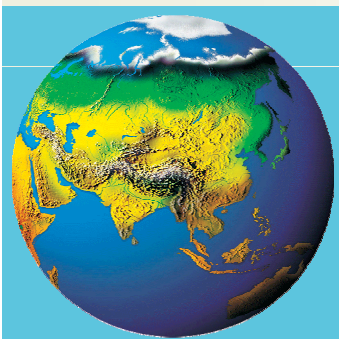




Earnings Teleconference

Q4 2010 / Fiscal Year 2010 ● October 27, 2010



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 fourth quarter earnings release and filed on our Form 8-K dated October 26, 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 "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.





Key Messages

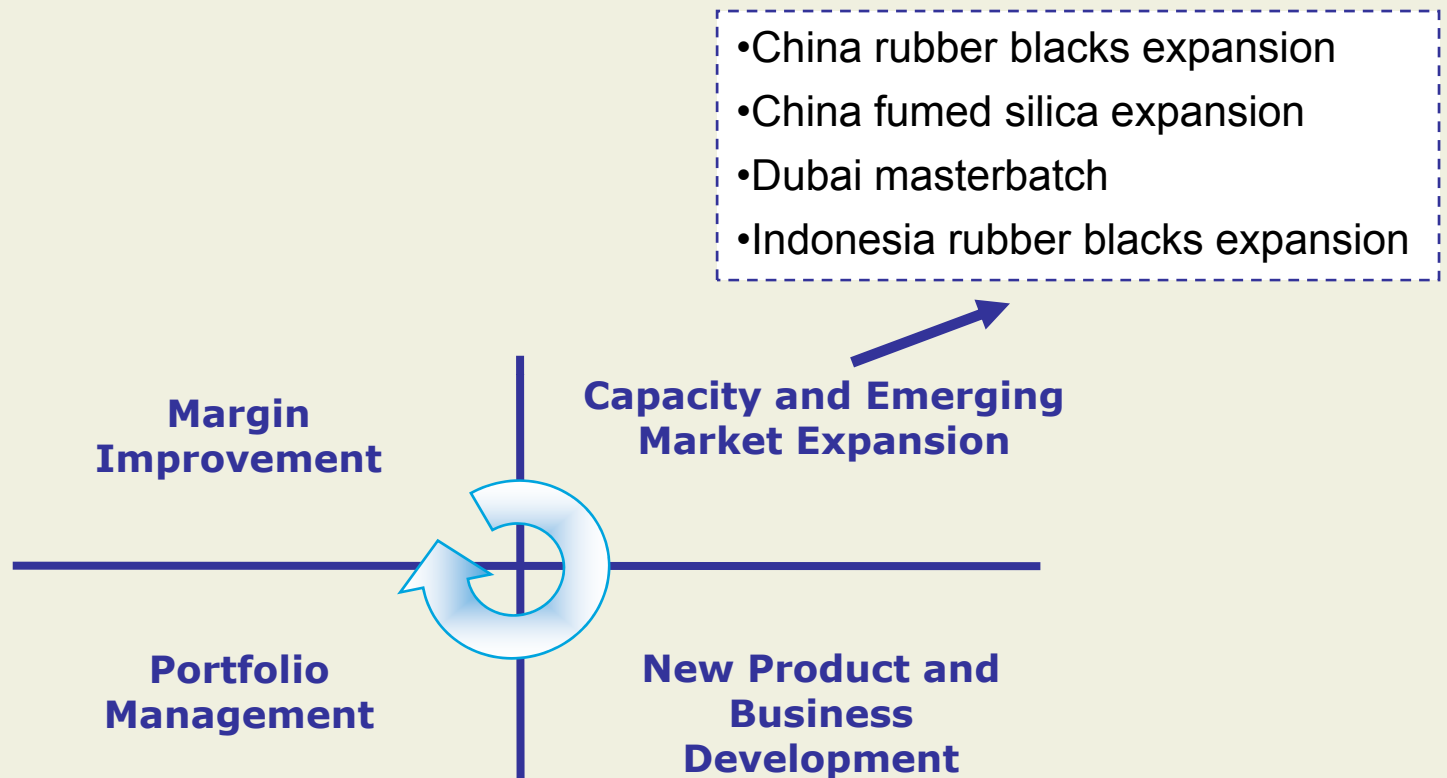
**Record \$3.04 adjusted EPS and 14% adjusted ROIC
\$0.66 Q4 adjusted EPS vs. \$0.28 in Q4 2009**

- **Fourth consecutive quarter of robust financial performance**
- **Broad geographic position and focus in growing markets are competitive advantages**
- **New businesses continue to meet key milestones**
- **Strong balance sheet and well positioned for growth**



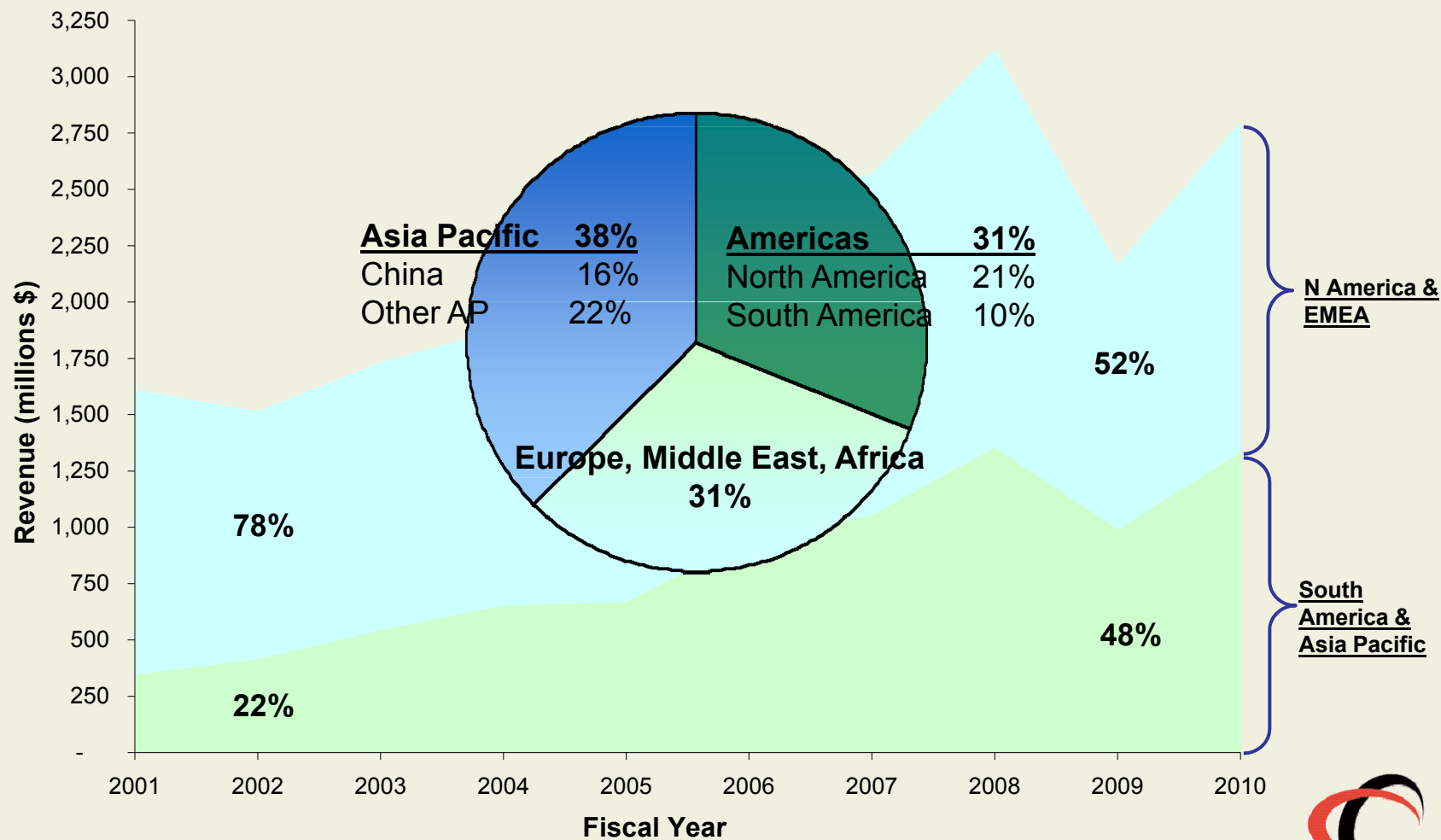


Capacity Expansion





Geographic Breadth





Margin Improvement

- Rebased fixed costs
- Energy recovery and yield technology
- Product and customer mix, value pricing

Margin Improvement

**Capacity and Emerging
Market Expansion**

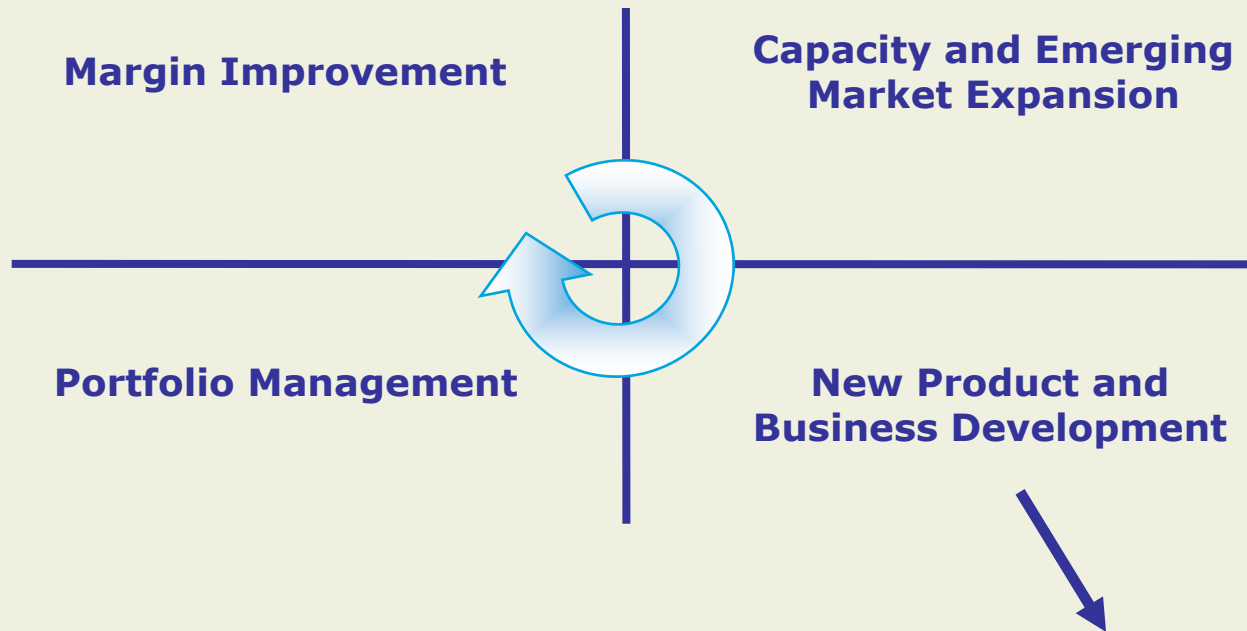
Portfolio Management

**New Product and
Business Development**





New Business Development



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





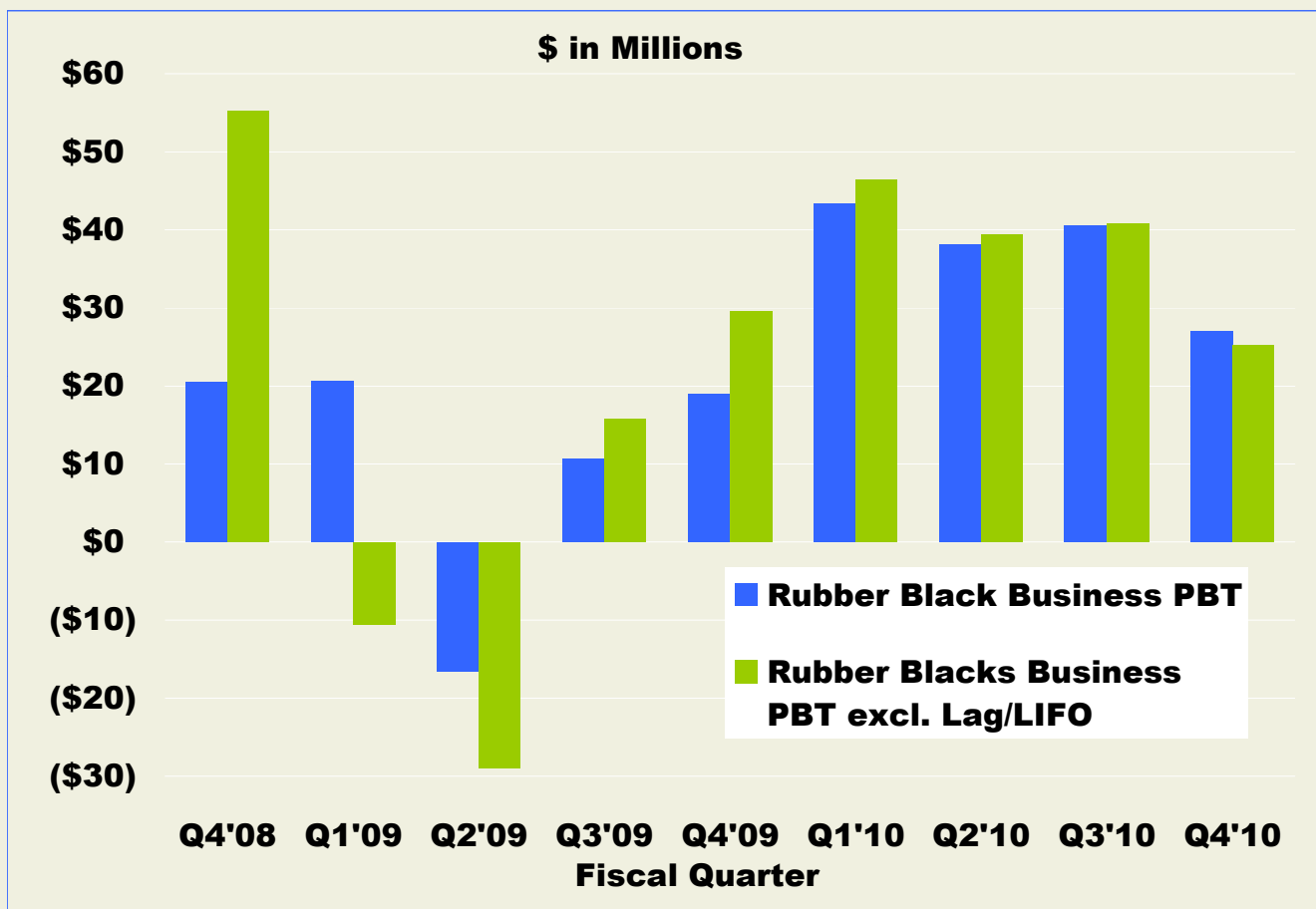
Operating Results

- **Total fourth quarter business PBT improved by \$35 million year over year**
 - Volumes increased in most businesses
 - Robust unit margins
 - Strong Specialty Fluids and Supermetals performance
- **Total fourth quarter business PBT decreased \$18M sequentially**
 - Slight volume declines
 - Higher maintenance spending
 - Higher CB feedstock costs, including unfavorable LIFO effect





Core Segment Rubber Blacks PBT



- **Stable volumes**
- **Minimal contract lag effect**
- **Benefit from lower fixed costs and more efficient operating network**

Year over Year Q4 PBT increased \$9 million:

- 4% volume increase
- Higher unit margins

Sequential PBT decreased \$13M:

- 2% volume decline
- Higher raw material costs
- Higher maintenance costs

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10
Rubber Black Business PBT	\$21	\$21	(\$17)	\$11	\$19	\$43	\$38	\$41	\$28
RB Contract Lag	(\$36)	\$22	\$9	(\$3)	(\$9)	(\$2)	(\$2)	(\$1)	\$1
RB LIFO	\$2	\$10	\$3	(\$2)	(\$2)	(\$1)	\$1	\$1	\$1
Rubber Blacks Business PBT excl. Lag/LIFO	\$55	(\$11)	(\$29)	\$16	\$30	\$46	\$39	\$41	\$26





Core Segment Supermetals PBT

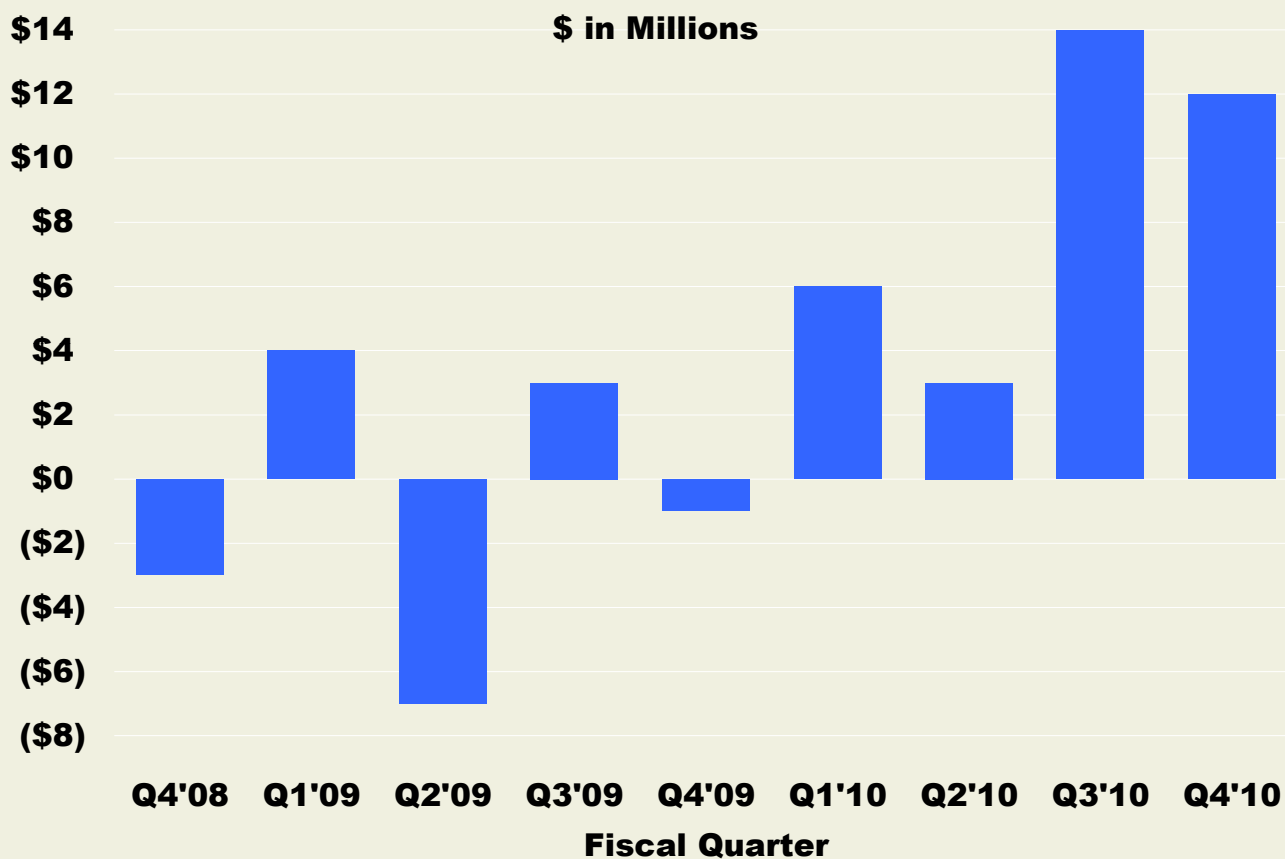
- **Volumes strong, with demand in high value applications**
- **Margins benefit from pricing, mix decisions and lower costs**

Year over year Q4 PBT increased \$13 million:

- Higher volumes
- Lower raw material costs

Sequential PBT decreased \$2 million:

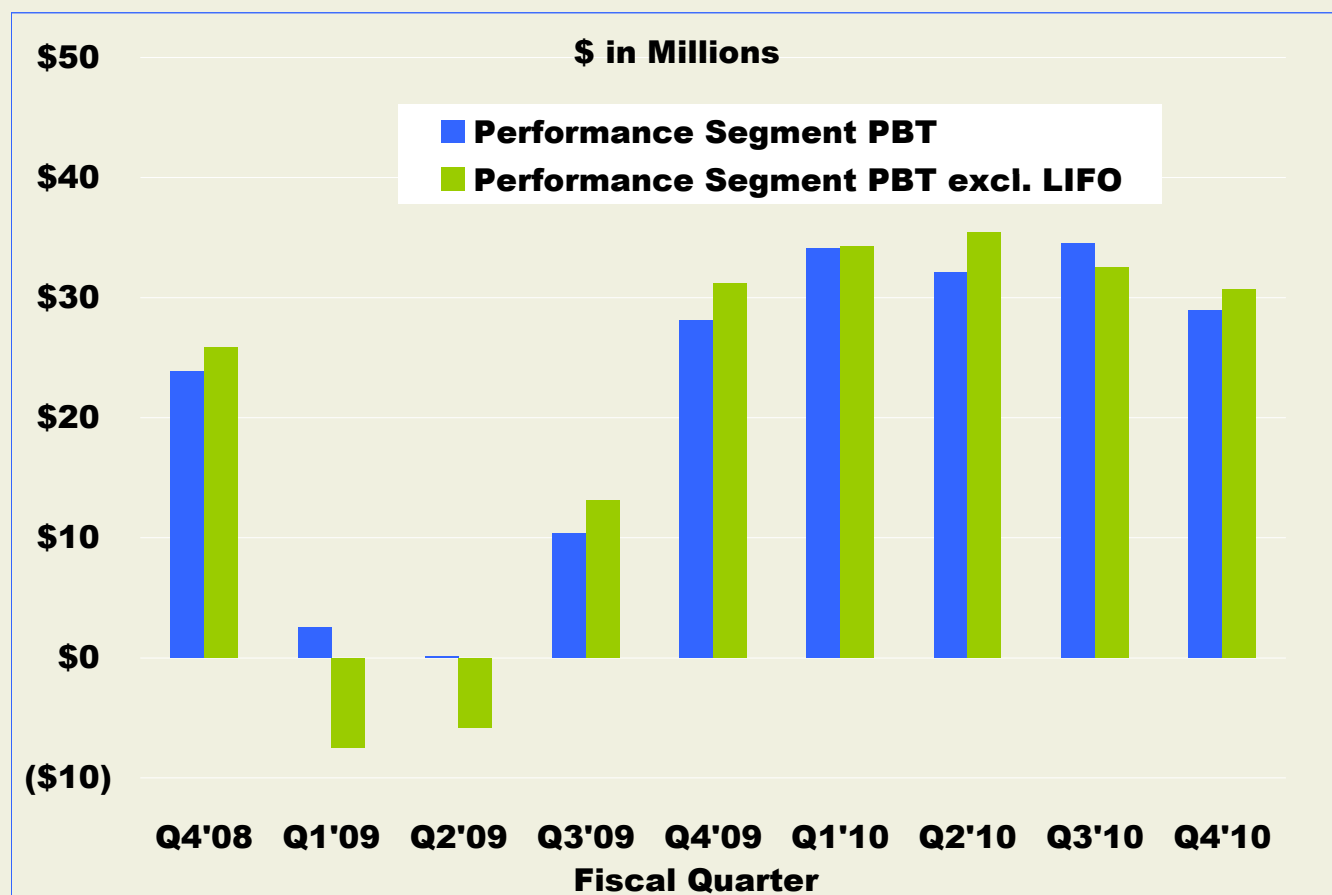
- Higher maintenance costs





Performance Segment

Segment PBT



- Value added products with high margins
- Working with customers to deliver differentiated performance
- Strong global operating network

Year over year Q4 PBT increased \$1 Million

- Higher volumes in PPBG
- Improved margins in FMO

Sequential PBT decreased \$6M

- Unfavorable LIFO impact

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10
Performance Segment PBT	\$24	\$3	\$0	\$10	\$28	\$34	\$32	\$35	\$29
PPBG LIFO	(\$2)	\$10	\$6	(\$3)	(\$3)	\$0	(\$3)	\$2	(\$2)
Performance Segment PBT excl. LIFO	\$26	(\$7)	(\$6)	\$13	\$31	\$34	\$35	\$33	\$31





Specialty Fluids Segment

Segment PBT

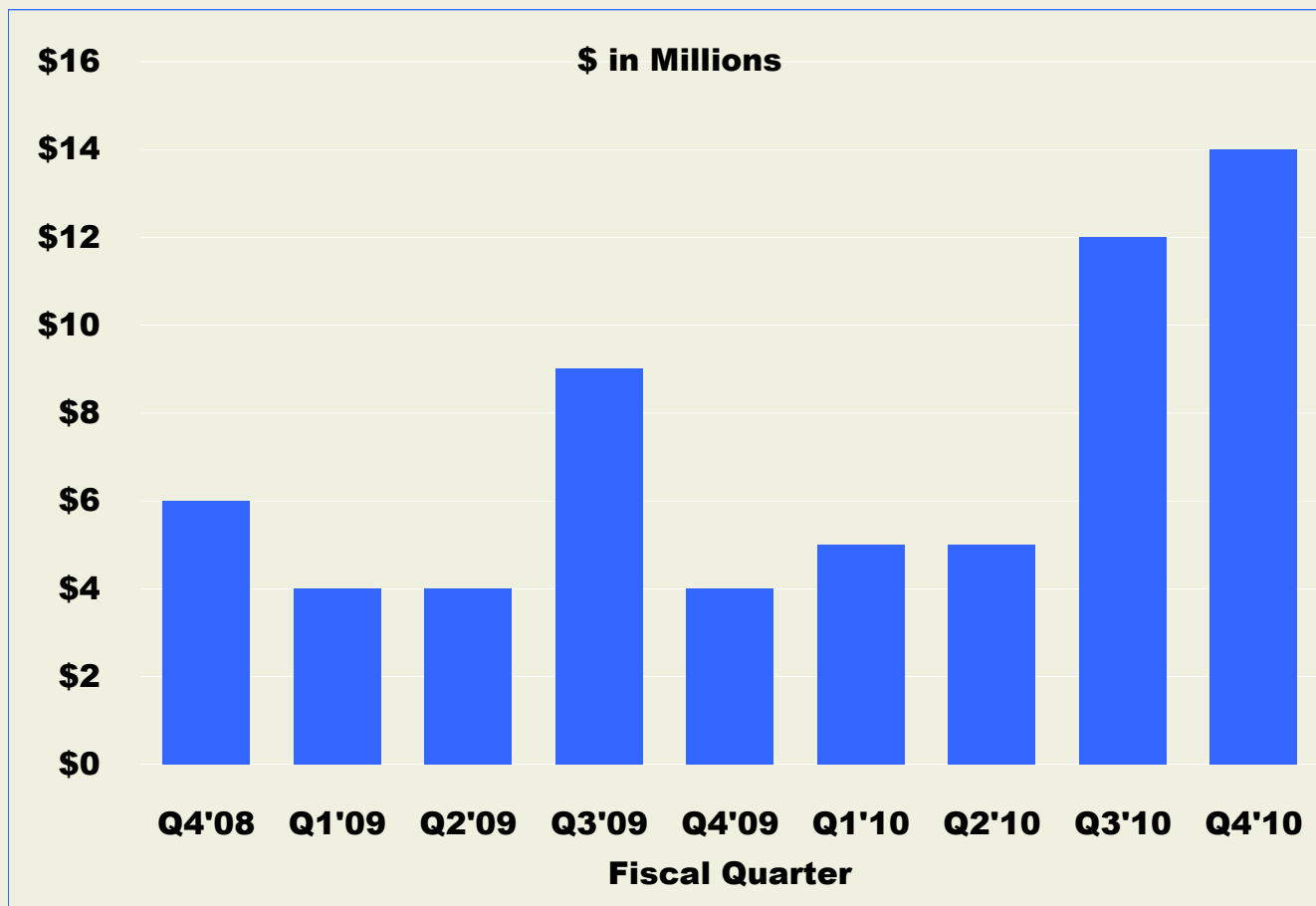
- **Very strong North Sea activity**
- **Continued focus on geographic expansion of unique value added technology**

Year over year Q4 PBT increased \$10 million

- Strong level of North Sea activity
- Higher pricing

Sequential PBT increased \$3 million

- Strong North Sea activity





New Business Segment

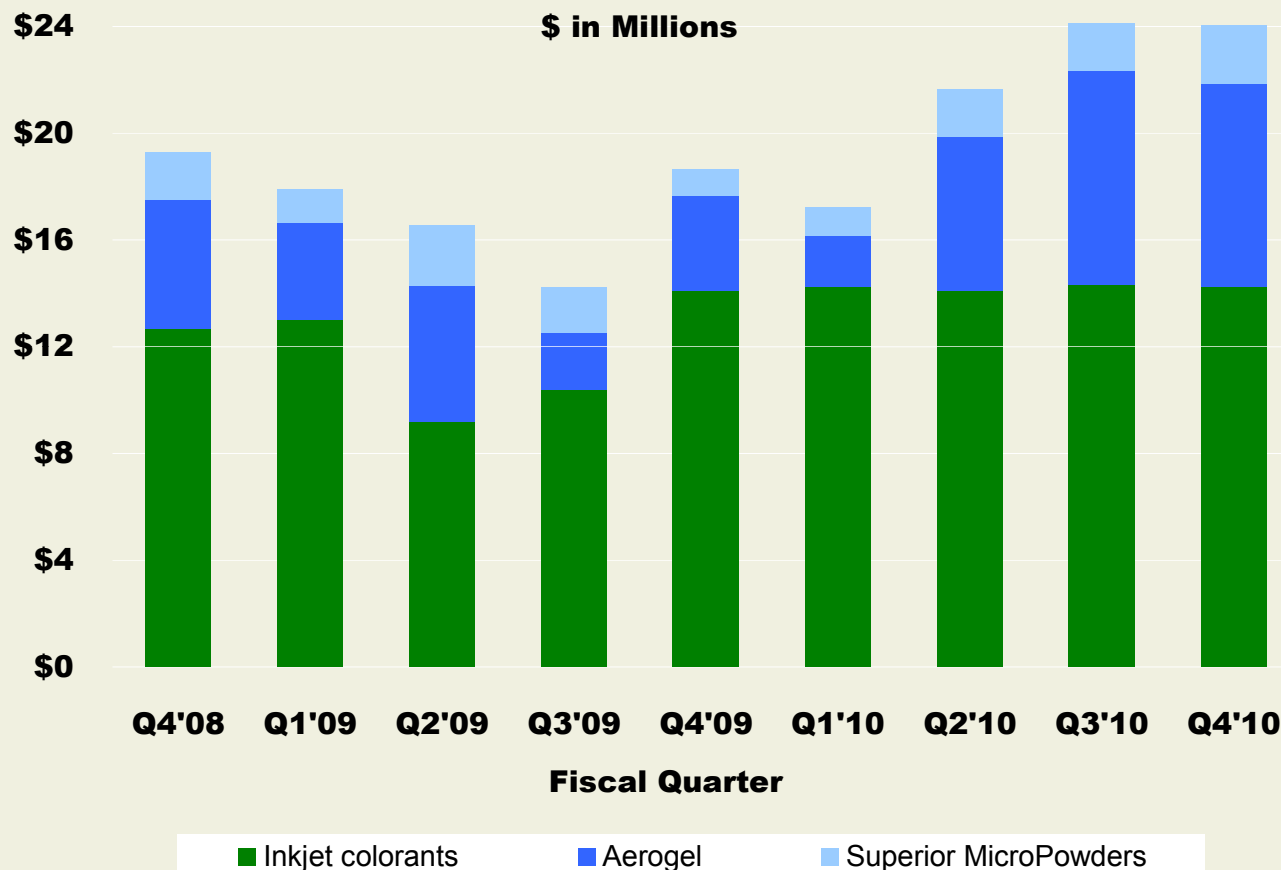
Segment Revenue

- Significant revenue growth at 31% year over year
- \$8M full year EBIT improvement

Q4 revenues increased \$5M year over year

- Commercial success in oil and gas markets for Aerogel
- Growth in security business

Sequential revenues equivalent to third quarter





Corporate Financials

Cash

- Year ending cash balance of \$388 million
- Full year capital expenditures of \$110 million

Taxes

- Fourth quarter net tax provision of \$16 million
- Quarterly operating tax rate approximately 28%





Outlook

- **Robust financial performance demonstrates earnings growth potential**
- **Continued end market demand growth especially in emerging markets**
- **Strategic execution and strong balance sheet provide platform for growth**





CABOT