



Earnings Teleconference

First Quarter / Fiscal 2014



Forward Looking Statements, Use of Non-GAAP Financial Measures & Definitions of Terms Used

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 our actions that will drive earnings growth, demand for our products, our expected capital expenditures in fiscal 2014, our expected operating tax rate for fiscal 2014, our expectations pertaining to the accretion from our acquisition of Nhumo, and our future financial performance, 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. Forward-looking statements are based on our current expectations, assumptions, estimates and projections about Cabot's businesses and strategies, market trends and conditions, economic conditions and other factors. These 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 and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our inability to complete capacity expansions or other development projects, including at our mine in Manitoba, as planned; the timing of implementation of environmental regulations; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations. These factors are discussed more fully in the reports we file with the Securities and Exchange Commission, particularly our latest annual report on Form 10-K.

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, adjusted EBITDA, free cash flow, and operating tax rate, which are non-GAAP measures. A reconciliation of adjusted EPS to EPS from continuing operations, the most directly comparable GAAP financial measure, a reconciliation of total segment EBIT to Income (loss) from continuing operations before taxes, the most directly comparable GAAP financial measure, and a reconciliation of operating tax rate to effective tax rate, the most directly comparable GAAP financial measure, are provided in the tables included in our first quarter earnings release and filed on our current report on Form 8-K dated January 29, 2014. The definition of adjusted EBITDA is included in our first quarter earnings release and filed on our current report on Form 8-K dated January 29, 2014 and a reconciliation of adjusted EBITDA from segment EBIT for the first quarter of fiscal 2014 is provided in the investor section of our website at <http://investor.cabot-corp.com>, under the Non-GAAP Reconciliations section. The definition of free cash flow is included in this presentation and is provided in the investor section of our website at <http://investor.cabot-corp.com>, under the Non-GAAP Reconciliations section.

The term "operating tax rate" represents the tax rate on our recurring operating results. This rate excludes discrete tax items, which are unusual or infrequent items that are excluded from the estimated annual effective tax rate and other tax items, including the impact of the timing of losses in certain jurisdictions, cumulative rate adjustment and the impact of certain items on both operating income and tax provision. The term "product mix" refers to the various types and grades, or mix, of products sold in a particular Business or Segment during the period, and the positive or negative impact of that mix on the revenue or profitability of the Business or Segment.

Q1 2014 Highlights

- ◆ Volume improvements drove 30% increase in year over year adjusted EPS
- ◆ Double-digit year over year volume growth in Reinforcement Materials and Performance Materials
- ◆ Strong quarter for Advanced Technologies operating income
- ◆ Completion of NHUMO acquisition strengthens leadership position in carbon black
- ◆ Commercialization of new China carbon black plant progressing well

Global Environment

2014

- ◆ Improved tire and automotive demand
- ◆ Growing infrastructure spending
- ◆ European recovery
- ◆ Solid growth in emerging markets



Q1 2014 Cabot Operating Results

	Q1 2014	Q1 2013	Q4 2013
Total Segment EBIT (in millions)	\$113	\$89	\$98
Adjusted EPS	\$0.86	\$0.66	\$0.78
Adjusted EBITDA (in millions)	\$150	\$127	\$135

Q1 2014 Year over Year Total Segment EBIT increased \$24 million

- ◆ Volumes increased across most of the segments
- ◆ Commercialization of new capacity
- ◆ Elastomer Composites technology payment
- ◆ Lower Purification Solutions EBIT

Q1 2014 Total Segment EBIT increased \$15 million sequentially

- ◆ Volumes increased in Reinforcement Materials
- ◆ Favorable impact from replenished inventory levels

Reinforcement Materials Segment

Operating Performance

In millions	Q1 2014	Q1 2013	Q4 2013
Net sales	\$517	\$475	\$482
Segment EBIT	\$64	\$50	\$47

Key Highlights

- ◆ First quarter volumes improved 15% year over year and 7% sequentially
- ◆ Addition of new capacity in China and Mexico
- ◆ Raw material and fixed cost benefits

Segment Outlook

- ◆ Tire and automotive demand expected to increase in 2014
- ◆ One-time benefits not expected to repeat
- ◆ Commercialization of new China capacity progressing well

Performance Materials Segment

Operating Performance

In millions	Q1 2014	Q1 2013	Q4 2013
Net sales	\$217	\$196	\$232
Segment EBIT	\$34	\$27	\$33

Key Highlights

- ◆ First quarter volumes increased 16% in Specialty Carbons and Compounds and 5% in Fumed Metal Oxides year over year
- ◆ Lower costs associated with replenishing inventory levels

Segment Outlook

- ◆ Expect continued recovery in Europe and growth in China
- ◆ Growth forecasted in automotive and infrastructure-related industries
- ◆ Commercial ramp-up of new products for silicones and plastics

Advanced Technologies Segment

Operating Performance

In millions	Q1 2014	Q1 2013	Q4 2013
Net sales	\$65	\$38	\$74
Segment EBIT	\$24	\$7	\$26

Key Highlights

- ◆ Strong Specialty Fluids operating results
- ◆ Elastomer Composites royalties and technology milestone payment

Segment Outlook

- ◆ Lower levels of activity for Specialty Fluids expected in coming months; long-term pipeline of projects robust
- ◆ CEC royalties to continue, but technology payment non-recurring

Purification Solutions Segment

Operating Results

In millions	Q1 2014	Q1 2013	Q4 2013
Net sales	\$77	\$93	\$90
Segment EBITDA	\$5	\$18	\$7

Key Highlights

- ◆ EBITDA decline driven by lower volumes and higher costs
- ◆ Higher costs associated with increased maintenance activity and indirect allocations
- ◆ Successful with recent price increases

Segment Outlook

- ◆ Plans in place to improve performance
- ◆ Recent wins in activated carbon supply and equipment contracts signals MATS implementation on track
- ◆ Confident in long-term growth of the business

Corporate Financials

- ◆ Liquidity remains strong at \$464 million
- ◆ Capital expenditures of \$42 million
- ◆ Use of \$66 million of cash for NHUMO acquisition
- ◆ Increased net working capital by \$164 million, including NHUMO
- ◆ Forecasted operating tax rate between 26% and 28% for fiscal 2014

Conclusion

OUTLOOK

- ◆ Growth expected in key end markets
- ◆ Actively developing new products for various applications and markets
- ◆ Confident in ability to deliver earnings growth



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