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Earnings Teleconference

Second Quarter / Fiscal Year 2011 April 27, 2011

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 our ability to meet our long-term financial targets, strategy for growth, anticipated capital spending, market position, demand for our products, when we expect commissioning of our capacity additions to occur, and expected 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. 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 changes in raw material costs; costs associated with the research and development of new products, including regulatory approval and market acceptance; competitive pressures; delays in the successful integration of structural changes, including restructuring plans, and joint ventures; delays in the completion or start-up of our capacity expansion projects; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries in which the company does 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 the following non-GAAP financial measures: adjusted earnings per share (EPS) and adjusted ROIC (return on invested capital). A reconciliation of adjusted EPS to EPS from continuing operations, the most directly comparable GAAP financial measure, is provided in the tables included in our second quarter earnings release and filed on our Form 8-K dated April 26, 2011. An explanation of how we calculate adjusted ROIC is also included in the 8-K, a copy of which can be found in the Investor Relations section of our website at http://investor.cabot-corp.com. In our discussions, the term "LIFO" 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 "quarterly operating tax rate" represents the tax rate on our recurring operating results. This rate excludes discrete tax items, which are unusual and 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.

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Key Messages

- **Strong quarterly financial results**
  - **$0.81 adjusted EPS, excluding discrete tax vs. $0.57 in Q2 2010**
- **Have achieved long-term financial targets**
  - **$3 adjusted EPS**
  - **13% adjusted ROIC**
- **Focusing on next phase of growth**

New Financial Targets

$4.50 adjusted EPS in fiscal 2014

> 13% adjusted ROIC

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Growth Strategy

Margin Improvement

Capacity and Emerging Market **Expansion**

Portfolio Management

New Products & New Business Development

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Volumes

- End markets remain robust
- Capacity utilization at high levels
- Recent capacity announcements show commitment to global customer base

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Capacity Expansion

- **Significant expansion program focused on emerging markets**
- **Increase carbon black capacity by 15% (300,000K metric tons) by end of 2013**
  - **China- new facility, increase by 25%**
  - **Indonesia- increase by 50%**
  - **South America- increase by 20%**
  - **Europe- increase by 10%**
- **Fumed silica capacity tripling in China**
- **New black masterbatch in China**

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Margins

- Expanding margins across the portfolio
- Optimizing product and customer mix
- Pricing for the value we bring to customers
- Energy recovery and yield technologies lead to lower costs

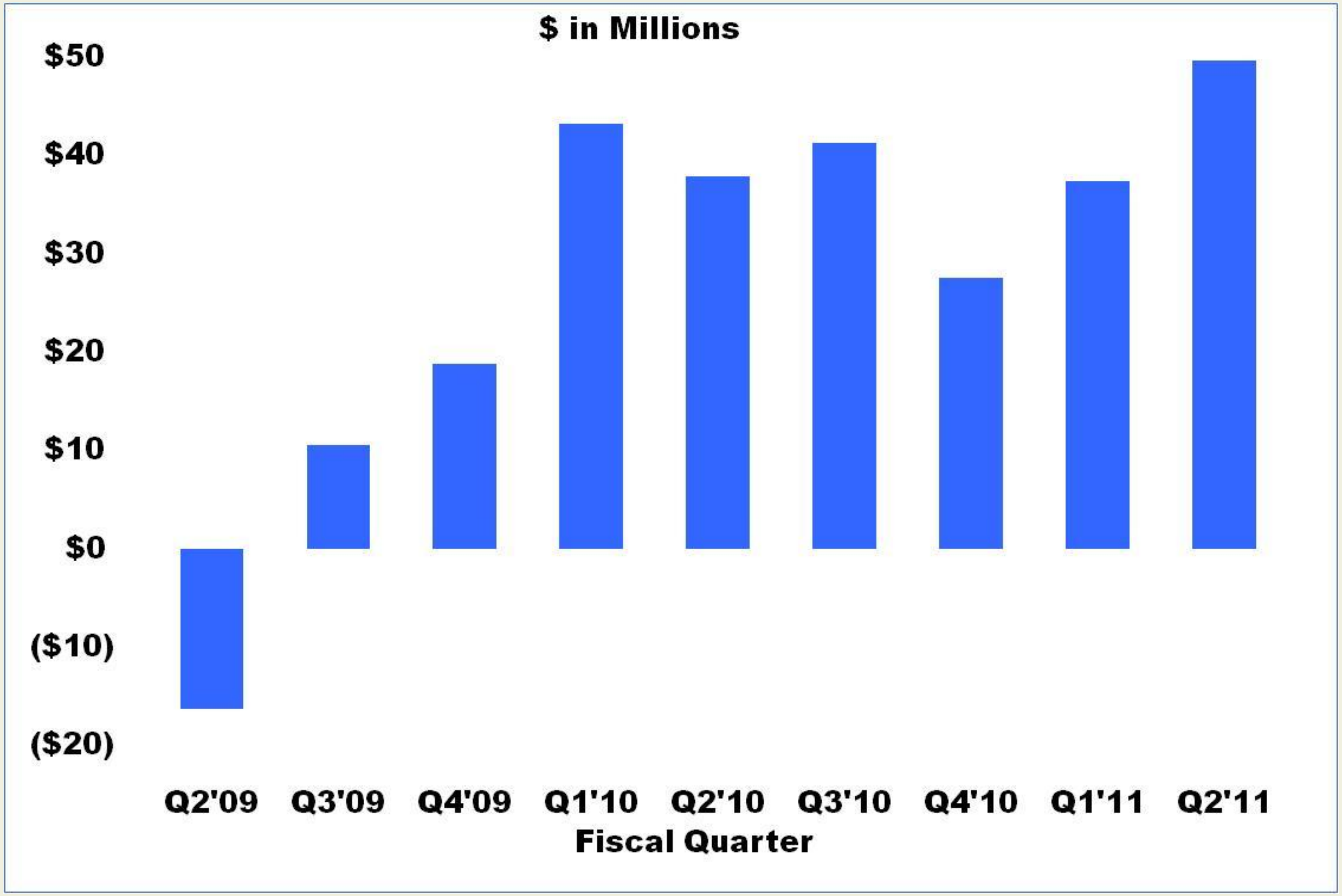
Operating Results

- **Record segment EBIT- $108 million for Q2 2011**
- **Improved $29 million year over year**
  - Higher unit margins from pricing and product mix
  - Higher carbon black raw material costs
- **Improved $14 million sequentially**
  - Higher unit margins
  - Higher volumes in Performance Products

Core Segment
Rubber Blacks EBIT

Higher unit margins
- **Pricing**
- **Product mix**
- **Energy centers**

Markets remain robust



Q2 EBIT increased $12M year over year:
- Higher unit margins
- Higher raw materials costs
- 2% volume decline

EBIT increased $12M sequentially:
- Higher unit margins
- Volumes 3% lower

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Core Segment
Supermetals EBIT

Business successfully repositioned

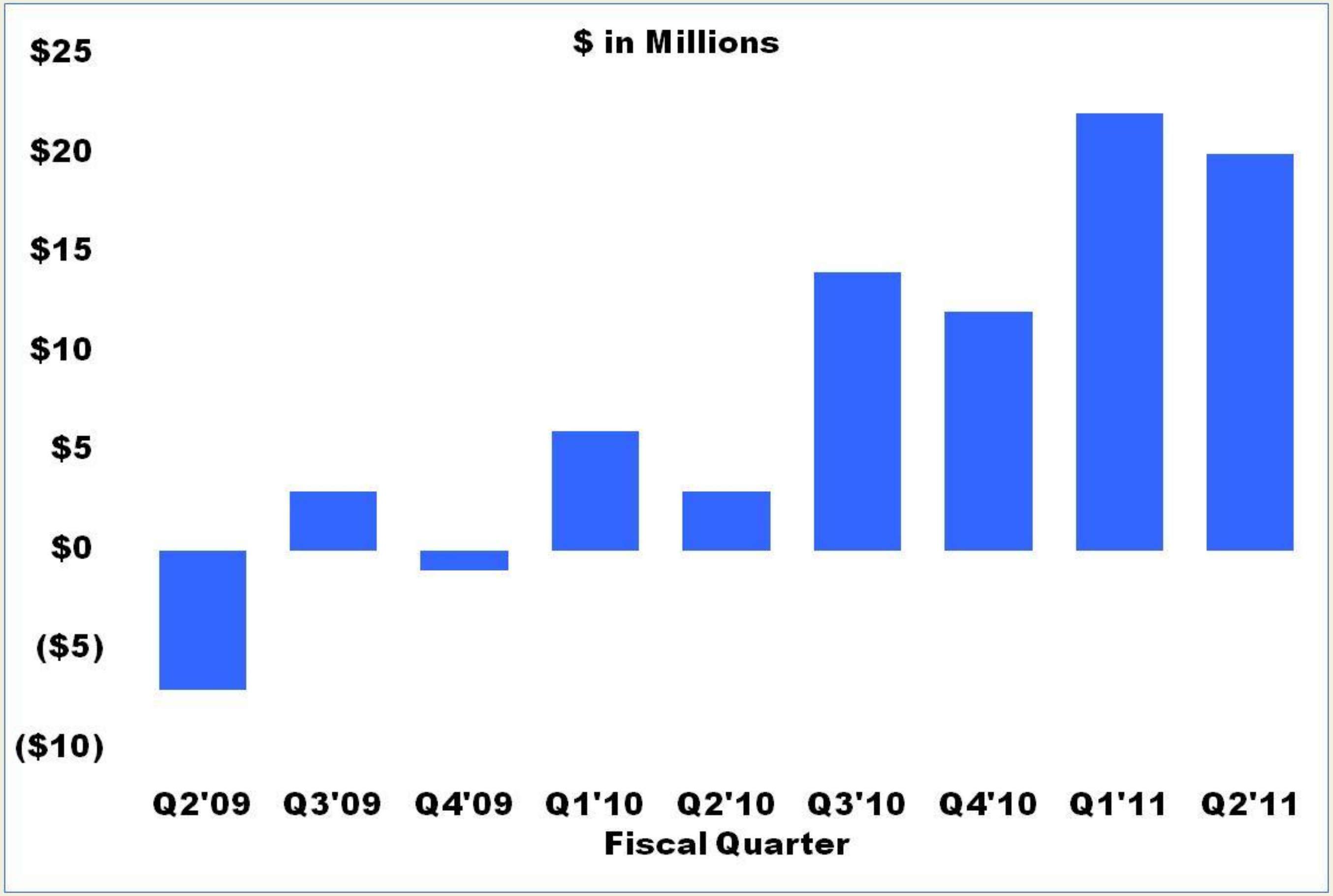
Higher value products

Year over year Q2 EBIT increased $17M:

- Higher prices
- Improved product mix
- Lower volumes

Sequential EBIT decreased $2M:

- Lower volumes
- Higher ore costs
- Higher pricing/ favorable mix



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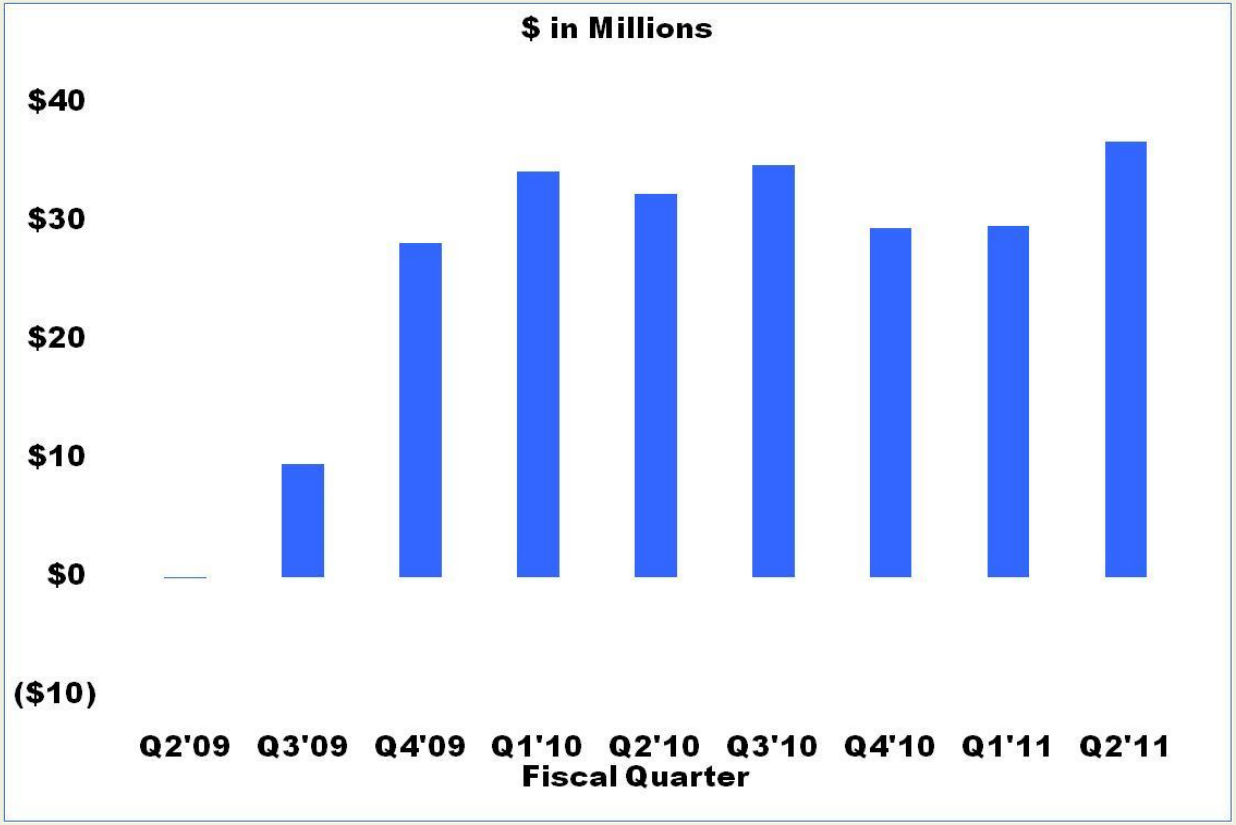
Performance Segment
Segment EBIT

Value added products deliver differentiated performance

Strong relationships with leading customers

Growth initiatives on track



Q2 EBIT increased $5M year over year

- ➢ Higher PPBG volumes
- ➢ Higher unit margins
- ➢ $5M unfavorable LIFO

Sequential EBIT increased $7M

- ➢ Higher volumes
- ➢ Higher unit margins

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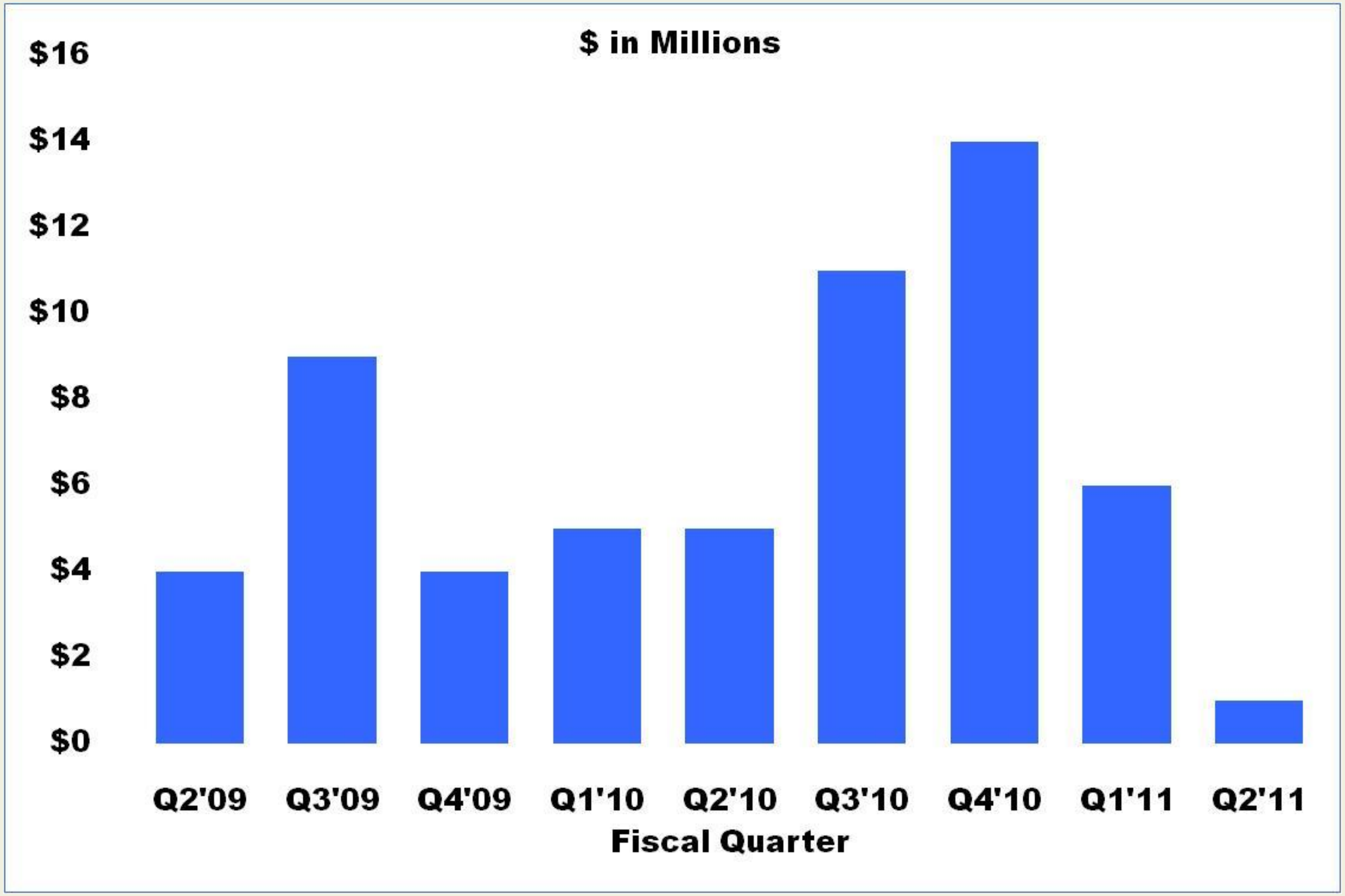
Specialty Fluids Segment
Segment EBIT

High performance product

Project dependent

Q2 EBIT decreased $4M year over year, $5M sequentially:

- Less favorable mix of business
- Lower sales and rental revenues



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New Business Segment
Segment Revenue

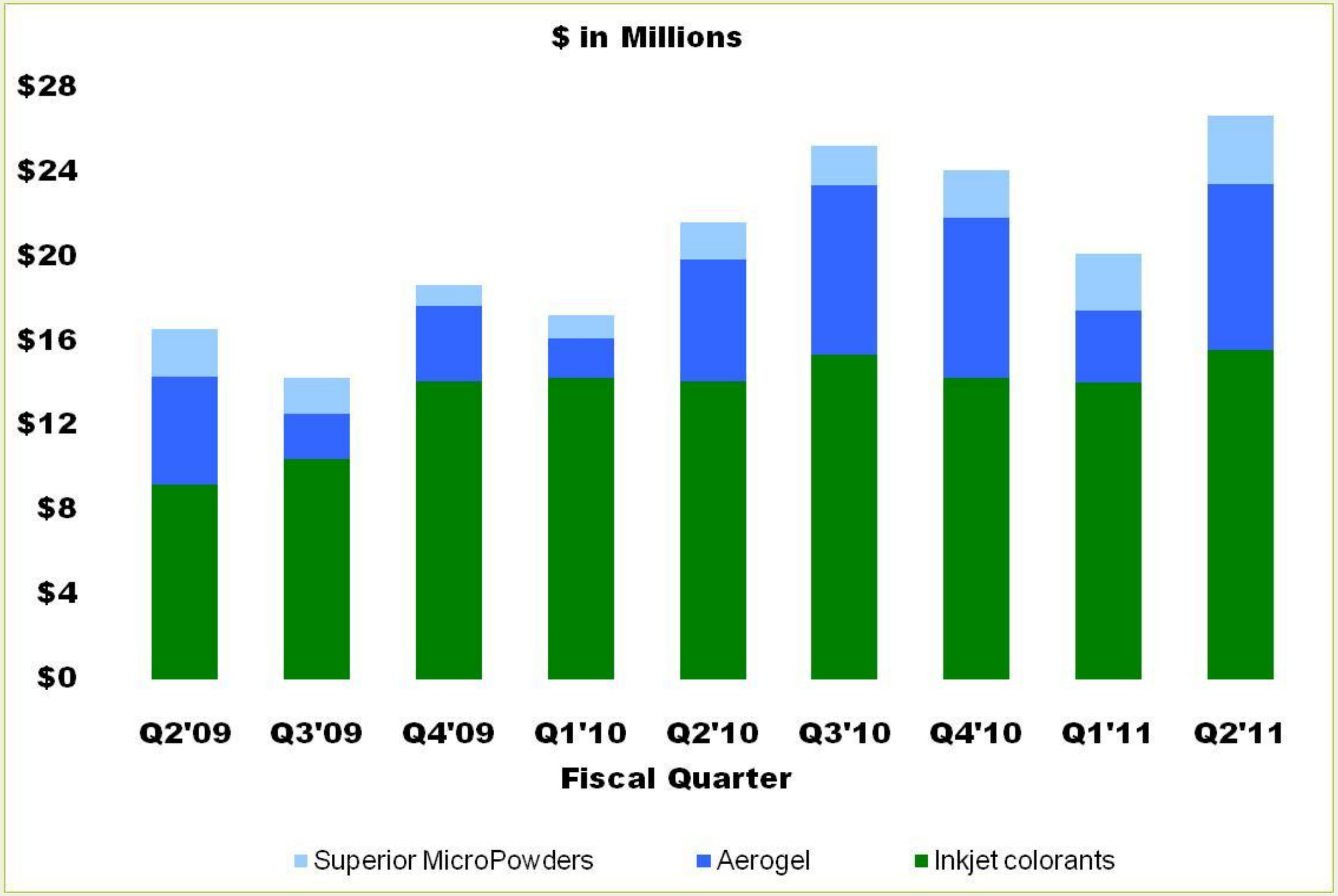
Revenue growth across all businesses

Continued investment in future growth opportunities

Revenues increased:

- 23% year over year
- 35% sequentially

- Strong inkjet volumes
- Aerogel oil & gas jobs
- Security taggants in Superior MicroPowders



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Corporate Financials

Cash

- Quarter end cash balance of $366 million
- Working capital increase of $86 million sequentially
- Capital expenditures of $41 million

Taxes

- Second quarter net tax provision of $17 million
- $1 million discrete tax benefits
- Quarterly operating tax rate of 26% excluding discrete and certain items

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Summary

- **Successful execution of strategy serves as foundation for future growth**
- **Growth plans initiated to achieve financial targets**
  - Margin improvement
  - Capacity expansions
  - New products and new business development

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