FORM 10-Q

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended

MARCH 31, 1996

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to ________

COMMISSION FILE NUMBER 1-5667

CABOT CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE (State of Incorporation)	04-2271897 (I.R.S. Employer Identification No.)
75 STATE STREET BOSTON, MASSACHUSETTS (Address of principal executive offices)	02109-1806 (Zip Code)

Registrant's telephone number, including area code: (617) 345-0100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO
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Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

AS OF MARCH 31, 1996, THE COMPANY HAD 71,435,808 SHARES OF COMMON STOCK, PAR VALUE $1 PER SHARE, OUTSTANDING.

CABOT CORPORATION

INDEX

PART I. FINANCIAL INFORMATION
ITEM 1.

CABOT CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 1996 and 1995

(Dollars in thousands)

UNAUDITED

	1996	1995
Revenues:		
Net sales and other operating revenues	$491,272	$481,340
Interest and dividend income	2,254	1,906
Total revenues	493,526	483,246
Costs and expenses:		
Cost of sales	345,298	329,421
Selling and administrative expenses	53,722	62,460
Research and technical service	17,302	13,664
Interest expense	11,213	8,872
Other charges, net	3,494	4,129
Total costs and expenses	431,029	418,546
Income before income taxes	62,497	64,700
Provision for income taxes	(23,124)	(23,939)
Equity in net income of affiliated companies	4,933	5,316
Minority interest	(1,389)	303
Net income	42,917	46,380
Dividends on preferred stock, net of tax benefit of $475 and $478, respectively	(881)	(889)
Income applicable to primary common shares	$ 42,036	$ 45,491
Weighted average common shares outstanding (000):		
Primary	72,799	77,730
Fully diluted (Note A)	78,937	84,026
Income per common share:		
Primary	$ 0.58	$ 0.59
Fully diluted (Note A)	$ 0.54	$ 0.54
Dividends per common share	$ 0.09	$ 0.07

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
Six Months Ended March 31, 1996 and 1995

(Dollars in thousands)

UNAUDITED

	1996	1995
Revenues:		
Net sales and other operating revenues	$934,303	$909,299
Interest and dividend income	4,715	4,441
Total revenues	939,018	913,740
Costs and expenses:		
Cost of sales	650,432	626,250
Selling and administrative expenses	100,353	118,028
Research and technical service	31,579	26,503
Interest expense	20,634	18,908
Other charges, net	8,766	8,454
Total costs and expenses	811,764	798,143
Income before income taxes	127,254	115,597
Provision for income taxes	(47,084)	(42,771)
Equity in net income of affiliated companies	8,656	6,998
Minority Interest	(2,558)	463
Net income	86,268	80,287
Dividends on preferred stock, net of tax benefit of $950 and $958, respectively	(1,764)	(1,778)
Income applicable to primary common shares	$ 84,504	$ 78,509
Weighted average common shares outstanding (000):		
Primary	73,861	77,480
Fully diluted (Note A)	80,050	83,910
Income per common share:		
Primary	$ 1.14	$ 1.01
Fully diluted (Note A)	$ 1.06	$ 0.94
Dividends per common share	$ 0.18	$ 0.14

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION

CONSOLIDATED BALANCE SHEETS
March 31, 1996 and September 30, 1995

(Dollars in thousands)

ASSETS

	March 31 1996 (Unaudited)	September 30 1995
Current assets:		
Cash and cash equivalents	$ 40,978	$ 90,792
Accounts and notes receivable (net of reserve for doubtful accounts of $5,134 and $5,207)	333,661	292,777
Inventories:		
Raw materials	69,719	64,830
Work in process	66,092	47,058
Finished goods	99,738	97,597
Other	44,464	43,625
Total inventories	280,013	253,110
Prepaid expenses	23,099	13,499
Deferred income taxes	30,072	27,681
Total current assets	707,823	677,859
Investments:		
Equity	74,856	98,866
Other	136,744	119,866
Total investments	211,600	218,732
Property, plant and equipment, at cost	1,631,884	1,447,653
Accumulated depreciation	(796,392)	(741,132)
Net property, plant and equipment	835,492	706,521
Other assets:		
Intangible assets, net of amortization	31,293	13,922
Deferred income taxes	7,549	6,949
Other assets	25,872	30,350
Total other assets	64,714	51,221
Total assets	$1,819,629	$1,654,333

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION

CONSOLIDATED BALANCE SHEETS
March 31, 1996 and September 30, 1995
(Dollars in thousands)

LIABILITIES & STOCKHOLDERS' EQUITY

	March 31 1996 (Unaudited)	September 30 1995
Current liabilities:		
Notes payable to banks	$ 211,831	$ 52,437
Current portion of long-term debt	23,368	15,709
Accounts payable and accrued liabilities	254,028	260,879
U.S. and foreign income taxes payable	37,347	69,286
Deferred income taxes	4,419	4,068
Total current liabilities	530,993	402,379
Long-term debt	341,489	306,443
Deferred income taxes	109,021	100,353
Other liabilities	148,528	152,747
Commitments and contingencies (Note B)		
Minority interest	23,562	7,411
Stockholders' Equity (Note D):		
Preferred Stock:		
Authorized: 2,000,000 shares of $1 par value		
Series A Junior Participating Preferred Stock		
Issued and outstanding: none		
Series B ESOP Convertible Preferred Stock 7.75% Cumulative		
Issued: 75,336 shares (aggregate redemption value of $71,585 and $72,479)	75,336	75,336
Less cost of shares of preferred treasury stock	(5,645)	(4,836)
Common stock:		
Authorized: 200,000,000 and 80,000,000 shares of $1 par value		
Issued: 135,549,936 and 67,774,968 shares	135,550	67,775
Additional paid-in capital	--	17,799
Retained earnings	1,082,795	1,062,482
Less cost of common treasury stock (including unearned amounts of $7,543 and $10,834)	(625,963)	(539,585)
Deferred employee benefits	(65,111)	(65,907)
Unrealized gain on marketable securities	42,605	32,023
Foreign currency translation adjustments	26,469	39,913
Total stockholders' equity	666,036	685,000
Total liabilities and stockholders' equity	$1,819,629	$1,654,333

The accompanying notes are an integral part of these financial statements

CABOT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended March 31, 1996 and 1995
(Dollars in thousands)
UNAUDITED

	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 86,268	$ 80,287
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	47,683	47,067
Deferred tax provision	87	2,180
Equity in net income of affiliated companies, net of dividends received	(2,831)	(2,413)
Other, net	1,342	2,986
Changes in assets and liabilities, net of consolidation of equity affiliates:		
Increase in accounts receivable	(30,185)	(46,368)
Increase in inventory	(16,590)	(39,128)
Decrease in accounts payable and accruals	(20,940)	(14,207)
Decrease (increase) in prepayments and intangible assets	652	(210)
Other, net	(37,683)	19,243
Cash provided by operating activities	27,803	49,437
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to plant, property and equipment	(77,747)	(56,906)
Investments and acquisitions	(49,315)	(20)
Cash provided from consolidation of equity affiliates	9,306	
Sales of property, plant and equipment	1,786	176
Other	1,223	
Cash used by investing activities	(114,747)	(56,750)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	8,759	
Repayments of long-term debt	(11,637)	(153,656)
Increase in short-term debt	146,962	121,957
Purchases of treasury stock	(96,446)	(4,220)
Sales and issuance of treasury stock	6,932	7,593
Cash dividends paid to stockholders	(14,761)	(12,437)
Redemption of preferred stock purchase rights	(1,840)	
Cash provided (used) by financing activities	37,969	(40,763)
Effect of exchange rate changes on cash	(839)	1,228
Decrease in cash and cash equivalents	(49,814)	(46,848)
Cash and cash equivalents at beginning of eriod	90,792	80,917
Cash and cash equivalents at end of period	$ 40,978	$ 34,069

The accompanying notes are an integral part of these financial statements.

CABOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1996

A. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Cabot Corporation and majority-owned and controlled domestic and foreign subsidiaries. Investments in majority-owned affiliates where control does not exist and investments in 20 percent to 50 percent-owned affiliates are accounted for on the equity method. As of October 1, 1995, the Company changed the accounting for its Czech Republic and Indian carbon black affiliates from the equity method to the consolidated method upon achieving control. Intercompany transactions have been eliminated.

The financial statements have been prepared in accordance with the Securities and Exchange Commission requirements for Form 10-Q and consequently do not include all information required to be disclosed by the Securities and Exchange Commission on the Form 10-K. Additional information may be obtained by referring to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1995.

The financial information submitted herewith is unaudited and reflects all adjustments which are, in the opinion of management, necessary to provide a fair statement of the results for the interim periods ended March 31, 1996 and 1995. All such adjustments are of a normal recurring nature. The results for interim periods are not necessarily indicative of the results to be expected for the fiscal year.

Earnings Per Share

The computation of fully diluted earnings per share considers the conversion of the Company's Series B ESOP Convertible Preferred Stock held by the Company's Employee Stock Ownership Plan, and also includes the potentially dilutive effects of the stock options and rights issued under the Company's Equity Incentive Plan.

Reclassification

Certain amounts in fiscal 1995 have been reclassified to conform to the fiscal 1996 presentation.

B. COMMITMENTS AND CONTINGENCIES

The Company has various lawsuits, claims and contingent liabilities. In the opinion of the Company, although final disposition of all of its suits and claims may impact the Company's financial statements in a particular period, they should not, in the aggregate, have a material adverse effect on the Company's financial position. As of the end of the quarter, approximately $69 million was committed for various capital projects.

CABOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1996
(Continued)

C. ACQUISITION

On February 16, 1996, the Company acquired an 80% controlling ownership interest in an Indonesian carbon black company which was accounted for as a purchase. Although the purchase accounting for this acquisition has not been completed, the acquisition cost of approximately $50 million includes assets and liabilities at their estimated fair values which are subject to final appraisals. The excess of cost over the estimated fair value of net assets acquired of approximately $16 million will be amortized on the straight-line basis over either 40 years or an estimated useful life, whichever is shorter. Results of operations, subsequent to the acquisition date have been included in the Consolidated Statements of Income as of March 31, 1996.

D. STOCKHOLDERS' EQUITY

On November 10, 1995, the board of directors authorized a two-for-one stock split in the form of a stock dividend contingent upon shareholder approval of an amendment to the Company's Certificate of Incorporation increasing the authorized number of shares from 80,000,000 to 200,000,000 shares, which amendment was approved on March 7, 1996. One additional share of common stock was distributed to stockholders on March 22, 1996, for each share of common stock of the Company held by stockholders of record on March 15, 1996. The Company reclassified $18.4 million from the additional paid in capital account and $49.3 million from the retained earnings account to the common stock account. All common share and per share amounts have been restated to reflect the stock split.

CABOT CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
March 31, 1996
UNAUDITED

D. STOCKHOLDERS' EQUITY (CONTINUED)

The following table summarizes the changes in stockholders' equity for the six months ended March 31, 1996.

(Dollars in thousands)	Preferred Stock		Preferred Treasury Stock		Common Stock		Additional Paid-in Capital	Retained Earnings
	Shares Issued	Value	Shares	Cost	Shares Issued	Value		
Balance at September 30, 1995	75,336	$75,336	5,036	$(4,836)	67,774,968	$ 67,775	$17,799	$1,062,482
Net income								86,268
Common stock dividends paid								(12,997)
Redemption of preferred stock purchase rights								(1,840)
Issuance of treasury stock under employee compensation plans							(460)	(11)
Purchase of treasury stock - common								
Purchase of treasury stock - preferred			342	(809)				
Sale of treasury stock to Cabot Retirement Incentive Savings Plan							1,093	
Preferred stock dividends paid to Employee Stock Ownership Plan, net of tax								(1,764)
Principal payment by Employee Stock Ownership Plan under guaranteed loan								
Effect of two-for-one stock split distributed March 22, 1996					67,774,968	67,775	(18,432)	(49,343)
Amortization of unearned compensation								
Unrealized gain/(loss), net of deferred tax								
Foreign currency translation adjustments								
Balance at March 31,	75,336	$75,336	5,378	$(5,645)	135,549,936	$135,550	$ 0	$1,082,795

(Dollars in thousands)	Common Treasury Stock		Unearned Compensation	Deferred Employee Benefits	Unrealized Gain/(Loss) Marketable Securities	Foreign Currency Translation Adjustments	Total Stockholder Equity
	Shares	Cost					
Balance at September 30, 1995	30,392,967	$(528,751)	$(10,834)	$(65,907)	$32,023	$39,913	$685,000
Net income							86,268
Common stock dividends paid							(12,997)
Redemption of preferred stock purchase rights							(1,840)
Issuance of treasury stock under employee compensation plans	(285,160)	5,355	341				5,225
Purchase of treasury stock - common	1,979,732	(95,637)					(95,637)
Purchase of treasury stock - preferred							(809)
Sale of treasury stock to Cabot Retirement Incentive Savings Plan	(32,487)	613					1,706
Preferred stock dividends paid to Employee Stock Ownership Plan, net of tax							(1,764)
Principal payment by Employee Stock Ownership Plan under guaranteed loan				796			796
Effect of two-for-one stock split distributed March 22, 1996	32,059,076						

Amortization of unearned compensation			2,950				2,950
Unrealized gain/(loss), net of deferred tax					10,582		10,582
Foreign currency translation adjustments						(13,444)	(13,444)
Balance at March 31,	64,114,128	$(618,420)	$(7,543)	$(65,111)	$42,605	$26,469	$666,036

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

I. RESULTS OF OPERATIONS

Sales and operating profit by industry segment are shown in the accompanying table on page 14.

THREE MONTHS ENDED MARCH 31, 1996 VERSUS
THREE MONTHS ENDED MARCH 31, 1995

Net income for the second quarter of fiscal year 1996 was $42.9 million ($0.54 per fully diluted common share), compared to $46.4 million ($0.54 per fully diluted common share) in the same quarter a year ago. Net sales and other operating revenues increased 2% to $491.3 million from last year's $481.3 million. Operating profit decreased 3% to $81.3 million from last year's second quarter record $83.7 million. Performance in 1996 excluded the results of Cabot Safety Corporation, which was restructured in July, 1995. Exclusive of Cabot Safety, revenues increased 14% and operating profit grew 5%.

In the Specialty Chemicals and Materials Group, sales declined 4% to $370.3 million from $384.5 million last year and operating profit decreased 6% to $72.4 million from $77.1 million. The operating profit decrease reflects an overall 2.5% volume decline and increased spending on research and development and new business initiatives, largely offset by higher margins than a year ago. Volume increases in North America were offset by declines in the European and South American businesses. The most significant volume variances versus a year ago were a 13% increase in performance materials (tantalum) and a 5% decline in plastics. Results in 1995 included a contribution from Cabot Safety Corporation. Exclusive of Cabot Safety, sales for the Group were up 11% in 1996 and operating profit increased $1.3 million compared to last year.

In the Energy Group, sales increased 25% from $96.8 million to $121.0 million, and operating profit grew 35% to $8.9 million from $6.6 million last year. The improvement is mainly due to lower business development spending in the Group's liquefied natural gas (LNG) business. Volumes in the Group's LNG business improved from a year ago. However, profitability was constrained as higher pricing did not offset the higher costs associated with buying available domestic gas to offset the limited supplies from the Company's Algerian supplier.

During the quarter, the Company increased its ownership interest to 80% in P.T. Cabot Indonesia, its existing Indonesian carbon black subsidiary. Also, the Company acquired an 80% ownership interest in P.T. Continental Carbon Indonesia, the other Indonesian carbon black producer.

Equity in net income of affiliates fell 8% to $4.9 million from $5.3 million in the second quarter last year. The decline is due to the consolidation of the results of the Company's Czech Republic carbon black joint venture beginning October 1, 1995. On a comparable basis, equity in net income of affiliates improved over 40% versus last year due to the continuing improvement from the Company's Mexican and Pacific Asia carbon black affiliates and the Japanese performance materials affiliate.

The Company began to see definite signs of weakened demand during the latter part of the quarter, particularly in Europe and North and South America. This led to volume softness in the Company's specialty chemicals businesses which is anticipated to continue through the balance of the fiscal year. In light of recent economic conditions and increased spending on research and development and new business initiatives, the Company is not anticipating earnings growth in 1996 versus 1995.

CABOT CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations

THREE MONTHS ENDED MARCH 31, 1996 VERSUS
THREE MONTHS ENDED MARCH 31, 1995 (CONTINUED)

The Company has begun to see meaningful sales from the introduction of new products. A new product as referred to here is a product first sold in commercial quantities within the last five years. New products accounted for 8% of Specialty Chemicals and Materials Group revenues during the second quarter. This compares to 5% last year. These products generally have higher margins than older products, but are not yet significant enough to offset the effects of a possible short-term decline in demand for traditional products. It is expected that these new products will begin to make significant profit contributions during fiscal 1997.

SIX MONTHS ENDED MARCH 31, 1996 VERSUS
SIX MONTHS ENDED MARCH 31, 1995

For the six months ended March 31, 1996, net income was $86.3 million ($1.06 per fully diluted common share) compared to $80.3 million ($0.94 per fully diluted common share) in the same period a year ago. Net sales rose 3% to $934.3 million from $909.3 million last year.

In the Specialty Chemicals and Materials Group, sales fell 3% to $714.3 million from $734.2 million due to the absence of Cabot Safety Corporation, which was deconsolidated in July, 1995, and some volume softness during the latter part of the second quarter of fiscal 1996. On a comparable basis, sales grew 12% during the first six months of the fiscal year. Operating profit for the Group increased 5% to $144.1 million from $137.6 million last year. The increase is a result of pricing improvement in every business in the Group, which more than offset raw material cost increases and volume decreases in several sectors. Of particular note were double digit volume declines in the Plastics and Cab-O-Sil businesses, and a double digit volume gain in the performance materials (tantalum) business. Inventory adjustments throughout the U.S. electronics industry are expected to cause downward pressure on the growth rate of tantalum products over the next three to six months.

In the Energy Group, sales increased 26% to $220.0 million from $175.1 million and operating profit grew 34% to $17.3 million. Operating profit in fiscal 1996 included a $3.3 million gain (approximately $0.03 per common share, fully diluted) associated with the reduction in the Company's ownership position, from 25% to 10%, in the Trinidad natural gas liquefaction plant project. Operating profit exclusive of this gain improved 9% largely due to reduced development spending in the Company's LNG business and improved margins in the Company's TUCO business, partially offset by significantly higher costs for pipeline gas purchased by the LNG business. Supplies of LNG continued to be curtailed by the refurbishment efforts of the Company's Algerian supplier. This is expected to continue through the balance of the fiscal year and will impact the ability of the business to participate in what is expected to be a strong summer market. As previously announced, the Company has agreed to sell its TUCO subsidiary to Southwestern Public Service Company ("SPS") for consideration of approximately $77 million. The sale is subject to regulatory approval. One such approval, involving SPS's request for special rate treatment for the transaction, was recently denied by the Public Utility Commission of Texas and a motion for rehearing was also denied. SPS is considering what action it will take as a result of the Commission's actions.

Interest expense increased 9% to $20.6 million from $18.9 million last year. The increase is due to higher total debt than a year ago as described below.

The Company's effective tax rate remained at 37%.

CABOT CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations (Continued)

II. CASH FLOWS AND LIQUIDITY

During the first six months of the year, the Company's operations provided $27.8 million of cash compared to $49.4 million last year. The change is primarily due to the timing of tax payments partially offset by the decrease in inventory build up as compared to the second quarter of fiscal year 1995.

The Company increased its borrowings by $144.1 million during the first six months of the year primarily to fund share repurchases and to purchase an 80% interest in P.T. Continental Carbon Indonesia.

Capital spending for the first six months of the year was $127.1 million. In addition to the Indonesian acquisition mentioned above, during the second quarter the Company also began several previously announced capacity expansions, including a contract-supported carbon black expansion at Ville Platte, Louisiana. The Company plans to make approximately $300 million of capital expenditures during the 1996 fiscal year. In light of softened demand in certain markets, the Company will proceed cautiously with planned expansions and may delay one or more projects depending on how market forecasts develop over the balance of the fiscal year. Already, the Company has delayed the construction of a new carbon black unit in North America and is reevaluating the timetable for a new North American fumed silica plant.

During the first six months of the year, the Company purchased approximately 1.8 million common shares under an authorization to purchase 3 million shares of common stock. Approximately 2.4 million shares were repurchased under that authorization. As a result, the number of outstanding shares was reduced by approximately 6.5%. Subsequently, during the period the Company effected a two-for-one stock split in the form of a stock dividend.

The Company's ratio of total debt (including short-term debt net of cash) to capital increased from 29% at September 30, 1995, to 44% at the end of the second quarter due to increased borrowings for the share repurchases, capital expenditures and working capital and due to reductions in capital resulting from share repurchases.

Management expects cash from operations and present financing arrangements, including the Company's unused line of credit of $250 million, to be sufficient to meet the Company's cash requirements for the foreseeable future.

CABOT CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations (Continued)

(Dollars in millions, except per share amounts)

UNAUDITED

	Three Months Ended		Six Months Ended	
	3/31/96	3/31/95	3/31/96	3/31/95
Industry Segment Data				
Sales:				
Specialty Chemicals and Materials	$370.3	$384.5	$714.3	$734.2
Energy	121.0	96.8	220.0	175.1
Net sales	$491.3	$481.3	$934.3	$909.3
Operating profit:				
Specialty Chemicals and Materials	$ 72.4	$ 77.1	$144.1	$137.6
Energy	8.9	6.6	17.3	12.9
Total operating profit	81.3	83.7	161.4	150.5
Interest expense	(11.2)	(8.9)	(20.6)	(18.9)
General corporate/other expenses	(7.6)	(10.1)	(13.5)	(16.0)
Income before income taxes	62.5	64.7	127.3	115.6
Provision for income taxes	(23.1)	(23.9)	(47.1)	(42.8)
Equity in net income of affiliated companies	4.9	5.3	8.7	7.0
Minority interest	(1.4)	0.3	(2.6)	0.5
Net income	42.9	46.4	86.3	80.3
Dividends on preferred stock	(0.9)	(0.9)	(1.8)	(1.8)
Income applicable to primary common shares	$ 42.0	$ 45.5	$ 84.5	$ 78.5
Income per common share:				
Primary	$ 0.58	$ 0.59	$ 1.14	$ 1.01
Fully diluted	$ 0.54	$ 0.54	$ 1.06	$ 0.94

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of Cabot Corporation was held on March 7, 1996. An election of Directors was held at which Ms. Jane C. Bradley and Messrs. Samuel W. Bodman, Authur L. Goldstein, Gerrit Jeelof and John H. McArthur were nominated and elected to the class of Directors whose terms expire in 1999. The following votes were cast for or were withheld with respect to each of the nominees:

Director	In Favor Of	Withheld
Samuel W. Bodman	33,176,229	1,213,747
Jane C. Bradley	33,690,421	699,555
Authur L. Goldstein	33,749,601	640,376
Gerrit Jeelof	33,638,627	751,349
John H. McArthur	33,759,884	630,092

Other Directors whose terms of office as Directors continued after the meeting are:

Director	Term of Office Expires
Kenneth F. Burnes	1998
John G. L. Cabot	1998
Robert P. Henderson	1998
Arnold S. Hiatt	1997
John F. O'Brien	1998
David V. Ragone	1997
Charles P. Siess, Jr.	1998
Morris Tanenbaum	1997
Lydia W. Thomas	1997

The second proposal before the Annual Meeting of Stockholders was the adoption of the Company's 1996 Equity Incentive Plan. This proposal was approved by the stockholders. The following votes were cast for or against or abstained from voting on the Company's 1996 Equity Incentive Plan:

For	Against	Abstained
29,121,634	4,528,882	187,859

The third proposal before the Annual Meeting of Stockholders was the adoption of an amendment to the Company's Certificate of Incorporation to increase the authorized shares of the common stock issuable by the Company from 80,000,000 to 200,000,000 shares. This proposal was adopted. The following votes were cast for or against or abstained from voting on the amendment to the Company's Certificate of Incorporation:

For	Against	Abstained
29,301,095	5,008,380	80,501

Effective March 7, 1996, Robert A. Charpie retired as a member of the Board of Directors. Additionally, the Company reports with sorrow that Gerrit Jeelof, one of its Directors, passed away on April 30, 1996.

PART II. OTHER INFORMATION (CONTINUED)

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The exhibit numbers in the following list correspond to the number assigned to such exhibits in the Exhibit Table of Item 601 of Regulation S-K.

Exhibit Number	Description
11	Statement Regarding Computation of Per Share Earnings, filed herewith.
12	Statement Regarding Computation of Ratio of Earnings to Fixed Charges, filed herewith.
27	Financial Data Schedule, filed herewith. (Not included with printed copy of the Form 10-Q.)

(b) Reports on Form 8-K

No report on Form 8-K was filed by the Company during the three months ended March 31, 1996.

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 thereunto duly authorized.

CABOT CORPORATION

Date: May 14, 1996

/s/ Kenyon C. Gilson

Kenyon C. Gilson
Executive Vice President and
Chief Financial Officer

Date: May 14, 1996

/s/ Paul J. Gormisky

Paul J. Gormisky
Vice President and Controller
(Chief Accounting Officer)

EXHIBIT 11

CABOT CORPORATION AND CONSOLIDATED SUBSIDIARIES

STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS
For the three month period ended March 31, 1996
(In thousands, except per share amounts)

	Primary(a)	Fully Diluted(a)
Shares of common stock outstanding at January 1, 1996, less treasury stock	71,208	71,208
Plus net weighted shares of treasury stock issued	342	342
Plus common stock equivalents:		
Effect of convertible preferred stock conversion		6,119
Effect of equity incentive awards	1,249	1,268
Weighted average shares outstanding	72,799	78,937
Income applicable to common shares	$42,036	$42,036
Dividends on preferred stock		881
Preferred stock conversion compensation shortfall		(515)
Earnings applicable to common shares	$42,036	$42,402
Earnings per common share	$ 0.58	$ 0.54

(a) All common stock and equivalents reflect, as of the beginning of the fiscal year, the two-for-one stock split distributed on March 22, 1996.

EXHIBIT 11

CABOT CORPORATION AND CONSOLIDATED SUBSIDIARIES

STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS
For the six month period ended March 31, 1996
(In thousands, except per share amounts)

	Primary(a)	Fully Diluted(a)
Shares of common stock outstanding at October 1, 1995 less treasury stock	74,764	74,764
Plus net weighted shares of treasury stock purchased	(2,101)	(2,101)
Plus common stock equivalents:		
Effect of convertible preferred stock conversion		6,119
Effect of equity incentive awards	1,198	1,268
Weighted average shares outstanding	73,861	80,050
Income applicable to common shares	$84,504	$ 84,504
Dividends on preferred stock		1,764
Preferred stock conversion compensation shortfall		(1,032)
Earnings applicable to common shares	$84,504	$ 85,236
Earnings per common share	$ 1.14	$ 1.06

(a) All common stock and equivalents reflect, as of the beginning of the fiscal year, the two-for-one stock split distributed on March 22, 1996.

EXHIBIT 12

CABOT CORPORATION AND CONSOLIDATED SUBSIDIARIES

STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in thousands)

	Six Months ended March 31, 1996	Years ended September 30				
		1995	1994	1993	1992	1991
Earnings:						
Pre-tax income from continuing operations	$127,254	$256,342	$118,325	$ 67,900	$116,599	$ 62,362
Distributed income of affiliated companies	5,825	11,699	5,638	5,988	5,766	4,688
Add fixed charges:						
Interest on indebtedness	20,634	35,639	41,668	44,043	41,714	38,661
Portion of rents representative of the interest factor	2,278	5,515	5,879	4,838	4,933	5,715
Income as adjusted	$155,991	$309,195	$171,510	$122,769	$169,012	$111,426
Fixed charges:						
Interest on indebtedness	$ 20,634	$ 35,639	$ 41,668	$ 44,043	$ 41,714	$ 38,661
Capitalized interest					3,963	8,745
Portion of rents representative of the interest factor	2,278	5,515	5,879	4,838	4,933	5,715
Total fixed charges	$ 22,912	$ 41,154	$ 47,547	$ 48,881	$ 50,610	$ 53,121
Ratio of earnings to fixed charges	6.81	7.51	3.61	2.51	3.34	2.10

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF CABOT CORPORATION FOR THE THREE MONTHS ENDED MARCH 31, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000
US DOLLARS

3-MOS
SEP-30-1996
JAN-01-1996
MAR-31-1996
1
40,978
0
338,795
5,134
280,013
707,823
1,631,884
796,392
1,819,629
530,993
341,489
135,550
0
75,336
1,082,795
1,819,629
491,272
493,526
345,298
345,298
20,796
0
11,213
62,497
23,124
42,917
0
0
0
42,917
.58
.54