UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): November 2, 2005

CABOT CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

1-5667	**04-2271897**
(Commission File Number)	(IRS Employer Identification No.)
TWO SEAPORT LANE, SUITE 1300, BOSTON, MASSACHUSETTS	**02210-2019**
(Address of Principal Executive Offices)	(Zip Code)

(617) 345-0100

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On November 2, 2005 Cabot Corporation issued a press release dated November 2, 2005 announcing its operating results for the fourth quarter and fiscal year ended September 30, 2005. A copy of the press release, together with fourth quarter and fiscal year 2005 supplemental business information, are furnished herewith as Exhibits 99.1 and 99.2.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press release issued by Cabot Corporation on November 2, 2005

99.2 Fourth Quarter and Fiscal Year 2005 Supplemental Business Information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CABOT CORPORATION

By: /s/ John A. Shaw
Name: John A. Shaw
Title: Executive Vice President
and Chief Financial Officer

Date: November 2, 2005

EXHIBIT INDEX

Exhibit Number	Title
99.1	Press release issued by Cabot Corporation on November 2, 2005
99.2	Fourth Quarter and Fiscal Year 2005 Supplemental Business Information

Contact: *Susannah R. Robinson*
Director, Investor Relations
(617) 342-6129

CABOT ANNOUNCES FOURTH QUARTER AND FISCAL YEAR OPERATING RESULTS

BOSTON, MA (November 2, 2005) — Cabot Corporation (CBT/NYSE) today announced a net loss of $52 million (a loss of $0.91 per common share) for the fourth quarter of fiscal year 2005 ended September 30, 2005, compared with earnings of $15 million ($0.23 per diluted common share) for the year ago quarter. The fourth fiscal quarter 2005 results included $85 million ($1.38 per common share) of after tax charges from certain items and discontinued operations, compared with $11 million ($0.16 per diluted common share) of after tax charges for certain items and discontinued operations for the same quarter of fiscal year 2004. Included in certain items for the fourth quarter of fiscal 2005 is a pre-tax writedown of $110 million associated with the Supermetals Business resulting from an asset impairment analysis. As described in more detail below, the analysis that resulted in this charge is based on the Company’s current best estimates. These estimates are still being refined, which could cause an adjustment to earnings for the fourth quarter of fiscal year 2005. The amount of this charge will be finalized by the Company’s filing of its Annual Report on Form 10-K. For the fiscal year ended September 30, 2005, the Company reported a loss of $41 million (a loss of $0.73 per common share) compared with earnings of $124 million ($1.82 per diluted common share) for fiscal year 2004. The fiscal 2005 full year results included $183 million ($2.80 per common share) of after tax charges for certain items and discontinued operations, compared with $14 million ($0.20 per diluted common share) of after tax charges for certain items and discontinued operations for fiscal year 2004. Further details concerning certain items and discontinued operations are included in Exhibit I of the press release.

In commenting on the results, Kennett F. Burnes, Cabot's Chairman and CEO, said, "This has been a very difficult year for us with the rapid rise in our energy costs and the weak market conditions facing our Supermetals business. These challenges and the initiatives taking place to address them, resulted in financial performance for the quarter and the fiscal year that was well below our expectations. Although we are very disappointed with the results, we believe that the Company as a whole is healthy and well positioned to perform at a high level in the future."

Before any asset impairments, the Supermetals Business reported $7 million in operating profits for the fourth quarter of fiscal year 2005, compared to $22 million in the fourth quarter of fiscal year 2004 and $13 million in the third quarter of fiscal year 2005. Before certain items and asset impairments, the business reported $52 million in operating profits for fiscal year 2005 compared to $77 million in fiscal year 2004.

The Supermetals business is facing the expiration of the fixed price and fixed volume portion of its long-term contracts during a period of significant weakness in the tantalum industry and is working hard to reduce the cost structure of the business. "I am pleased to report that at our Boyertown plant we have reached agreement with the Local 619C of the International Chemical Workers Union Council / United Food and Commercial Workers on a collective bargaining agreement that settles the labor dispute that began in June. The new agreement dramatically improves our operating flexibility and efficiency and, combined with workforce reductions, has enabled us to significantly lower our costs," said Burnes.

The Company decided during the quarter to stop its efforts to manufacture and sell finished tantalum sputtering targets to the end users in the sputtering target market, and focus its efforts on the sale of tantalum plate to the sputtering target manufacturers. The Company believes that by doing this it can sell significantly greater amounts of tantalum, thus reducing the overall per pound manufacturing costs at its Boyertown facility.

As part of the various cost reduction initiatives in the Supermetals business, the Company recorded a charge of $15 million for staff reductions and the abandonment of certain assets during the fourth quarter of fiscal year 2005.

The Company remains in arbitration with the Sons of Gwalia regarding the price at which it will purchase tantalum ore under its long term raw materials contract. “The Sons of Gwalia matter is complex and continuing,” commented Burnes. “If Gwalia prevails, we could be burdened with an obligation to buy tantalum ore at well above current prices for a five year period.” The Company does not expect a final arbitration decision before the end of the first calendar quarter of 2006.

Because of these issues, as well as the forecasted market conditions in the Supermetals business, the Company, in accordance with accounting requirements, conducted an asset impairment analysis of the long lived assets of the Supermetals business. The total book value of these assets is $144 million. The result of the analysis indicated that the long lived assets were impaired and, therefore, should be written down to fair value. Accordingly, the Company has recorded an estimated pre-tax charge of $110 million ($70 million after tax), which is its best current estimate of the required writedown, in the fourth quarter's results. The estimated fair values of the assets are still being refined, but in no event could the writedown exceed their $144 million book value. The total tax implications of this writedown on the Company's deferred tax assets and its tax rate going forward are still being analyzed and will be reflected in the Company's Annual Report on Form 10-K.

The Chemicals Business reported a fourth quarter operating loss of $3 million compared to operating profits of $17 million for the same period in fiscal year 2004 and $30 million for the third quarter of fiscal year 2005. For the full fiscal year, the Chemicals Business reported operating profits of $110 million compared to operating profits of $132 million for fiscal year 2004.

Carbon black reported a decrease of $20 million in operating profits in the quarter compared to the fourth quarter of fiscal year 2004 and a $31 million decrease compared to the third quarter of fiscal year 2005. For the full fiscal year, carbon black profitability decreased $22 million when compared to fiscal year 2004. The carbon black business was adversely affected during the quarter by the rise in feedstock and other energy costs, the increased costs associated with its LIFO accounting methodology in North America, and the effects of the hurricanes on the gulf coast. The carbon black business increased its volume year over year by roughly 4% driven by its rapidly growing business in China and other developing markets as well as increased volumes from its long-term tire contracts. The business was able to significantly reduce its inventory during the fourth quarter of fiscal 2005, which adversely impacted profitability but positively impacted cash flow.

For the fourth quarter of fiscal year 2005, the fumed metal oxides business reported a decrease of $2 million in operating profits when compared to the fourth quarter of fiscal year 2004 and a decrease of $4 million compared to the third quarter of fiscal year 2005. For the full fiscal year 2005 the business reported a decrease of $2 million of operating profits when compared to fiscal year 2004. The business was challenged during the fourth quarter and fiscal year with lower volumes in the electronics segment of the business which were more than offset by volume growth in other segments. This resulted in negative price mix, which impacted the profitability of the business. Inventory drawdown, inventory writeoffs, higher energy costs and costs associated with the anticipated startup of its new fumed silica plant in Jiangxi, China also affected the business results during the fiscal year.

Inkjet volumes increased 29% over the fourth quarter of fiscal 2004 and 9% over the third quarter of fiscal year 2005 driven by new printer launches, year over year, and steady growth in the aftermarket segment compared to the third quarter of fiscal year 2005. For the full fiscal year 2005, the business reported a solid increase in profitability driven by a 30% increase in volumes over fiscal year 2004. The business continues to make excellent progress in developing treated pigments which will enable inkjet printing to compete with other printing technologies and to penetrate into higher volume printing applications.

The Specialty Fluids Business reported $7 million in operating profits for the fourth quarter of fiscal year 2005, which was a $2 million increase over the year ago quarter and sequentially resulting from a substantial increase in the volume of fluid being used. For fiscal year 2005, the business reported $17 million in operating profits, a $11 million increase over fiscal year 2004 due to strong fluid utilization.

During the fourth quarter of fiscal year 2005, the Company received a favorable tax settlement with the Internal Revenue Service's Appeals Office, approved by the Joint Committee on Taxation, with respect to the examination of the 1997 through 1999 tax years, as well as the Company's refund claims from the carryback of research and foreign tax credits. This settlement favorably impacted net income by $23 million or $0.38 per common share.

With respect to the future, Burnes said, "I am optimistic about the overall health of the Company. As we move into 2006 we will see our carbon black capacity expansion in Brazil come on line as well as our new plants in China for both carbon black and fumed silica. I believe that both Inkjet Colorants and Specialty Fluids achieved very important milestones this year and are well positioned to become significant contributors to the overall Company performance in the future."

Burnes continued, "It is an exciting time for the Company to see growth in our new businesses as well as continued growth and overall good health in carbon black and fumed metal oxides. We are continuing to do everything we can to reduce costs in the Supermetals business and improve our competitive position. I believe that the Company is positioned well to perform at a high level in the future."

Cabot Corporation has changed its segment reporting structure to better reflect the way it manages and thinks about its businesses, and will report under this structure beginning with the filing of its 2005 Annual Report on Form 10-K. Under the new structure, the Company will break the Chemicals Business into two segments, the Carbon

Black Business and the Metal Oxides Business, and will now report on four business segments: the Carbon Black Business, the Metal Oxides Business, the Supermetals Business, and the Specialty Fluids Business. Basic financial information on the Company's new reporting segments is available in the Supplemental Business Information.

For those interested in more detailed information Cabot's fourth quarter fiscal year 2005 results, please see the Supplemental Business Information available on the Company's website in the Investor Relations section: http:// investor.cabot-corp.com.

Included above are forward-looking statements relating to management's expectations regarding Cabot's future business performance and overall prospects; prospects for the Supermetals Business, particularly with respect to cost reduction initiatives, tantalum sales in the indirect sputtering target market, and the price at which Cabot may be obligated to buy tantalum ore from the Sons of Gwalia; growth in inkjet colorants and the Specialty Fluids Business; and the timing of capacity expansion for carbon black and fumed silica. The following are some of the factors that could cause Cabot's actual results to differ materially from those expressed in the forward-looking statements: a continuing rise in feedstock and other energy costs; the Company's ability to generate cost savings and implement restructuring initiatives; lower than expected demand in the indirect sputtering target market; the outcome of the arbitration with Sons of Gwalia; the accuracy of assumptions made concerning forecasted sales and raw material and production costs in the Supermetals business in connection with the asset impairment analysis; the Company's ability to maintain and grow its position in the small office, home office printing market and to participate in the growth in emerging inkjet applications for black colorants and to develop and commercialize colored pigments (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products or difficulties in moving from the experimental stage to the manufacturing stage); the success of the Specialty Fluids Business in gaining wider acceptance by the energy industry of cesium formate as a drilling fluid and to penetrate new markets (including development of the required logistics ability to reach remote markets); and the timely completion and start-up of capacity expansion projects. Other factors and risks are discussed in the Company's 2004 Annual Report on Form 10-K and subsequent periodic reports and filings made with the Securities and Exchange Commission.

Cabot Corporation is a global specialty chemicals and materials company headquartered in Boston, MA. Cabot's major products are carbon black, fumed silica, inkjet colorants, capacitor materials, and cesium formate drilling fluids.

CABOT CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS

Periods ended September 30 *Dollars in millions, except per share amounts (unaudited)*	Three Months **2005**	 2004	Twelve Months **2005**	 2004
Net sales and other operating revenues	**$ 556**	$ 496	**$ 2,123**	$ 1,934
Cost of sales	**490**	386	**1,692**	1,457
Gross profit	**$ 66**	$ 110	**$ 431**	$ 477
Selling and administrative expenses	**67**	52	**240**	217
Research and technical expenses	**15**	14	**59**	53
Goodwill asset impairment	**—**	—	**90**	—
Long-lived asset impairment	**110**	—	**110**	—
Income (loss) from operations	**$ (126)**	$ 44	**$ (68)**	$ 207
Other income and expense				
Interest and dividend income	**1**	2	**6**	6
Interest expense	**(5)**	(8)	**(29)**	(30)
Other income (expense)	**2**	(18)	**9**	(19)
Total other income and expense	**(2)**	(24)	**(14)**	(43)
Income (loss) from continuing operations before income taxes	**(128)**	20	**(82)**	164
Benefit (provision) for income taxes	**72**	(5)	**41**	(39)
Equity in net income of affiliated companies, net of tax	**6**	1	**12**	6
Minority interest in net income, net of tax	**(2)**	(2)	**(12)**	(9)
Income (loss) from continuing operations	**(52)**	14	**(41)**	122
Discontinued operations				
Income from operations of discontinued businesses, net of tax	**—**	1	**—**	2
Net income (loss)	**(52)**	15	**(41)**	124
Dividends on preferred stock	**(1)**	(1)	**(3)**	(3)
Income (loss) available to common shares	**$ (53)**	$ 14	**$ (44)**	$ 121
Diluted earnings per share of common stock				
Income (loss) from continuing operations	**$ (0.91)**	$ 0.21	**$ (0.73)**	$ 1.79
Income from operations of discontinued businesses	**$ —**	$ 0.02	**$ —**	$ 0.03
Net income (loss)	**$ (0.91)**	$ 0.23	**$ (0.73)**	$ 1.82
Weighted average common shares outstanding				
Diluted (A)	**59**	68	**60**	68

(A) The weighted average common shares outstanding for the quarter and year ending September 30, 2005 excludes approximately 9 million and 8 million shares, respectively, as those shares would be antidilutive due to the Company’s net loss position.

CABOT CORPORATION SUMMARY RESULTS BY SEGMENTS

Periods ended September 30 *Dollars in millions, except per share amounts (unaudited)*	Three Months **2005**	 2004	Twelve Months **2005**	 2004
SALES				
Chemicals Business	**$ 445**	$ 398	**$ 1,721**	$ 1,546
Supermetals Business	**90**	80	**346**	338
Specialty Fluids	**14**	13	**40**	27
Segment sales (A)	**549**	491	**2,107**	1,911
Unallocated and other (B)	**7**	5	**16**	23
Net sales and other operating revenues	**$ 556**	$ 496	**$ 2,123**	$ 1,934
SEGMENT PROFIT (LOSS)				
Chemicals Business	**$ (3)**	$ 17	**$ 110**	$ 132
Supermetals Business	**7**	22	**52**	77
Specialty Fluids	**7**	5	**17**	6
Total Segment Profit (C)	**11**	44	**179**	215
Interest expense	**(5)**	(8)	**(29)**	(30)
General unallocated income (expense) (D)	**(128)**	(15)	**(220)**	(15)
Less: Equity in net income of affiliated companies, net of tax	**(6)**	(1)	**(12)**	(6)
Income (loss) from continuing operations before income taxes	**(128)**	20	**(82)**	164
Benefit (provision) for income taxes	**72**	(5)	**41**	(39)
Equity in net income of affiliated companies, net of tax	**6**	1	**12**	6
Minority interest in net income, net of tax	**(2)**	(2)	**(12)**	(9)
Income (loss) from continuing operations	**(52)**	14	**(41)**	122
Discontinued operations				
Income from operations of discontinued businesses, net of tax (E)	**—**	1	**—**	2
Net income (loss)	**(52)**	15	**(41)**	124
Dividends on preferred stock	**(1)**	(1)	**(3)**	(3)
Income (loss) available to common shares	**$ (53)**	$ 14	**$ (44)**	$ 121
Diluted earnings per share of common stock				
Income (loss) from continuing operations	**$ (0.91)**	$ 0.21	**$ (0.73)**	$ 1.79
Income from operations of discontinued businesses (E)	**$ —**	$ 0.02	**$ —**	$ 0.03
Net income (loss)	**$ (0.91)**	$ 0.23	**$ (0.73)**	$ 1.82
Weighted average common shares outstanding				
Diluted (F)	**59**	68	**60**	68

(A) Segment sales for certain operating segments within the Chemical Business include 100% of sales of one equity affiliate and transfers of materials at cost and at market-based prices.

(B) Unallocated and other reflects an elimination for sales of one equity affiliate offset by royalties paid by equity affiliates and external shipping and handling fees.

(C) Segment profit is a measure used by Cabot's operating decision-makers to measure consolidated operating results and assess segment performance. Segment profit includes equity in net income of affiliated companies and excludes royalties paid by equity affiliates and allocated corporate costs.

(D) General unallocated income (expense) includes foreign currency transaction gains (losses), interest income, dividend income, and the certain items listed in Exhibit I, including $110 million of long-lived asset impairment charges in the Supermetals Business for the quarter and twelve month period ending September 30, 2005 and $90 million of goodwill impairment charges in the Supermetals Business for the twelve month period ending September 30, 2005.

(E) Income related to recoveries for a previously divested business, net of tax.

(F) The weighted average common shares outstanding for the quarter and year ending September 30, 2005 excludes approximately 9 million and 8 million shares, respectively, as those shares would antidilutive due to the Company's net loss position.

CABOT CORPORATION CONDENSED CONSOLIDATED FINANCIAL POSITION

In millions	**September 30, 2005** *(unaudited)*	September 30, 2004
Current assets	**$ 1,243**	$ 1,173
Net property, plant and equipment	**848**	918
Other non-current assets	**294**	335
Total assets	**$ 2,385**	$ 2,426
Current liabilities	**$ 433**	$ 372
Non-current liabilities	**846**	863
Stockholders' equity	**1,106**	1,191
Total liabilities and stockholders' equity	**$ 2,385**	$ 2,426
Working capital	**$ 810**	$ 801

CABOT CORPORATION

In millions, except per share amounts (unaudited)	Fiscal 2004 Dec. Q.	Fiscal 2004 Mar. Q.	Fiscal 2004 June Q.	Fiscal 2004 Sept. Q.	Fiscal 2004 FY	Fiscal 2005 Dec. Q.	Fiscal 2005 Mar. Q.	Fiscal 2005 June Q.	Fiscal 2005 Sept. Q.	Fiscal 2005 FY
Sales										
Chemicals Business	$ 351	$ 399	$ 398	$ 398	$ 1,546	$ 405	$ 427	$ 444	$ 445	$ 1,721
Supermetals Business	87	85	86	80	338	77	86	93	90	346
Specialty Fluids	1	9	4	13	27	7	8	11	14	40
Segment Sales (A)	439	493	488	491	1,911	489	521	548	549	2,107
Unallocated and other (B)	7	7	4	5	23	6	6	(3)	7	16
Net sales and other operating revenues	$ 446	$ 500	$ 492	$ 496	$ 1,934	$ 495	$ 527	$ 545	$ 556	$ 2,123
Segment Profit (Loss)										
Chemicals Business	$ 27	$ 43	$ 45	$ 17	$ 132	$ 36	$ 46	$ 30	$ (3)	$ 110
Supermetals Business	21	16	18	22	77	16	16	13	7	52
Specialty Fluids	(2)	3	—	5	6	2	4	5	7	17
Total segment profit (C)	46	62	63	44	215	54	66	48	11	179
Income (Loss) Available to Common Shares										
Interest expense	(7)	(7)	(8)	(8)	(30)	(8)	(8)	(8)	(5)	(29)
General unallocated income (expense) (D)	—	(3)	2	(15)	(15)	1	(91)	(2)	(128)	(220)
Less: Equity in net income of affiliated companies, net of tax	(2)	(1)	(2)	(1)	(6)	(2)	(2)	(2)	(6)	(12)
Income (Loss) from Continuing Operations before income taxes	37	51	55	20	164	45	(35)	36	(128)	(82)
(Provision) benefit for income taxes	(8)	(13)	(13)	(5)	(39)	(9)	(13)	(9)	72	41
Equity in net income of affiliated companies, net of tax	2	1	2	1	6	2	2	2	6	12
Minority interest in net income, net of tax	(1)	(3)	(3)	(2)	(9)	(3)	(4)	(3)	(2)	(12)
Income (Loss) from Continuing Operations	30	36	41	14	122	35	(50)	26	(52)	(41)
Discontinued Operations										
Income (Loss) from Operations of Discontinued Businesses, net of income taxes (E) (F)	(1)	1	1	1	2	—	—	—	—	—
Net income (loss)	29	37	42	15	124	35	(50)	26	(52)	(41)
Dividends on preferred stock	(1)	(1)	—	(1)	(3)	(1)	—	(1)	(1)	(3)
Income (loss) available to common shares	$ 28	$ 36	$ 42	$ 14	$ 121	$ 34	$ (50)	$ 25	$ (53)	$ (44)
Income (Loss) per common share										
Income (loss) from Continuing Operations	$ 0.43	$ 0.53	$ 0.61	$ 0.21	$ 1.79	$ 0.51	$ (0.84)	$ 0.39	$ (0.91)	$ (0.73)
Income (Loss) from Operations of Discontinued Businesses (E) (F)	(0.01)	0.01	0.01	0.02	0.03	—	—	—	—	—
Net income (loss)	$ 0.42	$ 0.54	$ 0.62	$ 0.23	$ 1.82	$ 0.51	$ (0.84)	$ 0.39	$ (0.91)	$ (0.73)
Weighted average common shares outstanding										
Diluted (G)	68	69	69	68	68	69	60	69	59	60

(A) Segment sales for certain operating segments within the Chemical Business include 100% of sales of one equity affiliate and transfers of materials at cost and at market-based prices.

(B) Unallocated and other reflects an elimination for sales for one equity affiliate offset by royalties paid by equity affiliates and external shipping and handling fees.

(C) Segment profit is a measure used by Cabot’s operating decision-makers to measure consolidated operating results and assess segment performance. Segment profit includes equity in net income of affiliated companies and excludes royalties paid by equity affiliates, minority interest and allocated corporate costs.

(D) General unallocated income (expense) includes foreign currency transaction gains (losses), interest income, dividend income and certain items listed in Exhibit I, including $90 million of goodwill impairment charges in the Supermetals Business recorded in the second quarter of 2005 and $110 million of long-lived asset impairment charges in the Supermetals Business recorded in the fourth quarter of 2005.

(E) Amounts in Q1 2004 relate to litigation associated with a previously divested business, net of tax.

(F) Additional income in Q2 2004, Q3 2004 and Q4 2004 related to insurance recoveries for discontinued businesses, net of tax.

(G) The weighted average common shares outstanding for the quarter ending March 31, 2005 and the quarter and year ending September 30, 2005 reflects the exclusion of those shares that would be antidilutive due to the Company’s net loss position in these periods. The shares excluded totalled approximately 9 million shares for the quarter ending March 31, 2005 and approximately 9 million and 8 million shares, respectively, for the quarter and year ending September 30, 2005.

CABOT CORPORATION CERTAIN ITEMS — Exhibit I

Periods ended September 30 *Dollars in millions, except per share amounts (unaudited)*	Three Months 2005 $	Three Months 2005 per share(A)	Three Months 2004 $	Three Months 2004 per share(A)	Twelve Months 2005 $	Twelve Months 2005 per share(A)	Twelve Months 2004 $	Twelve Months 2004 per share(A)
Certain items before income taxes								
Restructuring initiatives	**$ (3)**	**$ (0.05)**	$ (2)	$ (0.02)	**$ (16)**	**$ (0.19)**	$ (6)	$ (0.06)
Cost reduction initiatives	**(15)**	**(0.19)**	—	—	**(15)**	**(0.19)**	—	—
Goodwill asset impairment	—	—	—	—	**(90)**	**(1.32)**	—	—
Long-lived asset impairment charges	**(110)**	**(1.02)**	—	—	**(110)**	**(1.02)**		
Investment impairment charges	—	—	(12)	(0.17)	—	—	(12)	(0.17)
Reserve for respirator claims	—	—	2	0.02	—	—	2	0.02
Other non-operating items	—	—	(1)	(0.01)	—	—	(2)	(0.02)
Impact of changes in shares for net loss (B)	—	**(0.12)**	—	—	—	**(0.12)**		
Total certain items	**(128)**	**(1.38)**	(13)	(0.18)	**(231)**	**(2.84)**	(18)	(0.23)
Discontinued operations	—	—	1	0.02	—	—	2	0.03
Total certain items and discontinued operations pre-tax	**(128)**	**(1.38)**	(12)	(0.16)	**(231)**	**(2.84)**	(16)	(0.20)
Tax impact of certain items and discontinued operations (C)	43	—	1	—	**48**	**0.04**	2	—
Total certain items and discontinued operations after tax	**$ (85)**	**$ (1.38)**	$ (11)	$ (0.16)	**$ (183)**	**$ (2.80)**	$ (14)	$ (0.20)

Periods ended September 30 *Dollars in millions, except per share amounts (unaudited)*	Three Months 2005	Three Months 2004	Twelve Months 2005	Twelve Months 2004
Statement of Operations Line Item				
Cost of sales	**$ (14)**	$ (2)	**$ (26)**	$ (5)
Selling and administrative expenses	**(2)**	3	**(3)**	2
Research and technical service	**(2)**	—	**(2)**	—
Goodwill asset impairment	**—**	—	**(90)**	—
Long-lived asset impairment	**(110)**	—	**(110)**	—
Other (charges) income	**—**	(14)	**—**	(15)
Total certain items	**$ (128)**	$ (13)	**$ (231)**	$ (18)

(A) Per share amounts are calculated after tax.

(B) Due to the Company’s net loss for the quarter and year ending September 30, 2005, common shares totaling 9 million for the quarter and 8 million for the year are required to be excluded from the calculation of diluted earnings per share, as including them would have an antidilutive effect. However, in order to consistently present the per share impact of the certain items on the Company’s results from period to period, the certain items are calculated using the Company’s fully diluted weighted average common shares outstanding of 68 million. The impact of this change in the weighted average common shares outstanding on both income from continuing operations and certain items is reflected in this line.

(C) Represents tax impact of certain items and discontinued operations. Year to date amount also includes $3 million of tax benefit related to the closure of the Altona facility.

Exhibit 99.2

CABOT CORPORATION
FOURTH QUARTER FISCAL YEAR 2005
SUPPLEMENTAL BUSINESS INFORMATION

I. Disclaimers

Included below are forward-looking statements relating to management's expectations regarding Cabot's future business performance and overall prospects; prospects for the Supermetals Business, particularly with respect to cost reduction initiatives, tantalum sales in the indirect sputtering target market, and the price at which Cabot may be obligated to buy tantalum ore from the Sons of Gwalia; growth in inkjet colorants and the Specialty Fluids Business; and the timing of capacity expansion for carbon black and fumed silica. The following are some of the factors that could cause Cabot's actual results to differ materially from those expressed in the forward-looking statements: a continuing rise in feedstock and other energy costs; the Company's ability to generate cost savings and implement restructuring initiatives; lower than expected demand in the indirect sputtering target market; the outcome of the arbitration with Sons of Gwalia; the accuracy of assumptions made concerning forecasted sales and raw material and production costs in the Supermetals business in connection with the asset impairment analysis; the Company's ability to maintain and grow its position in the small office, home office printing market and to participate in the growth in emerging inkjet applications for black colorants and to develop and commercialize colored pigments (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products or difficulties in moving from the experimental stage to the manufacturing stage); the success of the Specialty Fluids Business in gaining wider acceptance by the energy industry of cesium formate as a drilling fluid and to penetrate new markets (including development of the required logistics ability to reach remote markets); and the timely completion and start-up of capacity expansion projects. Other factors and risks are discussed in the Company's 2004 Annual Report on Form 10-K and subsequent periodic reports and filings made with the Securities and Exchange Commission.

II. Q4'05 vs. Q4'04 (Quarter over Quarter) Major Changes:

NOTE: Each $0.01 per diluted share is approximately $1 million profit before tax. Changes in EPS, excluding certain items, are calculated using the diluted weighted average common shares outstanding, which was approximately 68 million for both the fourth quarter of fiscal 2005 and fiscal 2004.

	Change in EPS	% Change in Volumes
Carbon black	($0.25)/sh	5%
Fumed metal oxides (includes fumed silica)	($0.03)/sh	(1)%
Inkjet colorants	$0.01/sh	29%
Business Development and other	$0.01/sh	N/A
Chemicals Business:	($0.26)/sh	
Supermetals Business:	($0.17)/sh	8%
Specialty Fluids Business:	$0.03/sh	N/A
Foreign Exchange:	$0.01/sh	
Other unallocated and tax related items	$0.47/sh	
Certain Items	($1.20)/sh [1]	
Discontinued Operations	($0.02)/sh	
Total	**($1.14)/sh**	

(1) Due to the Company's net loss for the quarter and year ending September 30, 2005, common shares totaling 9 million and 8 million, respectively, are required to be excluded from the calculation of earnings per share, as including them would have an antidilutive effect. However, in order to consistently present the change in earnings per share by business segment and product line from period to period, the per share amounts are calculated using the Company's fully diluted weighted average shares outstanding of 68 million. The impact of this change in the weighted average common shares outstanding was $0.12 on both the business segment and product line results and certain items is reflected in this line.

III. Q4'05 vs. Q3'05 (Sequential Quarters) Major Changes:

NOTE: Each $0.01 per diluted share is approximately $1 million profit before tax. Changes in EPS, excluding certain items, are calculated using the diluted weighted average common shares outstanding, which was approximately 68 million for both the third and fourth quarters of fiscal 2005.

	Change in EPS	% Change in Volumes
Carbon black	($0.31)/sh	(4)%
Fumed metal oxides (includes fumed silica)	($0.04)/sh	0%
Inkjet colorants	$0.00/sh	9%
Business Development and other	$0.01/sh	N/A
Chemical Business:	($0.34)/sh	
Supermetals Business:	($0.06)/sh	(2)%
Specialty Fluids Business:	$0.03/sh	N/A
Foreign Exchange:	($0.03)/sh	
Other unallocated and tax related items	$0.44/sh	
Certain Items	($1.34)/sh (1)	
Discontinued Operations	$0.00/sh	
Total	**($1.30)/sh**	

(1) Due to the Company's net loss for the quarter and year ending September 30, 2005, common shares totaling 9 million and 8 million, respectively, are required to be excluded from the calculation of earnings per share, as including them would have an antidilutive effect. However, in order to consistently present the change in earnings per share by business segment and product line from period to period, the per share amounts are calculated using the Company's fully diluted weighted average shares outstanding of 68 million. The impact of this change in the weighted average common shares outstanding was $0.12 on both the business segment and product line results and certain items is reflected in this line.

IV. Fiscal Year 2005 vs. Fiscal Year 2004 Major Changes:

NOTE: Each $0.01 per diluted share is approximately $1 million profit before tax. Changes in EPS, excluding certain items, are calculated using the diluted weighted average common shares outstanding, which was approximately 68 million for both fiscal 2005 and fiscal 2004.

	Change in EPS	% Change in Volumes
Carbon black	($0.32)/sh	4%
Fumed metal oxides (includes fumed silica)	($0.04)/sh	3%
Inkjet colorants	$0.03/sh	30%
Business Development and other	($0.01)/sh	N/A
Chemicals Business:	($0.34)/sh	
Supermetals Business:	($0.27)/sh	11%
Specialty Fluids Business:	$0.14/sh	N/A
Foreign Exchange:	$0.07/sh	
Other unallocated and tax related items	$0.48/sh	
Certain Items	($2.60)/sh (1)	
Discontinued Operations	($0.03)/sh	
Total	**($2.55)/sh**	

(1) Due to the Company's net loss for the quarter and year ending September 30, 2005, common shares totaling 9 million and 8 million, respectively, are required to be excluded from the calculation of earnings per share, as including them would have an antidilutive effect. However, in order to consistently present the change in earnings per share by business segment and product line

from period to period, the per share amounts are calculated using the Company's fully diluted weighted average shares outstanding of 68 million. The impact of this change in the weighted average common shares outstanding was $0.12 on both the business segment and product line results and certain items is reflected in this line.

V. Business Segment Comments

1. Chemicals Business

Carbon Black

Despite contracted price increases the continued rise in feedstock cost the Company $20 million in profit during the quarter. Additionally, the cost associated with its LIFO accounting methodology in North America was $12 million. Hurricane damage to the Company's Louisiana plants totaled $3 million during the quarter. Its Canal plant in Franklin, Louisiana, which ceased operation during and after Hurricane Rita, is back in operation.

Carbon Black Regional Analysis:

NOTE: Profit numbers are stated at actual exchange rates for the period.

North America — Volumes decreased 5% in the fourth quarter of fiscal year 2005 compared to the fourth quarter of fiscal year 2004 and the third quarter of fiscal year 2005. North American profit decreased by $11 million in the fourth quarter of fiscal year 2005 compared to the fourth quarter of fiscal year 2004 due to decreased volumes, higher raw material costs, the effects of hurricanes on the gulf coast, and the LIFO accounting methodology.

South America — Volumes increased 7% in the fourth quarter of fiscal 2005 compared to the same quarter of fiscal year 2004 and decreased 1% compared to the third quarter of fiscal year 2005. Profit decreased by $3 million in the fourth quarter of fiscal year 2005 compared to the fourth quarter of fiscal year 2004 due to higher raw material costs and higher than anticipated costs associated with a plant maintenance shutdown in the region.

The capacity expansion in Brazil remains on track to begin production during late calendar year 2005.

Europe — Volumes increased by 6% compared to the fourth quarter of fiscal year 2004 and decreased 9% compared to the third quarter of fiscal year 2005 as the region experienced traditional seasonality. Profit decreased by $8 million in the fourth quarter of fiscal year 2005 compared to the fourth quarter of fiscal year 2004 due to higher feedstock costs.

Asia Pacific — Volumes increased by 12% compared to the fourth quarter of fiscal year 2004 and increased 5% compared to the third quarter of fiscal year 2005. Profit increased by $2 million compared to the fourth quarter of fiscal year 2004 on these increased volumes.

Construction associated with the Company’s new facility in Tianjin, China remains on track to begin production during early calendar year 2006.

Fumed Metal Oxides

Construction associated with the Company’s new plant in Jiangxi, China remains on target for startup in the third fiscal quarter of 2006. Market development efforts continue in anticipation of the startup of production at that facility.

Inkjet Colorants

The inkjet colorants business continues to make solid progress in developing treated pigments to enable inkjet printing to compete with other printing technologies and penetrate markets for scalable printing technology.

The Company is more than doubling the production capacity at its inkjet colorants facility for a total capital cost of $29 million. The additional capacity should come on line during fiscal year 2006.

2. Cabot Supermetals

The Company has reached agreement with the Local 619C of the International Chemical Workers Union Council / United Food and Commercial Workers on a new collective bargaining agreement that settles the labor dispute that began in June.

During the fourth quarter of fiscal year 2005 the Company’s Supermetals facility in Aizu, Japan operated close to full capacity.

During the quarter, volumes in the Supermetals Business increased 8% when compared to the fourth quarter of fiscal 2004 driven by increases in both contracted and non-contracted volumes and decreased 2% when compared to the third quarter of fiscal 2005 as increases in the volume of tantalum powder sold were more than offset by decreases in other segments.

3. Specialty Fluids

Market development activities in both the Caspian region and Saudi Arabia continue and the Company remains optimistic about the product’s acceptance in relevant well applications.

VI. Corporate and Business Initiatives

Selling and administrative costs increased $15 million from $52 million in the fourth quarter of fiscal year 2004 to $67 million in the fourth quarter of fiscal year 2005. For the fiscal year 2005 selling and administrative costs were $240 million, increasing $23 million from $217 in fiscal year 2004.

The increases were primarily due to incremental costs associated with the labor situation at our Supermetals facility in Boyertown, PA, costs associated with Cabot's business process improvement initiative, and costs related to compliance with Sarbanes Oxley.

During the fourth quarter of fiscal year 2005, the Company repurchased 260,070 shares, of which 131,400 represent open market purchases costing approximately $4.3 million. Year to date repurchases total 1,880,158 shares, of which 1,445,200 shares represent open market purchases costing approximately $47 million. Approximately 2.7 million shares remain available for purchase under the current Board of Directors' authorization.

Cabot invested approximately $72 million in capital expenditures during the fourth fiscal quarter of 2005 and approximately $186 million in fiscal year 2005. Its fiscal year 2006 capital spending plan is approximately $250 million.

During the fourth quarter of fiscal year 2005, working capital decreased by $89 million on a constant dollar basis (approximately $98 million at actual exchange rates). This decrease was due to a reduction in accounts receivable ($4 million), an increase in accounts payable and accruals ($46 million), and a decrease in inventory ($39 million). The components of inventory included a reduction in finished goods inventory ($17 million) and a reduction of work in process inventory ($22 million).

The Company's tax provision for the quarter and year to date ending September 30, 2005 was $72 million and $41 million, respectively. The Company's effective tax rate for continuing operations was a 56% benefit for the fourth quarter of fiscal year 2005. Excluding the $23 million tax settlement referenced in the press release, the goodwill impairment on the Supermetals business in the second quarter, and the Supermetals asset impairment in the fourth quarter, the Company's effective tax rate for continuing operations for fiscal year 2005 would have been approximately 19%.

On September 15, 2005, Cabot repaid in full its 9.3 billion yen ($82 million) term loan executed in 2002 by drawing down 9.3 billion yen ($82 million) on the $400 million revolving line of credit dated August 3, 2005. The refinanced debt is classified as long term since Cabot expects to have this amount outstanding through August 2010, the maturity date of its new revolving credit facility. The new revolving credit facility bears interest at yen-LIBOR (0.07% at September 30, 2005) plus a credit spread of 0.3% versus the former term loan, which bore interest at yen-LIBOR plus a credit spread of 0.9%. Cabot entered into interest rate swaps at a swap rate of 0.85%, thereby locking in an all-in interest rate of 1.15% (swap rate 0.85% plus credit spread 0.3%) through August 2010 for this borrowing. The swaps are treated as cash flow hedges under accounting standards.

VII. Segment Reporting Structure

Cabot Corporation has changed its segment reporting structure to better reflect the way it manages and thinks about its businesses, and will fully report under this structure beginning with the filing of its 2005 Annual Report on Form 10-K. Under the new structure, the Company will break the Chemicals Business into two segments, the Carbon Black Business and the Metal Oxides Business, and will now report on four business segments: the Carbon Black Business, the Metal Oxides Business, the Supermetals Business, and the Specialty Fluids Business. Below are fiscal year 2005 revenue and profit before tax (PBT) for the Company following the new segment structure:

1. "New Segment" Revenue

	New			**Old**	
	Q4 FY05	YTD		Q4 FY05	YTD
Carbon Black Business	389	1,490	Chemicals Business	445	1,721
Metal Oxides Business	56	231			
Supermetals Business	90	346	Supermetals Business	90	346
Specialty Fluids Business	14	40	Specialty Fluids Business	14	40
Segment Total	549	2,107	Segment Total	549	2,107
Unallocated	7	16	Unallocated	7	16
Total	**556**	**2,123**	**Total**	**556**	**2,123**

2. "New Segment" PBT

	New			**Old**	
	Q4 FY05	YTD		Q4 FY05	YTD
Carbon Black Business	(4)	94	Chemicals Business	(3)	110
Metal Oxides Business	1	16			
Supermetals Business	7	52	Supermetals Business	7	52
Specialty Fluids Business	7	17	Specialty Fluids	7	17
Segment Total	11	179	Segment Total	11	179
Unallocated	(139)	(261)	Unallocated	(139)	(261)
Total	**(128)**	**(82)**	**Total**	**(128)**	**(82)**