

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**
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FILER

CABOT CORP

CIK: **16040** | IRS No.: **042271897** | State of Incorp.: **DE** | Fiscal Year End: **0930**
Type: **10-Q** | Act: **34** | File No.: **001-05667** | Film No.: **94527913**
SIC: **2890** Miscellaneous chemical products

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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 quarter ended

MARCH 31, 1994

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)

<TABLE>

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

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
-----		-----

Indicate the number of shares outstanding of each of the classes of Common Stock, as of the latest practicable date.

AS OF MARCH 31, 1994, THE COMPANY HAD 18,788,487 SHARES OF COMMON STOCK, PAR VALUE \$1 PER SHARE, OUTSTANDING.

CABOT CORPORATION
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CABOT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 1994 and 1993
(Dollars in thousands, except per share amounts)

UNAUDITED

<TABLE>
<CAPTION>

<S>	1994 <C>	1993 <C>
Revenues:		
Net sales and other operating revenues	\$ 434,860	\$ 407,580
Interest and dividend income	1,056	903
	-----	-----
Total revenues	435,916	408,483
	-----	-----
Costs and expenses:		
Cost of sales	319,321	305,992
Selling and administrative expenses	52,855	50,155
Research and technical service	12,186	10,475
Interest expense	10,305	11,493
Other (income) expense, net	6,272	7,768
	-----	-----
Total costs and expenses	400,939	385,883
	-----	-----
Income before income taxes	34,977	22,600
Provision for income taxes	(12,771)	(9,380)
Equity in net income of affiliated companies	142	736
	-----	-----
Net income	22,348	13,956
	-----	-----
Dividends on preferred stock, net of tax benefit of \$483 and \$474, respectively	(897)	(919)
	-----	-----
Income applicable to primary common shares	\$ 21,451	\$ 13,037
	=====	=====
Weighted average common shares outstanding (000):		
Primary	19,089	18,602
Fully diluted (Note A)	20,652	20,193
Income per common share:		

Primary	\$ 1.12	\$ 0.70
	=====	=====
Fully diluted (Note A)	\$ 1.05	\$ 0.66
	=====	=====
Dividends per common share	\$ 0.26	\$ 0.26
	=====	=====

</TABLE>

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

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<TABLE>

CABOT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Six Months Ended March 31, 1994 and 1993

(Dollars in thousands, except per share amounts)

UNAUDITED

<CAPTION>

<S>	1994	1993
	<C>	<C>
Revenues:		
Net sales and other operating revenues	\$ 833,335	\$ 803,684
Interest and dividend income	2,034	2,352
	-----	-----
Total revenues	835,369	806,036
	-----	-----
Costs and expenses:		
Cost of sales	616,072	606,302
Selling and administrative expenses	103,884	100,804
Research and technical service	23,907	20,504
Interest expense	20,564	22,489
Other (income) expense, net	9,931	10,987
	-----	-----
Total costs and expenses	774,358	761,086
	-----	-----
Income before income taxes	61,011	44,950
Provision for income taxes	(23,184)	(18,465)
Equity in net income (loss) of affiliated companies	479	(602)
	-----	-----
Income before cumulative effect of accounting changes	38,306	25,883
Cumulative effect of accounting changes	-	(26,109)
	-----	-----
Net income (loss)	38,306	(226)
	-----	-----
Dividends on preferred stock, net of tax benefit of \$967 and \$948, respectively	(1,796)	(1,839)
	-----	-----
Income (loss) applicable to primary common shares	\$ 36,510	\$ (2,065)
	=====	=====
Weighted average common shares outstanding (000):		
Primary	19,084	18,644
Fully diluted (Note A)	20,641	20,216
Income (loss) per common share:		
Primary		
Continuing operations	\$ 1.91	\$ 1.29
Cumulative effect of accounting changes	-	(1.40)
	-----	-----
Income (loss) per share	\$ 1.91	\$ (0.11)
	=====	=====
Fully diluted (Note A)		
Continuing operations	\$ 1.80	\$ 1.29

Cumulative effect of accounting changes	-	(1.40)
Income (loss) per share	\$ 1.80	\$ (0.11)
Dividends per common share	\$ 0.52	\$ 0.52

</TABLE>

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

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CABOT CORPORATION
CONSOLIDATED BALANCE SHEETS
March 31, 1994 and September 30, 1993

(Dollars in thousands)

ASSETS

<TABLE>

<CAPTION>

	March 31 1994 (Unaudited)	September 30 1993
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	\$ 35,028	\$ 40,267
Accounts and notes receivable (net of reserve for doubtful accounts of \$6,831 and \$6,321)	278,724	258,057
Inventories:		
Raw materials	50,490	45,589
Work in process	31,181	36,923
Finished goods	99,420	77,747
Other	35,805	35,091
Total inventories	216,896	195,350
Prepaid expenses	15,086	8,771
Deferred income taxes	33,828	41,761
Total current assets	579,562	544,206
Investments:		
At equity	163,258	166,669
At cost	7,915	7,911
Total investments	171,173	174,580
Property, plant and equipment:		
At cost	1,272,090	1,250,228
Accumulated depreciation and amortization	(635,739)	(603,708)
Net property, plant and equipment	636,351	646,520
Other assets:		
Intangible assets, net of amortization	75,779	78,873
Deferred income taxes	7,311	5,752
Other assets	34,626	39,542
Total other assets	117,716	124,167
Total assets	\$1,504,802	\$1,489,473

</TABLE>

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

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<TABLE>

CABOT CORPORATION
 CONSOLIDATED BALANCE SHEETS
 March 31, 1994 and September 30, 1993

(Dollars in thousands)

LIABILITIES & STOCKHOLDERS' EQUITY

<CAPTION>

	March 31 1994 (Unaudited)	September 30 1993
<S>	<C>	<C>
Current liabilities:		
Notes payable to banks	\$ 49,650	\$ 1,501
Current portion of long-term debt	156,148	29,205
Accounts payable and accrued liabilities	280,609	297,201
U.S. and foreign income taxes payable	14,191	25,029
Deferred income taxes	1,193	1,285
	-----	-----
Total current liabilities	501,791	354,221
Long-term debt	294,279	459,275
Deferred income taxes	98,790	86,344
Other liabilities	136,999	147,360
Commitments and contingencies (Note B)		
Stockholders' Equity: (Note C)		
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 \$73,975 and \$74,982)	75,336	75,336
Less cost of shares of preferred treasury stock	(3,548)	(3,003)
Common stock:		
Authorized: 80,000,000 shares of \$1 par value		
Issued: 33,887,484 shares	33,887	33,887
Additional paid-in capital	34,610	33,621
Retained earnings	888,552	861,803
Less cost of common treasury stock (including unearned amounts of \$6,195 and \$7,321)	(480,158)	(483,184)
Deferred employee benefits	(68,106)	(68,781)
Foreign currency translation adjustments	(7,630)	(7,406)
	-----	-----
Total stockholders' equity	472,943	442,273
	-----	-----
Total liabilities and stockholders' equity	\$1,504,802	\$1,489,473
	=====	=====

</TABLE>

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

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<TABLE>

CABOT CORPORATION
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 Six Months Ended March 31, 1994 and 1993

(Dollars in thousands)

UNAUDITED

<CAPTION>

	1994	1993
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		

Net income (loss)	\$ 38,306	\$ (226)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation and amortization	42,141	42,126
Deferred tax provision	7,369	1,125
Gain on sale of investments	-	(2,841)
Effects of accounting changes	-	26,109
Equity in net income/loss of affiliated companies, net of dividends received	2,689	3,119
Other, net	1,789	(856)
Changes in assets and liabilities:		
Increase in accounts receivable	(20,504)	(22,181)
Increase in inventory	(21,473)	(232)
(Decrease) increase in accounts payable and accruals	(16,218)	9,932
(Increase) decrease in prepayments and intangible assets	(1,951)	10,461
Other, net	(8,805)	(138)
Cash provided by operating activities	23,343	66,398
Cash flows from investing activities:		
Additions to property, plant and equipment	(28,759)	(29,446)
Investments	(284)	(16,198)
Sales of investments and property, plant and equipment	77	3,156
Cash used by investing activities	(28,966)	(42,488)
Cash flows from financing activities:		
Proceeds from long-term debt	-	7,789
Reduction in long-term debt	(15,221)	(4,567)
Increase (decrease) in short-term debt	24,943	(20,449)
Sales of treasury stock, net	2,078	6,434
Cash dividends paid to stockholders	(11,556)	(11,444)
Cash provided (used) by financing activities	244	(22,237)
Effect of exchange rate changes on cash	140	(2,246)
Decrease in cash and cash equivalents	(5,239)	(573)
Cash and cash equivalents at beginning of period	40,267	30,656
Cash and cash equivalents at end of period	\$ 35,028	\$ 30,083

</TABLE>

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

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CABOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1994

A. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Cabot Corporation and all majority-owned and controlled domestic and foreign subsidiaries. Investments in majority-owned affiliates where control is temporary and investments in 20 percent- to 50 percent-owned affiliates are accounted for on the equity method. All significant intercompany transactions have been eliminated.

The financial statements have been prepared in accordance with the requirements of Form 10-Q and consequently do not include all disclosures required by Form 10-K. Additional information may be obtained by referring to the Company's Form 10-K for the year ended September 30, 1993.

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, 1994 and 1993. 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. During the fourth quarter of fiscal 1993, the Company adopted two new accounting standards related to postretirement benefits and income taxes. Both of these standards were adopted as of October 1, 1992, and as a result, the income statement and the statement of cash flows for the six months ending March 31, 1993 have been restated.

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 Company's Equity Incentive Plan.

B. CONTINGENCIES

The Company is a defendant in various lawsuits and is involved in other gas contract issues and environmental proceedings wherein substantial amounts are claimed. In the opinion of the Company's management, these suits and claims should not result in final judgments or settlements which, in the aggregate, would have a material adverse effect on the Company's financial condition.

Fumed silica supplied by Cabot was used by others in the manufacture of silicone breast implant envelopes. There are currently pending more than 10,000 lawsuits in state and federal courts alleging injuries arising from the use of silicone breast implants. The federal cases have been consolidated in the Multi-District Litigation pending in the United States District Court for the Northern District of Alabama. Generally, the various state cases have been similarly consolidated in each jurisdiction. In addition, arrangements have been made for consolidated discovery in all actions. Cabot has been named as a defendant in fewer than 100 of those lawsuits, although additional lawsuits have been threatened and are expected to be brought in due course. Cabot believes that it has adequate defenses in each of the lawsuits in which it is a defendant. However, the scientific, legal and societal issues raised by these cases are complex and the outcome is uncertain. Cabot is still evaluating the litigation and therefore cannot predict with any assurance the course this litigation will take, the number of cases to which Cabot will be added as a defendant, the amount of damages, if any, that may be assessed against Cabot or the defense costs that will be incurred by Cabot.

CABOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
March 31, 1994
UNAUDITED

<TABLE>

C. STOCKHOLDERS' EQUITY

The following table summarizes the changes in stockholders' equity for the six months ended March 31, 1994.

(Dollars in thousands)

<CAPTION>

	Preferred Stock		Preferred		Common Stock		Additional	
	-----		-----		-----		-----	
	Shares	Value	Treasury Stock	Cost	Shares	Value	Paid-In	Retained
	-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at September 30, 1993	75,336	\$75,336	3,686	\$(3,003)	33,887,484	\$33,887	\$33,621	\$861,803
Net income								38,306
Common stock dividends paid								(9,761)
Net issuance of treasury stock under employee compensation plans							356	
Purchase of treasury stock-preferred			435	(545)				
Sale of treasury stock to Profit Sharing and Savings Plan								633

Preferred stock dividends paid to Employee Stock Ownership Plan, net of tax (1,796)

Principal payment by Employee Stock Ownership Plan under guaranteed loan

Amortization of unearned compensation

Foreign currency translation adjustments

Balance at March 31, 1994	75,336	\$75,336	4,121	\$(3,548)	33,887,484	\$33,887	\$34,610	\$888,552
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</TABLE>
<TABLE>
<CAPTION>

	Common Treasury Stock		Unearned	Deferred Employee	Foreign Currency Translation	Total Stock-Holders'
	Shares	Cost	Compensation	Benefits	Adjustments	Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at September 30, 1993	15,161,103	\$(475,863)	\$(7,321)	\$(68,781)	\$(7,406)	\$ 442,273
Net income						38,306
Common stock dividends paid						(9,761)
Net issuance of treasury stock under employee compensation plans	(42,316)	1,275	(266)			1,365
Purchase of treasury stock-preferred						(545)
Sale of treasury stock to Profit Sharing and Savings Plan	(19,790)	625				1,258
Preferred stock dividends paid to Employee Stock Ownership Plan, net of tax						(1,796)
Principal payment by Employee Stock Ownership Plan under guaranteed loan				675		675
Amortization of unearned compensation			1,392			1,392
Foreign currency translation adjustments					(224)	(224)
Balance at March 31, 1994	15,098,997	\$(473,963)	\$(6,195)	\$(68,106)	\$(7,630)	\$ 472,943

</TABLE>

CABOT CORPORATION

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 12.

Three Months Ended March 31, 1994 versus Three Months Ended March 31, 1993

Net income for the second quarter of fiscal year 1994 was \$22.3 million (\$1.12 per primary common share), compared to \$14.0 million (\$0.70 per primary common share) in the same quarter a year ago. Net sales and other operating revenues increased \$27.3 million to \$434.9 million from \$407.6 million last year. Total operating profit increased 26% to \$52.4 million from \$41.6 million last year, reflecting growth in both the Specialty Chemicals and Materials and Energy segments.

In the Company's Specialty Chemicals and Materials Group, sales grew 3% to \$305.7 million from \$296.4 million, and operating profits increased 9% to \$40.3 million from \$37.0 million in the same quarter a year ago. Volume growth in most businesses more than offsets the volume declines which were expected in the Pacific Asia Carbon Black and the Cabot Performance Materials divisions. The Group also benefited from stronger margins than in the year ago quarter due primarily to lower raw material costs. Regionally, the Group benefited from strength in South America and has begun to see some signs of improvement in the Company's European businesses. The recessionary environment continues in Japan, and has negatively impacted overall performance in the Pacific region.

In the Energy Group, sales rose 16%, or \$18.0 million, to \$129.2 million from \$111.2 million. Operating profit grew to \$12.1 million from \$4.6 million. The gain is entirely attributable to the Company's LNG business, which benefited from improved margins helped by the unusually cold winter in the Northeast. By comparison, the March quarter, traditionally the strongest in Cabot's LNG business, was unusually weak in 1993 due to lower natural gas prices and changes in federal energy regulations. The LNG business imported 6 cargoes during the second quarter of 1994 versus 5 cargoes in the same quarter last year.

Six Months Ended March 31, 1994 versus
Six Months Ended March 31, 1993

For the six months ended March 31, 1994, net income was \$38.3 million (\$1.91 per primary common share) compared to a loss of \$0.2 million (\$0.11 loss per primary common share) in the same period a year ago. Prior year results include a \$26.1 million after-tax charge (\$1.40 per primary common share) associated with required accounting changes. Net income before these charges was \$25.9 million (\$1.29 per primary common share). Net sales rose 4% to \$833.3 million compared with \$803.7 million last year. Total operating profit increased 21% to \$94.0 million from \$77.4 million a year ago, reflecting gains in both business segments.

In the Specialty Chemicals and Materials Group, sales were virtually unchanged from a year ago. Operating profit grew 14% to \$76.2 million from \$66.6 million due to higher volumes and improved margins derived from lower raw material costs.

In the Energy Group, sales grew 14% to \$249.4 million compared to \$219.1 million a year ago. Operating profit increased 65% to \$17.8 million from \$10.8 million. The year-to-year improvement results from a strong second quarter in the Company's LNG business. A recovery in energy prices during the second quarter of fiscal 1994, and an improved pricing structure, more than offset first quarter shortfalls. As previously stated, favorable year-to-year comparisons are magnified by the unusually weak performance of the Company's LNG business during the first half of fiscal 1993.

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CABOT CORPORATION

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

Interest expense declined 8% to \$20.6 million in the first six months of fiscal 1994 compared to \$22.5 million last year primarily as a result of lower average debt from a year ago and lower effective interest rates. The Company's tax rate was reduced from 40% to 38% for the fiscal year beginning October 1, 1993 due to more effective utilization of foreign tax credits.

Although some signs of improvement have been seen in Europe, the Company's margins continue to be under pressure. The Company remains cautious about business conditions in that region. In Japan, operating results have worsened, and the Company expects to closely review carbon black capacity in that area. The Company's LNG business may experience reductions in supplies of LNG over the next year or so due to the previously announced refurbishment of its Algerian supplier's liquifaction facility. The effect on the Company will depend on the extent and timing of any reductions. The political uncertainties in Algeria have not, to date, adversely affected the Company's LNG supplies.

The Company currently owns a 34.5% interest in American Oil and Gas Corporation (AOG/NYSE), whose operating results are reflected in Cabot's equity in net

income of affiliates. On March 24, 1994, American Oil and Gas Corporation and K N Energy, Inc. (KNE/NYSE) jointly announced a merger that would combine the two companies. After completion of the transaction, Cabot is expected to own approximately 15% of the combined entity. The Company supports the recommendation of American Oil and Gas Corporation's board of directors in favor of the merger.

II. CASH FLOWS AND LIQUIDITY

During the first six months of fiscal 1994, the Company's operations provided \$23.3 million of cash. This represents a 65% decrease from the same period last year reflecting a rebuilding of inventory levels by the Company's TUCO and LNG businesses, and a decrease in accounts payable and accrued expenses due to the settlement of the last significant, and previously reserved for, take-or-pay case. Spending on property, plant and equipment remained stable.

Cabot increased its borrowings by \$9.7 million during the first six months of the fiscal year. At March 31, 1994 there were no amounts borrowed under a \$250 million line of credit available to the Company. The Company's ratio of total debt (including short term debt net of cash) to capital decreased to 49.6% from 50.4% at fiscal 1993 year-end. The Company believes its businesses can support higher-than-targeted leverage for an interim period as a result of investment in businesses that will contribute materially to the growth and stability of the Company's earnings.

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

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CABOT CORPORATION

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

(Dollars in millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	3/31/94	3/31/93	3/31/94	3/31/93
<S>	<C>	<C>	<C>	<C>
Industry Segment Data				

Sales:				
Specialty Chemicals & Materials	\$ 305.7	\$ 296.4	\$ 583.9	\$ 584.6
Energy	129.2	111.2	249.4	219.1
	-----	-----	-----	-----
Net Sales	\$ 434.9	\$ 407.6	\$ 833.3	\$ 803.7
	=====	=====	=====	=====
Operating Profit:				
Specialty Chemicals & Materials	\$ 40.3	\$ 37.0	\$ 76.2	\$ 66.6
Energy	12.1	4.6	17.8	10.8
	-----	-----	-----	-----
Total operating profit	\$ 52.4	\$ 41.6	\$ 94.0	\$ 77.4
Interest expense				
	(10.3)	(11.5)	(20.6)	(22.5)
General corporate expense				
	(7.1)	(7.5)	(12.4)	(10.0)
	-----	-----	-----	-----
Income from continuing operations before income taxes	35.0	22.6	61.0	44.9
Provision for income taxes	(12.8)	(9.4)	(23.2)	(18.4)
Equity in net income (loss) of affiliated companies	0.1	0.8	0.5	(0.6)
	-----	-----	-----	-----
Net income before the cumulative effect of accounting changes	22.3	14.0	38.3	25.9
Cumulative effect of accounting changes	-	-	-	(26.1)
	-----	-----	-----	-----
Net income (loss)	\$ 22.3	\$ 14.0	\$ 38.3	\$ (0.2)
Dividends on preferred stock				
	(0.9)	(0.9)	(1.8)	(1.8)
	-----	-----	-----	-----
Income (loss) applicable to primary common shares	\$ 21.4	\$ 13.1	\$ 36.5	\$ (2.0)
	=====	=====	=====	=====
Income (loss) per common share:				
Primary				
Continuing operations	\$ 1.12	\$ 0.70	\$ 1.91	\$ 1.29

Cumulative effect of accounting changes	-	-	-	(1.40)
	-----	-----	-----	-----
Income (loss) per share	\$ 1.12	\$ 0.70	\$ 1.91	\$ (0.11)
	=====	=====	=====	=====
Fully Diluted				
Continuing operations	\$ 1.05	\$ 0.66	\$ 1.80	\$ 1.29
Cumulative effect of accounting changes	-	-	-	(1.40)
	-----	-----	-----	-----
Income (loss) per share	\$ 1.05	\$ 0.66	\$ 1.80	\$ (0.11)
	=====	=====	=====	=====

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</TABLE>

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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 February 11, 1994. An election of Directors was held at which Damaris Ames, Robert A. Charpie, Arnold S. Hiatt, David V. Ragone and Morris Tanenbaum were nominated and elected for terms which expire in 1997. The following votes were cast for or were withheld with respect to each of the nominees:

<TABLE>
<CAPTION>

Director	In Favor Of	Withheld
<S>	<C>	<C>
Damaris Ames	18,610,865	139,954
Robert A. Charpie	18,535,124	215,695
Arnold S. Hiatt	18,645,682	105,137
David V. Ragone	18,633,424	117,395
Morris Tanenbaum	18,651,092	99,727

</TABLE>

No abstentions or broker nonvotes were cast in the election of Directors.

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

<TABLE>
<CAPTION>

Director	Term of Office Expires
<S>	<C>
Samuel W. Bodman	1996
Jane C. Bradley	1996
Kennett F. Burnes	1995
John G.L. Cabot	1995
John D. Curtin, Jr.	1996
Robert P. Henderson	1995
Gerrit Jeelof	1996
John H. McArthur	1996
John F. O'Brien	1995
Charles P. Siess, Jr.	1995

</TABLE>

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The Exhibit number corresponds to the number assigned to such Exhibits in the Exhibit Table of Item 601 of Regulation S-K.

<TABLE>
<CAPTION>

Exhibit Number	Description
<S>	<C>
11	Statements regarding Computation of Per Share Earnings filed herewith.
12	Statement regarding Computation of Ratio of Earnings to Fixed Charges filed herewith.

</TABLE>

(b) Reports on Form 8-K

No report on Form 8-K was filed by the Company during the six months ended March 31, 1994.

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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

<TABLE>

<S> <C>
Date: May 13, 1994

<C>
/s/ John G.L. Cabot

John G.L. Cabot
Vice Chairman and Chief Financial Officer

Date: May 13, 1994

/s/ William R. Thompson

William R. Thompson
Vice President and Controller
(Chief Accounting Officer)

</TABLE>

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CABOT CORPORATION

<TABLE>

Earnings per Common Share for the Three Month Period Ended March 31, 1994

Statement Regarding Computation of Per Share Earnings

(In thousands, except per share amounts)

<CAPTION>

<S>	Primary <C>	Fully Diluted <C>
Shares of common stock outstanding at January 1, 1994, less treasury stock	18,779	18,779
Plus net weighted shares of treasury stock issued	6	6
Plus common stock equivalents:		
Effect of convertible preferred stock conversion	-	1,557
Effect of equity incentive awards	304	310
	-----	-----
Weighted average shares outstanding	19,089	20,652
	=====	=====
Income applicable to common shares	\$ 21,451	\$ 21,451
Dividends on preferred stock	-	897
Preferred stock conversion compensation shortfall	-	(624)
	-----	-----
Earnings applicable to common shares	\$ 21,451	\$ 21,724
	=====	=====
Earnings per common share	\$ 1.12	\$ 1.05
	=====	=====

</TABLE>

CABOT CORPORATION

<TABLE>

Earnings per Common Share for the Six Month Period Ended March 31, 1994

Statement Regarding Computation of Per Share Earnings

(In thousands, except per share amounts)

<CAPTION>

<S>	Primary <C>	Fully Diluted <C>
Shares of common stock outstanding at October 1, 1993, less treasury stock	18,726	18,726
Plus net weighted shares of treasury stock issued	44	44
Plus common stock equivalents:		
Effect of convertible preferred stock conversion	-	1,557
Effect of equity incentive awards	314	314
	-----	-----
Weighted average shares outstanding	19,084	20,641
	=====	=====
Income applicable to common shares	\$ 36,510	\$ 36,510
Dividends on preferred stock	-	1,796
Preferred stock conversion compensation shortfall	-	(1,250)
	-----	-----
Earnings applicable to common shares	\$ 36,510	\$ 37,056
	=====	=====
Earnings per common share	\$ 1.91	\$ 1.80
	=====	=====

</TABLE>

<TABLE>

EXHIBIT 12

CABOT CORPORATION AND CONSOLIDATED SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Dollar amounts in thousands)

<CAPTION>

	Six Months	Years ended September 30				
	Ended March 31	1993	1992	1991	1990	1989
<S>	1994	1993	1992	1991	1990	1989
	----	----	----	----	----	----
	<C>	<C>	<C>	<C>	<C>	<C>
Earnings:						
Pre-tax income from continuing operations	\$61,011	\$67,900	\$116,599	\$62,362	\$63,983	\$(25,480)
Distributed income of affiliated companies	3,168	5,988	5,766	4,688	3,607	1,704
Add fixed charges:						
Interest on indebtedness	20,564	44,043	41,714	38,661	41,145	34,059
Portion of rents representative of the interest factor	2,576	4,838	4,933	5,715	5,226	4,764
Income as adjusted	\$87,319	\$122,769	\$169,012	\$111,426	\$113,961	\$ 15,047
Fixed charges:						
Interest on indebtedness	\$20,564	\$ 44,043	\$ 41,714	\$ 38,661	\$ 41,145	\$ 34,059
Capitalized interest	-	-	3,963	8,745	-	-
Portion of rents representative of the interest factor	2,576	4,838	4,933	5,715	5,226	4,764
Total fixed charges	\$23,140	\$ 48,881	\$ 50,610	\$ 53,121	\$ 46,371	\$ 38,823
Ratio of earnings to fixed charges	3.77	2.51	3.34	2.10	2.46	*
	=====	=====	=====	=====	=====	

</TABLE>

* Earnings in fiscal 1989 were inadequate to cover fixed charges by \$23,776. Operating profit for 1989 includes a \$71,716 loss associated with the energy group restructuring and aggregate charges of \$18,933 related to the reorganization of the Company's carbon black operations, streamlining of the ceramic packaging business, and provisions for environmental issues. Without these charges, the ratio of earnings to fixed charges would be 2.72 for 1989.