

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	Fiscal 2016 ^(A)				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reconciliation of Adjusted EPS to GAAP EPS					
Net (loss) income per share attributable to Cabot Corporation	\$ (0.11)	\$ 0.76	\$ 0.88	\$ -	\$ 1.53
Less: Net loss per share from discontinued operations	-	-	-	-	-
Net (loss) income per share from continuing operations	\$ (0.11)	\$ 0.76	\$ 0.88	\$ -	\$ 1.53
Less: Certain items after tax	(0.62)	0.06	(0.05)	-	(0.61)
Adjusted earnings per share	\$ 0.51	\$ 0.70	\$ 0.93	\$ -	\$ 2.14

^(A) Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

	Fiscal 2016				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin					
Net (loss) income attributable to Cabot Corporation	\$ (7)	\$ 48	\$ 56	\$ -	\$ 97
Net income attributable to noncontrolling interests	4	4	4	-	12
Equity in earnings of affiliated companies, net of tax	-	(1)	(1)	-	(2)
(Benefit) provision for income taxes	(5)	11	15	-	21
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	\$ (8)	\$ 62	\$ 74	\$ -	\$ 128
Interest expense	13	14	13	-	40
Certain items	58	(1)	6	-	63
Unallocated corporate costs	13	12	11	-	36
General unallocated expense	(5)	-	(1)	-	(6)
Equity in earnings of affiliated companies	-	1	1	-	2
Total Segment EBIT	\$ 71	\$ 88	\$ 104	\$ -	\$ 263
Plus: Total Depreciation & Amortization	41	41	40	-	122
Plus: Adjustments to Depreciation ^(B)	1	-	1	-	2
Total Segment EBITDA	\$ 113	\$ 129	\$ 145	\$ -	\$ 387
Less: Unallocated Corporate Costs	(13)	(12)	(11)	-	(36)
Adjusted EBITDA	\$ 100	\$ 117	\$ 134	\$ -	\$ 351

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reinforcement Materials EBIT	\$ 26	\$ 34	\$ 35	\$ -	\$ 95
Plus: Depreciation & Amortization	20	18	18	-	56
Reinforcement Materials EBITDA	\$ 46	\$ 52	\$ 53	\$ -	\$ 151
Reinforcement Materials Sales	\$ 288	\$ 261	\$ 270	\$ -	\$ 819
Reinforcement Materials EBITDA Margin	16%	20%	20%		18%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Performance Chemicals EBIT	\$ 50	\$ 58	\$ 59	\$ -	\$ 167
Plus: Depreciation & Amortization	12	13	12	-	37
Performance Chemicals EBITDA	\$ 62	\$ 71	\$ 71	\$ -	\$ 204
Performance Chemicals Sales	\$ 207	\$ 216	\$ 228	\$ -	\$ 651
Performance Chemicals EBITDA Margin	30%	33%	31%		31%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Purification Solutions EBIT	\$ (5)	\$ (2)	\$ -	\$ -	\$ (7)
Plus: Depreciation & Amortization	9	10	10	-	29
Purification Solutions EBITDA	\$ 4	\$ 8	\$ 10	\$ -	\$ 22
Purification Solutions Sales	\$ 66	\$ 67	\$ 77	\$ -	\$ 210
Purification Solutions EBITDA Margin	6%	12%	13%		11%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Specialty Fluids EBIT	\$ -	\$ (2)	\$ 10	\$ -	\$ 8
Plus: Depreciation & Amortization	1	-	1	-	2
Specialty Fluids EBITDA	\$ 1	\$ (2)	\$ 11	\$ -	\$ 10
Specialty Fluids Sales	\$ 7	\$ 6	\$ 19	\$ -	\$ 32
Specialty Fluids EBITDA Margin	14%	(34%)	58%		31%

	Fiscal 2016				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reconciliation of Discretionary Free Cash Flow					
Cash flow from operating activities ^(C)	83	105	107	-	295
Less: Changes in net working capital ^(D)	40	28	(21)	-	47
Less: Sustaining and compliance capital expenditures	21	20	21	-	62
Discretionary Free Cash Flow	\$ 22	\$ 57	\$ 107	\$ -	\$ 186

^(B) 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.

^(C) As provided in the Consolidated Statement of Cash Flows.

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