

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

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

	Fiscal 2017 <sup>(A)</sup>				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.85	\$ 1.18	\$ -	\$ -	\$ 2.03
Less: Certain items after tax	0.01	0.31	-	-	0.32
<b>Adjusted earnings per share</b>	<b>\$ 0.84</b>	<b>\$ 0.87</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1.71</b>

<sup>(A)</sup> 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
<b>Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin</b>					
<b>Net income (loss) attributable to Cabot Corporation</b>	<b>\$ 54</b>	<b>\$ 74</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 128</b>
Net income (loss) attributable to noncontrolling interests	4	6	-	-	10
Equity in earnings of affiliated companies, net of tax	(2)	(1)	-	-	(3)
Provision (benefit) for income taxes	17	(1)	-	-	16
<b>Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies</b>	<b>\$ 73</b>	<b>\$ 78</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151</b>
Interest expense	13	13	-	-	26
Certain items	-	-	-	-	-
Unallocated corporate costs	12	14	-	-	26
General unallocated (income) expense	(5)	1	-	-	(4)
Equity in earnings of affiliated companies	2	1	-	-	3
<b>Total Segment EBIT</b>	<b>\$ 95</b>	<b>\$ 107</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 202</b>
Plus: Total Depreciation & Amortization	38	38	-	-	76
Plus: Adjustments to Depreciation <sup>(B)</sup>	-	1	-	-	1
<b>Total Segment EBITDA</b>	<b>\$ 133</b>	<b>\$ 146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 279</b>
Less: Unallocated Corporate Costs	(12)	(14)	-	-	(26)
<b>Adjusted EBITDA</b>	<b>\$ 121</b>	<b>\$ 132</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 253</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reinforcement Materials EBIT	\$ 40	\$ 54	\$ -	\$ -	\$ 94
Plus: Depreciation & Amortization	17	17	-	-	34
<b>Reinforcement Materials EBITDA</b>	<b>\$ 57</b>	<b>\$ 71</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 128</b>
Reinforcement Materials Sales	\$ 295	\$ 352	\$ -	\$ -	\$ 647
<b>Reinforcement Materials EBITDA Margin</b>	<b>19%</b>	<b>20%</b>	<b>0%</b>	<b>0%</b>	<b>20%</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Performance Chemicals EBIT	\$ 49	\$ 51	\$ -	\$ -	\$ 100
Plus: Depreciation & Amortization	11	12	-	-	23
<b>Performance Chemicals EBITDA</b>	<b>\$ 60</b>	<b>\$ 63</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 123</b>
Performance Chemicals Sales	\$ 205	\$ 228	\$ -	\$ -	\$ 433
<b>Performance Chemicals EBITDA Margin</b>	<b>29%</b>	<b>28%</b>	<b>0%</b>	<b>0%</b>	<b>28%</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Purification Solutions EBIT	\$ 4	\$ 2	\$ -	\$ -	\$ 6
Plus: Depreciation & Amortization	9	10	-	-	19
<b>Purification Solutions EBITDA</b>	<b>\$ 13</b>	<b>\$ 12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25</b>
Purification Solutions Sales	\$ 69	\$ 67	\$ -	\$ -	\$ 136
<b>Purification Solutions EBITDA Margin</b>	<b>19%</b>	<b>18%</b>	<b>0%</b>	<b>0%</b>	<b>18%</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Specialty Fluids EBIT	\$ 2	\$ -	\$ -	\$ -	\$ 2
Plus: Depreciation & Amortization	1	-	-	-	1
<b>Specialty Fluids EBITDA</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3</b>
Specialty Fluids Sales	\$ 11	\$ 7	\$ -	\$ -	\$ 18
<b>Specialty Fluids EBITDA Margin</b>	<b>27%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>17%</b>

	Fiscal 2017				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
<b>Reconciliation of Discretionary Free Cash Flow</b>					
Cash flow from operating activities <sup>(C)</sup>	102	(51)	-	-	51
Less: Changes in net working capital <sup>(D)</sup>	16	(134)	-	-	(118)
Less: Sustaining and compliance capital expenditures	21	18	-	-	39
<b>Discretionary Free Cash Flow</b>	<b>\$ 65</b>	<b>\$ 65</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 130</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.

<sup>(C)</sup> As provided in the Consolidated Statement of Cash Flows.

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