



Earnings Teleconference

Fourth 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 2015, our expected operating tax rate for fiscal 2015, and our future financial performance, are forward-looking statements. 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, 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 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 fourth quarter earnings release and filed on our Current Report on Form 8-K dated October 28, 2014. The definition of adjusted EBITDA is included in our fourth quarter earnings release and filed on our Current Report on Form 8-K dated October 28, 2014 and a reconciliation of adjusted EBITDA from segment EBIT for the fourth quarter and fiscal year of 2014 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.

The term "product mix" refers to the mix of types and grade of products sold or the mix of geographic regions where products are sold, and the positive or negative impact this has on the revenue or profitability of the business or segment.

Fiscal 2014 Highlights

Performance

Delivered record adjusted EBITDA

- ◆ 17% adjusted EPS growth year-over-year
- ◆ Record Reinforcement Materials and Performance Materials EBIT
- ◆ Elastomer Composites royalties
- ◆ Strong cash flow generation

Strategic Actions

Completion of strategic asset moves

- ◆ Successful commercialization of new China Reinforcement Materials plant
- ◆ Acquisition and integration of NHUMO
- ◆ Completed Purification Solutions lignite mine
- ◆ Divested Security Materials business



Fiscal 2014 Highlights

New Products

Launched new products

- ◆ Fumed silica for adhesives
- ◆ Carbon additives for batteries
- ◆ Carbon black reinforcing materials for tire treads
- ◆ Specialty carbons and fumed silica additives for toner applications
- ◆ Activated carbon for sugar decolorization and oil and gas applications

Key Initiatives

Execution of business initiatives

- ◆ Transition of EMEA business service center to Riga, Latvia
- ◆ Commercial Excellence progress



Q4 2014 Highlights

- ◆ Year-over-year volume growth in Reinforcement Materials and Performance Materials drove improved performance
- ◆ Purification Solutions operations stabilized and insurance recovery of \$9 million for business interruption and property damage
- ◆ Strong cash flow generation during the fourth quarter
 - ◆ Reduced net working capital by \$44 million
 - ◆ Returned Debt / EBITDA metric to under 2x

2014 Cabot Operating Results

	FY 2014	FY 2013*	Q4 2014	Q4 2013*
Total Segment EBIT (in millions)	\$447	\$386	\$108	\$98
Adjusted EPS	\$3.43	\$2.93	\$0.85	\$0.78
Adjusted EBITDA (in millions)	\$593	\$531	\$147	\$135

Q4 Year-over-Year Total Segment EBIT increased \$10 million

- ◆ Higher volumes driven by addition of new capacity in China, acquisition in Mexico, and stronger end market demand
- ◆ Improvement in Purification Solutions EBIT from insurance recovery

Fiscal Year Total Segment EBIT increased \$61 million

- ◆ Adjusted EPS improved by 17%
- ◆ Record results in Reinforcement Materials and Performance Materials

*Recast to reflect Security Materials business in discontinued operations

Reinforcement Materials Segment

Operating Performance

In millions	FY 2014	FY 2013	Q4 2014	Q4 2013
Net sales	\$2,076	\$1,902	\$521	\$482
Segment EBIT	\$242	\$188	\$56	\$47

Key Highlights

- ◆ Record fiscal 2014 results
- ◆ Q4'14 volumes improved 11% year-over-year
- ◆ Commercialization of new China capacity progressing on track

Segment Outlook

- ◆ Challenging global macroeconomic environment
- ◆ Raw material purchasing headwinds
- ◆ Weakening foreign currencies against the U.S. dollar

Performance Materials Segment

Operating Performance

In millions	FY 2014	FY 2013	Q4 2014	Q4 2013
Net sales	\$947	\$904	\$238	\$232
Segment EBIT	\$158	\$132	\$36	\$33

Key Highlights

- ◆ Record fiscal 2014 results
- ◆ Q4'14 volumes increased 5% year-over-year in Fumed Metal Oxides and 2% in Specialty Carbons and Compounds
- ◆ Commercialization of new products continues to contribute to segment results

Segment Outlook

- ◆ Growth in automotive, construction, and consumer applications expected in 2015
- ◆ Volumes in Q1'15 expected to be seasonally lower than Q4'14

Advanced Technologies Segment

Operating Performance

In millions	FY 2014	FY 2013*	Q4 2014	Q4 2013*
Net sales	\$205	\$215	\$46	\$72
Segment EBIT	\$66	\$70	\$15	\$26

Key Highlights

- ◆ Fiscal 2014 results slightly below fiscal 2013 from lower sales in the Specialty Fluids business
- ◆ Sequential increase in Aerogel volumes
- ◆ Completion of Security Materials divestiture

Segment Outlook

- ◆ Specialty Fluids lower project activity and focus on rental jobs
- ◆ Opportunities in the European building market for Aerogel
- ◆ Commercial printing growth in Inkjet Colorants business

*Recast to reflect Security Materials business in discontinued operations

Purification Solutions Segment

Operating Results

In millions	FY 2014	FY 2013	Q4 2014	Q4 2013
Net sales	\$315	\$328	\$85	\$84
Segment EBITDA	\$35	\$50	\$14	\$7

Key Highlights

- ◆ Operations stabilized
- ◆ Q4'14 volumes improved 14% sequentially
- ◆ New products released and price increases implemented
- ◆ Received \$9 million insurance recovery

Segment Outlook

- ◆ MATS implementation on track for April 2015
- ◆ Four contract wins for mercury removal
- ◆ Capacity expansion announced

Corporate Financial Items

Q4 2014

- ◆ Liquidity remained strong at \$786 million
- ◆ Net working capital decreased by \$44 million in Q4
- ◆ Repurchased \$11 million of shares in Q4

FISCAL 2015

- ◆ Forecast 2015 capital expenditures between \$200 to \$250 million
- ◆ Anticipate 2015 operating tax rate between 26% and 28%

Conclusion

PERFORMANCE AND OUTLOOK

- ◆ Fifth year of adjusted EBITDA growth
- ◆ Continuation of challenging global macroeconomic conditions
- ◆ Leverage our global reach and industry-leading positions to deliver value to our shareholders



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