CABOT

Earnings Teleconference

Second Quarter / Fiscal 2013

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 ability to meet our long-term financial targets, areas and actions that will drive earnings growth, demand for our products, including when we expect demand to recover, when we expect additional manufacturing capacity to be completed, and our anticipated tax rate for fiscal 2013 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; lower than expected demand for our products; the loss of one or more of our important customers; our inability to complete capacity expansions 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); 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, 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 second quarter earnings release and filed on our current report on Form 8-K dated April 30, 2013. The definition of adjusted EBITDA is included in our second quarter earnings release and filed on our current report on Form 8-K dated April 30, 2013 and a reconciliation of adjusted EBITDA from segment EBIT for the second quarter of fiscal 2013 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.

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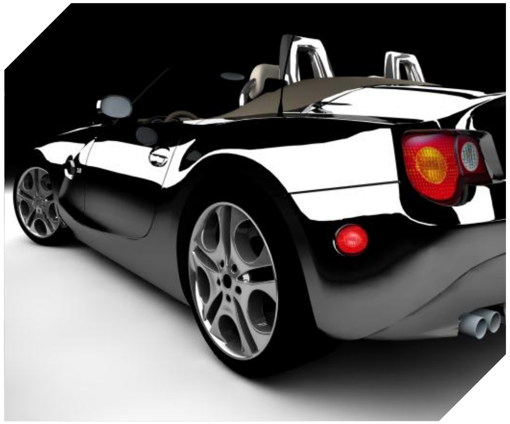
Q2 2013 Highlights

- Demand remained soft, but signs of improvement with higher sequential volumes
- Performance Materials delivered strong results
- Asset optimization efforts result in the closure of Malaysian carbon black joint venture
- Focus on value pricing continues to contribute to results

Reinforcement Materials
Drivers of Value



CABOT'S COMPETITIVE ADVANTAGES

- 60+ products
- Differentiation through performance and quality
- Global supply network
- Partnerships with leading tire producers

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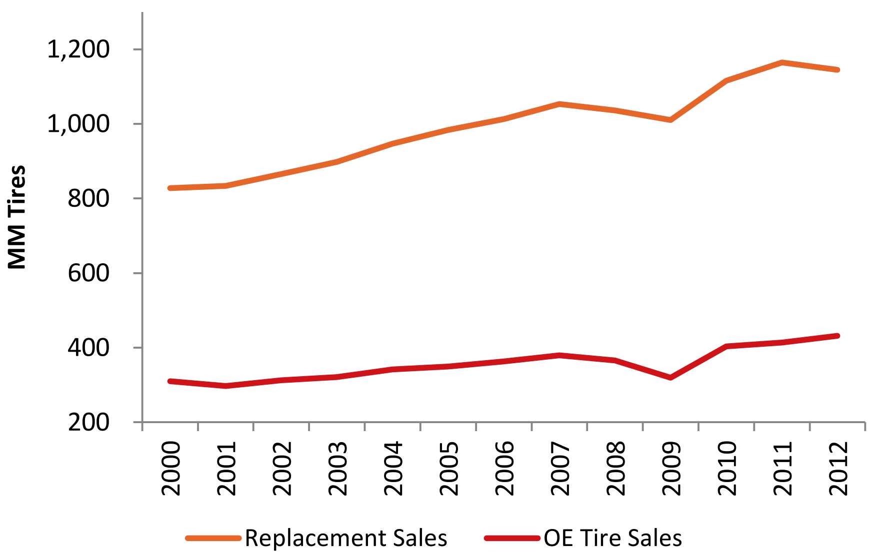
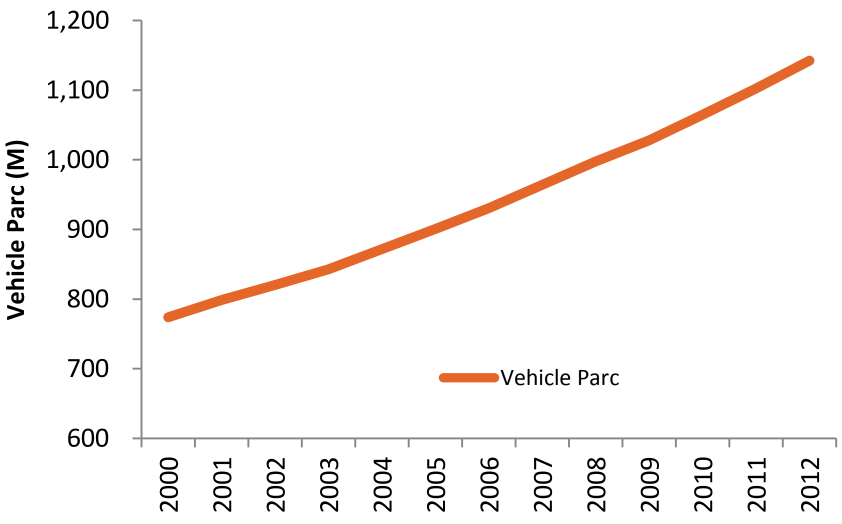
Reinforcement Materials
Industry Data

GLOBAL TIRE SALES



Source: LMC

GLOBAL VEHICLE PARC



Source: LMC

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Reinforcement Materials
Cabot Positioning

AREAS OF FOCUS

- Assets in high-growth geographies
- Scale and proprietary process technology
- Value pricing
- Differentiated product mix

Q2 2013 Cabot Operating Results

	Q2 2013	Q2 2012	Q1 2013
Total Segment EBIT (in millions)	$89	$123	$90
Adjusted EPS	$0.63	$0.96	$0.66
Adjusted EBITDA (in millions)	$124	$140	$127

Q2 Year on Year Total Segment EBIT declined $34 million

- Lower earnings as compared to strong Q2 2012
- Volumes decline from challenging macroeconomic environment
- Partially offset by the benefit from Fumed Metal Oxides investments and the addition of Purification Solutions

Q2 Sequential Total Segment EBIT declined $1 million

- Reinforcement Materials plant disruption
- Lower volumes in Purification Solutions
- Partially offset by improvement in Performance Materials and Advanced Technologies

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Reinforcement Materials Segment

Second Quarter Performance

In millions	Q2 2013	Q2 2012	Q1 2013
Net sales	$459	$534	$475
Segment EBIT	$41	$72	$50

Key Highlights

- Japan plant disruption unfavorable by $8 million
- Volume softness in Q2 2013 due to macroeconomic environment
- Continued weak demand in Europe

Segment Outlook

- Japan plant back to normal operations
- Experiencing moderate demand recovery
- New China plant on track for 2013 completion

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Performance Materials Segment

Second Quarter Performance

In millions	Q2 2013	Q2 2012	Q1 2013
Net sales	$243	$235	$196
Segment EBIT	$37	$35	$26

Key Highlights

- 13% higher Fumed Metal Oxides volumes year over year from new products and new capacity
- Sequential volumes +30% in Specialty Carbons and Compounds
- Fumed Metal Oxides capacity expansion commissioned in the U.K.

Segment Outlook

- Leverage new capacity for volume growth
- New products launched in silicone elastomers and adhesives

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Advanced Technologies Segment

Second Quarter Performance

In millions	Q2 2013	Q2 2012	Q1 2013
Net sales	$41	$57	$38
Segment EBIT	$8	$16	$7

Key Highlights

- Sequential Specialty Fluids improvement
- Inkjet and Elastomer Composites volume declines driven by customer inventory management
- Restructuring cost savings contributing to results

Segment Outlook

- Specialty Fluids pipeline improving
- Growth in Inkjet commercial printing
- Elastomer Composites royalties increasing

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Purification Solutions Segment

Adjusted Stand-Alone Performance*

In millions	Q2 2013	Q2 2012	Q1 2013
Net sales	$79	$87	$93
Segment EBITDA	$16	$25	$20

Key Highlights

- Year over year EBITDA decline from lower gas and air purification volumes and timing of royalty fees
- Sequential EBITDA decline from lower seasonal volumes in water purification
- Large customer contracts renewed

Segment Outlook

- April demand improving
- Confident in long-term growth of the business
- MATS implementation on track

*All information provided is adjusted stand-alone, excluding purchase accounting adjustments and certain items

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Q2 2013 Corporate Financials

- Liquidity remains strong at $578 million
- Use of cash for capital expenditures of $64 million
- Fiscal 2013 capital expenditures forecast between $250 million and $275 million
- Receipt of additional $11 million in proceeds from Supermetals sale
- Fiscal 2013 expected operating tax rate between 25% and 27%

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$5.00 Adjusted EPS in Fiscal 2015

KEY ASSUMPTIONS

- Volume recovery of 10%-15% from fiscal 2012 levels
- Continue value pricing strategy
- Introduction of new products
- Growth in Advanced Technologies
- Contribution from Purification Solutions

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