



Cabot Corporation to Reduce Activated Carbon Manufacturing Capacity in Marshall, Texas

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BOSTON--(BUSINESS WIRE)--Oct. 10, 2017-- [Cabot Corporation](#) (NYSE: CBT) announced that it has indefinitely idled three of the seven production units at its activated carbon manufacturing facility in Marshall, Texas, USA. These manufacturing assets recently ceased production.

"This decision will enable us to adapt to present market conditions in North America and realign our costs to current demand and pricing levels," said Sean Keohane, president and chief executive officer. "It is always important for us to ensure that our manufacturing network is operating optimally as we strive to balance the long-term health of our businesses with the evolving needs of our customers."

The decision, that will affect approximately 40 local employees, was driven by the need to better match the business's production capacity and cost structure with the current demand for powdered activated carbon in North America. Demand for powdered activated carbon following the implementation of the Mercury and Air Toxics Standards (MATS) regulation has been lower than originally expected, resulting in overcapacity. Cabot remains committed to providing its customers with high quality activated carbon products and maintaining security of supply.

"Business decisions that directly impact the lives of our employees are always difficult, and we are sensitive to the effect this has on our employees, their families and the community," said Friedrich von Gottberg, senior vice president and president, Purification Solutions Segment. "We thank those impacted in Marshall for their contributions over the years, and appreciate their continued dedication to making safe and reliable operations a top priority."

Cabot expects this action plan will result in a pre-tax charge to earnings of approximately \$9 million, of which less than \$1 million of this amount is cash. Annual savings related to this action are estimated to be approximately \$6 million, of which approximately \$5 million is cash.

ABOUT CABOT CORPORATION

Cabot Corporation (NYSE: CBT) is a global specialty chemicals and performance materials company, headquartered in Boston, Massachusetts. The company is a leading provider of [rubber](#) and [specialty carbons](#), [activated carbon](#), [inkjet colorants](#), [cesium formate drilling fluids](#), [masterbatches and conductive compounds](#), [fumed silica](#) and [aerogel](#). For more information on Cabot, please visit the company's [website](#) at: <http://www.cabotcorp.com>.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This press release contains "forward-looking statements" under the Federal securities laws. The forward-looking statements address expectations or projections about the future, including our expectations concerning the amount of the pre-tax charge to earnings we expect to record, the cash outlays we expect to make, and the amount of annual savings we expect to achieve from this action. Forward-looking 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 or difficult to predict. If known or unknown risks materialize, our actual results could differ materially from those expressed in the forward-looking statements. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K.

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Cabot Corporation
Vanessa Craigie, 617-342-6015
Corporate Communications