FORM 10-Q

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended

JUNE 30, 1994

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

COMMISSION FILE NUMBER 1-5667

CABOT CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	04-2271897
(State of Incorporation)	(I.R.S. Employer Identification No.)

75 STATE STREET BOSTON, MASSACHUSETTS (Address of principal executive offices)	02109-1806 (Zip Code)

Registrant's telephone number, including area code: (617) 345-0100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the classes of Common Stock, as of the latest practicable date.

AS OF JUNE 30, 1994, THE COMPANY HAD 18,798,647 SHARES OF COMMON STOCK, PAR VALUE $1 PER SHARE, OUTSTANDING.

CABOT CORPORATION

INDEX TO FINANCIAL STATEMENTS

CABOT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended June 30, 1994 and 1993

(Dollars in thousands, except per share amounts)

UNAUDITED

	1994	1993
Revenues:		
Net sales and other operating revenues	$ 428,805	$ 418,780
Interest and dividend income	1,248	787
Total revenues	430,053	419,567
Costs and expenses:		
Cost of sales	312,277	311,553
Selling and administrative expenses	56,127	51,761
Research and technical service	11,620	11,009
Interest expense	10,806	11,230
Other (income) expense, net	7,204	2,798
Total costs and expenses	398,034	388,351
Income before income taxes	32,019	31,216
Provision for income taxes	(12,167)	(12,648)
Equity in net income (loss) of affiliated companies	2,151	(119)
Net income	22,003	18,449
Dividends on preferred stock, net of tax benefit of $482 and $473, respectively	(895)	(918)
Income applicable to primary common shares	$ 21,108	$ 17,531
Weighted average common shares outstanding (000) (See Note D for information on effective stock split):		
Primary	19,093	18,705
Fully diluted (Note A)	20,648	20,331
Income per common share:		
Primary	$ 1.11	$ 0.94
Fully diluted (Note A)	$ 1.04	$ 0.88
Dividends per common share	$ 0.26	$ 0.26

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Nine Months Ended June 30, 1994 and 1993

(Dollars in thousands, except per share amounts)

UNAUDITED

	1994	1993
Revenues:		
Net sales and other operating revenues	$ 1,262,140	$ 1,222,464
Interest and dividend income	3,282	3,139
Total revenues	1,265,422	1,225,603
Costs and expenses:		
Cost of sales	928,349	917,855
Selling and administrative expenses	160,011	152,565
Research and technical service	35,527	31,513
Interest expense	31,370	33,719
Other (income) expense, net	17,135	13,785
Total costs and expenses	1,172,392	1,149,437
Income before income taxes	93,030	76,166
Provision for income taxes	(35,351)	(31,113)
Equity in net income (loss) of affiliated companies	2,630	(721)
Income before cumulative effect of accounting changes	60,309	44,332
Cumulative effect of accounting changes	-	(26,109)
Net income	60,309	18,223
Dividends on preferred stock, net of tax benefit of $1,449 and $1,420, respectively	(2,691)	(2,758)
Income applicable to primary common shares	$ 57,618	$ 15,465
Weighted average common shares outstanding (000) (See Note D for information on effective stock split):		
Primary	19,096	18,660
Fully diluted (Note A)	20,650	20,294
Income (loss) per common share:		
Primary		
Continuing operations	$ 3.02	$ 2.23
Cumulative effect of accounting changes	-	(1.40)
Income per share	$ 3.02	$ 0.83
Fully diluted (Note A)		
Continuing operations	$ 2.83	$ 2.23
Cumulative effect of accounting changes	-	(1.40)
Income per share	$ 2.83	$ 0.83
Dividends per common share	$ 0.78	$ 0.78

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION
CONSOLIDATED BALANCE SHEETS
June 30, 1994 and September 30, 1993

(Dollars in thousands)

ASSETS

	June 30 1994 (Unaudited)	September 30 1993
Current assets:		
Cash and cash equivalents	$ 41,356	$ 40,267
Accounts and notes receivable (net of reserve for doubtful accounts of $6,954 and $6,321)	284,945	258,057
Inventories:		
Raw materials	51,092	45,589
Work in process	33,119	36,923
Finished goods	96,287	77,747
Other	37,603	35,091
Total inventories	218,101	195,350
Prepaid expenses	12,568	8,771
Deferred income taxes	28,420	41,761
Total current assets	585,390	544,206
Investments:		
At equity	157,129	166,669
At cost	1,783	7,911
Total investments	158,912	174,580
Property, plant and equipment:		
At cost	1,310,902	1,250,228
Accumulated depreciation and amortization	(660,133)	(603,708)
Net property, plant and equipment	650,769	646,520
Other assets:		
Intangible assets, net of amortization	74,477	78,873
Deferred income taxes	5,697	5,752
Other assets	33,021	39,542
Total other assets	113,195	124,167
Total assets	$ 1,508,266	$ 1,489,473

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION
CONSOLIDATED BALANCE SHEETS
June 30, 1994 and September 30, 1993

(Dollars in thousands)

LIABILITIES & STOCKHOLDERS' EQUITY

	June 30 1994 (Unaudited)	September 30 1993
Current liabilities:		
Notes payable to banks	$ 33,022	$ 1,501
Current portion of long-term debt	157,444	29,205
Accounts payable and accrued liabilities	268,907	297,201
U.S. and foreign income taxes payable	17,140	25,029
Deferred income taxes	1,216	1,285
Total current liabilities	477,729	354,221
Long-term debt	293,364	459,275
Deferred income taxes	94,832	86,344
Other liabilities	136,163	147,360
Commitments and contingencies (Note C)		
Stockholders' Equity: (Note D)		
Preferred stock:		
Authorized: 2,000,000 shares of $1 par value		
Series A Junior Participating Preferred Stock		
Issued and outstanding: none		
Series B ESOP Convertible Preferred Stock 7.75% Cumulative		
Issued: 75,336 shares (aggregate redemption value $73,832 and $74,982)	75,336	75,336
Less cost of shares of preferred treasury stock	(3,716)	(3,003)
Common stock (See Note D for information on effective stock split):		
Authorized: 80,000,000 shares of $1 par value		
Issued: 33,887,484 shares	33,887	33,887
Additional paid-in capital	39,721	33,621
Retained earnings	904,768	861,803
Less cost of common treasury stock (including unearned amounts of $9,933 and $7,321)	(483,607)	(483,184)
Deferred employee benefits	(67,758)	(68,781)
Foreign currency translation adjustments	7,547	(7,406)
Total stockholders' equity	506,178	442,273
Total liabilities and stockholders' equity	$ 1,508,266	$ 1,489,473

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended June 30, 1994 and 1993

(Dollars in thousands)

UNAUDITED

	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 60,309	$ 18,223
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	63,949	63,055
Deferred tax provision	9,352	2,609
Gain on sale of investments	-	(2,841)
Effects of accounting changes	-	26,109
Equity in net income/loss of affiliated companies, net of dividends received	1,312	5,338
Other, net	3,099	1,990
Changes in assets and liabilities:		
Increase in accounts receivable	(20,886)	(35,547)
(Increase) decrease in inventory	(17,765)	5,694
(Decrease) increase in accounts payable and accruals	(34,181)	8,373
Decrease in prepayments and intangible assets	2,366	11,379
Other, net	1,208	(1,019)
Cash provided by operating activities	68,763	103,363
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(46,984)	(45,186)
Investments and acquisitions	(284)	(40,405)
Sales of investments and property, plant and equipment	545	3,065
Cash used by investing activities	(46,723)	(82,526)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	-	8,866
Reduction in long-term debt	(16,387)	(5,013)
Increase (decrease) in short-term debt	9,390	(19,678)
Sales of treasury stock, net	2,365	7,646
Cash dividends paid to stockholders	(17,344)	(17,183)
Cash used by financing activities	(21,976)	(25,362)
Effect of exchange rate changes on cash	1,025	(3,951)
Increase (decrease) in cash and cash equivalents	1,089	(8,476)
Cash and cash equivalents at beginning of period	40,267	30,656
Cash and cash equivalents at end of period	$ 41,356	$ 22,180

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 1994

A. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Cabot Corporation and all majority-owned and controlled domestic and foreign subsidiaries. Investments in majority-owned affiliates where control is temporary and investments in 20 percent- to 50 percent-owned affiliates are accounted for on the equity method. All significant intercompany transactions have been eliminated.

The financial statements have been prepared in accordance with the requirements of Form 10-Q and consequently do not include all disclosures required by Form 10-K. Additional information may be obtained by referring to the Company's Form 10-K for the year ended September 30, 1993.

The financial information submitted herewith is unaudited and reflects all adjustments which are, in the opinion of management, necessary to provide a fair statement of the results for the interim periods ended June 30, 1994 and 1993. All such adjustments are of a normal recurring nature, except for adjustments discussed in Note B. The results for interim periods are not necessarily indicative of the results to be expected for the fiscal year. During the fourth quarter of fiscal 1993, the Company adopted two new accounting standards related to postretirement benefits and income taxes. Both of these standards were adopted as of October 1, 1992, and as a result, the income statement and the statement of cash flows for the nine months ending June 30, 1993 were restated.

Earnings Per Share

The computation of fully diluted earnings per share considers the conversion of the Company's Series B ESOP Convertible Preferred Stock held by the Company's Employee Stock Ownership Plan, and also includes the potentially dilutive effects of the Company's Equity Incentive Plan.

B. SPECIALTY CHEMICALS AND MATERIALS ASSET IMPAIRMENT AND RESTRUCTURING RESERVE

Previously reported unfavorable conditions in Japan have worsened resulting in ongoing significant losses at the Company's Japanese carbon black equity affiliate. Operating losses are expected to continue into the foreseeable future. As a result, the Company has determined that its investment in this affiliate has been permanently impaired. The Company has recorded a $6,150,000 charge for the impairment of its investment in its Japanese affiliate. In addition, the Company has revised its Specialty Chemicals and Materials restructuring reserves, recorded in 1993, downward based on actual cost incurred during the closing of a carbon black plant in Germany on June 30, 1994 and revised estimates of remaining costs. The Company will continue to evaluate its remaining reserve as new data become available. A $4,000,000 benefit from the revision of the 1993 estimated restructuring reserve was recorded.

C. CONTINGENCIES

The Company is a defendant in various lawsuits and is involved in other gas contract issues and environmental proceedings wherein substantial amounts are claimed. In the opinion of the Company's management, these suits and claims should not result in final judgments or settlements which, in the aggregate, would have a material adverse effect on the Company's financial condition.

Fumed silica supplied by Cabot was used by others in the manufacture of silicone breast implant envelopes. There are currently pending more than 10,000 lawsuits in state and federal courts alleging injuries arising from the use of silicone breast implants. The federal cases have been consolidated in the Multi-District Litigation pending in the United States District Court for the Northern District of Alabama. Generally, the various state cases have been similarly consolidated in each jurisdiction. In addition, arrangements have been made for consolidated discovery in all actions. Cabot has been named as a defendant in fewer than 100 of those lawsuits, although additional lawsuits have been threatened and are expected to be brought in due

CABOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
June 30, 1994

course. Cabot believes that it has adequate defenses in each of the lawsuits in which it is a defendant.

However, the scientific, legal and societal issues raised by these cases are complex and the outcome is uncertain. Cabot is still evaluating the litigation and therefore cannot predict with any assurance the course this litigation will take, the number of cases to which Cabot will be added as a defendant, the amount of damages, if any, that may be assessed against Cabot or the defense costs that will be incurred by Cabot.

D. STOCKHOLDERS' EQUITY

On July 27, 1994, the executive committee of the board of directors authorized a two-for-one stock split, in the form of a stock dividend. One additional share of common stock is expected to be distributed on August 17, 1994, for each share of common stock of the Company held by stockholders of record on August 9, 1994. Once effective, the Company will reclassify $33,887,484 from the additional paid in capital account to the common stock account. Proforma earnings per share, weighted average common shares outstanding, and cash dividends per share restated to reflect the stock split are as follows:

	Three Months Ended		Nine Months Ended	
	6/30/94	6/30/93	6/30/94	6/30/93
Income (loss) per common share:				
Primary				
Continuing operations	$ 0.55	$ 0.47	$ 1.51	$ 1.11
Cumulative effect of accounting changes	-	-	-	(0.70)
Income per share	$ 0.55	$ 0.47	$ 1.51	$ 0.41
Fully Diluted				
Continuing operations	$ 0.52	$ 0.44	$ 1.42	$ 1.11
Cumulative effect of accounting changes	-	-	-	(0.70)
Income per share	$ 0.52	$ 0.44	$ 1.42	$ 0.41
Weighted average common shares outstanding (000):				
Primary	38,186	37,410	38,192	37,320
Fully diluted	41,296	40,662	41,300	40,588
Dividends per common share	$ 0.13	$ 0.13	$ 0.39	$ 0.39

CABOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
June 30, 1994
UNAUDITED

D. STOCKHOLDERS' EQUITY (CONTINUED)
The following table summarizes the changes in stockholders' equity for the nine months ended June 30, 1994.

(Dollars in thousands)

	Preferred Stock Shares Issued	Preferred Stock Value	Preferred Treasury Stock Shares	Preferred Treasury Stock Cost	Common Stock Shares Issued	Common Stock Value	Additional Paid-In Capital	Retained Earnings
Balance at September 30, 1993	75,336	$75,336	3,686	$(3,003)	33,887,484	$33,887	$33,621	$861,803
Net income								60,309
Common stock dividends paid								(14,653)
Net issuance of treasury stock under employee compensation plans							5,467	
Purchase of treasury stock-preferred			572	(713)				
Sale of treasury stock to Profit Sharing and Savings Plan							633	
Preferred stock dividends paid to Employee Stock Ownership Plan, net of tax								(2,691)
Principal payment by Employee Stock Ownership Plan under guaranteed loan								
Amortization of unearned compensation								
Foreign currency translation adjustments								
Balance at June 30, 1994	75,336	$75,336	4,258	$(3,716)	33,887,484	$33,887	$39,721	$904,768

	Common Treasury Stock Shares	Common Treasury Stock Cost	Unearned Compensation	Deferred Employee Benefits	Foreign Currency Translation Adjustments	Total Stock-holders' Equity
Balance at September 30, 1993	15,161,103	$(475,863)	$(7,321)	$(68,781)	$(7,406)	$ 442,273
Net income						60,309
Common stock dividends paid						(14,653)
Net issuance of treasury stock under employee compensation plans	(52,476)	1,564	(5,211)			1,820
Purchase of treasury stock-preferred						(713)
Sale of treasury stock to Profit Sharing and Savings Plan	(19,790)	625				1,258
Preferred stock dividends paid to Employee Stock Ownership Plan, net of tax						(2,691)
Principal payment by Employee Stock Ownership Plan under guaranteed loan				1,023		1,023
Amortization of unearned compensation			2,599			2,599
Foreign currency translation adjustments					14,953	14,953
Balance at June 30, 1994	15,088,837	$(473,674)	$(9,933)	$(67,758)	$ 7,547	$ 506,178

CABOT CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations

I. RESULTS OF OPERATIONS

Sales and operating profit by industry segment are shown in the accompanying table on page 13.

Three Months Ended June 30, 1994 versus
Three Months Ended June 30, 1993

Net income for the third quarter of fiscal year 1994 was $22.0 million ($1.11 per primary common share), compared with $18.4 million ($0.94 per primary common share) in the same quarter a year ago. Net sales and other operating revenues rose 2.4% to $428.8 million from $418.8 million in the year-ago quarter. Total operating profit of $49.5 million is flat compared to $49.4 million in the prior year. Operating profit includes a $6.2 million write off of the Company's interest in its Japanese carbon black affiliate, and a $4.0 million favorable reserve adjustment associated with the closing of its carbon black plant in Germany. Total operating profit before these one-time adjustments was $51.7 million, a 4.7% increase from the same period a year ago.

In the Specialty Chemicals and Materials Group, net sales and other operating revenues rose 3.0% in the third quarter to $328.9 million from $319.3 million last year. Operating profit of $50.8 million, before the one-time adjustments mentioned above, advanced 10.2% from last year's $46.1 million. The improved operating profit reflects volume growth in all businesses except performance materials (tantalum), with average volume growth of 7%. Stronger margins in some businesses also contributed to the improved profits. Globally, the Group benefitted from continuing strength in North and South America, and an improving European economy. With the exception of Japan, the comparison in the Pacific region was also favorable.

In the Company's Energy Group, sales of $99.9 million were flat with last year's $99.5 million and operating profit declined to $0.9 million from $3.3 million. The prior year's operating profits were unusually strong, reflecting higher prices than were experienced in the third quarter this year.

Nine Months Ended June 30, 1994 versus
Nine Months Ended June 30, 1993

For the nine months ended June 30, 1994 net income was $60.3 million ($3.02 per primary common share) compared to $18.2 million ($0.83 per primary common share) in the same period a year ago. Net income for the nine months, before one-time adjustments, was $61.7 million ($3.09 per primary common share) compared to $44.3 million, before accounting changes, ($2.23 per primary common share) last year. Net sales and other operating revenues increased 3.2% to $1,262.2 million from $1,222.5 million last year.

In the Specialty Chemicals and Materials Group, revenues increased slightly during the first nine months to $912.9 million from $903.9 million last year. Operating profits, before one-time adjustments, grew 12.7% to $127.0 million reflecting volume growth in most business segments. Of particular note was a 17% volume increase in the Company's Cab-O-Sil (fumed silica) division, and positive comparisons in the Company's European carbon black division. In addition, favorable material costs improved margins in many of the Specialty Chemicals and Materials businesses. Performance in Japan continues to be adversely affected by recession and high costs in that region. The Company does not believe that conditions will improve soon. Therefore, the Company has written off its $6.2 million equity investment in its Japanese carbon black affiliate.

In the Company's Energy Group, sales for the first nine months of fiscal year 1994 grew 9.6% to $349.3 million from $318.6 million in the same period a year ago. Operating profit increased 31.0% to $18.6 million from $14.2 million. The improvement is primarily due to a strong second quarter in the Company's LNG business where an unusually cold winter in the northeast boosted energy demand and prices.

CABOT CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations (continued)

Equity in net income of affiliated companies was $2.6 million compared to a loss of $0.7 million for the first nine months of fiscal 1993, due primarily to better performance at several of the Company's carbon black affiliates.

The Company maintained its effective income tax rate at 38%.

The Company is encouraged by economic improvement in the U.S. and Europe and confident it is positioned to participate in further economic recovery in those regions. The Company's LNG business may experience reductions in supplies of LNG over the next year or so due to the previously announced refurbishment of its Algerian supplier's liquefaction facility. The effect on the Company will depend on the extent and timing of reductions. Other gas supply opportunities are being explored. The political uncertainties in Algeria have not, to date, adversely affected the Company's LNG supplies.

On June 30, 1994, the Company owned a 34.4% interest in American Oil and Gas Corporation (AOG/NYSE), whose operating results are reflected in Cabot's equity in net income of affiliates. On July 13, 1994, American Oil and Gas Corporation ("AOG") was merged into a subsidiary of K N Energy, Inc. ("KNE"). As a result, all outstanding shares of AOG were converted into shares of KNE common stock at a rate of 0.47 shares of KNE for each share of AOG. On completion of the merger, Cabot was the largest stockholder of KNE with 15.2% of the outstanding common stock. Cabot's investment in KNE will be accounted for on a cost basis.

The Company has also announced a two-for-one stock split and an approximately 8% increase in its quarterly common stock dividend, from $0.26 per share to $0.28 per share on a pre-split basis. On August 17, 1994, the Company is expected to distribute one additional share of common stock for each share of common stock held by stockholders of record on August 9, 1994. The next quarterly dividend on the split shares will be $0.14 per share payable on September 9, 1994 to stockholders of record on August 26, 1994.

II. CASH FLOWS AND LIQUIDITY

During the first nine months of fiscal 1994, the Company's operations provided $68.8 million of cash. This represents a 33.5% decrease from the same period last year reflecting the continued rebuilding of inventory levels by the Company's TUCO business and a decrease in accounts payable and accrued expenses due to the settlement of the last significant, and previously reserved for, take-or-pay case. Capital spending on investments and acquisitions declined significantly to $0.3 million from $40.4 million last year. In 1993, the Company invested $17.8 million in the acquisition of the remaining interest of its Brazilian subsidiary and smaller amounts in its Czech Republic, Mexican and Indonesian carbon black affiliates, and to purchase the remaining interest in a Canadian affiliate. The Company anticipates that spending for property, plant and equipment will be somewhat higher in the fourth quarter than in the prior three quarters.

Cabot decreased its borrowings by $7.0 million during the first nine months of the year. At June 30, 1994, there were no amounts borrowed under a $250 million line of credit available to the Company. The Company's ratio of total debt (including short term debt net of cash) to capital improved to 46.6% from 50.4% at fiscal 1993 year end.

Management expects cash from operations and present financing arrangements, including the Company's unused line of credit, to be sufficient to meet the Company's cash requirements for the foreseeable future.

CABOT CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations

(Dollars in millions, except per share amounts)

	Three Months Ended 6/30/94	Three Months Ended 6/30/93	Nine Months Ended 6/30/94	Nine Months Ended 6/30/93
Industry Segment Data				
Sales:				
Specialty Chemicals and Materials	$ 328.9	$ 319.3	$ 912.9	$ 903.9
Energy	99.9	99.5	349.3	318.6
Net Sales	$ 428.8	$ 418.8	$1,262.2	$1,222.5
Operating Profit:				
Specialty Chemicals and Materials	$ 48.6	$ 46.1	$ 124.8	$ 112.7
Energy	0.9	3.3	18.6	14.2
Total operating profit	$ 49.5	$ 49.4	$ 143.4	$ 126.9
Interest expense	(10.8)	(11.2)	(31.4)	(33.7)
General corporate expense	(6.6)	(7.0)	(19.0)	(17.1)
Income from continuing operations before income taxes	32.1	31.2	93.0	76.1
Provision for income taxes	(12.2)	(12.7)	(35.3)	(31.1)
Equity in net income (loss) of affiliated companies	2.1	(0.1)	2.6	(0.7)
Net income before the cumulative effect of accounting changes	22.0	18.4	60.3	44.3
Cumulative effect of accounting changes	-	-	-	(26.1)
Net income	$ 22.0	$ 18.4	$ 60.3	$ 18.2
Dividends on preferred stock	(0.9)	(0.9)	(2.7)	(2.7)
Income applicable to primary common shares	$ 21.1	$ 17.5	$ 57.6	$ 15.5
Income per common share:				
Primary				
Continuing operations	$ 1.11	$ 0.94	$ 3.02	$ 2.23
Cumulative effect of accounting changes	-	-	-	(1.40)
Income per share	$ 1.11	$ 0.94	$ 3.02	$ 0.83
Fully Diluted				
Continuing operations	$ 1.04	$ 0.88	$ 2.83	$ 2.23
Cumulative effect of accounting changes	-	-	-	(1.40)
Income per share	$ 1.04	$ 0.88	$ 2.83	$ 0.83

Part II. Other Information

Item 5. Other Information

On July 29, 1994, the Company announced a two-for-one stock split of its common stock in the form of a stock dividend. On August 17, 1994, the Company expects to distribute one additional share of common stock for each share of common stock held by stockholders of record on August 9, 1994. The Company also announced an increase of approximately 8% in its quarterly common stock dividend. The $0.14 per share dividend on post-split shares will be paid on September 9, 1994 to common stockholders of record on August 26, 1994.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The Exhibit number corresponds to the number assigned to such Exhibits in the Exhibit Table of Item 601 of Regulation S-K.

Exhibit Number	Description
11	Statements regarding Computation of Per Share Earnings filed herewith.
12	Statement regarding Computation of Ratio of Earnings to Fixed Charges filed herewith.

(b) Reports on Form 8-K

No report on Form 8-K was filed by the Company during the three months ended June 30, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CABOT CORPORATION

Date: August 15, 1994	/s/ John G.L. Cabot ---------------------------- John G.L. Cabot Vice Chairman and Chief Financial Officer
Date: August 15, 1994	/s/ William R. Thompson ----------------------------- William R. Thompson Vice President and Controller (Chief Accounting Officer)

EXHIBIT 11

CABOT CORPORATION

Earnings per Common Share for the Three Month Period Ended June 30, 1994

Statement Regarding Computation of Per Share Earnings

(In thousands, except per share amounts)

	Primary	Fully Diluted
Shares of common stock outstanding at April 1, 1994, less treasury stock	18,788	18,788
Plus net weighted shares of treasury stock issued	6	7
Plus common stock equivalents:		
Effect of convertible preferred stock conversion	-	1,554
Effect of equity incentive awards	299	299
Weighted average shares outstanding	19,093	20,648
Income applicable to common shares	$ 21,108	$ 21,108
Dividends on preferred stock	-	895
Preferred stock conversion compensation shortfall	-	(623)
Earnings applicable to common shares	$ 21,108	$ 21,380
Earnings per common share	$ 1.11	$ 1.04

EXHIBIT 11

CABOT CORPORATION

Earnings per Common Share for the Nine Month Period Ended June 30, 1994

Statement Regarding Computation of Per Share Earnings

(In thousands, except per share amounts)

	Primary	Fully Diluted
Shares of common stock outstanding at October 1, 1993, less treasury stock	18,726	18,726
Plus net weighted shares of treasury stock issued	52	52
Plus common stock equivalents:		
Effect of convertible preferred stock conversion	-	1,554
Effect of equity incentive awards	318	318
Weighted average shares outstanding	19,096	20,650
Income applicable to common shares	$ 57,618	$ 57,618
Dividends on preferred stock	-	2,691
Preferred stock conversion compensation shortfall	-	(1,873)
Earnings applicable to common shares	$ 57,618	$ 58,436
Earnings per common share	$ 3.02	$ 2.83

EXHIBIT 12

CABOT CORPORATION AND CONSOLIDATED SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollar amounts in thousands)

	Nine Months Ended June 30 1994	Years ended September 30 1993	1992	1991	1990	1989
Earnings:						
Pre-tax income from continuing operations	$93,030	$67,900	$116,599	$62,362	$63,983	$(25,480)
Distributed income of affiliated companies	3,942	5,988	5,766	4,688	3,607	1,704
Add fixed charges:						
Interest on indebtedness	31,370	44,043	41,714	38,661	41,145	34,059
Portion of rents representative of the interest factor	3,864	4,838	4,933	5,715	5,226	4,764
Income as adjusted	$132,206	$122,769	$169,012	$111,426	$113,961	$ 15,047
Fixed charges:						
Interest on indebtedness	$31,370	$44,043	$41,714	$38,661	$41,145	$34,059
Capitalized interest	--	--	3,963	8,745	--	--
Portion of rents representative of the interest factor	3,864	4,838	4,933	5,715	5,226	4,764
Total fixed charges	$ 35,234	$ 48,881	$ 50,610	$ 53,121	$ 46,371	$ 38,823
Ratio of earnings to fixed charges	3.75	2.51	3.34	2.10	2.46	*

* Earnings in fiscal 1989 were inadequate to cover fixed charges by $23,776. Operating profit for 1989 includes a $71,716 loss associated with the Energy Group restructuring and aggregate charges of $18,933 related to the reorganization of the Company's carbon black operations, streamlining of the ceramic packaging business, and provisions for environmental issues. Without these charges, the ratio of earnings to fixed charges would be 2.72 for 1989.