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news release

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1972 PROSPECTS VIEWED AT CABOT ANNUAL MEETING OF STOCKHOLDERS

Prospects for mixed results in 1972 will make it difficult to match the $3.25 earnings per share recorded in 1971, Robert A. Charpie, President of Cabot Corporation, told stockholders at the company's annual meeting in Boston today. Cabot expects good growth in sales for the two-thirds of its business represented by the Performance Chemicals and Energy Groups. Domestic sales of Performance Chemicals will benefit from recovery in the U.S. economy, and the Energy Group will benefit from new oil production from Peru and Offshore Louisiana. Poor sales and earnings performance for the Stellite Division's superalloy operations in the Engineered Products Group, expected high startup charges for the new LNG business, a higher effective tax rate, and increased interest expense associated with the expanding commitment to LNG facilities may offset the gains, however.

While the Company does not expect to achieve its earnings growth objective this year it remains confident that an above average rate of growth in earnings per share is achievable over the longer run. Cabot's traditional businesses, with the exception of Titania, are performing well and the outlook for them is optimistic, Mr. Charpie stated. The businesses that are holding back earnings growth this year are new businesses for Cabot which are expected to make major contributions to Cabot's earnings over the next several years.

For the first quarter of fiscal year 1972, ended December 31, 1971, Cabot previously reported earnings per share of $0.75 compared with $0.80 per share on fewer shares outstanding the previous year. Net income in the December quarter was $4,171,000 compared with $4,140,000 a year ago.

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