

## CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	Fiscal 2016 <sup>(A)</sup>				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net (loss) income per share attributable to Cabot Corporation	\$ (0.11)	\$ 0.76	\$ 0.88	\$ 0.83	\$ 2.36
Less: Net loss per share from discontinued operations	-	-	-	0.02	0.02
Net (loss) income per share from continuing operations	\$ (0.11)	\$ 0.76	\$ 0.88	\$ 0.81	\$ 2.34
Less: Certain items after tax	(0.62)	0.06	(0.05)	(0.19)	(0.80)
<b>Adjusted earnings per share</b>	<b>\$ 0.51</b>	<b>\$ 0.70</b>	<b>\$ 0.93</b>	<b>\$ 1.00</b>	<b>\$ 3.14</b>

<sup>(A)</sup> Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

	Fiscal 2016				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
<b>Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin</b>					
<b>Net (loss) income attributable to Cabot Corporation</b>	<b>\$ (7)</b>	<b>\$ 48</b>	<b>\$ 56</b>	<b>\$ 52</b>	<b>\$ 149</b>
Net income attributable to noncontrolling interests	4	4	4	3	15
Equity in earnings of affiliated companies, net of tax	-	(1)	(1)	(1)	(3)
Income from discontinued operations, net of tax	-	-	-	(1)	(1)
(Benefit) provision for income taxes	(5)	11	15	13	34
<b>Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies</b>	<b>\$ (8)</b>	<b>\$ 62</b>	<b>\$ 74</b>	<b>\$ 66</b>	<b>\$ 194</b>
Interest expense	13	14	13	14	54
Certain items	58	(1)	6	18	81
Unallocated corporate costs	13	12	11	9	45
General unallocated expense	(5)	-	(1)	(1)	(7)
Equity in earnings of affiliated companies	-	1	1	1	3
<b>Total Segment EBIT</b>	<b>\$ 71</b>	<b>\$ 88</b>	<b>\$ 104</b>	<b>\$ 107</b>	<b>\$ 370</b>
Plus: Total Depreciation & Amortization	41	41	40	39	161
Plus: Adjustments to Depreciation <sup>(B)</sup>	1	-	1	1	3
<b>Total Segment EBITDA</b>	<b>\$ 113</b>	<b>\$ 129</b>	<b>\$ 145</b>	<b>\$ 147</b>	<b>\$ 534</b>
Less: Unallocated Corporate Costs	(13)	(12)	(11)	(9)	(45)
<b>Adjusted EBITDA</b>	<b>\$ 100</b>	<b>\$ 117</b>	<b>\$ 134</b>	<b>\$ 138</b>	<b>\$ 489</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Reinforcement Materials EBIT	\$ 26	\$ 34	\$ 35	\$ 42	\$ 137
Plus: Depreciation & Amortization	20	18	18	18	74
<b>Reinforcement Materials EBITDA</b>	<b>\$ 46</b>	<b>\$ 52</b>	<b>\$ 53</b>	<b>\$ 60</b>	<b>\$ 211</b>
Reinforcement Materials Sales	\$ 288	\$ 261	\$ 270	\$ 289	\$ 1,108
<b>Reinforcement Materials EBITDA Margin</b>	<b>16%</b>	<b>20%</b>	<b>20%</b>	<b>21%</b>	<b>19%</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Performance Chemicals EBIT	\$ 50	\$ 58	\$ 59	\$ 58	\$ 225
Plus: Depreciation & Amortization	12	13	12	11	48
<b>Performance Chemicals EBITDA</b>	<b>\$ 62</b>	<b>\$ 71</b>	<b>\$ 71</b>	<b>\$ 69</b>	<b>\$ 273</b>
Performance Chemicals Sales	\$ 207	\$ 216	\$ 228	\$ 214	\$ 865
<b>Performance Chemicals EBITDA Margin</b>	<b>30%</b>	<b>33%</b>	<b>31%</b>	<b>32%</b>	<b>32%</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Purification Solutions EBIT	\$ (5)	\$ (2)	\$ -	\$ 2	\$ (5)
Plus: Depreciation & Amortization	9	10	10	10	39
<b>Purification Solutions EBITDA</b>	<b>\$ 4</b>	<b>\$ 8</b>	<b>\$ 10</b>	<b>\$ 12</b>	<b>\$ 34</b>
Purification Solutions Sales	\$ 66	\$ 67	\$ 77	\$ 80	\$ 290
<b>Purification Solutions EBITDA Margin</b>	<b>6%</b>	<b>12%</b>	<b>13%</b>	<b>15%</b>	<b>12%</b>

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
Specialty Fluids EBIT	\$ -	\$ (2)	\$ 10	\$ 5	\$ 13
Plus: Depreciation & Amortization	1	-	1	1	3
<b>Specialty Fluids EBITDA</b>	<b>\$ 1</b>	<b>\$ (2)</b>	<b>\$ 11</b>	<b>\$ 6</b>	<b>\$ 16</b>
Specialty Fluids Sales	\$ 7	\$ 6	\$ 19	\$ 15	\$ 47
<b>Specialty Fluids EBITDA Margin</b>	<b>14%</b>	<b>(34%)</b>	<b>58%</b>	<b>40%</b>	<b>34%</b>

	Fiscal 2016				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2016
<b>Reconciliation of Discretionary Free Cash Flow</b>					
Cash flow from operating activities <sup>(C)</sup>	83	105	107	91	386
Less: Changes in net working capital <sup>(D)</sup>	40	28	(21)	(4)	43
Less: Sustaining and compliance capital expenditures	21	20	21	29	91
<b>Discretionary Free Cash Flow</b>	<b>\$ 22</b>	<b>\$ 57</b>	<b>\$ 107</b>	<b>\$ 66</b>	<b>\$ 252</b>

<sup>(B)</sup> 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.

<sup>(C)</sup> As provided in the Consolidated Statement of Cash Flows.

<sup>(D)</sup> Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Consolidated Statement of Cash Flows.