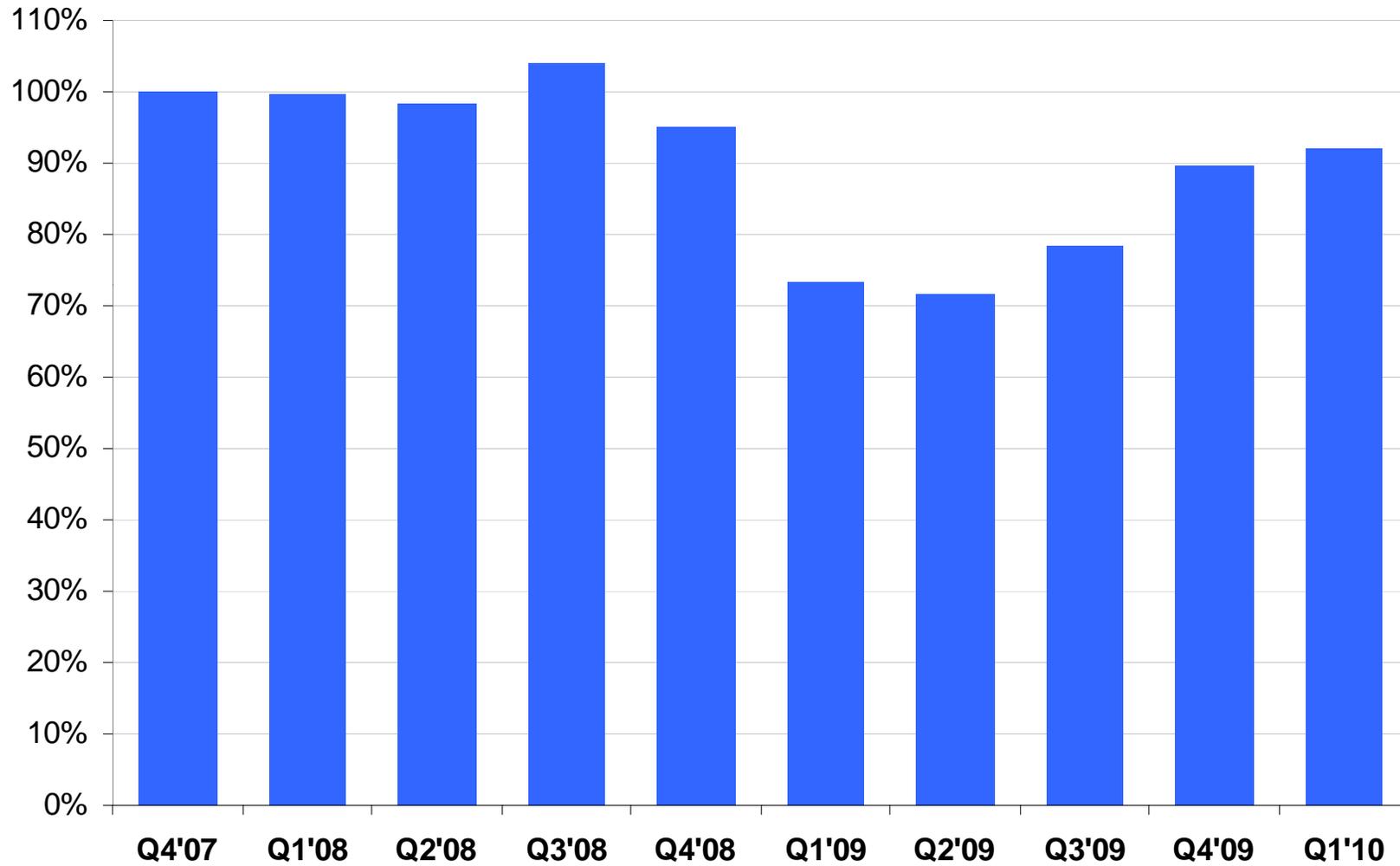
Quarterly Highlights

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- **Significant Volume Recovery over Prior Year**
- **Restructuring Savings Achieved at Target Level**
- **Continued Strength in Emerging Markets**
- **Robust Unit Margins**

Key Quarterly Messages

Indexed Carbon Black Volumes



Quarterly carbon black volumes indexed to Q4 2007

Key Quarterly Messages

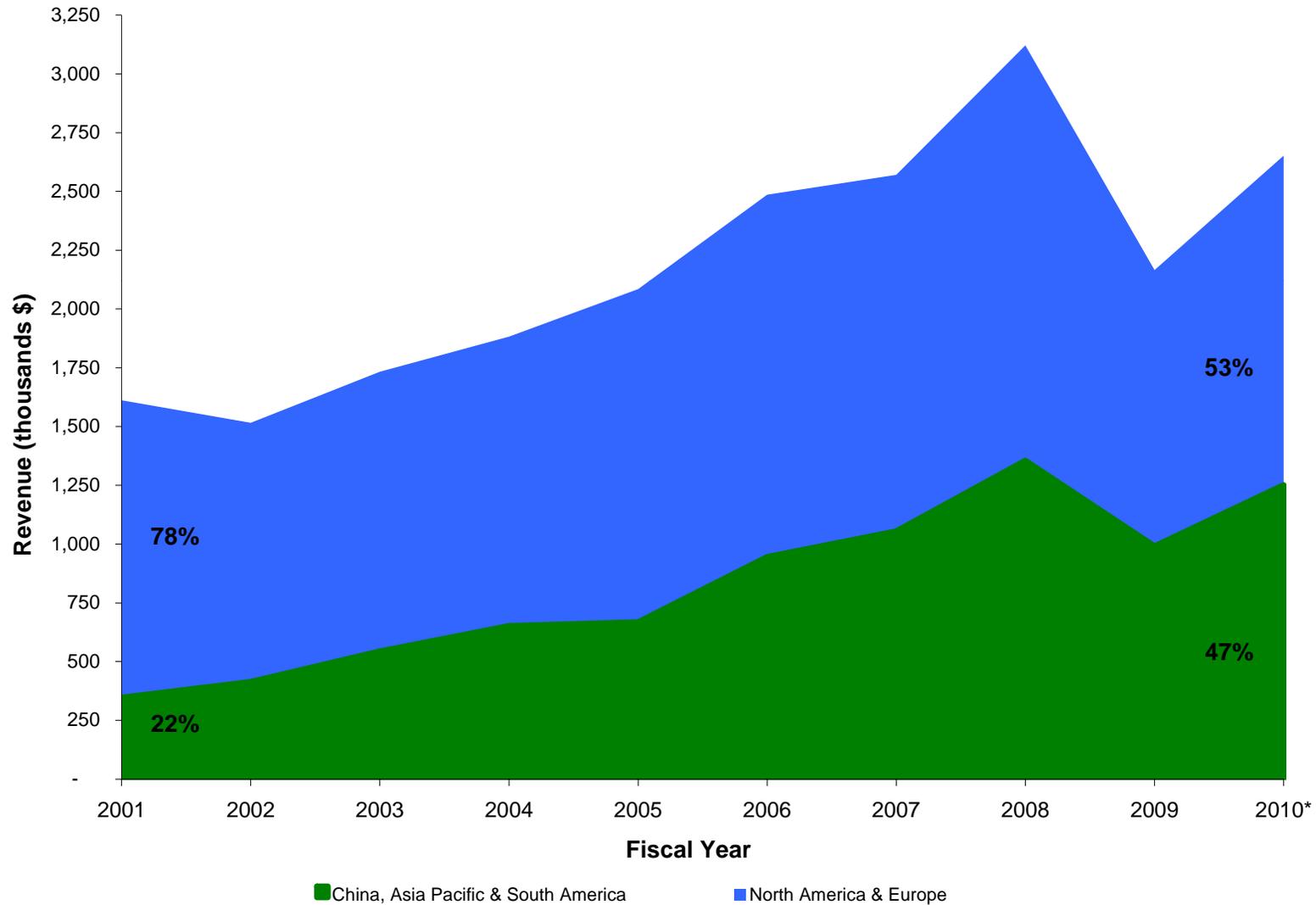
Restructuring

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- **Target of greater than \$80 million fixed cost savings captured on a run rate basis**
- **Well ahead of plan and at lower cost**
- **Benefited first quarter results by more than \$20 million**

Key Quarterly Messages

Emerging Market Position



* Annualized based on Q1 2010 revenues

Key Quarterly Messages

Margins

- **Maintained robust unit margins**
- **High value of performance materials and superior quality and service**
- **Commissioned three energy centers during quarter**

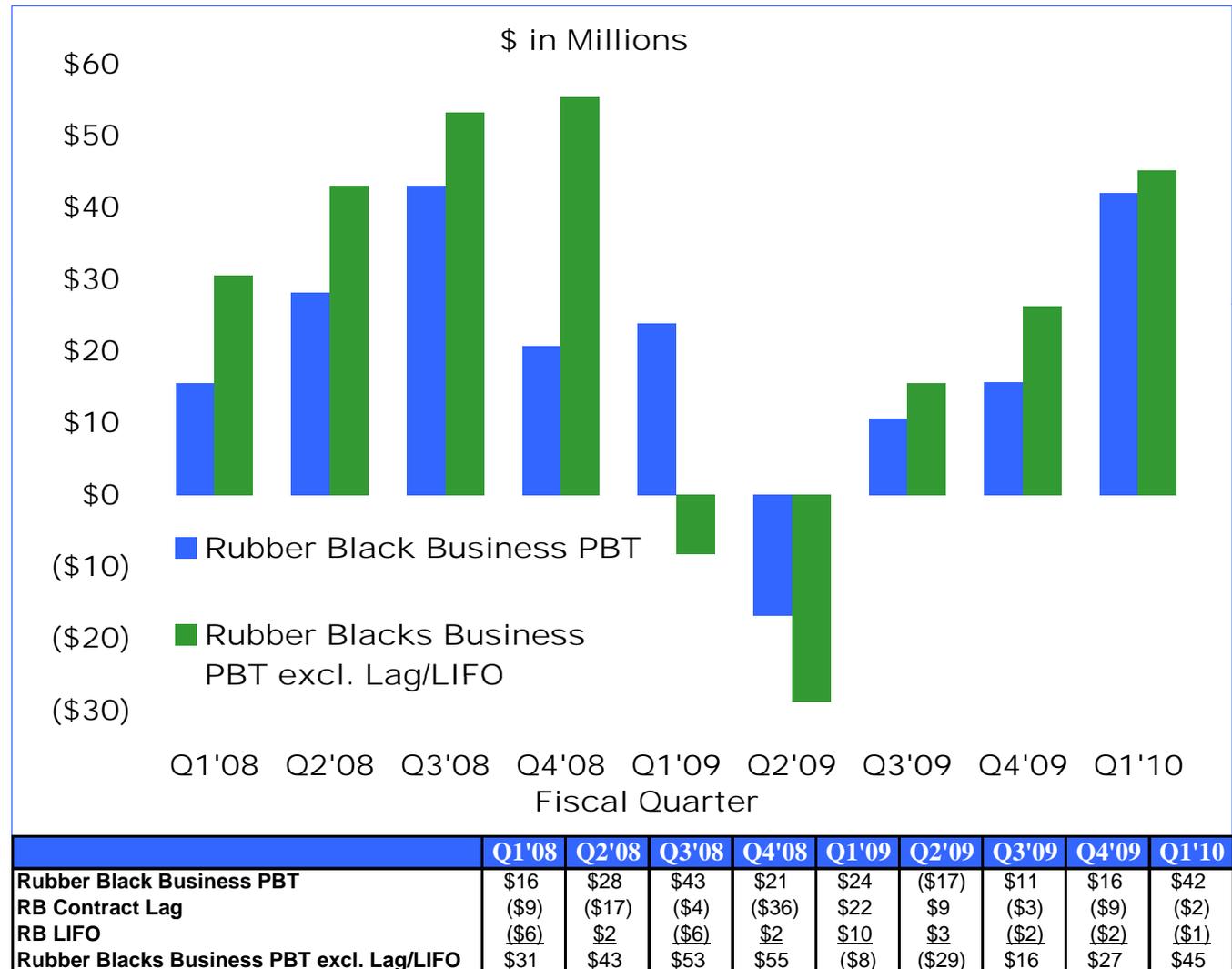
Core Segment

Rubber Blacks PBT

Year over year business profit increased by \$18 million:

- 24% volume increase; growth in all regions
- Lower fixed costs
- Contract lag/ LIFO unfavorable \$3 million vs. favorable \$32 million in Q1 FY09

Sequential profit increased \$26 million



	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10
Rubber Black Business PBT	\$16	\$28	\$43	\$21	\$24	(\$17)	\$11	\$16	\$42
RB Contract Lag	(\$9)	(\$17)	(\$4)	(\$36)	\$22	\$9	(\$3)	(\$9)	(\$2)
RB LIFO	(\$6)	\$2	(\$6)	\$2	\$10	\$3	(\$2)	(\$2)	(\$1)
Rubber Blacks Business PBT excl. Lag/LIFO	\$31	\$43	\$53	\$55	(\$8)	(\$29)	\$16	\$27	\$45

Core Segment

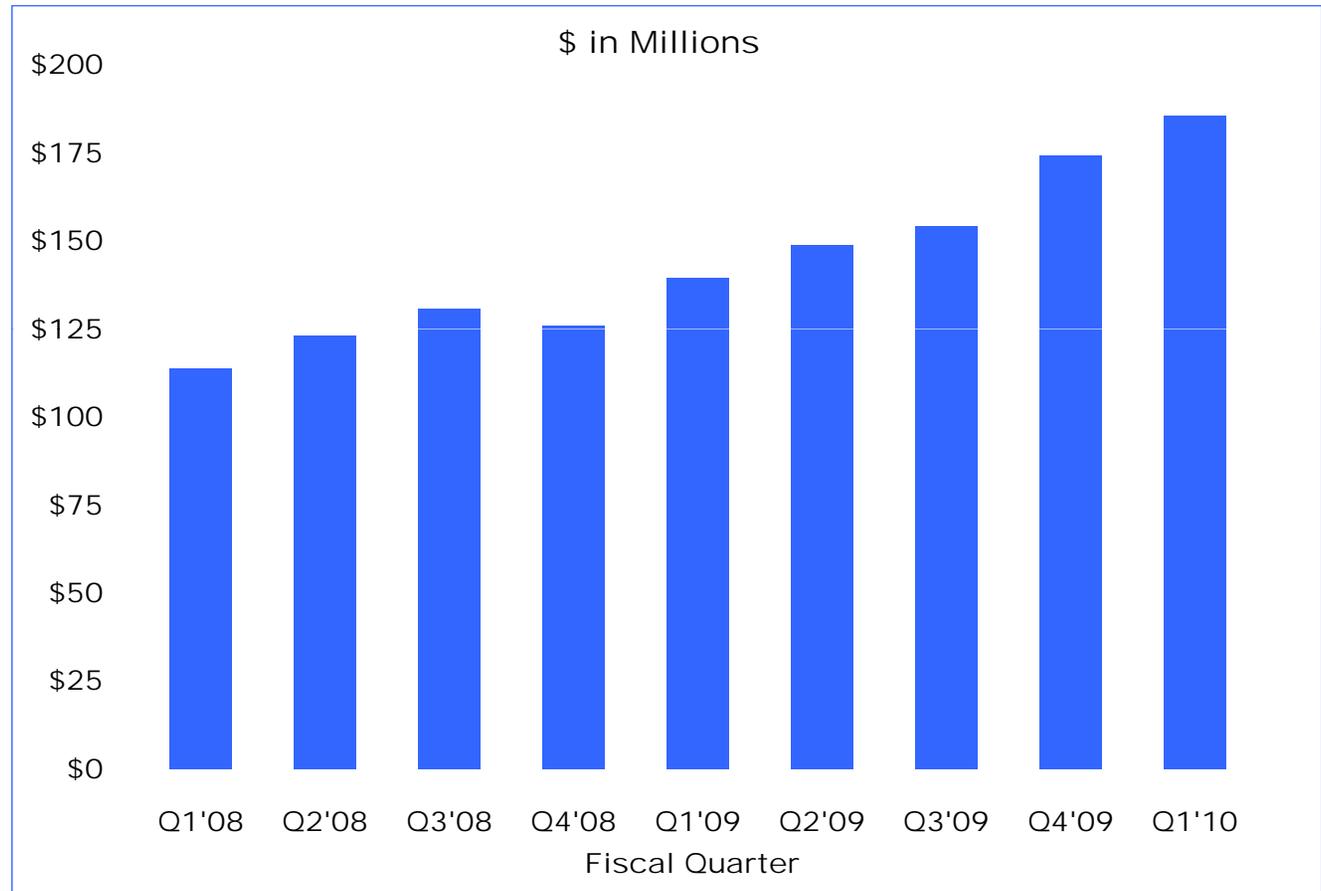
Supermetals Cumulative Cash Generation

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Year over year
business profit
increased by \$2
million

Sequential profit
increased by \$5
million

Generated \$11 million
in cash during quarter
(constant currency
basis)



Cash generation defined as business PBT + depreciation +/- changes in working capital – capital spending. The above table is presented on a constant currency basis and is cumulative beginning with the third quarter fiscal 2006.

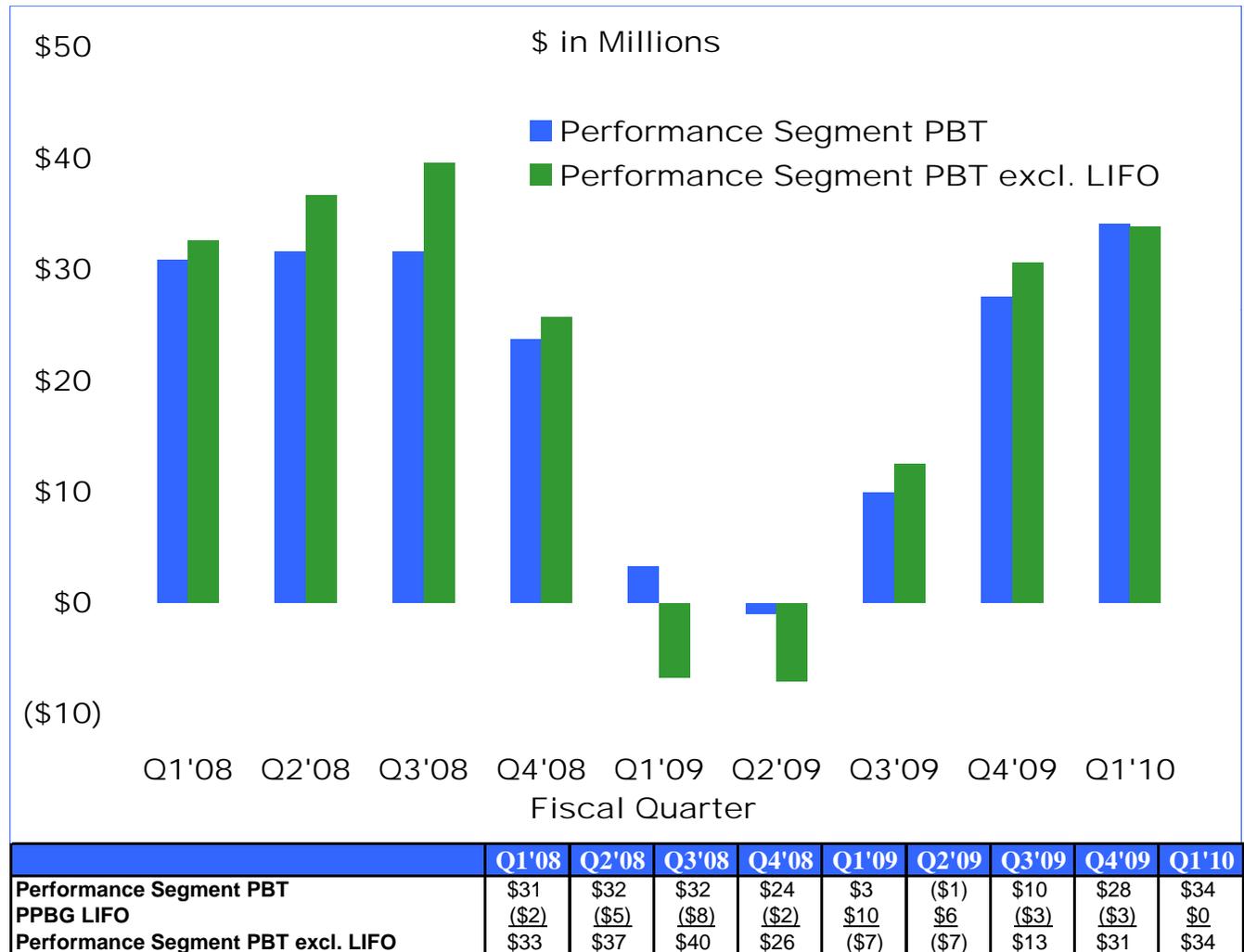
Performance Segment

Segment PBT

Year over year business profit increased by \$31 million:

- 24% volume increase in PPBG
- 19% volume increase in FMO
- Strengthening unit margins & lower fixed costs

Sequential profit increased \$6 million

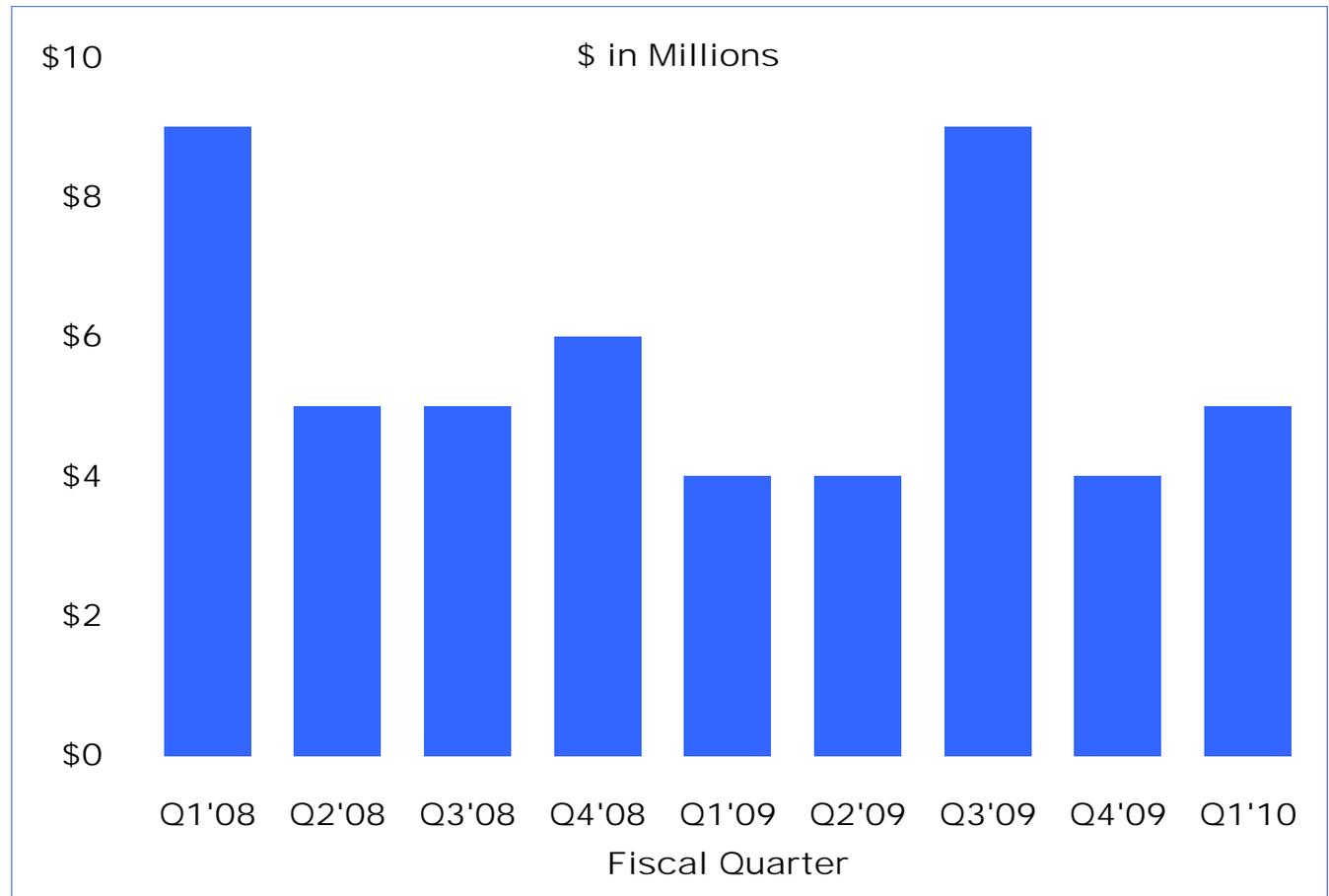


Specialty Fluids

Segment PBT

Year over year and Sequential business profit increased by \$1 million

- Strong rental revenue and favorable service mix



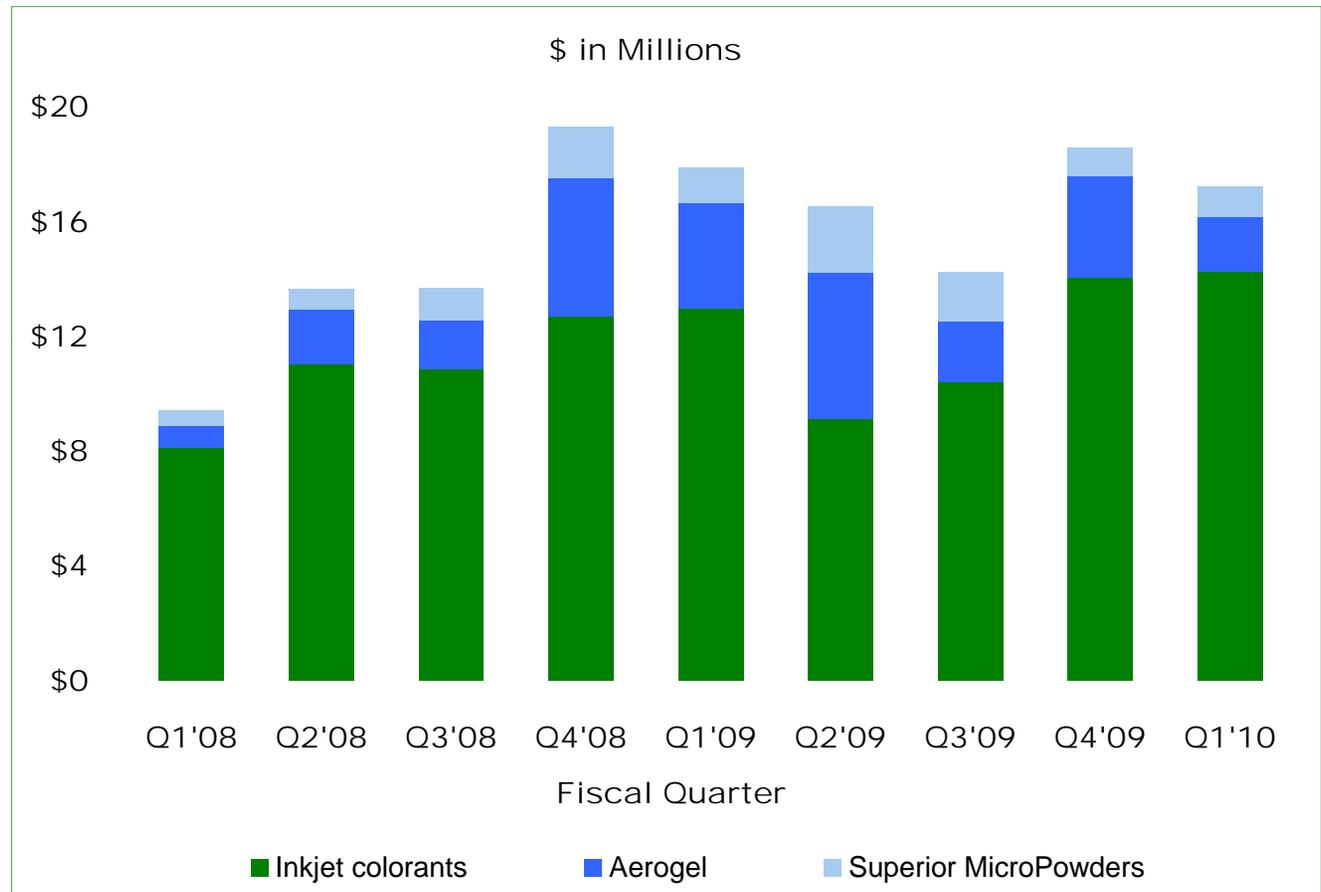
New Business Segment

Segment Revenue

Year over year revenue decreased by \$1 million; Sequential revenue decreased by \$2 million

- Strong Inkjet sales
- Aerogel sales affected by timing of orders

Cash flow breakeven performance for quarter



Corporate Financial

Overview

Cash

- Quarter ending cash balance of \$242 million
- Working capital increase of \$104 million
- Capital expenditures of \$13 million

Taxes

- First quarter tax provision of \$11 million
 - Includes \$1 million benefit from discrete items and \$1 million charge from interim tax accounting
- On-going quarterly tax rate approximately 27%

Outlook

- **Emerg**ed from downturn as a stronger company
- **Delivered on commitments**
 - Restructuring savings
 - Contract lag impact
 - New business performance
- **Leverage strengths to meet long term financial targets**



CABOT

