

**CABOT MICROELECTRONICS CORPORATION  
ANNUAL MEETING OF STOCKHOLDERS**

**TUESDAY, MARCH 4, 2008  
8:00 A.M.**

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

The script of our Annual Meeting will be available following the meeting through our website at [www.cabotcmp.com](http://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 emphasize our appreciation for our Board of Directors and the advice and guidance provided to our company; I specifically would like to acknowledge Dr. Albert Yu, who has been a valued director for the past three years, but whom we are announcing today has decided to resign from our board in a few weeks due to personal reasons as he intends to restrict his travels.

I also would like to acknowledge the other members of our Board of Directors, who are with us today in person:

Bob Birgeneau  
Jack Frazee  
Larry Fuller  
Ted Mooney  
Steve Wilkinson, and  
Bailing Xia.

The first order of business for our annual meeting is to organize the meeting and determine the presence of a quorum. Will 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 22, 2008, our Board of Directors sent notice of this meeting to all stockholders of record as of the close of business on January 15, 2008.

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.

Sally Baca 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 23,782,425 shares of Common Stock entitled to vote at this meeting, there are present in person or represented by proxy at least 22,491,810 shares, or approximately 95% 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 eight directors. The Board is divided into three classes: Class I, whose terms will expire at the 2010 annual meeting, Class II, whose terms will expire at this meeting, and Class III, whose terms will expire at the 2009 annual meeting. At this meeting, we will elect three Class II directors to hold office until the 2011 Annual Meeting of Stockholders. The Secretary will now report on the nominees for Class II directors.

I will ask each of the three nominees, Mr. Birgeneau, Mr. Wilkinson, and Mr. Xia, to identify themselves respectively by saying "aye". The Board of Directors has nominated Robert J. Birgeneau, Steven V. Wilkinson and Bailing Xia, each of whom currently serves on our Board, as directors of the Company to serve until the 2011 Annual Meeting of Stockholders or until their successors have been duly elected and qualified. In the Proxy Statement we 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 approval of our company's 2007 Employee Stock Purchase Plan. Detailed information regarding the Plan was provided to you in the Proxy Statement. I will now entertain a motion regarding this proposal.

I so move.

I second the motion.

The third order of business is the ratification of the selection of PricewaterhouseCoopers LLP as the company's independent auditors for fiscal year 2008. 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, the approval of the 2007 Employee Stock Purchase Plan, 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 a majority of the shares represented in person or by proxy at this meeting will be necessary to approve the 2007 Employee Stock Purchase Plan, and 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 covered our success and progress in fiscal year 2007 at length in our quarterly conference call in January, our annual report and our 10K.

We were pleased with our solid operational and financial performance in fiscal 2007. We believe our accomplishments this year were driven by the continued execution of our two-pronged growth strategy – first, strengthening and growing our core CMP consumables business, and second, leveraging our technical capabilities into other industries and applications through our Engineered Surface Finishes, or ESF, business.

As the leader in the CMP slurry industry, we focused most of our attention in fiscal 2007 on strengthening and growing our core CMP consumables business, which includes both slurries and pads. And we believe the results of our efforts were impressive.

Under our Technology Leadership initiative, we continued our progress in enhancing our CMP consumables product pipeline with an emphasis on products with high performance and low cost of use for our customers.

On the Operations Excellence front, we were successful in our continued efforts to drive variability out of our products, resulting in improved productivity as well as higher customer satisfaction, as evidenced by our attainment of several supplier awards.

As part of our third key initiative, Connecting with Customers, we made significant inroads with our customers in a number of areas. We are especially proud of the progress we made in our CMP polishing pad business. During fiscal 2007, we opened our high-volume pad manufacturing facilities in the U.S. and Taiwan and we worked

closely with our customers to demonstrate, test and qualify our pads in their manufacturing operations. As a result of these efforts, we ended fiscal year 2007 with eight pad customers, which is up from the two customers we reported at the end of fiscal 2006. We believe that our pad's strong technical performance and long pad life have been the driving force of these customer adoptions as well as other pad supply opportunities in the evaluation and qualification stages.

Within our ESF business, our primary achievement during the year was the seamless integration of QED Technologies. Also during fiscal 2007, QED, in conjunction with Lawrence Livermore National Laboratory and Zygo Corporation, was granted the R&D 100 award which recognizes the 100 most technologically significant products introduced in the marketplace during the year.

Our operational accomplishments in fiscal year 2007 have resulted in financial success for our company as well. Despite the inventory correction of semiconductor devices that adversely impacted our revenue during the first half of the fiscal year, we ended the year with record revenue of \$338 million.

In addition, we finished the year with our first ever annual increase in gross profit as a percentage of revenue, as shown in the graph on the upper left. We believe this accomplishment was driven by a third consecutive year of solid productivity gains in our manufacturing operations through our Six Sigma process, combined with a stabilizing pricing environment for our slurry products.

Another example of our strong financial performance is our record level of cash flow from operations less capital additions, or free cash flow, of \$55 million. As you can see from the graph at the bottom of the page, year after year we have consistently generated strong cash flow. This allows us to continue to re-invest in our business through research and development, acquisitions and capital expenditures, while also returning cash to our shareholders.

As you can see from our results, we achieved solid performance in fiscal 2007. In recognition of our effective operating strategy and strong financial model, we announced a new \$75 million share repurchase program in January 2008. This follows the completion of our \$40 million share repurchase program in December, marking the second share repurchase program that we have announced and completed.

Throughout fiscal year 2008, we are focusing on a number of key priorities. We will continue our emphasis on gaining customer adoptions of our pad and slurry products. As we announced in our first quarter of fiscal 2008 earnings call, we reported meaningful revenue for Pads and we have begun to see a ramp in demand for our CMP pads. We are running multiple shifts at both of our pad manufacturing locations and are actively pursuing the next phase of pad manufacturing capacity, to effectively meet future demand.

As is common with any new product introduction, it takes some time to perfect the manufacturing process. As we are seeing our pad revenue grow in early fiscal year 2008, we are also seeing some impact on our gross profit margin. We continue to expect gross profit for the full fiscal year to be in the range of 46 to 48 percent of revenue, but lower than optimal pad yields may dampen our gross profit margins in the near term. We intend to improve these manufacturing yields in our pad operations throughout the year, as we ramp to high volume manufacturing.

In addition, we expect to continue to enforce our intellectual property in fiscal 2008. We have made significant investments in our patent-protected R&D over the years, and we believe we have a responsibility to enforce it. For example, we are currently actively engaged in litigation to enforce our intellectual property against D.A. NanoMaterials. The near term costs of this particular effort may cause our total operating expenses to slightly exceed our quarterly guidance range of \$27 to \$30 million. However, we believe strongly in our claims and defenses, and we look forward to the successful resolution of this litigation.

We also plan to continue our efforts in the ESF area. We are excited about the progress we have made through QED as well as through our internal development efforts. We will continue to look for other attractive, actionable acquisitions that are synergistic to our business.

As we enter into calendar 2008, we are cautious about the anticipated weakness in the global economy, which may slow growth in end demand for semiconductor devices. Regardless, we believe we are well-positioned to operate successfully over a range of future industry and economic environments. We have a proven track record of flourishing through industry cycles, and have historically generated solid cash flows even during market environments of moderating growth.

Let me close by saying, we are proud of both our operational and financial achievements in fiscal 2007, and we look forward to another successful year in fiscal 2008.

I will now open the meeting up to questions from the audience. Are there any questions?

At this time I would like to continue with the business of the meeting.

I have received the Report of the Judge and am pleased to announce the vote.

In the election of directors: Each nominee received at least 22,262,903 votes, or approximately 99% of shares voted. Robert J. Birgeneau, Steven V. Wilkinson and Bailing Xia therefore have been elected as directors of the Company to serve until the 2011 Annual Meeting of Stockholders or until their successors have been duly elected and qualified.

In addition, at least 20,363,546 shares, or approximately 96% of shares cast on this matter, have been voted in favor of approving the 2007 Employee Stock Purchase Plan; therefore, the Plan is approved.

Finally, at least 22,380,768 shares, or approximately 99% of shares cast on this matter, have been voted in favor of ratifying the selection of the company's independent auditors for fiscal year 2008; 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?

Thank you, 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.

Opposed?

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