

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	Fiscal 2017 ^(A)				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.85	\$ -	\$ -	\$ -	\$ 0.85
Less: Certain items after tax	0.01	-	-	-	0.01
Adjusted earnings per share	\$ 0.84	\$ -	\$ -	\$ -	\$ 0.84

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

	Fiscal 2017				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin					
Net income (loss) attributable to Cabot Corporation	\$ 54	\$ -	\$ -	\$ -	\$ 54
Net income (loss) attributable to noncontrolling interests	4	-	-	-	4
Equity in earnings of affiliated companies, net of tax	(2)	-	-	-	(2)
Income from discontinued operations, net of tax	-	-	-	-	-
Provision (benefit) for income taxes	17	-	-	-	17
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	\$ 73	\$ -	\$ -	\$ -	\$ 73
Interest expense	13	-	-	-	13
Certain items	-	-	-	-	-
Unallocated corporate costs	12	-	-	-	12
General unallocated income	(5)	-	-	-	(5)
Equity in earnings of affiliated companies	2	-	-	-	2
Total Segment EBIT	\$ 95	\$ -	\$ -	\$ -	\$ 95
Plus: Total Depreciation & Amortization	38	-	-	-	38
Plus: Adjustments to Depreciation ^(B)	-	-	-	-	-
Total Segment EBITDA	\$ 133	\$ -	\$ -	\$ -	\$ 133
Less: Unallocated Corporate Costs	(12)	-	-	-	(12)
Adjusted EBITDA	\$ 121	\$ -	\$ -	\$ -	\$ 121

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reinforcement Materials EBIT	\$ 40	\$ -	\$ -	\$ -	\$ 40
Plus: Depreciation & Amortization	17	-	-	-	17
Reinforcement Materials EBITDA	\$ 57	\$ -	\$ -	\$ -	\$ 57
Reinforcement Materials Sales	\$ 295	\$ -	\$ -	\$ -	\$ 295
Reinforcement Materials EBITDA Margin	19%	0%	0%	0%	19%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Performance Chemicals EBIT	\$ 49	\$ -	\$ -	\$ -	\$ 49
Plus: Depreciation & Amortization	11	-	-	-	11
Performance Chemicals EBITDA	\$ 60	\$ -	\$ -	\$ -	\$ 60
Performance Chemicals Sales	\$ 205	\$ -	\$ -	\$ -	\$ 205
Performance Chemicals EBITDA Margin	29%	0%	0%	0%	29%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Purification Solutions EBIT	\$ 4	\$ -	\$ -	\$ -	\$ 4
Plus: Depreciation & Amortization	9	-	-	-	9
Purification Solutions EBITDA	\$ 13	\$ -	\$ -	\$ -	\$ 13
Purification Solutions Sales	\$ 69	\$ -	\$ -	\$ -	\$ 69
Purification Solutions EBITDA Margin	19%	0%	0%	0%	19%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Specialty Fluids EBIT	\$ 2	\$ -	\$ -	\$ -	\$ 2
Plus: Depreciation & Amortization	1	-	-	-	1
Specialty Fluids EBITDA	\$ 3	\$ -	\$ -	\$ -	\$ 3
Specialty Fluids Sales	\$ 11	\$ -	\$ -	\$ -	\$ 11
Specialty Fluids EBITDA Margin	27%	0%	0%	0%	27%

	Fiscal 2017				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Discretionary Free Cash Flow					
Cash flow from operating activities ^(C)	102	-	-	-	102
Less: Changes in net working capital ^(D)	16	-	-	-	16
Less: Sustaining and compliance capital expenditures	21	-	-	-	21
Discretionary Free Cash Flow	\$ 65	\$ -	\$ -	\$ -	\$ 65

^(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.