

Investor Presentation

September 2008

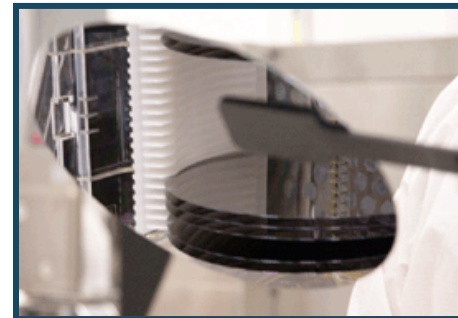
Safe Harbor Statement

The information contained in and discussed during this presentation may include “forward-looking statements” within the meaning of federal securities regulations. These forward-looking statements involve a number of risks, uncertainties, and other factors, including those described in Cabot Microelectronics’ filings with the Securities and Exchange Commission (SEC), that could cause actual results to differ materially from those described by these forward-looking statements. Cabot Microelectronics Corporation assumes no obligation to update this forward-looking information.

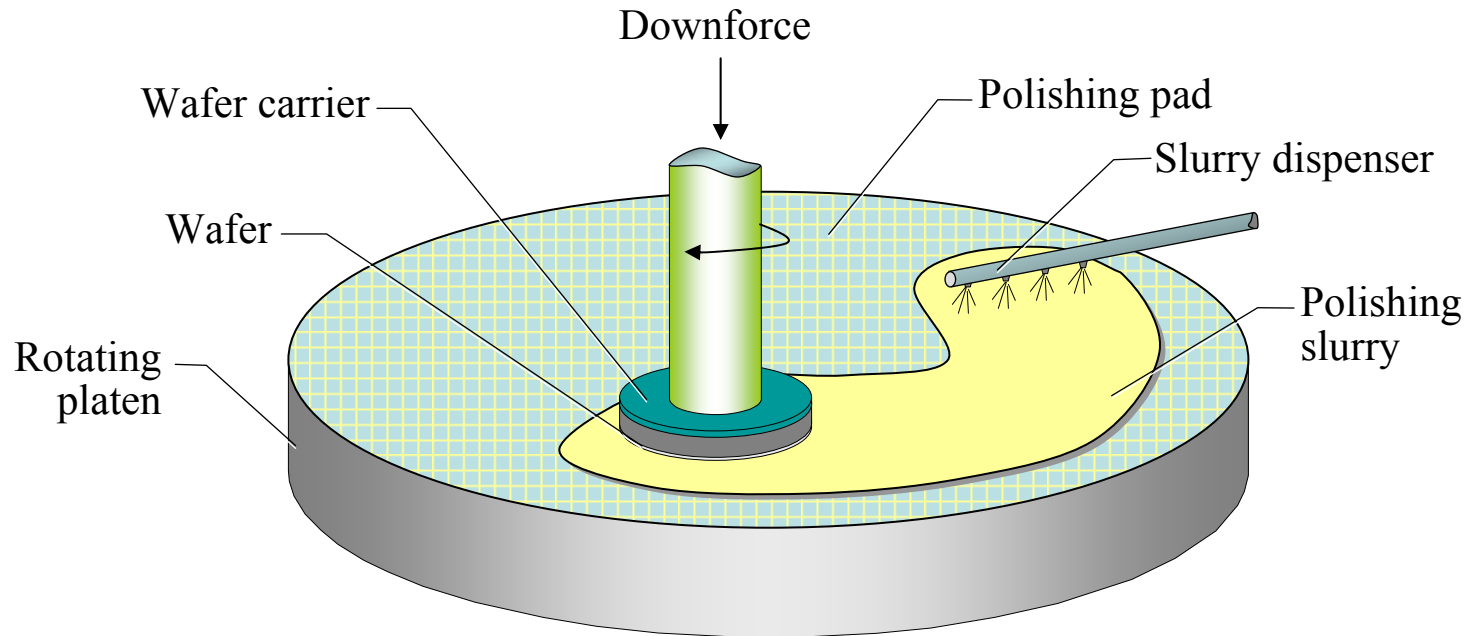
CMC is the Leader in a Growing Industry

World's Leading Provider of Chemical Mechanical Planarization (CMP) Slurries for Advanced Semiconductor Devices

- Leader in growing integrated circuit (IC) CMP slurry industry
- Strong performance within cyclical semiconductor industry
- Distinctive technology and world class talent
- Leveraging position and capabilities in CMP slurry into other opportunities
- Strong financial model
- Well positioned for continued success



CMP Overview



Cabot Microelectronics supplies:

- **Slurries** - purified water, specialty chemicals, abrasive nanoparticles
- **Pads** - single polymer thermoplastic

Corporate Vision and Strategy

Become the World's Leader in Shaping, Enabling and Enhancing the Performance of Surfaces



Two-Pronged Growth Strategy

- **CMP Consumables**
 - Strengthen and grow Slurries and Pads
 - Key initiatives
 - Technology leadership
 - Operations excellence
 - Connecting with customers

- **Engineered Surface Finishes (ESF)**
 - Leverage CMP technology into new applications and industries

CMP Consumables Key Initiatives

*Our Three Key Initiatives Create Customer Value,
Increasing Shareholder Value*

Connecting with Customers

- Expanded Asia Pacific infrastructure
- Strong technical support
- Strong scorecards and many customer awards

Customer Value

Technology Leadership

- Innovation for cost and performance
- Early customer Joint Development Programs (JDPs)
- Unmatched depth & breadth of CMP expertise

Operations Excellence

- Six Sigma culture
- Consistent, high quality
- Unmatched infrastructure

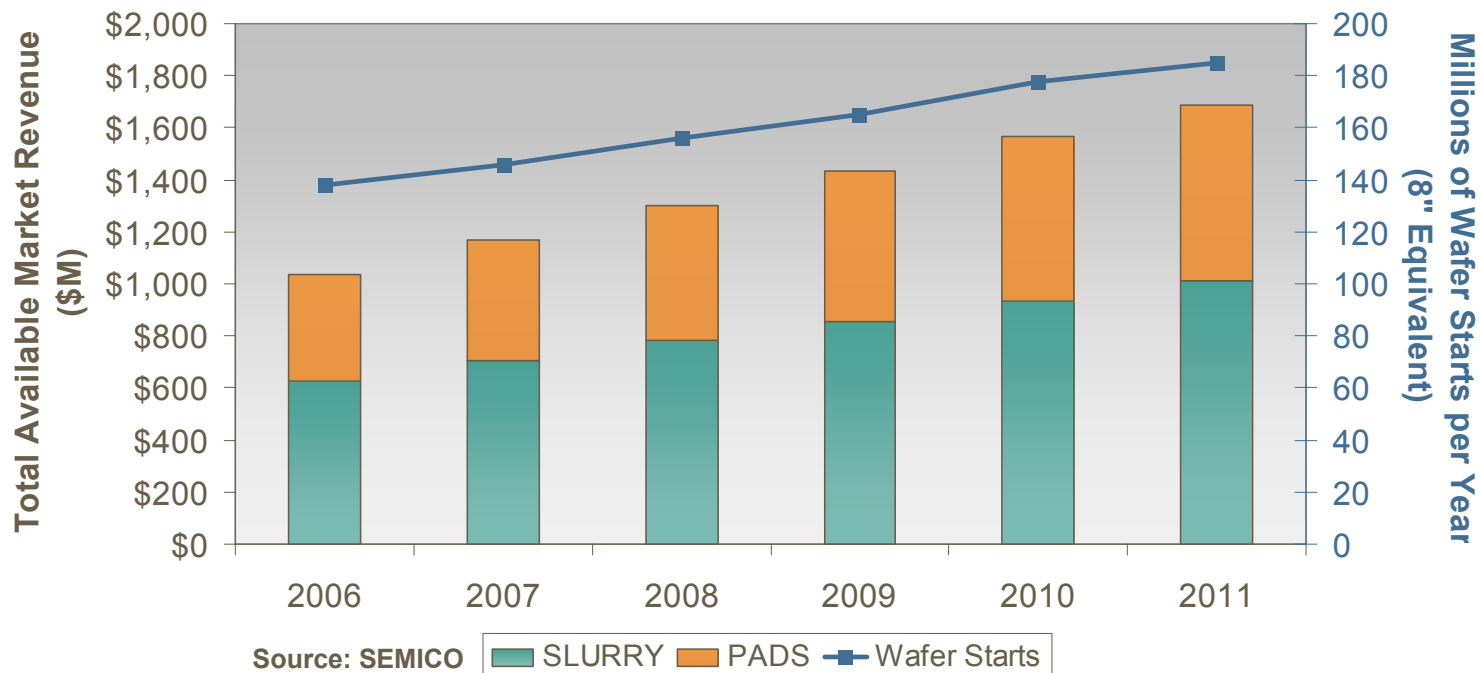
CMP Consumables Demand

As a Consumables Company, Demand for our CMP Products Continues to Grow through Industry Cycles and Various Macro-Economic Environments

- **Demand for slurry products is driven by wafer-starts**
- **Unit based business**
 - Growth even in periods of low capital spending by our customers
 - Generally not impacted by changes in average selling prices of IC devices
- **Growing Pads business is driving additional growth**
- **Demonstrated strong performance throughout semiconductor industry cycles and macro-economic environments**

Estimated IC CMP Consumables Market

The IC CMP Consumables Market Continues to Expand on Increased Wafer Starts and New Applications



■ Growth Drivers

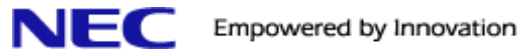
- Growth in % of wafers using CMP
- More polishing steps per wafer

■ Growth Mitigators

- Competitive pricing pressure
- Customer driven efficiencies

Selected CMP Consumables Customers

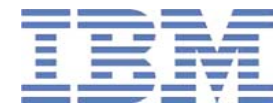
Logic



Memory



Foundry



Slurry Application Landscape

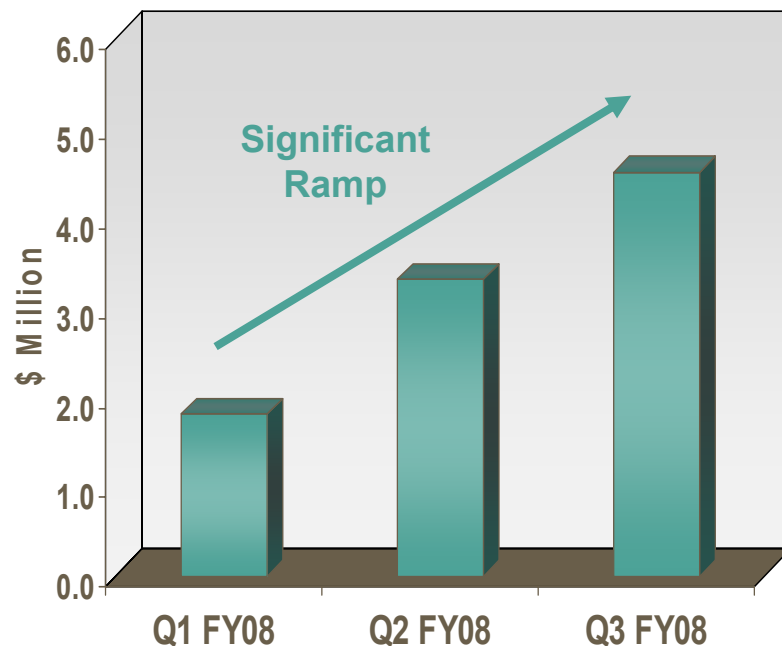
*We Believe We are the Only CMP Slurry Provider
Serving All Nodes, All Applications, and All Customers*

Application	Size	Est. Market 2007-2011 CAGR	Competitive Intensity	CMC
Dielectrics	Large	1-3%	High	Leader
Tungsten	Med-Large	7-9%	Medium	Leader
Copper	Medium	14-16%	Very High	Leader
Barrier	Small-Med	16-18%	High	Emerging
Adv. Dielectrics	Small-Med	11-13%	Medium	Emerging
New Materials	Small	N/A	Low	Leader

CMP Pad Business

Leverage Existing CMP Infrastructure and Expertise to Serve a Large Complementary Market Across a Broad Range of Applications

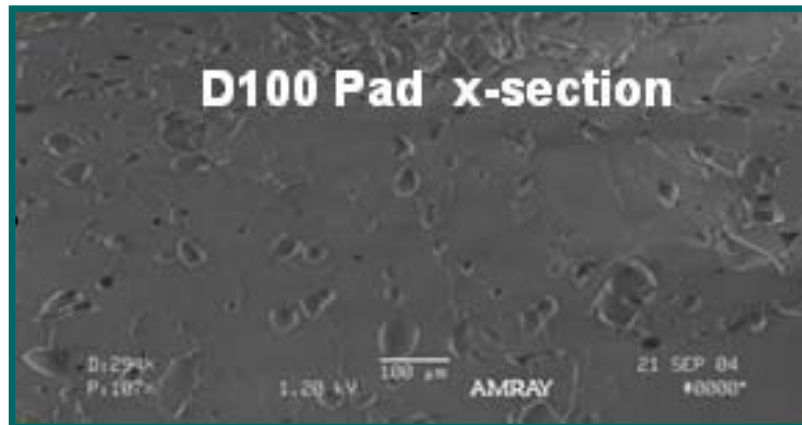
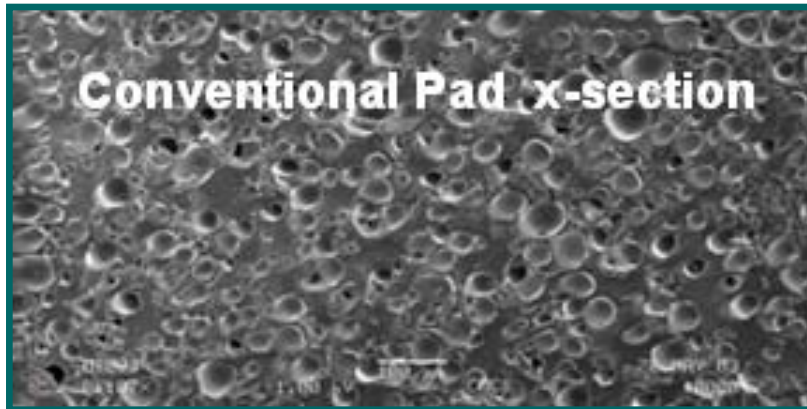
CMC Pad Revenue



- **Large complementary market**
 - Estimated TAM of \$500 million
 - Dominated by one pad supplier
 - Customers want a second source
- **Capacity in place to serve double-digit percentage of market**
 - Currently expanding finishing capacity
- **Broad range of applications**
 - Wide range of technology nodes
 - Copper, Tungsten and Dielectrics
 - AMAT, Ebara, IPEC tool platforms
 - Logic, Memory, Foundry
 - 200mm and 300mm wafers

CMP Pad Business (continued)

Epic® D100 Pad Engineered to Significantly Increase Pad Life and Lower Pad to Pad Variation

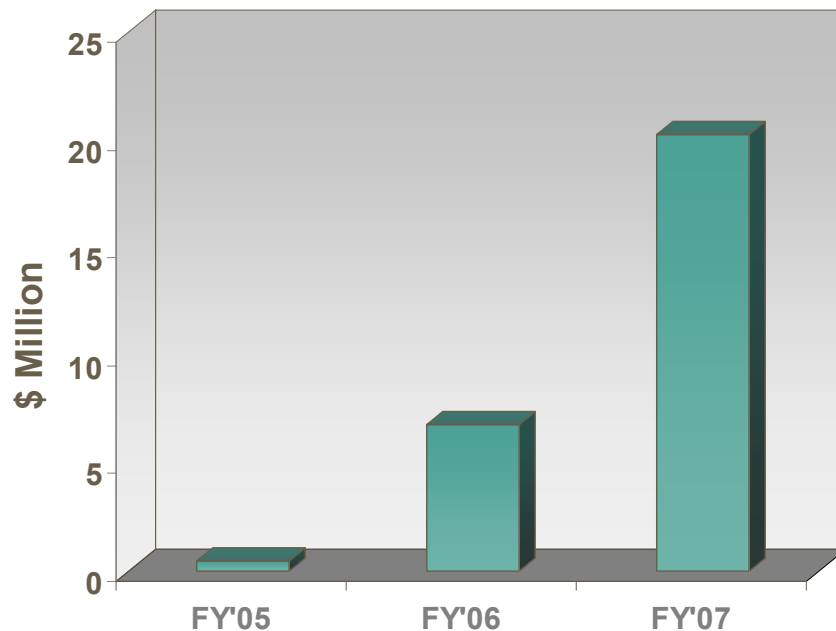


- **Material Density**
 - 30% denser than the conventional pad, which improves pad life
- **Material Composition**
 - Conventional pad is comprised of a blend of materials where one is significantly more brittle than the matrix
- **Material Structure**
 - D100 is physically cross-linked (Thermoplastic) and conventional pad is chemically cross-linked (Thermoset)
- **Manufacturing Process**
 - Continuous manufacturing process leads to 40% lower pad-to-pad variability than the conventional pad

ESF Growth Strategy

We are Leveraging our Technology and Capabilities in the CMP Consumables Business into Other Opportunities

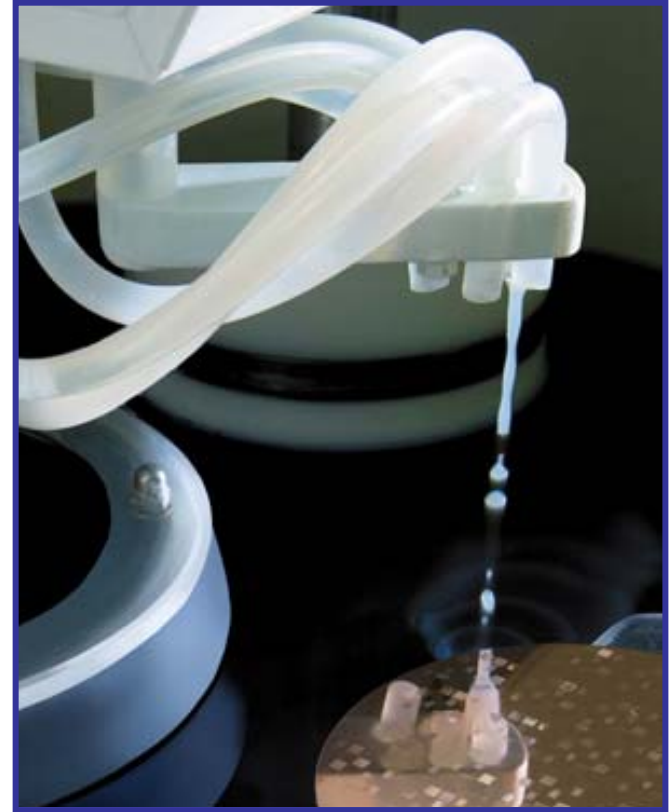
ESF Revenue



- **Platform for growth**
 - Internal development
 - Leverage acquisitions
 - QED Technologies
 - Surface Finishes
- **Balanced Portfolio**
 - Diverse opportunities
 - Electronic Substrates
 - Optics
 - Metal and ceramics
- **Flexible Business Models**
 - More than CMP consumables

Financial Strengths

- **Significant revenue growth**
- **Sustained, strong profitability**
- **Low capital requirements in CMP business**
- **Consistent, robust cash generation**
- **Solid balance sheet with no debt**
- **Executing third share repurchase program**



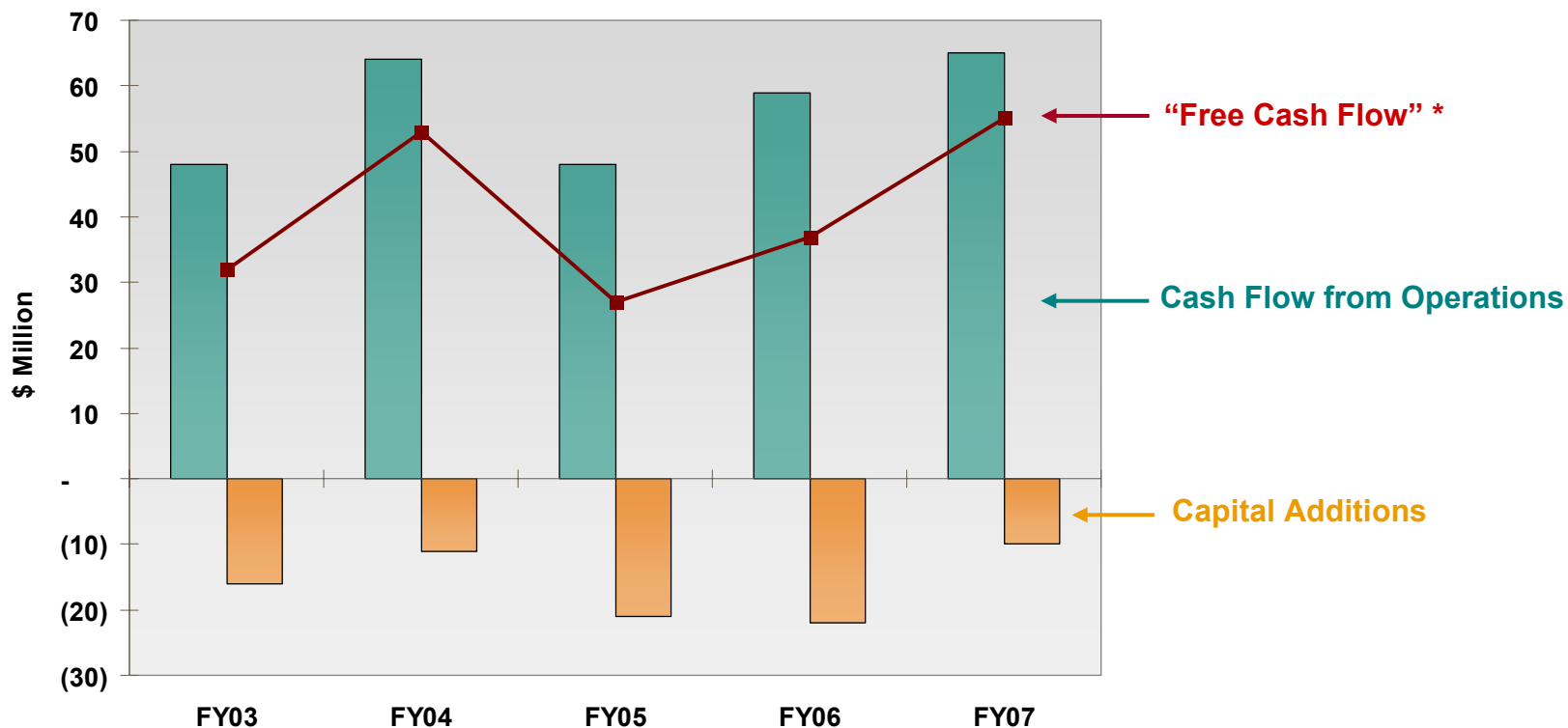
Financial Model

	Q3 FY08*	Comments
Revenue	\$97.0M	<ul style="list-style-type: none"> Record quarter Driven by wafer starts
Gross profit	46.8%	<ul style="list-style-type: none"> Quarterly fluctuations are typical Guidance range of 46% to 48% for full year
Operating expense	\$32.5M	<ul style="list-style-type: none"> Higher than typical spending in fiscal Q2 & Q3 due to IP enforcement costs Expect similar spending level in the near term
Other	\$1.2M	<ul style="list-style-type: none"> Mainly interest on cash balance
Tax rate	29.2%	<ul style="list-style-type: none"> Expect approximately 32% for full year
Shares outstanding	23.2M	<ul style="list-style-type: none"> \$10 million of shares repurchased \$55 million remaining under \$75 million share repurchase program
EPS	\$0.43	

* Fiscal year ending September 30

Strong Cash Generator

CMC Consistently Generates Cash in Excess of Capital Needs, Throughout Industry Cycles and Various Macro-Economic Environments



* Free Cash Flow = Cash Flow from Operations less Capital Additions

Investment Highlights

Market & Industry Leader

- Largest CMP slurry provider in the world
- World-class team of scientists and technologists

Close Customer Relationships

- Serve ALL semiconductor companies in the world
- Partner early, through Joint Development Programs

Robust Growth Opportunities

- New opportunities in Pads, Barrier and Advanced Dielectrics
- Expansion outside of CMP consumables through ESF business

Strong Financial Model

- Consistent cash flow throughout industry and macro cycles
- Executing 3rd share repurchase program

Leading Industry Innovation

- \$40-50 million annually invested in R&D
- Innovation for high performance and low cost of use products

Proven Global Infrastructure

- Leader in millions of gallons sold
- Provide global support and service



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