



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 third quarter earnings release and filed on our Form 8-K dated July 28, 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 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. The term "service mix" refers to the positive or negative impact on revenue or profitability during a period from changes in the combination of customers and prices in the Specialty Fluids Business.

Drivers of Q3 Performance

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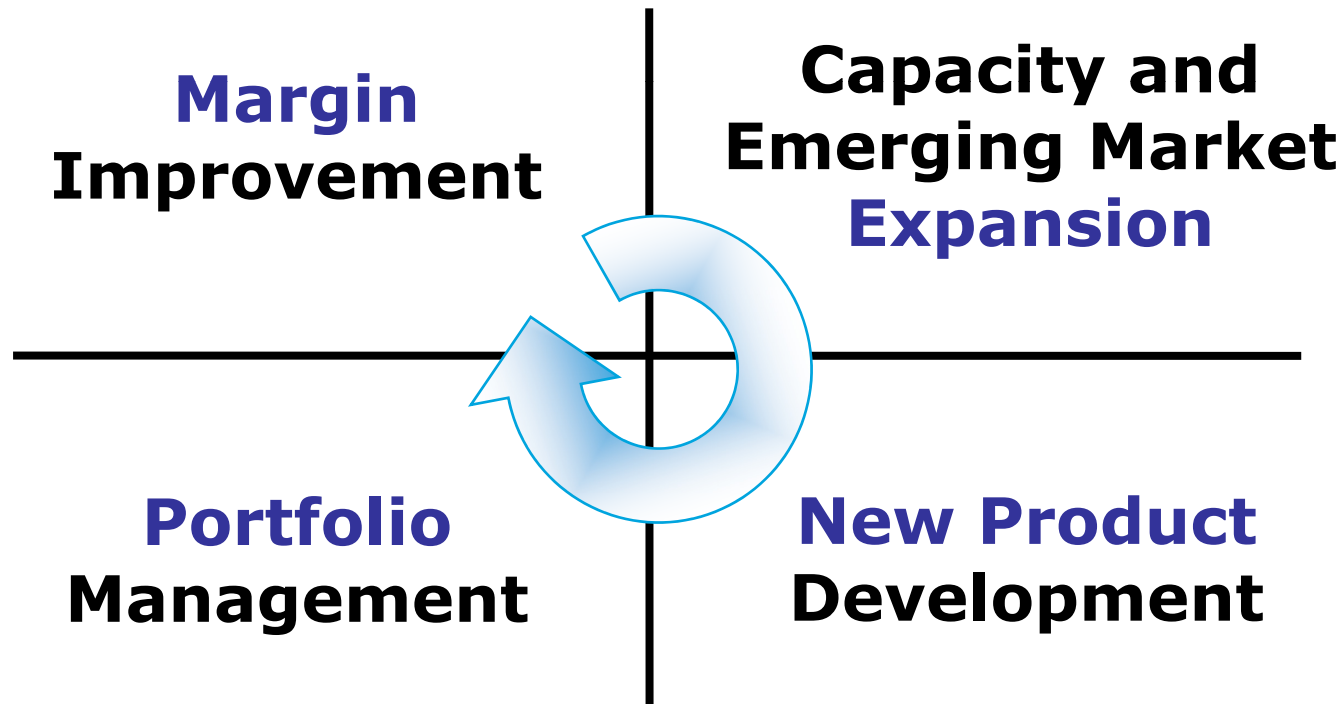
**Record \$0.95 adjusted EPS vs.
\$0.06 in Q3 2009 and \$0.78 in Q2 2010**

- **Volumes increase 20% year over year with robust unit margins**
- **Strong performance in Supermetals and Specialty Fluids**
- **Year over year revenue growth in New Business Segment of 79%**
- **Lower overall cost base**

Key Strategic Message

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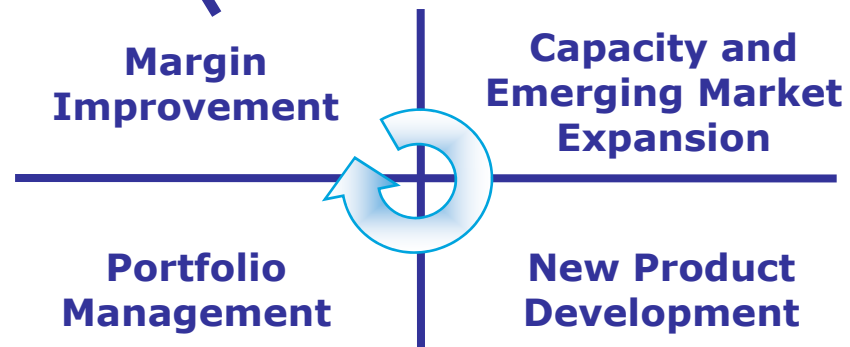
**Businesses performing at or above pre-crisis levels
with strong execution in key strategic areas**



Progress in Strategic Areas

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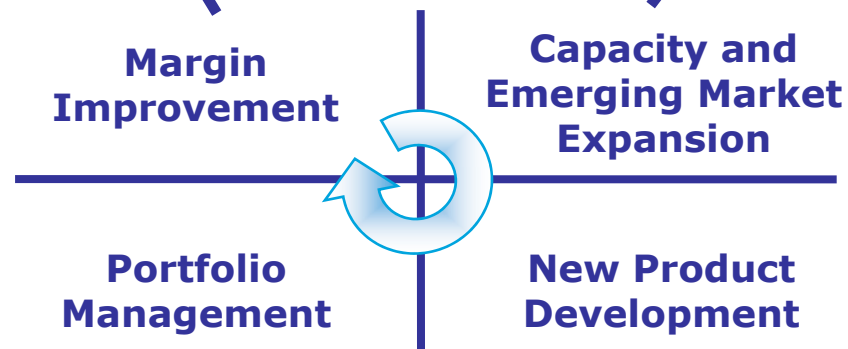
- Performance culture
- Product mix and value pricing
- Lower fixed and variable costs
- Energy recovery and yield technology
- Elimination of contract lag



Progress in Strategic Areas

- Performance culture
- Product mix and value pricing
- Lower fixed and variable costs
- Energy recovery and yield technology
- Elimination of contract lag

- Tianjin, China expansion
- Dubai masterbatch
- Indonesia expansion
- Jiangxi FMO expansion

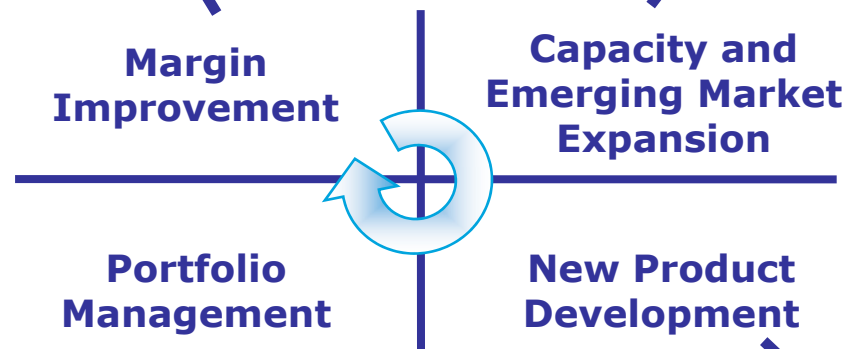


Progress in Strategic Areas

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- Performance culture
- Product mix and value pricing
- Lower fixed and variable costs
- Energy recovery and yield technology
- Elimination of contract lag

- Tianjin, China expansion
- Dubai masterbatch
- Indonesia expansion
- Jiangxi FMO expansion



- New Business Segment EBIT
- Oxonica Materials acquisition
- Cabot Elastomer Composites
- Specialty Fluids

Operating Results

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- **Total Business PBT improved by \$72 million year over year**
 - Volumes increase 20%
 - Robust unit margins
 - Full benefit of cost reduction actions
 - LIFO benefit
- **Total Business PBT improved by \$22 million sequentially**
 - Overall volumes ahead of Q2
 - Strong Specialty Fluids and Supermetals performance
 - CEC revenue benefit
 - LIFO benefit

Core Segment- Rubber Blacks PBT

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Year over year PBT
increased \$30 million:

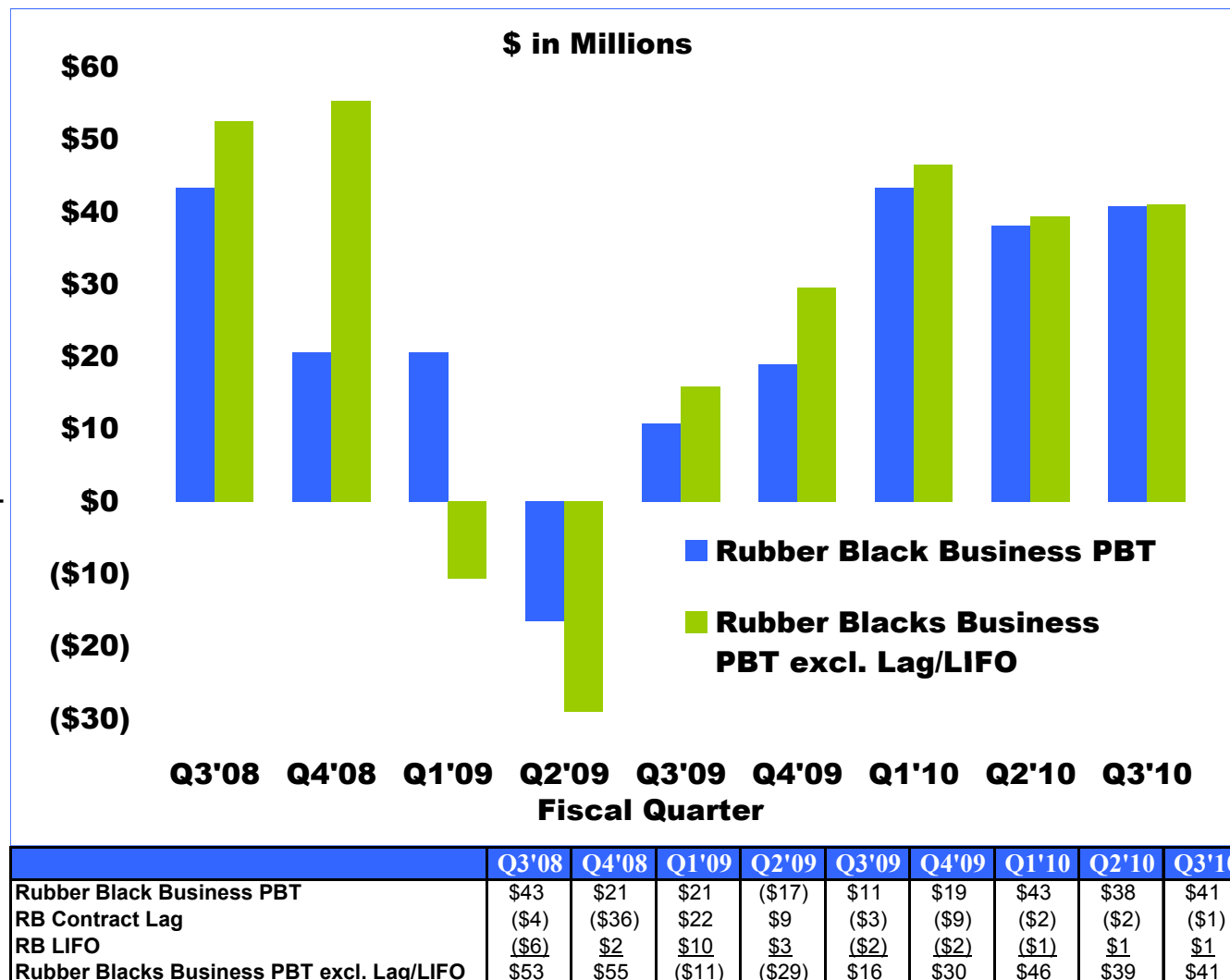
- 22% volume increase;
growth in all regions
- Robust unit margins

Sequential PBT increased
\$3 million

- 3% volume increase,
lead by China and Asia-
Pacific

CEC revenue benefits

Contract lag elimination
adds stability



Core Segment Supermetals PBT

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Year over year PBT
increased \$11 million:

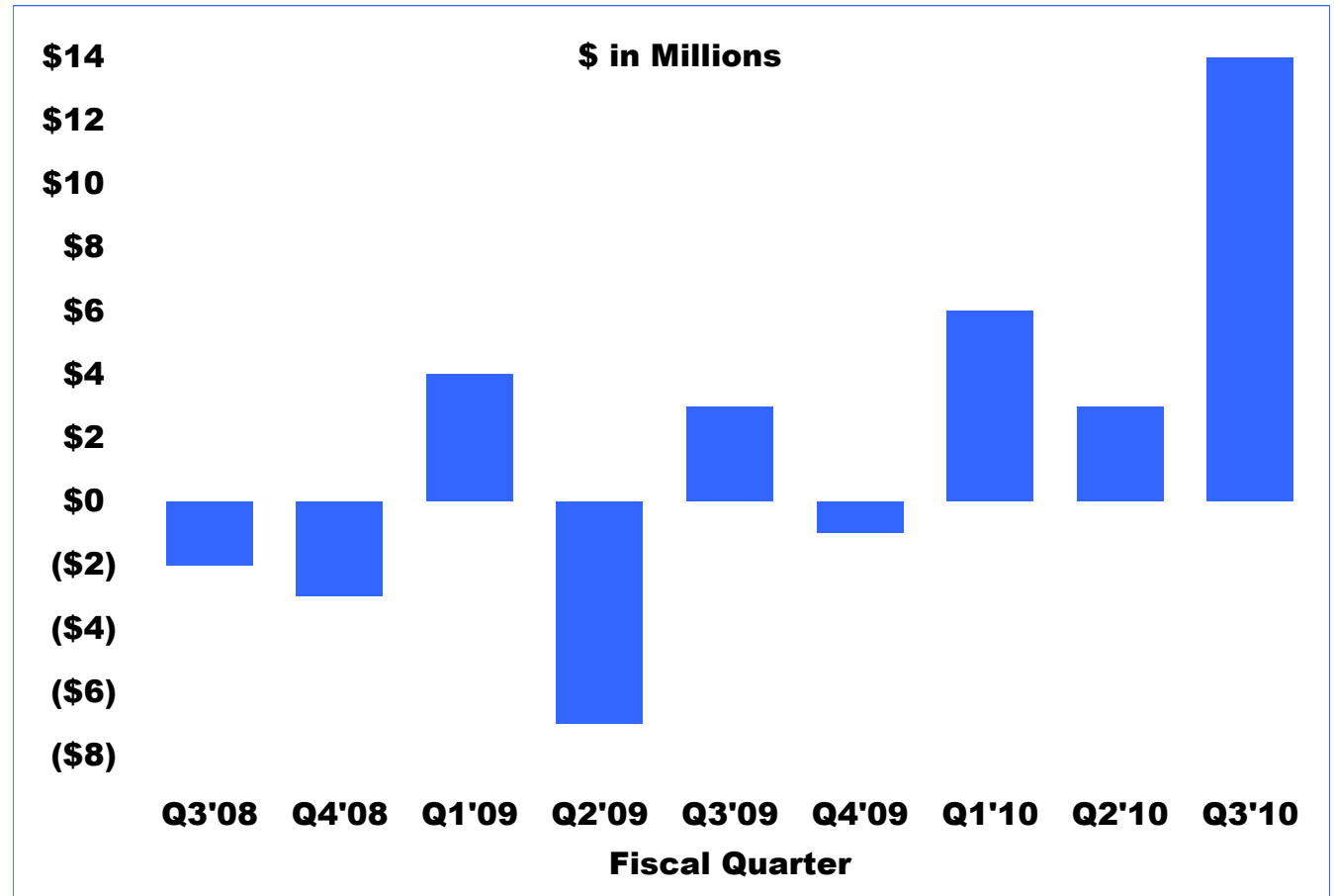
- Stronger demand
- Lower prices offset by
lower overall costs
including LIFO benefit

Sequential PBT increased
\$11 million:

- Stronger demand
- Higher prices
- Lower operating costs

Repositioning of business
and market recovery
benefited performance

Generated \$18 million of
cash from increased
operating results and lower
working capital



Performance Segment

Segment PBT

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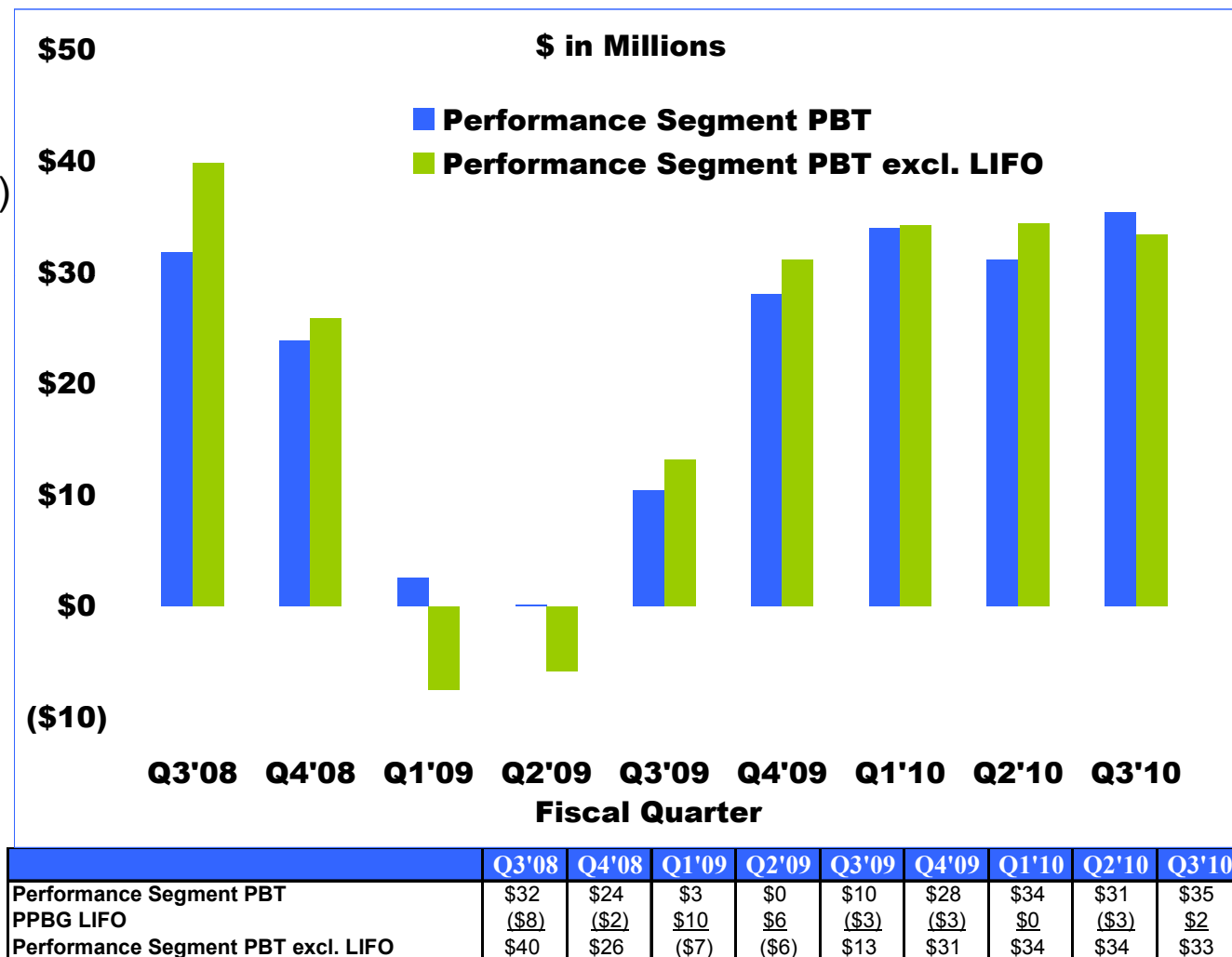
Year over year PBT
increased \$25 million:

- Volumes increased
(18% PPBG, 21% FMO)

Sequential PBT increased
\$3 million

Strongly positioned:

- Specialty products
- High value applications
- Close customer
collaboration



Specialty Fluids Segment

Segment PBT

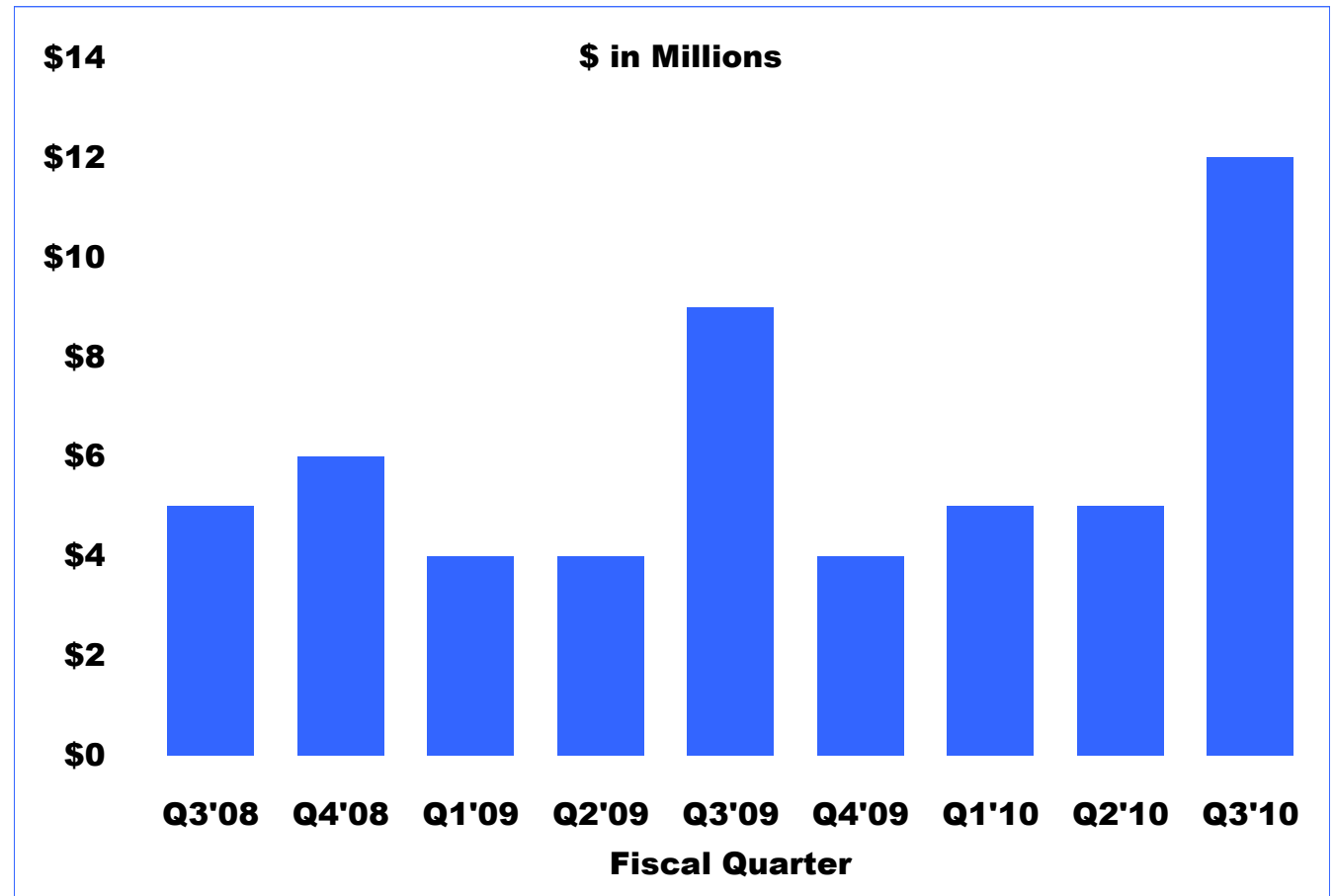
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Greater level of activity and higher rental revenues

- Year over year PBT increased \$2 million
- Sequential PBT increased \$6 million

Focusing on expansion beyond North Sea

Substantial leverage from higher volumes and activity



New Business Segment

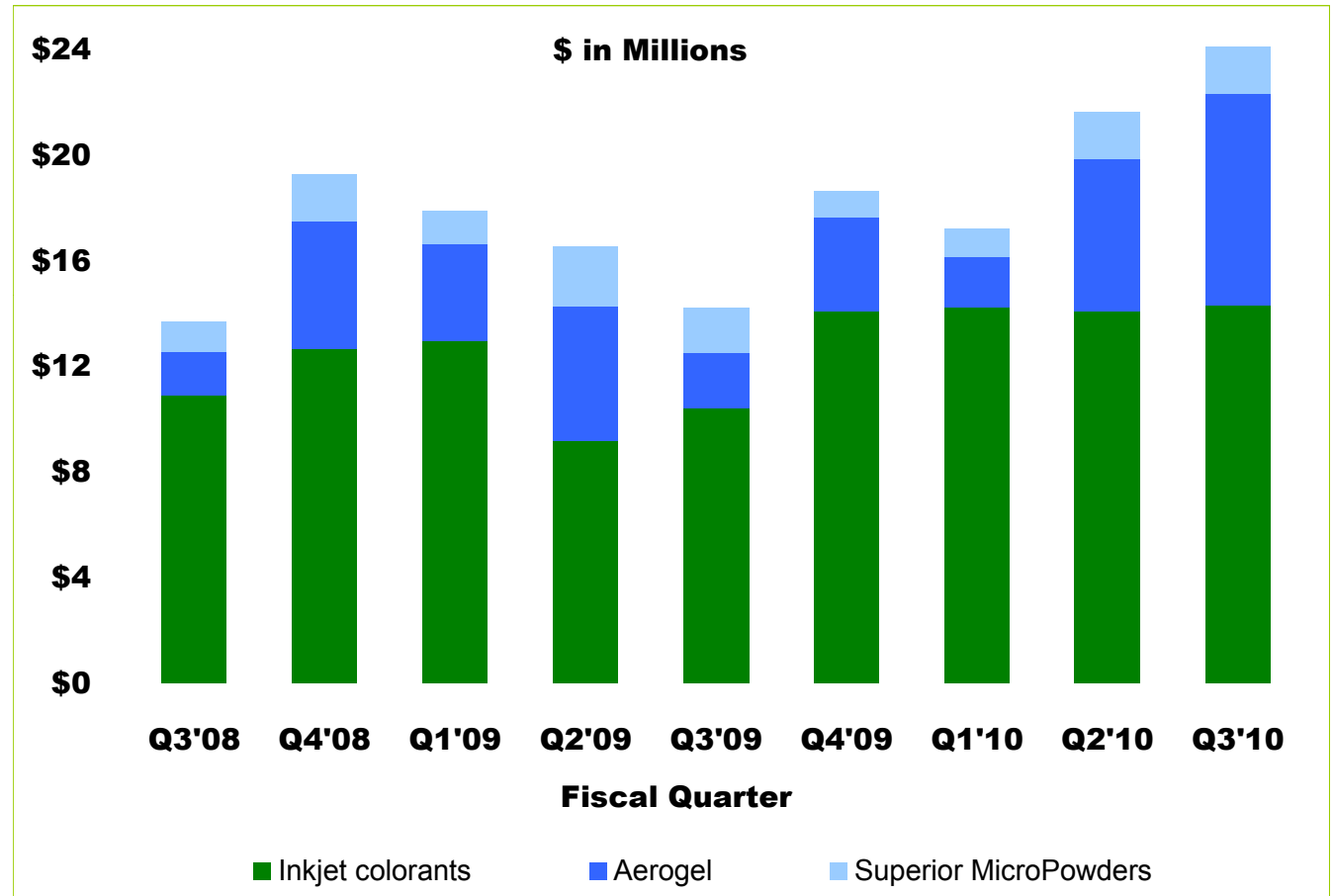
Segment Revenue

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Improved revenues in
Inkjet and Aerogel

- Year over year \$11 million revenue increase
- Sequential \$3 million revenue increase

Second consecutive
quarter of positive PBT
performance



Corporate Financial Overview

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Cash

- Quarter ending cash balance of \$295 million
- Working capital increase of \$4 million during the quarter
- Q3 capital expenditures of \$26 million

Taxes

- Third quarter net tax provision of \$20 million
- Recurring effective tax rate approximately 25%, excluding:
 - Impact from closure of Thane, India rubber blacks facility
 - Discrete tax items

Outlook

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- **Three quarters of robust performance across all segments**
- **Stronger company than before downturn**
- **Solid execution in key strategic areas**
- **On track to meet financial targets**
 - **\$3 adjusted EPS by 2012**
 - **13% adjusted ROIC by 2014**



CABOT