

**CABOT MICROELECTRONICS CORPORATION
ANNUAL MEETING OF STOCKHOLDERS**

**TUESDAY, MARCH 6, 2007
8:00 A.M.**

Good morning, I'm Bill Noglows, Chairman, President and Chief Executive Officer of Cabot Microelectronics Corporation, and I'm pleased to welcome you to our company's seventh Annual Meeting of Stockholders.

The script of our annual meeting will be available following the meeting through our website at www.cabotcmp.com. I would like to remind all of you that our conversation today may include statements that constitute forward looking statements. Such statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from these forward looking statements, and we assume no obligation to update them.

Carol Bernstein, the General Counsel and Secretary of our Company, will act as Secretary of the Meeting.

First, I would like to introduce our Board of Directors to you:

Robert J. Birgeneau, raise your hand. Thank you.

Jack Frazee

Larry Fuller

Ted Mooney

Steve Wilkinson, and

Albert Yu, who joins us today via teleconference.

The first order of business for our annual meeting is to organize the meeting and determine the presence of a quorum. So all stockholders present and wishing to vote in person by ballot, and all persons holding proxies not previously filed, please report to the Secretary and deliver their ballots and proxies to her.

On or about January 23, 2007, our Board of Directors sent notice of this meeting to all stockholders of record as of the close of business on January 16, 2007.

The list of stockholders entitled to vote at this meeting has been open to the examination of stockholders at the Company's executive offices for more than ten days prior to this meeting as required by Delaware law.

Karen Hextell of Cabot Microelectronics has been appointed Judge to tabulate the stockholders' votes.

Various affidavits regarding the mailing of the proxy material and the maintenance of the stockholder lists and the Oath and Certificate of the Judge will be filed with the minutes of this meeting.

I now ask the Secretary to report the number of shares represented at this meeting.

Out of 23,907,594 shares of Common Stock entitled to vote at this meeting, there are present in person or represented by proxy at least 22,499,312 shares, or approximately 94.11% of such shares.

A quorum is present and we may proceed with the business of the meeting.

The next order of business is the election of directors. Our Board is currently comprised of seven directors. The Board is divided into three classes: Class I, whose terms will expire at this meeting, Class II, whose terms will expire at the 2008 annual meeting, and Class III, whose terms will expire at the 2009 annual meeting. At this meeting, we will elect two Class I directors to hold office until the 2010 Annual Meeting of Stockholders. The Secretary will now report on the nominees for Class I directors.

Mr. Fuller and Mr. Mooney are our two nominees, and each of them have already identified themselves. The Board of Directors has nominated H. Laurance Fuller and Edward J. Mooney, each of whom currently serves on our Board, as directors of the Company to serve until the 2010 Annual Meeting of Stockholders or until their successors have been duly elected. In the Proxy Statement we've provided you with information regarding the business experience of each of these gentlemen. Does anyone second these nominations?

I second the nominations.

The next order of business is the ratification of the selection of PricewaterhouseCoopers LLP as the company's independent auditors for fiscal year 2007. We provided you with information regarding our independent auditors and the services they provide in the Proxy Statement. I will now entertain a motion regarding this proposal.

I so move.

I second the motion.

The election of directors and the ratification of the selection of PricewaterhouseCoopers as the company's independent auditors will be put to vote by ballot. The affirmative vote of a plurality of the shares represented in person or by proxy at this meeting will be necessary for the election of each director. The affirmative vote of the majority of the shares represented in person or by proxy at this meeting will be necessary to ratify the selection of the company's auditors.

While the voting is being completed and the results are tabulated by the Judge, I would like to take this opportunity to provide you with a brief review of our business.

My comments this morning will be very brief, since we've covered this at length at our quarterly conference call last October, our annual report and our 10K.

We were pleased with our solid financial and operational performance in fiscal 2006. Our revenue grew in line with industry growth, and we achieved a sound level of profitability and cash flow.

As the leader in the CMP slurry industry, we focused most of our attention in fiscal 2006 on continuing to strengthen and grow our core CMP business. And we believe the results of our efforts were impressive. We continued our progress in re-invigorating our new product pipeline with the introduction of a number of new products, and we were successful in our continued efforts to reduce variability and improve productivity in our supply chain and manufacturing operations.

The historical trend of semiconductor industry migration to Asia continues, and in fiscal 2006 approximately 70 percent of our revenue came from the Asia Pacific region. We continue to align our capabilities with this very important market, and we made a number of significant investments to support our growth there, and several new facilities became fully operational in the past year.

Finally, we made progress on our Engineered Surface Finishes, or ESF, initiative, under which we are leveraging our strong technical capabilities developed for the semiconductor industry into other markets and applications where the characteristics, quality and measurement of surfaces are critical to performance.

Let me talk about each of these areas in a little more detail.

First, we turned in solid financial performance in fiscal 2006. We achieved a record revenue level of \$321 million dollars, which represented about 19 percent growth over the prior year, more than recovering the sequential revenue reduction that we saw in fiscal 2005.

In addition to this strong revenue growth, our profitability measures were also solid, with gross profit of 46.5 percent of revenue and net income of 10.3 percent of revenue. We believe this level of profitability positions us well amongst the various suppliers of materials to the semiconductor industry. Additionally, we reported earnings per share of \$1.36, which represented a 24 percent increase versus the prior year, if you exclude the effects of share based compensation expense, which impacted results in fiscal 2006 but not the prior year.

Most of you are aware that our core CMP business requires a relatively low level of capital investment; this limited capital intensity combined with a relatively high level of profitability means that our business generates strong cash flow, and this continued in fiscal 2006 during which cash from operations totaled approximately \$59 million dollars, and we spent approximately \$22 million dollars on capital additions.

The two trend charts at the bottom of this slide portray both the revenue recovery we achieved in fiscal 2006, as well as the consistent strong cash generation that our company has delivered over the past 5 years.

We are the world's leader in CMP slurries, and we have been working diligently to strengthen and build on this leadership. Three strategic initiatives guide our efforts in this area, the first of which is Technology Leadership. Over the past couple of years we have focused on building a more robust portfolio of new products, and last year we were proud to introduce 10 new products that cover each of our slurry application areas, copper, barrier, tungsten, dielectrics and data storage, as well as a new CMP polishing pad product.

With all of our new product offerings we strive to develop and commercialize truly differentiated products both on a performance and cost of ownership basis. Of all the new products in fiscal 2006, we are most excited about our new polishing pad. We believe that our new pad product offers clear advantages in terms of a longer pad life, which reduces our customers' cost of ownership, as well as better product uniformity. Our pads have been adopted for high volume manufacturing by two customers, and we have around 16 other customers in various stages of testing, evaluation and qualifying our pad. You may have noticed last week we announced that Freescale is one of the two customers buying our polishing pads. We are excited about our pad opportunity, which represents a new business area for us.

The ten new products we introduced in fiscal 2006 builds on the 8 new products we introduced in fiscal 2005, and we have an aggressive target for new product introductions this year as well.

From our perspective, succeeding in today's environment means not only supplying innovative, high performing products, but also delivering highly predictable solutions to increasingly complex customer needs. We believe that the quality, reliability and consistency of our products can represent a competitive advantage. We have set very high goals as we continue to focus on reducing variation under our Operations Excellence initiative through our Six Sigma continuous improvement process. Additionally, we continue to look for ways to improve productivity in our operations to manage costs. In the past we have discussed the 12 percent cumulative productivity improvement we have achieved during the first two years of our Six Sigma effort, and we have set aggressive goals for fiscal 2007 as well.

The third initiative within our core CMP business is Connecting with Customers. We took several critical steps in fiscal 2006 to bring our capabilities physically closer to our customers, particularly in the Asia Pacific region. We now have new laboratories in Japan, Taiwan and Singapore that provide the capability to support our customers there more rapidly and reliably. In addition, last year we began selling directly to customers rather than through a distributor in Taiwan, our largest regional market, which was an important step in fulfilling our goal to be close to our customers. Along the way, we strengthened our local teams that are dedicated to serving our customers. We are working to give more autonomy and accountability to our regional organizations, with the goal of having very strong local teams deployed to address specific customer needs, supported by the global breadth and experience of the entire enterprise.

Most of our organizational focus is on our core CMP business for the semiconductor industry, including both slurries and pads. But we are also working to leverage our expertise in CMP slurry formulation, materials and polishing techniques for the semiconductor industry to address other demanding market applications requiring sub-nanometer control of surface and finish. Our objective is to improve performance and productivity by enhancing the surface finishing process. We see attractive possibilities in areas such as precision optics, healthcare, flat panel displays and compound semiconductors. This year we made two important steps under our Engineered Surface Finishes initiative by successfully completing two acquisitions: Surface Finishes Company, which specializes in precision machining and polishing techniques at the sub-nanometer level, and QED Technologies, a precision optics technology company. These acquisitions complement our ongoing internal business and technology development efforts, and are introducing us to new technologies, new applications and new industries that we believe will provide a source of attractive opportunities to leverage our capabilities. We expect to continue to pursue other prospects to build and grow our ESF business.

As I mentioned, we achieved solid performance in fiscal 2006; however, as the year ended we began to see some softening of demand, which continued through our first fiscal quarter and a number of industry experts have indicated that the softening may extend into calendar 2007. The semiconductor industry has seen a buildup of excess inventories of IC devices, and a number of our key customers reduced production in response, and as we discussed in our first quarter call in January, this has impacted our financial performance early in 2007. We are hopeful that this excess IC inventory at our customers will be corrected, resulting in some recovery later in the fiscal year.

Within this softer environment in early fiscal 2007, we are continuing to implement our strategies to further strengthen and grow our core CMP business, particularly with respect to our new pad product, as well as pursuing our ESF initiative. As is our usual practice, we are also paying careful attention to costs, which are especially important to consider in a soft demand environment.

I'll conclude this morning with the following. This is an exciting time in our industry. Technology is reaching new levels of complexity and customers require increasingly intricate solutions to their design needs, while at the same time are demanding more exacting standards for quality and consistency. We are proud of our achievements in the last year that we believe enhanced our leadership in CMP slurries and are allowing us to meet these very rigorous customer demands. We continue to strive to win the trust and loyalty of our customers as we execute on our plans and initiatives for the current 2007 fiscal year.

I thank you all for your continued support for our company. I will now open the meeting up to questions from the audience. Are there any questions?

Okay, at this time I'll continue with the business of the meeting.

I have received the Report of the Judge and I'm pleased to announce the vote:

In the election of directors: Each nominee received at least 22,411,021 votes, or approximately 99.6% of shares voted. H. Laurance Fuller and Edward J. Mooney therefore have been elected as directors of the Company to serve until the 2010 Annual Meeting of Stockholders or until their successors have been duly elected and qualified.

In addition, at least 22,467,346 shares, or approximately 99.8% of shares cast on this matter, have been voted in favor of ratifying the selection of the company's independent auditors for fiscal year 2007; therefore, the selection of PricewaterhouseCoopers LLP is ratified.

The Report of the Judge will be attached to the minutes of the meeting and the ballots cast will be filed with the records of the meeting.

Is there any other business to come before the meeting?

I would now like to introduce Jim Eidam, a partner with PricewaterhouseCoopers, the Company's independent auditors, who would be pleased to respond to appropriate questions. Are there any questions?

Thanks, Jim. At this time, we have transacted all business to be conducted at this meeting. Is there a motion that the meeting be adjourned?

I move that the meeting be adjourned.

I second the motion.

All those in favor, say aye.

Aye.

Opposed?

The meeting is now adjourned. Thank you for coming and supporting Cabot Microelectronics.