HUNTSMAN

Enriching lives through innovation

2015 ANNUAL REPORT

HUNTSMAN

Enriching lives through innovation

HUNTSMAN CORPORATION IS A PUBLICLY TRADED GLOBAL MANUFACTURER AND MARKETER OF DIFFERENTIATED CHEMICALS. OUR CHEMICAL PRODUCTS NUMBER IN THE THOUSANDS AND ARE SOLD WORLDWIDE TO MANUFACTURERS SERVING A BROAD AND DIVERSE RANGE OF CONSUMER AND INDUSTRIAL END MARKETS.

5 BUSINESS DIVISIONS

POLYURETHANES

We are a global leader in the manufacture of MDI-based polyurethanes used to produce energy-saving insulation; comfort foam for automotive seating, bedding and furniture; adhesives; coatings; elastomers for footwear; and composite wood products.

PERFORMANCE PRODUCTS

We manufacture products primarily based on amines, carbonates, surfactants and maleic anhydride. End uses include agrochemicals, oil and gas and alternative energy solutions, home detergents and personal care products, adhesives and coatings, mining, and polyurethane/epoxy curing agents.

ADVANCED MATERIALS

Our technologically advanced epoxy, acrylic and polyurethane-based polymer products are replacing traditional materials in aircraft, automobiles and electrical power transmission. Our products are also used in coatings, construction materials, circuit boards and sports equipment.

TEXTILE EFFECTS

We are a major global solutions provider for textile dyes, digital inks and chemicals that enhance color and improve performance such as wrinkle resistance, UV-blocking and the ability to repel water and stains in apparel, home and technical textiles.

PIGMENTS AND ADDITIVES

We manufacture and market a broad range of titanium dioxide pigments, color pigments, functional additives and timber and water treatment chemicals. Our pigments and additives add performance and color to thousands of everyday items from paints, inks and cosmetics to plastics, pharmaceuticals and concrete.

PETER R. HUNTSMAN: A LETTER TO OUR STOCKHOLDERS

2015 WAS A TRANSITION YEAR FOR OUR COMPANY, DURING WHICH WE MADE SIGNIFICANT PROGRESS. WE SUCCESSFULLY EXECUTED A NUMBER OF INITIATIVES THAT POSITION US FOR FUTURE LONG-TERM PROSPERITY, INCLUDING INCREASED CAPITAL INVESTMENTS, SIGNIFICANT RESTRUCTURING AND MEANINGFUL ASSET MAINTENANCE. NOTWITHSTANDING A CHALLENGING ECONOMIC BACKDROP, WE DELIVERED STRONG FINANCIAL RESULTS AND OUR FINANCIAL CONDITION REMAINS SOLID.

Our business operated at two different speeds in 2015. With the fall of crude prices, the North American gas advantage substantially diminished. This put downward pressure on margins for cyclical chemicals such as MTBE, olefins and other basic commodity chemicals. Combined with lower global economic growth and challenging industry conditions for titanium dioxide, earnings for our cyclical products decreased.

Lower earnings from cyclical chemicals overshadowed the tremendous strides we achieved improving our downstream differentiated businesses, such as MDI urethanes, epoxies and amines. In 2015, our downstream differentiated businesses grew more than 10% and generated more than 80% of our operational earnings.

This difference in performance underscores the need for portfolio management. The earnings volatility we have seen in our titanium dioxide business is one of the primary reasons we continue to actively pursue a separation of this business through a spinoff or other strategic transaction.

I believe that improving our free cash flow generation profile is the single most significant objective we can achieve to create stockholder value. In 2015, we spent over $850 million completing our pigments restructuring and integration, and a number of global projects, including a once-every-five-year maintenance project.

In 2016, we plan to decrease our capital expenditures by $200 million, we'll spend $100 million less in restructuring and $50 million less in operations, as we do not have any large maintenance projects planned. As a result, we expect our free cash flow to improve by $350 million in 2016. We project further increases in subsequent years as we remain focused on improving free cash flow.

We continue to improve our personal and process safety. Our safety and environmental performance is rated among the best in our industry.

Let me reiterate our objectives. Moving forward, we will improve free cash flow generation, grow our downstream differentiated businesses and actively pursue a separation of our titanium dioxide business. We are well prepared to deliver on these objectives. Thank you for your support.

PETER R. HUNTSMAN
President and
Chief Executive Officer
February 15, 2016

JON M. HUNTSMAN: SPECIAL NOTE TO STOCKHOLDERS

OUR FINANCIAL CONDITION REMAINS STRONG; WE HAVE MORE THAN $1 BILLION OF LIQUIDITY. COMBINED WITH OUR STRONG EARNINGS, WE ARE WELL POSITIONED TO CONTINUE TO REMUNERATE OUR STOCKHOLDERS THROUGH DIVIDENDS AND OTHER STOCKHOLDER FRIENDLY ACTIONS.

In September of this past year, our Board of Directors authorized the repurchase of up to $150 million in shares of our common stock. In October, we entered into and funded an accelerated share repurchase agreement to repurchase $100 million of our common stock. The accelerated share repurchase was completed in January 2016, with 8.6 million shares repurchased.

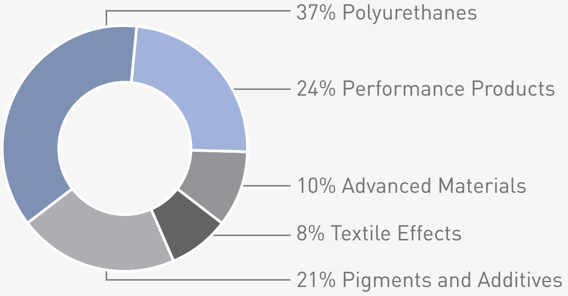
I, together with my foundation, remain the largest stockholder of the company, and I am frustrated by the low price of our shares, as I'm sure many of you are. I've been involved with the chemical industry for more than 50 years and have managed businesses through a number of economic cycles. As our company's Executive Chairman, I am actively engaged in strategic oversight. On behalf of the board, I want to express our confidence in Peter Huntsman's leadership. The strategy and corporate vision that he has outlined will undoubtedly lead to a more representative reflection of the underlying value of our business.

Thank you for your investment. Please know that I remain committed to relentlessly pursuing an increase in stockholder value.

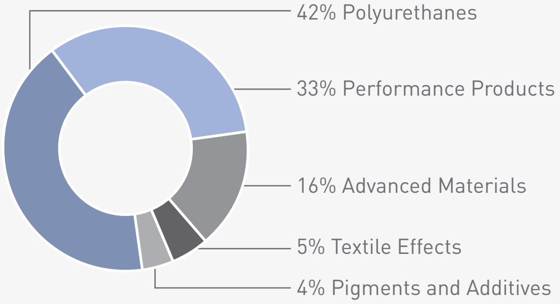
JON M. HUNTSMAN
Executive Chairman and Founder
February 15, 2016

2015: AT-A-GLANCE

REVENUES BY DIVISION[1]



ADJUSTED EBITDA BY DIVISION[1]



FINANCIAL HIGHLIGHTS

	Year Ended December 31,		
$ in millions	2015	2014	2013
Revenues	$10,299	$11,578	$11,079
Gross profit	$ 1,848	$ 1,919	$ 1,753
Interest expense, net	$ 205	$ 205	$ 190
Net income	$ 126	$ 345	$ 149
Adjusted net income[2]	$ 492	$ 478	$ 390
Adjusted diluted income per share[2]	$ 2.00	$ 1.94	$ 1.61
Adjusted EBITDA[2]	$ 1,221	$ 1,340	$ 1,213
Capital expenditures[3]	$ 648	$ 564	$ 467

	December 31,		
$ in millions	2015	2014	2013
Total assets	$ 9,820	$10,923	$ 9,159
Net debt[4]	$ 4,526	$ 4,251	$ 3,352

(1) Segment allocation before Corporate and other unallocated items.
(2) For a reconciliation see pages 7–8 of the Financials section.
(3) Net of reimbursements of $15 million, $37 million and $4 million in 2015, 2014 and 2013, respectively.
(4) Net debt calculated as total debt excluding affiliates less cash.

2015: FINANCIAL REVIEW AND FORM 10-K

DEFINITIONS

Each capitalized term used without definition in this report has the meaning specified in the Annual Report on Form 10-K for the year ended December 31, 2015, which was filed with the Securities and Exchange Commission on February 16, 2016.

SELECTED FINANCIAL DATA

The selected historical financial data set forth below presents our historical financial data as of and for the dates and periods indicated. You should read the selected financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and accompanying notes.

	Year ended December 31,				
	2015	2014	2013	2012	2011
	(in millions, except per share amounts)				
Statements of Operations Data:					
Revenues	$10,299	$11,578	$11,079	$11,187	$11,221
Gross profit	1,848	1,919	1,753	2,034	1,840
Restructuring, impairment and plant closing costs	302	158	151	92	167
Operating income	405	633	510	845	606
Income from continuing operations	130	353	154	378	251
Loss from discontinued operations, net of tax(a)	(4)	(8)	(5)	(7)	(1)
Extraordinary gain on the acquisition of a business, net of tax of nil(b)	—	—	—	2	4
Net income	126	345	149	373	254
Net income attributable to Huntsman Corporation	93	323	128	363	247
Basic income (loss) per common share:					
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 0.40	$ 1.36	$ 0.55	$ 1.55	$ 1.03
Loss from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(a)	(0.02)	(0.03)	(0.02)	(0.03)	—
Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax(b)	—	—	—	0.01	0.01
Net income attributable to Huntsman Corporation common stockholders	$ 0.38	$ 1.33	$ 0.53	$ 1.53	$ 1.04
Diluted income (loss) per common share:					
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 0.40	$ 1.34	$ 0.55	$ 1.53	$ 1.01
Loss from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(a)	(0.02)	(0.03)	(0.02)	(0.03)	—
Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax(b)	—	—	—	0.01	0.01
Net income attributable to Huntsman Corporation common stockholders	$ 0.38	$ 1.31	$ 0.53	$ 1.51	$ 1.02
Other Data:					
Depreciation and amortization	$ 399	$ 445	$ 448	$ 432	$ 439
Capital expenditures	663	601	471	412	330
Dividends per share	0.50	0.50	0.50	0.40	0.40
Balance Sheet Data (at period end):					
Total assets	$ 9,820	$10,923	$ 9,159	$ 8,862	$ 8,635
Total debt	4,796	5,127	3,887	3,684	3,924
Total liabilities	8,191	8,972	7,030	6,966	6,859

(a) Loss from discontinued operations represents the operating results and loss on disposal of our former Australian styrenics business, our former U.S. base chemicals business, our former North American polymers business, our former European base chemicals and polymers business and our former TDI business. The U.S. base chemicals business was sold on November 5, 2007, the North American polymers business was sold on August 1, 2007, the European base chemicals and polymers business was sold on December 29, 2006 and the TDI business was sold on July 6, 2005.

(b) The extraordinary gain on the acquisition of a business relates to the June 30, 2006 acquisition of our Textile Effects segment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

We are a global manufacturer of differentiated organic chemical products and of inorganic chemical products. Our products comprise a broad range of chemicals and formulations, which we market globally to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, personal care and hygiene, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. We are a leading global producer in many of our key product lines, including MDI, amines, surfactants, maleic anhydride, epoxy-based polymer formulations, textile chemicals, dyes, titanium dioxide and color pigments. Our administrative, research and development and manufacturing operations are primarily conducted at facilities located in 30 countries. We employed approximately 15,000 associates worldwide at December 31, 2015.

We operate in five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments and Additives. Our Polyurethanes, Performance Products, Advanced Materials and Textile Effects segments produce differentiated organic chemical products and our Pigments and Additives segment produces primarily inorganic chemical products. In a series of transactions beginning in 2006, we have sold or shut down substantially all of our former Australian styrenics operations and our North American polymers and base chemicals operations. We report the results from these businesses as discontinued operations.

In our Performance Products segment, demand for our specialty products has generally continued to grow at rates in excess of GDP, as overall demand is significantly influenced by new product and application development. Demand for most of our intermediate products has grown in line with GDP growth. Over time, demand for maleic anhydride has generally grown at rates that slightly exceed GDP growth. However, maleic anhydride demand can be cyclical given its dependence on the UPR market, which is influenced by construction end markets.

Growth in our Polyurethanes and Advanced Materials segments has been driven by the continued substitution of our products for other materials across a broad range of applications, as well as by the level of global economic activity. Historically, demand for many of these products has grown at rates in excess of GDP growth. In Polyurethanes, this growth, driven largely by Asia, has in recent years resulted in improved demand and higher industry capacity utilization rates for many of our key products, including MDI. MDI does, however, experience some seasonality in its sales reflecting its exposure to seasonal construction-related end markets. Sales generally peak during the spring and summer months in the northern hemisphere, resulting in greater sales volumes during the second and third quarters of the year.

Demand in our Textile Effects segment is driven primarily by consumer activity. Consumer spending for goods incorporating our Textile Effects products is impacted significantly by a wide range of economic factors, including personal incomes, housing and energy prices and other highly volatile factors. Accordingly, demand for our Textile Effects products has been volatile and appears likely to remain volatile.

Historically, demand for titanium dioxide pigments and additives has grown at rates approximately equal to GDP growth. Pigment prices have historically reflected industry-wide operating rates but have typically lagged behind movements in these rates by up to twelve months due to the effects of product stocking and destocking by customers and producers, contract arrangements and seasonality. The industry experiences some seasonality in its sales because sales of paints, the largest end use for titanium dioxide, generally peak during the spring and summer months in the northern hemisphere. This results in greater sales volumes in the second and third quarters of the year.

For further information regarding sales price and demand trends, see "—Results of Operations—Segment Analysis—Year Ended December 31, 2015 Compared to Year Ended December 31, 2014" and the tables captioned "Year ended December 31, 2015 vs. 2014, Period-Over-Period Increase (Decrease)" and "Fourth Quarter 2015 vs. Third Quarter 2015, Period-Over-Period Increase (Decrease)" below.

OUTLOOK

We expect our cyclical businesses, particularly MTBE, ethylene and titanium dioxide, to continue to negatively impact our profitability in 2016. Our differentiated downstream businesses continue to have an attractive growth profile and we expect profitability to continue to improve during 2016, offsetting the impact from our cyclical businesses.

We have a number of initiatives underway that will improve the competitiveness and strength of our entire Company and we are investing in growth projects that will improve our businesses over the next few years.

Our earnings are subject to fluctuations due to exchange rate movements. Our revenues and expenses are denominated in various currencies, including the primary European currencies which have recently been volatile, while our reporting currency is the U.S. dollar. Generally, a decline in the value of the euro relative to the U.S. dollar, will reduce the reported profitability of our Polyurethanes, Performance Products, Advanced Materials and Pigments and Additives segments. A decline in the value of the Pound Sterling relative to the U.S. dollar will increase the reported profitability of our Pigments and Additives segment and an increase in the value of the Swiss Franc relative to the U.S. dollar will reduce the reported profitability of our Advanced Materials and Textile Effects segments. We are also exposed to other foreign currencies including the Chinese Renminbi, the Indian Rupiah, the Brazilian Real and the Thai Baht. In general, a decline in the value of these currencies as compared to the U.S. dollar will reduce our reported profitability.

Notwithstanding near term headwinds and shocks to the business landscape, such as meaningful movements in foreign currency rates and lower priced oil, we believe we are well positioned to deliver increased earnings, an improvement in free cash flow and increased stockholder value over the next several years. The following is a summary of the key trends expected in our business segments:

Polyurethanes:

- 2016 improving MDI urethane demand
- 2016 adjusted EBITDA improvement
- Low PO/MTBE margins

Performance Products:

- Favorable downstream product margins
- 2016 benefit of growth projects, such as ethylene oxide expansion in the U.S. and polyetheramines expansion in Singapore
- Lower oil prices reduce U.S. Gulf Coast cost advantage
- 2016 adjusted EBITDA similar to 2015

Advanced Materials:

- Strong aerospace market more than one-third of earnings
- Moderate increase in 2016 adjusted EBITDA

Textile Effects:

- Selective growth above underlying market demand
- Moderate increase in 2016 adjusted EBITDA

Pigments and Additives:

- More than $100 million of incremental synergy and restructuring savings
- Stable additives business
- Slightly positive 2016 adjusted EBITDA

We remain committed to a separation of our titanium dioxide business and are actively exploring additional possibilities outside of an initial public offering or a spin-off. Our ability to effect such separation is subject to, among other things, market conditions and the approval of our Board of Directors.

In 2016, we expect to spend approximately $450 million on capital expenditures, net of reimbursements.

We expect our full year 2016 tax rate to be approximately 30% and our full year adjusted effective tax rate to be approximately 30%. We believe our long-term effective income tax rate will be approximately 30%.

Results of Operations

The following tables set forth our consolidated results of operations for the years ended December 31, 2015, 2014 and 2013 (dollars in millions, except per share amounts).

	Year ended December 31,			Percent Change	
	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Revenues	$10,299	$11,578	$11,079	(11)%	5%
Cost of goods sold	8,451	9,659	9,326	(13)%	4%
Gross profit	1,848	1,919	1,753	(4)%	9%
Operating expenses	1,141	1,128	1,092	1%	3%
Restructuring, impairment and plant closing costs	302	158	151	91%	5%
Operating income	405	633	510	(36)%	24%
Interest expense, net	(205)	(205)	(190)	—	8%
Equity in income of investment in unconsolidated affiliates	6	6	8	—	(25)%
Loss on early extinguishment of debt	(31)	(28)	(51)	11%	(45)%
Other income (loss)	1	(2)	2	NM	NM
Income from continuing operations before income taxes	176	404	279	(56)%	45%
Income tax expense	(46)	(51)	(125)	(10)%	(59)%
Income from continuing operations	130	353	154	(63)%	129%
Loss from discontinued operations, net of tax	(4)	(8)	(5)	(50)%	60%
Net income	126	345	149	(63)%	132%
Net income attributable to noncontrolling interests	(33)	(22)	(21)	50%	5%
Net income attributable to Huntsman Corporation	93	323	128	(71)%	152%
Interest expense, net	205	205	190	—	8%
Income tax expense from continuing operations	46	51	125	(10)%	(59)%
Income tax benefit from discontinued operations	(2)	(2)	(2)	—	—
Depreciation and amortization	399	445	448	(10)%	(1)%
EBITDA(1)	$ 741	$ 1,022	$ 889	(27)%	15%
Reconciliation of EBITDA to adjusted EBITDA:					
EBITDA(1)	$ 741	$ 1,022	$ 889		
Acquisition and integration expenses and purchase accounting adjustments	53	67	21		
EBITDA from discontinued operations	6	10	5		
Loss (gain) on disposition of businesses/assets	2	(3)	—		
Loss on early extinguishment of debt	31	28	51		
Certain legal settlements and related expenses	4	3	9		
Amortization of pension and postretirement actuarial losses	74	51	74		
Net plant incident remediation costs	4	—	—		
Restructuring, impairment and plant closing and transition costs(3):					
Polyurethanes	15	19	2		
Performance Products	11	28	18		
Advanced Materials	12	11	34		
Textile Effects	38	28	87		
Pigments and Additives	219	60	4		
Corporate and other	11	16	19		
Total restructuring, impairment and plant closing and transition costs(3)	306	162	164		
Adjusted EBITDA(1)	$ 1,221	$ 1,340	$ 1,213		
Net cash provided by operating activities	$ 575	$ 760	$ 708	(24)%	7%
Net cash used in investing activities	(600)	(1,606)	(566)	(63)%	184%
Net cash (used in) provided by financing activities	(562)	1,197	(6)	NM	NM
Capital expenditures	(663)	(601)	(471)	10%	28%

	Year ended December 31,		
	2015	2014	2013
Reconciliation of net income to adjusted net income:			
Net income attributable to Huntsman Corporation	$ 93	$ 323	$ 128
Acquisition and integration expenses and purchase accounting adjustments net of tax of $(13), $(10) and $(5) in 2015, 2014 and 2013, respectively	40	57	16
Impact of certain foreign tax credit elections	—	(94)	—
Loss from discontinued operations, net of tax of $(2), $(2) and $(2) in 2015, 2014 and 2013, respectively	4	8	5
Discount amortization on settlement financing, net of tax of nil, nil and $(3) in 2015, 2014 and 2013, respectively	—	—	6
Loss (gain) on disposition of businesses/assets, net of tax of nil, $1 and nil in 2015, 2014 and 2013, respectively	2	(2)	—
Loss on early extinguishment of debt, net of tax of $(11), $(10) and $(19) in 2015, 2014 and 2013, respectively	20	18	32
Certain legal settlements and related expenses, net of tax of $(1), nil and $(2) in 2015, 2014 and 2013, respectively	3	3	7
Amortization of pension and postretirement actuarial losses, net of tax of $(17), $(10) and $(20) in 2015, 2014 and 2013, respectively	57	41	54
Net plant incident remediation costs, net of tax of $(1), nil and nil in 2015, 2014 and 2013, respectively	3	—	—
Restructuring, impairment and plant closing and transition costs(3), net of tax of $(36), $(38) and $(22) in 2015, 2014 and 2013, respectively	270	124	142
Adjusted net income(2)	$ 492	$ 478	$ 390
Weighted average shares—basic	242.8	242.1	239.7
Weighted average shares—diluted	245.4	246.0	242.4
Net income per share:			
Basic	$ 0.38	$ 1.33	$ 0.53
Diluted	0.38	1.31	0.53
Other non-GAAP measures:			
Adjusted income per share(2):			
Basic	$ 2.03	$ 1.97	$ 1.63
Diluted	2.00	1.94	1.61
Capital expenditures, net of reimbursements(4)	(648)	(564)	(467)

NM—Not meaningful

(1) EBITDA is defined as net income attributable to Huntsman Corporation before interest, income taxes, depreciation and amortization. Because EBITDA excludes these items, EBITDA provides an indicator of general economic performance that is not affected by debt restructurings, fluctuations in interest rates or effective tax rates, or levels of depreciation and amortization. Adjusted EBITDA is computed by eliminating the following from EBITDA: (a) acquisition and integration expenses and purchase accounting adjustments; (b) EBITDA from discontinued operations; (c) loss (gain) on disposition of businesses/assets; (d) loss on early extinguishment of debt; (e) certain legal settlements and related expenses; (f) amortization of pension and postretirement actuarial losses; (g) net plant incident remediation costs; and (h) restructuring, impairment, plant closing and transition costs. We believe that net income attributable to Huntsman Corporation is the performance measure calculated and presented in accordance with GAAP that is most directly comparable to EBITDA and adjusted EBITDA.

We believe that EBITDA and adjusted EBITDA supplement an investor's understanding of our financial performance. However, these measures should not be considered in isolation or viewed as substitutes for net income attributable to Huntsman Corporation or other measures of performance determined in accordance with GAAP. Moreover, EBITDA and adjusted EBITDA as used herein are not necessarily comparable to other similarly titled measures of other companies due to potential inconsistencies in the methods of calculation. Our management believes these measures are useful to compare general operating performance from period to period and to make certain related management decisions. EBITDA and adjusted EBITDA are also used by securities analysts, lenders and others in their evaluation of different companies because they exclude certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be highly dependent on a company's capital structure, debt levels and credit ratings. Therefore, the impact of interest expense on earnings can vary significantly among companies. In addition, the tax positions of companies can vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the various jurisdictions in which they operate. As a result, effective tax rates and tax expense can vary considerably among companies. Finally, companies employ productive assets of different ages and utilize different methods of acquiring and depreciating such assets. This can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

Nevertheless, our management recognizes that there are material limitations associated with the use of EBITDA and adjusted EBITDA in the evaluation of our Company as compared to net income attributable to Huntsman Corporation, which reflects overall financial performance. For example, we have borrowed money in order to finance our operations and interest expense is a necessary element of our costs and ability to generate revenue. Our management compensates for the limitations of using EBITDA and adjusted EBITDA by using these measures to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business rather than GAAP results alone.

In addition to the limitations noted above, adjusted EBITDA excludes items that may be recurring in nature and should not be disregarded in the evaluation of performance. However, we believe it is useful to exclude such items to provide a supplemental analysis of current results and trends compared to other periods because certain excluded items can vary significantly depending on specific underlying transactions or events, and the variability of such items may not relate specifically to ongoing operating results or trends and certain excluded items, while potentially recurring in future periods, may not be indicative of future results. For example, while EBITDA from discontinued operations is a recurring item, it is not indicative of ongoing operating results and trends or future results.

(2) Adjusted net income is computed by eliminating the after-tax amounts related to the following from net income attributable to Huntsman Corporation: (a) acquisition and integration expenses and purchase accounting adjustments; (b) impact of certain foreign tax credit elections; (c) loss from discontinued operations; (d) discount amortization on settlement financing; (e) loss (gain) on disposition of businesses/assets; (f) loss on early extinguishment of debt; (g) certain legal settlements and related expenses; (h) amortization of pension and postretirement actuarial losses; (i) net plant incident remediation costs; and (j) restructuring, impairment and plant closing and transition costs. The income tax impacts, if any, of each adjusting item represent a ratable allocation of the total difference between the unadjusted tax expense and the total adjusted tax expense, computed without consideration of any adjusting items using a with and without approach. We do not adjust for changes in tax valuation allowances because we do not believe it provides more meaningful information than is provided under GAAP. Basic adjusted income per share excludes dilution and is computed by dividing adjusted net income by the weighted average

number of shares outstanding during the period. Diluted adjusted income per share reflects all potential dilutive common shares outstanding during the period and is computed by dividing adjusted net income by the weighted average number of shares outstanding during the period increased by the number of additional shares that would have been outstanding as dilutive securities.

Adjusted net income and adjusted income per share amounts are presented solely as supplemental disclosures to net income applicable to Huntsman Corporation and income per share because we believe that these measures are indicative of our operating performance. These measures are also used by securities analysts, lenders and others in their evaluation of different companies because they exclude certain items that can vary widely across different industries or among companies within the same industry. Nevertheless, our management recognizes that there are material limitations associated with the use of adjusted net income and adjusted income per share in the evaluation of our Company as compared to net income attributable to Huntsman Corporation, which reflects overall financial performance. For example, adjusted net income and adjusted income per share exclude items that may be recurring in nature and should not be disregarded in the evaluation of performance. However, we believe it is useful to exclude such items to provide a supplemental analysis of current results and trends compared to other periods because certain excluded items can vary significantly depending on specific underlying transactions or events, and the variability of such items may not relate specifically to current operating results or trends and certain excluded items, while potentially recurring in future periods, may not be indicative of future results. For example, while loss from discontinued operations is a recurring item, it is not indicative of ongoing operating results and trends or future results.

(3) Includes cost associated with transition activities relating to the migration of our information data centers and the transition of our Textile Effects segment's production from Basel, Switzerland to a tolling facility. These transition costs were included in either selling, general and administrative expenses or cost of sales on our consolidated statements of operations.

(4) Capital expenditures, net of reimbursements, represent cash paid for capital expenditures less payments received as reimbursements from customers and joint venture partners. During 2015, 2014 and 2013, capital expenditures of $663 million, $601 million and $471 million, respectively, were reimbursed in part by $15 million, $37 million and $4 million, respectively.

Year Ended December 31, 2015 Compared with Year Ended December 31, 2014

For the year ended December 31, 2015, net income attributable to Huntsman Corporation was $93 million on revenues of $10,299 million, compared with net income attributable to Huntsman Corporation of $323 million on revenues of $11,578 million for 2014. The decrease of $230 million in net income attributable to Huntsman Corporation was the result of the following items:

- Revenues for the year ended December 31, 2015 decreased by $1,279 million, or 11%, as compared with 2014. The decrease was due principally to lower sales volumes and lower average selling prices in all our segments. See "—Segment Analysis" below.
- Our gross profit for the year ended December 31, 2015 decreased by $71 million, or 4%, as compared with 2014. The impact on gross profit resulted from lower gross margins in all of our segments, except for our Advanced Materials segment. See "—Segment Analysis" below.
- Our operating expenses increased by $13 million, or 1%, for the year ended December 31, 2015 as compared with 2014, primarily related to the consolidated expenses of the businesses acquired from Rockwood Holdings, Inc. ("Rockwood"), offset in part by the foreign currency exchange impacts of the strengthening U.S. dollar against other major international currencies.

- Restructuring, impairment and plant closing costs for the year ended December 31, 2015 increased to $302 million from $158 million in 2014. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.
- Loss on early extinguishment of debt for the year ended December 31, 2015 increased to $31 million from $28 million in 2014. During 2015, we recorded a loss on early extinguishment of debt of $30 million related to the redemption of our 8.625% senior subordinated notes due 2021 ("2021 Senior Subordinated Notes"). For more information, see "Note 14. Debt—Direct and Subsidiary Debt—Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements.
- Our income tax expense for the year ended December 31, 2015 decreased to $46 million from $51 million in 2014. The change in income tax expense is impacted by the benefit in 2015 of generating $14 million of excess U.S. foreign tax credits and in 2014 of utilizing U.S. foreign tax credits which had been subject to a valuation allowance. Excluding the impact of the U.S. foreign tax credits, our income tax expense decreased by $97 million as compared with 2014, primarily due to lower pre-tax income and tax impacts of tax only foreign currency exchange losses. Our tax expense is significantly affected by the mix of income and losses in the tax jurisdictions in which we operate, as impacted by the presence of valuation allowances in certain tax jurisdictions. For further information concerning taxes, see "Note 18. Income Taxes" to our consolidated financial statements.

Segment Analysis

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

	Year ended December 31, 2015	Year ended December 31, 2014	Percent Change Favorable (Unfavorable)
Revenues			
Polyurethanes	$ 3,811	$ 5,032	(24)%
Performance Products	2,501	3,072	(19)%
Advanced Materials	1,103	1,248	(12)%
Textile Effects	804	896	(10)%
Pigments and Additives	2,160	1,549	39%
Eliminations	(80)	(219)	63%
Total	$10,299	$11,578	(11)%
Segment EBITDA			
Polyurethanes	$ 516	$ 669	(23)%
Performance Products	438	440	—
Advanced Materials	195	182	7%
Textile Effects	18	28	(36)%
Pigments and Additives	(223)	(59)	(278)%
Corporate and other	(197)	(228)	14%
Subtotal	747	1,032	(28)%
Discontinued Operations	(6)	(10)	40%
Total	$ 741	$ 1,022	(27)%

	Year ended December 31, 2015 vs. 2014			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other(2)	Sales Volumes(3)
Period-Over-Period Increase (Decrease)				
Polyurethanes	(12)%	(5)%	3%	(10)%
Performance Products	(7)%	(5)%	(3)%	(4)%
Advanced Materials	2%	(8)%	(1)%	(5)%
Textile Effects	1%	(6)%	2%	(7)%
Pigments and Additives	(10)%	(8)%	62%	(5)%
Total Company	(8)%	(6)%	10%	(7)%

	Fourth Quarter 2015 vs. Third Quarter 2015			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(3)
Period-Over-Period Increase (Decrease)				
Polyurethanes	(8)%	(1)%	—	(2)%
Performance Products	(2)%	(1)%	2%	(10)%
Advanced Materials	—	(2)%	4%	(9)%
Textile Effects	—	(2)%	—	(3)%
Pigments and Additives	(3)%	(1)%	(1)%	(12)%
Total Company	(5)%	(1)%	—	(6)%

(1) Excludes revenues from tolling arrangements, byproducts and raw materials.

(2) Includes the impact from the Rockwood Acquisition.

(3) Excludes sales volumes of byproducts and raw materials.

NM—Not Meaningful

Polyurethanes

The decrease in revenues in our Polyurethanes segment for 2015 compared to 2014 was primarily due to a planned maintenance outage at our PO/MTBE facility in Port Neches, Texas that commenced in the first quarter of 2015 and extended into the second quarter of 2015, lower MDI average selling prices and the foreign currency exchange impact of a stronger U.S. dollar against other key currencies. PO/MTBE sales volumes decreased due to the planned maintenance outage at our PO/MTBE facility in Port Neches, Texas. MDI sales volumes decreased slightly due to the market slowdown in China and lower sales into commercial construction in the U.S. PO/MTBE average selling prices decreased following lower pricing for high octane gasoline. MDI average selling prices decreased in response to lower raw material costs and the foreign currency exchange impact of a stronger U.S. dollar against major European currencies. The decrease in segment EBITDA was due to lower PO/MTBE earnings and the foreign currency exchange impact of a stronger U.S. dollar against the euro. We estimate the reduction to segment EBITDA resulting from the planned PO/MTBE maintenance outage was approximately $90 million for 2015.

Performance Products

The decrease in revenues in our Performance Products segment for 2015 compared to 2014 was primarily due to lower average selling prices and lower sales volumes. Average selling prices decreased across all product lines primarily in response to lower raw material costs and the foreign currency exchange impact of a stronger U.S. dollar against major European currencies. Sales volumes decreased across most product lines, including the effect of the sale of our European commodity surfactants business in the second quarter of 2014 partially offset by higher toll volumes in our upstream intermediates business. The decrease in segment EBITDA was primarily due to lower margins on produced ethylene, partially offset by higher amines margins and lower restructuring, impairment and plant closing costs. During 2015 and 2014, our Performance Products segment recorded restructuring, impairment and plant closing costs of $11 million and $28 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Advanced Materials

The decrease in revenues in our Advanced Materials segment for 2015 compared to 2014 was due to lower sales volumes and lower average selling prices. Sales volumes decreased globally primarily in our coatings and construction and transportation and industrial markets due to the de-selection of certain business and competitive pressure, partially offset by strong volume growth in our do-it-yourself and wind markets in the Asia Pacific region. Average selling prices increased, in most markets, on a local currency basis in the Americas and Asia Pacific regions due to certain price increase initiatives and our focus on higher value markets; overall this was more than offset by the foreign currency exchange impact of a stronger U.S. dollar against major international currencies. The increase in segment EBITDA was primarily due to higher margins, resulting from lower raw material costs, and our focus on higher value business as well as lower fixed costs.

Textile Effects

The decrease in revenues in our Textile Effects segment for 2015 compared to 2014 was due to lower average selling prices and lower sales volumes. Average selling prices decreased in response to lower raw material costs and the foreign currency exchange impact of a stronger U.S. dollar against major international currencies. Sales volumes decreased primarily due to the de-selection of certain less profitable business and challenging market conditions. The decrease in segment EBITDA was primarily due to lower margins and higher restructuring, impairment and plant closing and transition costs, partially offset by lower fixed costs. During 2015 and 2014, our Textile Effects segment recorded restructuring, impairment and plant closing and transition costs of $38 million and $28 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Pigments and Additives

The increase in revenues in our Pigments and Additives segment for 2015 compared to 2014 was primarily due to the impact of the Rockwood Acquisition. Other than the impact of the Rockwood Acquisition, average selling prices decreased primarily as a result of high titanium dioxide industry inventory levels and the foreign currency exchange impact of a stronger U.S. dollar against major European currencies. Sales volumes decreased primarily as a result of lower end-use demand and the impact of a nitrogen tank explosion owned and operated by a third party at our Uerdingen, Germany facility, which disrupted our manufacturing during the third quarter of 2015. The decrease in segment EBITDA was primarily due to lower contribution margin for titanium dioxide, higher acquisition expenses and integration costs, higher restructuring, impairment and plant closing costs and the negative impact from the manufacturing disruption at our Uerdingen, Germany facility. During 2015 and 2014, our Pigments and Additives segment recorded acquisition expenses and integration costs of $44 million and $43 million, respectively. During 2015 and 2014, our Pigments and Additives segment recorded restructuring, impairment and plant closing costs of $219 million and $60 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Corporate and other

Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, last-in first-out ("LIFO") inventory valuation reserve adjustments, loss on early extinguishment of debt, unallocated restructuring, impairment and plant closing costs, nonoperating income and expense, benzene sales and gains and losses on the disposition of corporate assets. For 2015, EBITDA from Corporate and other for Huntsman Corporation increased by $31 million to a loss of $197 million from a loss of $228 million for 2014. The increase in EBITDA from Corporate and other resulted primarily from a $28 million increase in LIFO inventory valuation income ($29 million of income in 2015 compared to $1 million of income in 2014), a $11 million decrease in unallocated corporate overhead ($178 million of expense in 2015 compared to $189 million of expense in 2014), and a $5 million decrease in restructuring, impairment and plant closing costs ($8 million of expense in 2015 compared to $13 million of expense in 2014). For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements. The increase in EBITDA was partially offset by a $9 million decrease in EBITDA from benzene sales ($9 million of loss in 2015 compared to nil of income in 2014), and a $3 million increase in loss on early extinguishment of debt ($31 million of loss in 2015 compared to $28 million of loss in 2014). For more information concerning the loss on early extinguishment of debt, see "Note 14. Debt—Direct and Subsidiary Debt—Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements.

Discontinued Operations

The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded from revenues for all periods presented. The EBITDA of these former businesses are included in discontinued operations for all periods presented. The loss from discontinued operations represents the operating results, legal costs, restructuring, impairment and plant closing costs and gain (loss) on disposal with respect to our former businesses.

Year Ended December 31, 2014 Compared with Year Ended December 31, 2013

For the year ended December 31, 2014, net income attributable to Huntsman Corporation was $323 million on revenues of $11,578 million, compared with net income attributable to Huntsman Corporation of $128 million on revenues of $11,079 million for 2013. The increase of $195 million in net income attributable to Huntsman Corporation was the result of the following items:

- Revenues for the year ended December 31, 2014 increased by $499 million, or 5%, as compared with 2013. The increase was due principally to higher average selling prices in our Performance Products, Advanced Materials and Textile Effects segments and higher sales volumes in our Polyurethanes and Pigments and Additives segments. See "—Segment Analysis" below.
- Our gross profit for the year ended December 31, 2014 increased by $166 million, or 9%, as compared with 2013. The increase resulted from higher gross margins in all our segments, except for our Pigments and Additives segment. See "—Segment Analysis" below.
- Operating expenses for the year ended December 31, 2014 increased by $36 million, or 3%, as compared with 2013, primarily related to higher acquisition and integration costs and higher foreign currency losses.
- Restructuring, impairment and plant closing costs for the year ended December 31, 2014 increased to $158 million from $151 million in 2013. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

- Our interest expense for 2014 increased by $15 million, or 8%, as compared with 2013. The increase was due primarily to additional borrowings in 2014 that were used to fund the Rockwood Acquisition.
- Loss on early extinguishment of debt for the year ended December 31, 2014 decreased to $28 million from $51 million in 2013. The loss in 2014 resulted from the redemption of our 2020 Senior Subordinated Notes. The loss in 2013 resulted primarily from the repurchase of the remainder of our 5.50% senior notes due 2016 ("2016 Senior Notes"). For more information, see "Note 14. Debt—Direct and Subsidiary Debt—Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements.
- Our income tax expense decreased by $74 million as compared with 2013, primarily due to the benefit of utilizing U.S. foreign tax credits, which had been subject to a valuation allowance. Excluding the impact of the U.S. foreign tax credits, our income tax expense increased by $40 million as compared with 2013. For the year ended December 31, 2014, excluding the impact of the benefit of our U.S. foreign tax credits, our effective tax rate was 39%, which is lower than our effective tax rate of 45% for 2013, primarily due to various valuation allowance releases in 2014 and because our Textile Effects segment's restructuring charges in 2013 received nominal tax benefit. Our tax expense is significantly affected by the mix of income and losses in the tax jurisdictions in which we operate, as impacted by the presence of valuation allowances in certain tax jurisdictions. For further information concerning taxes, see "Note 18. Income Taxes" to our consolidated financial statements.

Segment Analysis

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

	Year ended December 31,		Percent Change Favorable (Unfavorable)
	2014	2013	
Revenues			
Polyurethanes	$ 5,032	$ 4,964	1%
Performance Products	3,072	3,019	2%
Advanced Materials	1,248	1,267	(1)%
Textile Effects	896	811	10%
Pigments and Additives	1,549	1,269	22%
Eliminations	(219)	(251)	13%
Total	$11,578	$11,079	5%
Segment EBITDA			
Polyurethanes	$ 669	$ 696	(4)%
Performance Products	440	372	18%
Advanced Materials	182	86	112%
Textile Effects	28	(78)	NM
Pigments and Additives	(59)	79	NM
Corporate and other	(228)	(261)	13%
Subtotal	1,032	894	15%
Discontinued Operations	(10)	(5)	100%
Total	$ 1,022	$ 889	15%

	Year ended December 31, 2014 vs 2013			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other(2)	Sales Volumes(3)
Period-Over-Period Increase (Decrease)				
Polyurethanes	(2)%	—	1%	2%
Performance Products	4%	—	(1)%	(1)%
Advanced Materials	5%	—	4%	(10)%
Textile Effects	15%	(1)%	—	(4)%
Pigments and Additives	(6)%	2%	26%	—
Total Company	2%	—	3%	—

(1) Excludes revenues from tolling arrangements, byproducts and raw materials.

(2) Includes full revenue impact from the Rockwood Acquisition.

(3) Excludes sales volumes of byproducts and raw materials.

NM—Not meaningful

Polyurethanes

The increase in revenues in our Polyurethanes segment for 2014 compared to 2013 was primarily due to higher sales volumes and improved sales mix, partially offset by lower average selling prices. MDI sales volumes increased due to improved demand in the Americas and Asian regions and across most major markets. PO/MTBE sales volumes decreased primarily as a result of two manufacturing disruptions at our Port Neches, Texas facility in the second and third quarters of 2014. PO/MTBE average selling prices decreased primarily due to less favorable market conditions. MDI average selling prices increased in the Americas and European regions, partially offset by lower component pricing in China. The decrease in segment EBITDA was primarily due to lower PO/MTBE earnings, partially offset by higher MDI sales margins. During 2014 and 2013, our Polyurethanes segment recorded restructuring, impairment and plant closing costs of $19 million and $2 million, respectively. For more information concerning restructuring activities, see “Note 11. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements.

Performance Products

The increase in revenues in our Performance Products segment for 2014 compared to 2013 was primarily due to higher average selling prices, partially offset by lower sales volumes and unfavorable changes in sales mix. Average selling prices increased in response to higher raw material costs and continued strong market conditions for amines, maleic anhydride and specialty surfactants. Sales volumes decreased primarily due to a decline in sales volumes of surfactants, which resulted from the restructuring of our European surfactants business, partially offset by an increased demand for amines and maleic anhydride. The increase in segment EBITDA was primarily due to the impact of our scheduled maintenance in the first quarter of 2013, estimated at $55 million, and increased margins in amines and maleic anhydride, partially offset by higher restructuring charges. During 2014 and 2013, our Performance Products segment recorded restructuring, impairment and plant closing costs of $28 million and $18 million, respectively. For more information concerning restructuring activities, see “Note 11. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements.

Advanced Materials

The decrease in revenues in our Advanced Materials segment for 2014 compared to 2013 was primarily due to lower sales volumes, partially offset by higher average selling prices and improved sales mix. Sales volumes decreased primarily in our coatings and construction market due to our restructuring efforts, partially offset by higher demand in the wind market in the Americas and Asia Pacific regions. During the fourth quarter of 2013, we closed two of our base resins production units as we focus on higher value markets, such as aerospace and transportation and industrial. During 2014, we also experienced an unplanned production outage due to a raw materials supply disruption in the Americas region. Average selling prices increased in all regions and across most markets primarily due to certain price increase initiatives and a focus on higher value markets. The increase in segment EBITDA was primarily due to higher margins, improved sales mix, lower restructuring, impairment and plant closing costs and lower selling, general and administrative costs as a result of recent restructuring efforts. During 2014 and 2013, our Advanced Materials segment recorded restructuring, impairment and plant closing costs of $11 million and $34 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Textile Effects

The increase in revenues in our Textile Effects segment for 2014 compared to 2013 was primarily due to higher average selling prices, partially offset by lower sales volumes. Average selling prices increased primarily in response to higher raw material costs. Sales volumes decreased primarily due to the de-selection of lower value business. The increase in segment EBITDA was primarily due to higher margins, lower manufacturing costs and lower restructuring, impairment and plant closing and transition costs, partially offset by higher selling, general and administrative costs. During 2014 and 2013, our Textile Effects segment recorded restructuring, impairment and plant closing and transition costs of $28 million and $87 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Pigments and Additives

The increase in revenues in our Pigments and Additives segment for 2014 compared to 2013 was primarily due to the impact of the Rockwood Acquisition. Other than the impact of the Rockwood Acquisition, sales volumes remained flat as a result of higher end-use demand in the European and North American regions, offset by lower demand in the Africa, Latin America and Middle East regions. Average selling prices decreased primarily as a result of high industry inventory levels, partially offset by the strength of the euro against the U.S. dollar. The decrease in segment EBITDA was primarily due to lower margins, higher acquisition expenses and integration costs and higher restructuring costs, partially offset by lower selling, general and administrative costs. During 2014 and 2013, our Pigments and Additives segment recorded acquisition expenses and integration costs of $43 million and $8 million, respectively. During 2014 and 2013, our Pigments and Additives segment recorded restructuring, impairment and plant closing costs of $60 million and $4 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Corporate and other

Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, LIFO inventory valuation reserve adjustments, loss on early extinguishment of debt, unallocated restructuring, impairment and plant closing costs, nonoperating income and expense, benzene sales and gains and losses on the disposition of corporate assets. For 2014, EBITDA from Corporate and other for Huntsman Corporation increased by $33 million to a loss of $228 million from a loss of $261 million for 2013. The increase in EBITDA from Corporate and other resulted primarily from a decrease in loss on early extinguishment of debt of $23 million ($28 million loss in 2014 compared to $51 million loss in 2013). For more information regarding the loss on early extinguishment of debt, see "Note 14. Debt—Direct and Subsidiary Debt—Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements. The increase in EBITDA also resulted from a $7 million decrease in loss from benzene sales (nil in 2014 compared to $7 million loss in 2013), a $6 million decrease in restructuring, impairment and plant closing costs ($13 million of expense in 2014 compared to $19 million of expense in 2013) and a decrease in legal settlements of $5 million (nil in 2014 compared to $5 million of expense in 2013). For more information concerning restructuring activities see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements. The increase in EBITDA was partially offset by an increase in unallocated foreign exchange losses of $5 million ($5 million loss in 2014 compared to nil in 2013) and an increase in global information technology transition costs of $3 million ($3 million of expense in 2014 compared to nil in 2013).

Discontinued Operations

The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded from revenues for all periods presented. The EBITDA of these former businesses are included in discontinued operations for all periods presented. The loss from discontinued operations represents the operating results, legal costs, restructuring, impairment and plant closing costs and gain (loss) on disposal with respect to our former businesses.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows for Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

Net cash provided by operating activities for 2015 and 2014 was $575 million and $760 million, respectively. The decrease in net cash provided by operating activities during 2015 compared with 2014 was primarily attributable to lower net income as described in "—Results of Operations" above and a $24 million unfavorable variance in operating assets and liabilities for 2015 as compared with 2014.

Net cash used in investing activities for 2015 and 2014 was $600 million and $1,606 million, respectively. During 2015 and 2014, we paid $663 million and $601 million, respectively, for capital expenditures. During 2014, we paid $1.04 billion for the Rockwood Acquisition, and during 2015 and 2014, we received proceeds from a purchase price adjustment of $18 million and nil, respectively, related to the Rockwood Acquisition. For further information, see "Note 3. Business Combinations" to our consolidated financial statements. During 2015 and 2014, we made investments in Louisiana Pigment Company, L.P. of $42 million and $37 million, respectively, in Nanjing Jinling Huntsman New Materials Co., Ltd. of nil and $62 million, respectively, and in our BASF Huntsman Shanghai Isocyanate Investment B.V. joint venture of $12 million and $9 million, respectively, and we received dividends from Louisiana Pigment Company, L.P. of $48 million each. During 2015 and 2014, we received $1 million and $15 million, respectively, from the sale of businesses and assets. During 2015 and 2014, we received $66 million and nil, respectively, from the termination of cross-currency interest rate contracts.

Net cash (used in) provided by financing activities for 2015 and 2014 was $(562) million and $1,197 million, respectively. The decrease in net cash provided by financing activities was primarily due to higher net borrowings during 2014, primarily used to fund the Rockwood Acquisition and an increase in repayments of long-term debt in 2015. On March 31, 2015, we issued €300 million (approximately $326 million) aggregate principal amount of 4.25% senior notes due April 1, 2025 ("2025 Senior Notes"). On April 17, 2015, we used the net proceeds of this offering to redeem $289 million ($294 million carrying value) of our 2021 Senior Subordinated Notes. In the third quarter of 2015, we redeemed the remaining $195 million ($198 million carrying value) of our 2021 Senior Subordinated Notes. During 2015, we repurchased $100 million of our common stock.

Cash Flows for Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

Net cash provided by operating activities for 2014 and 2013 was $760 million and $708 million, respectively. The increase in net cash provided by operating activities during 2014 compared with 2013 was primarily attributable to an increase in net income as described in "—Results of Operations" above, offset in part by a $61 million unfavorable variance in operating assets and liabilities for 2014 as compared with 2013.

Net cash used in investing activities for 2014 and 2013 was $1,606 million and $566 million, respectively. During 2014 and 2013, we paid $601 million and $471 million, respectively, for capital expenditures. During 2014, we paid $1.04 billion for Rockwood's Performance Additives and Titanium Dioxide businesses and during 2013 we paid $66 million for the acquisition of businesses. During 2014 and 2013, we made investments in Louisiana Pigment Company, L.P. of $37 million and $60 million, respectively, and in Nanjing Jinling Huntsman New Materials Co., Ltd of $62 million and $37 million, respectively, and we received dividends from Louisiana Pigment Company, L.P. of $48 million and $71 million, respectively.

Net cash provided by (used in) financing activities for 2014 and 2013 was $1,197 million and $(6) million, respectively. The increase in net cash provided by financing activities was due to higher net borrowings during 2014, primarily used to fund the Rockwood Acquisition, as compared to 2013.

Changes in Financial Condition

The following information summarizes our working capital (dollars in millions):

	December 31, 2015	December 31, 2014	Increase (Decrease)	Percent Change
Cash and cash equivalents	$ 257	$ 860	$ (603)	(70)%
Restricted cash	12	10	2	20%
Accounts and notes receivable, net	1,449	1,707	(258)	(15)%
Inventories	1,692	2,025	(333)	(16)%
Prepaid expenses	112	62	50	81%
Deferred income taxes	—	62	(62)	NM
Other current assets	312	313	(1)	—
Total current assets	3,834	5,039	(1,205)	(24)%
Accounts payable	1,061	1,275	(214)	(17)%
Accrued liabilities	686	739	(53)	(7)%
Deferred income taxes	—	51	(51)	NM
Current portion of debt	170	267	(97)	(36)%
Total current liabilities	1,917	2,332	(415)	(18)%
Working capital	$1,917	$2,707	$ (790)	(29)%

Our working capital decreased by $790 million as a result of the net impact of the following significant changes:

- The decrease in cash and cash equivalents of $603 million resulted from the matters identified on our consolidated statements of cash flows.
- Accounts and notes receivable decreased by $258 million mainly due to lower revenues in the three months ended December 31, 2015 compared to the three months ended December 31, 2014 and the appreciation in value of the U.S. dollar.
- Inventories decreased by $333 million mainly due to lower raw material costs and the appreciation in value of the U.S. dollar.

- Prepaid expenses increased primarily due to the prepayment of $49 million of employee termination and other restructuring costs related to the restructuring of our Pigments and Additives, Textile Effects and Performance Products segments. For more information, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.
- Effective October 1, 2015, we adopted Accounting Standard Update ("ASU") No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes.* The amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent on the statement of financial position. We adopted the amendments in this ASU on a prospective basis and classified all deferred tax liabilities and assets as noncurrent on our balance sheet for 2015 only.
- The decrease in accounts payable of $214 million was primarily due to lower purchases consistent with the lower inventory balances noted above and the appreciation in value of the U.S. dollar.
- Current portion of debt decreased by $97 million primarily due to the 2015 reclassification of loan commitments of Arabian Amines Company, our 50%-owned consolidated joint venture, as long-term debt. These loan commitments were classified as current portion of debt at December 31, 2014.

Direct and Subsidiary Debt

See "Note 14. Debt—Direct and Subsidiary Debt" to our consolidated financial statements.

Debt Issuance Costs

See "Note 14. Debt—Debt Issuance Costs" to our consolidated financial statements.

Senior Credit Facilities

See "Note 14. Debt—Senior Credit Facilities" to our consolidated financial statements.

Amendment to Credit Agreement

See "Note 14. Debt—Amendment to Credit Agreement" to our consolidated financial statements.

A/R Programs

See "Note 14. Debt—A/R Programs" to our consolidated financial statements.

Notes

See "Note 14. Debt—Notes" to our consolidated financial statements.

Redemption of Notes and Loss on Early Extinguishment of Debt

See "Note 14. Debt—Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements.

Variable Interest Entity Debt

See "Note 14. Debt—Variable Interest Entity Debt" to our consolidated financial statements.

Other Debt

See "Note 14. Debt—Other Debt" to our consolidated financial statements.

Compliance with Covenants

See "Note 14. Debt—Compliance with Covenants" to our consolidated financial statements.

Maturities

See "Note 14. Debt—Maturities" to our consolidated financial statements.

Short-Term and Long-Term Liquidity

We depend upon our cash, credit facilities, accounts receivable securitization programs ("A/R Programs") and other debt instruments to provide liquidity for our operations and working capital needs. As of December 31, 2015, we had $1,023 million of combined cash and unused borrowing capacity, consisting of $269 million in cash and restricted cash, $610 million in availability under our revolving facility ("Revolving Facility"), and $144 million in availability under our A/R Programs. Our liquidity can be significantly impacted by various factors. The following matters had, or are expected to have, a significant impact on our liquidity:

- Cash from our accounts receivable and inventory, net of accounts payable, was approximately $143 million for 2015, as reflected in our consolidated statements of cash flows. We expect volatility in our working capital components to continue.
- During 2016, we expect to spend approximately $450 million on capital expenditures, net of reimbursements. Our future expenditures include certain EHS maintenance and upgrades; periodic maintenance and repairs applicable to major units of manufacturing facilities; expansions of our existing facilities or construction of new facilities; certain cost reduction projects; and certain information technology expenditures. We expect to fund this spending with cash provided by operations.
- During 2015, we made contributions to our pension and postretirement benefit plans of $106 million. During 2016, we expect to contribute an additional amount of approximately $75 million to these plans.
- We are also involved in a number of cost reduction programs for which we have established restructuring accruals. As of December 31, 2015, we had $167 million of accrued restructuring costs from continuing operations, and we expect to incur and pay additional restructuring and plant closing costs of approximately $9 million in 2016. For further discussion of these plans and the costs involved, see "Note 11. Restructuring, Impairment and Plant Closing costs" to our consolidated financial statements.
- On September 29, 2015, our Board of Directors authorized our Company to repurchase up to $150 million in shares of our common stock. On October 27, 2015, we entered into and funded an accelerated share repurchase agreement to repurchase $100 million of our common stock. The accelerated share repurchase agreement was completed in January 2016 with the purchase of approximately 8.6 million shares of Huntsman Corporation common stock. For more information, see "Note 21. Huntsman Corporation Stockholders' Equity" to our consolidated financial statements. Our Company has the remaining $50 million available under this authorization to purchase additional shares.

As of December 31, 2015, we had $170 million classified as current portion of debt, including $50 million of our term loan C facility ("Term Loan C") due June 30, 2016, debt at our variable interest entities of $14 million, a short term borrowing facility in China totaling $47 million, our scheduled senior credit facilities ("Senior Credit Facilities") amortization payments totaling $25 million, our annual financing of various insurance premiums totaling $15 million, and certain other short-term facilities and scheduled amortization payments totaling $19 million. Although we cannot provide assurances, we intend to renew or extend the majority of these short-term facilities in the current period.

As of December 31, 2015, we had approximately $217 million of cash and cash equivalents, including restricted cash, held by our foreign subsidiaries, including our variable interest entities. Additionally, we have material intercompany debt obligations owed to us by our non-U.S. subsidiaries. We intend to use cash held in our foreign subsidiaries to fund our local operations. Nevertheless, we could repatriate cash as dividends or as repayments of intercompany debt. If foreign cash were repatriated as dividends, the dividends could be subject to U.S. federal and state income taxes without any offsetting foreign tax credit relief. At present, we estimate that we will generate sufficient cash in our U.S. operations, together with the payments of intercompany debt, if necessary, to meet our cash needs in the U.S. and we do not expect to repatriate cash to the U.S. as dividends. Cash held by certain foreign subsidiaries, including our variable interest entities, may also be subject to legal restrictions, including those arising from the interests of our partners, which could limit the amounts available for repatriation.

Contractual Obligations and Commercial Commitments

Our obligations under long-term debt (including the current portion), lease agreements and other contractual commitments as of December 31, 2015 are summarized below (dollars in millions):

	2016	2017 - 2018	2019 - 2020	After 2020	Total
Long-term debt, including current portion	$ 170	$ 815	$1,479	$2,331	$ 4,795
Interest(1)	211	369	299	156	1,035
Operating leases(2)	87	145	119	202	553
Purchase commitments(3)	1,455	1,483	457	871	4,266
Total(4)(5)	$1,923	$2,812	$2,354	$3,560	$10,649

(1) Interest calculated using interest rates as of December 31, 2015 and contractual maturity dates assuming no refinancing or extension of debt instruments.

(2) Future minimum lease payments have not been reduced by minimum sublease rentals of $2 million due in the future under noncancelable subleases.

(3) We have various purchase commitments extending through 2029 for materials, supplies and services entered into in the ordinary course of business. Included in the purchase commitments table above are contracts which require minimum volume purchases that extend beyond one year or are renewable annually and have been renewed for 2016. Certain contracts allow for changes in minimum required purchase volumes in the event of a temporary or permanent shutdown of a facility. To the extent the contract requires a minimum notice period, such notice period has been included in the above table. The contractual purchase price for substantially all of these contracts is variable based upon market prices, subject to annual negotiations. We have estimated our contractual obligations by using the terms of our current pricing for each contract. We also have a limited number of contracts which require a minimum payment even if no volume is purchased. We believe that all of our purchase obligations will be utilized in our normal operations. For the years ended December 31, 2015, 2014 and 2013, we made minimum payments of nil, nil and $7 million, respectively, under such take or pay contracts without taking the product.

(4) Totals do not include commitments pertaining to our pension and other postretirement obligations. Our estimated future contributions to our pension and postretirement plans are as follows (dollars in millions):

	2016	2017 - 2018	2019 - 2020	5-Year Average Annual
Pension plans	$67	$227	$235	$113
Other postretirement obligations	9	16	16	8

(5) The above table does not reflect expected tax payments and unrecognized tax benefits due to the inability to make reasonably reliable estimates of the timing and amount of payments. For additional discussion on unrecognized tax benefits, see "Note 18. Income Taxes" to our consolidated financial statements.

Off-Balance Sheet Arrangements

No off-balance sheet arrangements exist at this time.

Restructuring, Impairment and Plant Closing Costs

Since the Rockwood Acquisition, our Pigments and Additives segment has been involved in a cost reduction program expected to reduce costs by approximately $140 million and improve its global competitiveness. In addition, we have announced a capacity reduction at our titanium dioxide manufacturing facility in Calais, France expected to generate approximately $35 million of annual savings. These cost savings are expected to be achieved by the middle of 2016.

For a discussion of restructuring, impairment and plant closing costs, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Legal Proceedings

For a discussion of legal proceedings, see "Note 19. Commitments and Contingencies—Legal Matters" to our consolidated financial statements.

Environmental, Health and Safety Matters

We are subject to extensive environmental regulations, which may impose significant additional costs on our operations in the future. While we do not expect any of these enactments or proposals to have a material adverse effect on us in the near term, we cannot predict the longer-term effect of any of these regulations or proposals on our future financial condition. For a discussion of environmental, health and safety matters, see "Note 20. Environmental, Health and Safety Matters" to our consolidated financial statements.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting pronouncements, see "Note 2. Summary of Significant Accounting Policies—Recently Issued Accounting Pronouncements" to our consolidated financial statements.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts in our consolidated financial statements. Our significant accounting policies are summarized in "Note 2. Summary of Significant Accounting Policies" to our consolidated financial statements. Summarized below are our critical accounting policies:

Employee Benefit Programs

We sponsor several contributory and non-contributory defined benefit plans, covering employees primarily in the U.S., the U.K., The Netherlands, Belgium and Switzerland, but also covering employees in a number of other countries. We fund the material plans through trust arrangements (or local equivalents) where the assets are held separately from us. We also sponsor unfunded postretirement plans which provide medical and, in some cases, life insurance benefits covering certain employees in the U.S., Canada and South Africa. Amounts recorded in our consolidated financial statements are recorded based upon actuarial valuations performed by various independent actuaries. Inherent in these valuations are numerous assumptions regarding expected long-term rates of return on plan assets, discount rates, compensation increases, mortality rates and health care cost trends. These assumptions are described in "Note 17. Employee Benefit Plans" to our consolidated financial statements.

Management, with the advice of actuaries, uses judgment to make assumptions on which our employee pension and postretirement benefit plan obligations and expenses are based. The effect of a 1% change in three key assumptions is summarized as follows (dollars in millions):

Assumptions	Statement of Operations(1)	Balance Sheet Impact(2)
Discount rate		
—1% increase	$(42)	$(544)
—1% decrease	43	678
Expected long-term rates of return on plan assets		
—1% increase	(41)	—
—1% decrease	41	—
Rate of compensation increase		
—1% increase	12	94
—1% decrease	(14)	(86)

(1) Estimated increase (decrease) on 2015 net periodic benefit cost

(2) Estimated increase (decrease) on December 31, 2015 pension and postretirement liabilities and accumulated other comprehensive loss

Goodwill

We test our goodwill for impairment at least annually (at the beginning of the third quarter) and when events and circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Goodwill has been assigned to reporting units for purposes of impairment testing. Approximately 68% of our goodwill balance relates to our Advanced Materials reporting unit. The remaining goodwill relates to three other reporting units.

Fair value is estimated using the market approach, as well as the income approach based on discounted cash flow projections. The estimated fair values of our reporting units are dependent on several significant assumptions including, among others, market information, operating results, earnings projections and anticipated future cash flows.

We tested goodwill for impairment at the beginning of the third quarter of 2015 as part of the annual impairment testing procedures and determined that no goodwill impairment existed. Our most recent fair value determination resulted in an amount that exceeded the carrying amounts of all reporting units by a significant margin.

Income Taxes

We use the asset and liability method of accounting for income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial and tax reporting purposes. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed on a tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets for each jurisdiction. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective evidence such as our projections for the future. Changes in expected future income in applicable jurisdictions could affect the realization of deferred tax assets in those jurisdictions. As of December 31, 2015, we had total valuation allowances of $784 million. See "Note 18. Income Taxes" to our consolidated financial statements for more information regarding our valuation allowances.

For non-U.S. entities that were not treated as branches for U.S. tax purposes, we do not provide for income taxes on the undistributed earnings of these subsidiaries that are reinvested and, in the opinion of management, will continue to be reinvested indefinitely. We have material intercompany debt obligations owed by our non-U.S. subsidiaries to the U.S. We do not intend to repatriate earnings to the U.S. via dividend based on estimates of future domestic cash generation, combined with the ability to return cash to the U.S. through payments of intercompany debt owed by our non-U.S. subsidiaries to the U.S. To the extent that cash is required in the U.S., rather than repatriate earnings to the U.S. via dividend we will utilize our intercompany debt. If any earnings were repatriated via dividend, we may need to accrue and pay taxes on the distributions. As discussed in "Note 18. Income Taxes" to our consolidated financial statements, we made a distribution of a portion of our earnings in 2015 and 2013 when the amount of foreign tax credits associated with the distribution was greater than the amount of tax otherwise due. The undistributed earnings of foreign subsidiaries with positive earnings that are deemed to be permanently invested were approximately $354 million at December 31, 2015. It is not practicable to determine the unrecognized deferred tax liability on those earnings because of the significant assumptions necessary to compute the tax.

Accounting for uncertainty in income taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The application of income tax law is inherently complex. We are required to determine if an income tax position meets the criteria of more-likely-than-not to be realized based on the merits of the position under tax law, in order to recognize an income tax benefit. This requires us to make significant judgments regarding the merits of income tax positions and the application of income tax law. Additionally, if a tax position meets the recognition criteria of more-likely-than-not we are required to make judgments and apply assumptions in order to measure the amount of the tax benefits to recognize. These judgments are based on the probability of the amount of tax benefits that would be realized if the tax position was challenged by the taxing authorities. Interpretations and guidance surrounding income tax laws and regulations change over time. As a consequence, changes in assumptions and judgments can materially affect amounts recognized in our consolidated financial statements.

Long-Lived Assets

The useful lives of our property, plant and equipment are estimated based upon our historical experience, engineering estimates and industry information and are reviewed when economic events indicate that we may not be able to recover the carrying value of the assets. The estimated lives of our property range from 3 to 50 years and depreciation is recorded on the straight-line method. Inherent in our estimates of useful lives is the assumption that periodic maintenance and an appropriate level of annual capital expenditures will be performed. Without on-going capital improvements and maintenance, the productivity and cost efficiency declines and the useful lives of our assets would be shorter.

Management uses judgment to estimate the useful lives of our long-lived assets. At December 31, 2015, if the estimated useful lives of our property, plant and equipment had either been one year greater or one year less than their recorded lives, then depreciation expense for 2015 would have been approximately $35 million less or $41 million greater, respectively.

We are required to evaluate the carrying value of our long-lived tangible and intangible assets whenever events indicate that such carrying value may not be recoverable in the future or when management's plans change regarding those assets, such as idling or closing a plant. We evaluate impairment by comparing undiscounted cash flows of the related asset groups that are largely independent of the cash flows of other asset groups to their carrying values. Key assumptions in determining the future cash flows include the useful life, technology, competitive pressures, raw material pricing and regulations. In connection with our asset evaluation policy, we reviewed all of our long-lived assets for indicators that the carrying value may not be recoverable. During 2015, we recorded an impairment charge of $19 million related to the impairment of our Pigments and Additives South African asset group. See "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Restructuring and Plant Closing Costs

We have recorded restructuring charges in recent periods in connection with closing certain plant locations, workforce reductions and other cost savings programs in each of our business segments. These charges are recorded when management has committed to a plan and incurred a liability related to the plan. Estimates for plant closing costs include the write-off of the carrying value of the plant, any necessary environmental and/or regulatory costs, contract termination and demolition costs. Estimates for workforce reductions and other costs savings are recorded based upon estimates of the number of positions to be terminated, termination benefits to be provided and other information, as necessary. Management evaluates the estimates on a quarterly basis and will adjust the reserve when information indicates that the estimate is above or below the currently recorded estimate. For further discussion of our restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Contingent Loss Accruals

Environmental remediation costs for our facilities are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. Estimates of environmental reserves require evaluating government regulation, available technology, site-specific information and remediation alternatives. We accrue an amount equal to our best estimate of the costs to remediate based upon the available information. The extent of environmental impacts may not be fully known and the processes and costs of remediation may change as new information is obtained or technology for remediation is improved. Our process for estimating the expected cost for remediation considers the information available, technology that can be utilized and estimates of the extent of environmental damage. Adjustments to our estimates are made periodically based upon additional information received as remediation progresses. For further information, see "Note 20. Environmental, Health and Safety Matters" to our consolidated financial statements.

We are subject to legal proceedings and claims arising out of our business operations. We routinely assess the likelihood of any adverse outcomes to these matters, as well as ranges of probable losses. A determination of the amount of the reserves required, if any, for these contingencies is made after analysis of each known claim. We have an active risk management program consisting of numerous insurance policies secured from many carriers. These policies often provide coverage that is intended to minimize the financial impact, if any, of the legal proceedings. The required reserves may change in the future due to new developments in each matter. For further information, see "Note 19. Commitments and Contingencies—Legal Matters" to our consolidated financial statements.

Revenue Recognition

We generate substantially all of our revenues through sales in the open market and long-term supply agreements. We recognize revenue when it is realized or realizable and earned. Revenue for product sales is recognized when a sales arrangement exists, risk and title to the product transfer to the customer, collectability is reasonably assured and pricing is fixed or determinable. The transfer of risk and title to the product to the customer usually occurs at the time shipment is made.

Variable Interest Entities—Primary Beneficiary

We evaluate each of our variable interest entities on an on-going basis to determine whether we are the primary beneficiary. Management assesses, on an on-going basis, the nature of our relationship to the variable interest entity, including the amount of control that we exercise over the entity as well as the amount of risk that we bear and rewards we receive in regards to the entity, to determine if we are the primary beneficiary of that variable interest entity. Management judgment is required to assess whether these attributes are significant. We consolidate all variable interest entities for which we have concluded that we are the primary beneficiary.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks, such as changes in interest rates, foreign exchange rates and commodity prices. From time to time, we enter into transactions, including transactions involving derivative instruments, to manage certain of these exposures. We also hedge our net investment in certain European operations. Changes in the fair value of the hedge in the net investment of certain European operations are recorded in accumulated other comprehensive loss.

INTEREST RATE RISKS

Through our borrowing activities, we are exposed to interest rate risk. Such risk arises due to the structure of our debt portfolio, including the mix of fixed and floating interest rates. Actions taken to reduce interest rate risk include managing the mix and rate characteristics of various interest bearing liabilities, as well as entering into interest rate derivative instruments.

From time to time, we may purchase interest rate swaps and/or other derivative instruments to reduce the impact of changes in interest rates on our floating-rate long-term debt. Under interest rate swaps, we agree with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount.

We have entered into several interest rate contracts to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities. These swaps are designated as cash flow hedges and the effective portion of the changes in the fair value of the swaps are recorded in other comprehensive (loss) income (dollars in millions):

December 31, 2015				
Notional Value	Effective Date	Maturity	Fixed Rate	Fair Value
$50	December 2014	April 2017	2.5%	$1 noncurrent liability
50	January 2015	April 2017	2.5%	1 noncurrent liability

December 31, 2014				
Notional Value	Effective Date	Maturity	Fixed Rate	Fair Value
$50	January 2010	January 2015	2.8%	less than $1 current liability
50	December 2014	April 2017	2.5%	2 noncurrent liability
50	January 2015	April 2017	2.5%	2 noncurrent liability

Beginning in 2009, Arabian Amines Company entered into a 12-year floating to fixed interest rate contract providing for a receipt of LIBOR interest payments for a fixed payment of 5.02%. In connection with the consolidation of Arabian Amines Company as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities" to our consolidated financial statements. The notional amount of the swap as of December 31, 2015 was $24 million, and the interest rate contract is not designated as a cash flow hedge. As of December 31, 2015 and 2014, the fair value of the swap was $2 million and $3 million, respectively, and was recorded as other current liabilities on our consolidated balance sheets. For 2015 and 2014, we recorded a reduction of interest expense of $1 million and $1 million, respectively, due to changes in fair value of the swap.

For the years ended December 31, 2015 and 2014, the changes in accumulated other comprehensive gain (loss) associated with these cash flow hedging activities were gains of approximately $1 million and $2 million, respectively.

During 2016, accumulated other comprehensive loss of nil is expected to be reclassified to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

Foreign Exchange Rate Risk

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2015 and 2014, we had approximately $176 million and $179 million notional amount (in U.S. dollar equivalents) outstanding, respectively, in foreign currency contracts with a term of approximately one month.

In November 2014, we entered into two five year cross-currency interest rate contracts and one eight year cross-currency interest rate contract to swap an aggregate notional $200 million for an aggregate notional €161 million. The swap is designated as a hedge of net investment for financial reporting purposes. Under the cross-currency interest rate contract, we will receive fixed U.S. dollar payments of $5 million semiannually on May 15 and November 15 (equivalent to an annual rate of 5.125%) and make interest payments of approximately €3 million (equivalent to an annual rate of approximately 3.6%). As of December 31, 2015 the fair value of this swap was $28 million and was recorded in noncurrent assets.

On March 17, 2010, we entered into three five year cross-currency interest rate contracts to swap an aggregate notional $350 million for an aggregate notional €255 million. This swap was designated as a hedge of net investment for financial reporting purposes. As of December 31, 2014, the fair value of this swap was $43 million, and was recorded in current assets. During the three months ended March 31, 2015, we terminated these cross-currency interest rate contracts and received $66 million in payments from the counterparties.

A portion of our debt is denominated in euros. We also finance certain of our non-U.S. subsidiaries with intercompany loans that are, in many cases, denominated in currencies other than the entities' functional currency. We manage the net foreign currency exposure created by this debt through various means, including cross-currency swaps, the designation of certain intercompany loans as permanent loans because they are not expected to be repaid in the foreseeable future and the designation of certain debt and swaps as net investment hedges.

Foreign currency transaction gains and losses on intercompany loans that are not designated as permanent loans are recorded in earnings. Foreign currency transaction gains and losses on intercompany loans that are designated as permanent loans are recorded in other comprehensive (loss) income. From time to time, we review such designation of intercompany loans.

We review our non-U.S. dollar denominated debt and derivative instruments to determine the appropriate amounts designated as hedges. As of December 31, 2015, we have designated approximately €751 million (approximately $821 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2015, 2014 and 2013, the amount of gain (loss) recognized on the hedge of our net investment was $68 million, $97 million and $(22) million, respectively, and was recorded in other comprehensive (loss) income. As of December 31, 2015, we had approximately €1,213 million (approximately $1,325 million) in net euro assets.

Commodity Prices Risk

Inherent in our business is exposure to price changes for several commodities. However, our exposure to changing commodity prices is somewhat limited since the majority of our raw materials are acquired at posted or market related prices, and sales prices for many of our finished products are at market related prices which are largely set on a monthly or quarterly basis in line with industry practice. Consequently, we do not generally hedge our commodity exposures.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2015. Based on this evaluation, our chief executive officer and chief financial officer have concluded that, as of December 31, 2015, our disclosure controls and procedures were effective, in that they ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

No changes to our internal control over financial reporting occurred during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control framework and processes are designed to provide reasonable assurance to management and our Board of Directors regarding the reliability of financial reporting and the preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our Company;
- provide reasonable assurance that transactions are recorded properly to allow for the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and Directors of our Company;
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements; and
- provide reasonable assurance as to the detection of fraud.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changing conditions, effectiveness of internal control over financial reporting may vary over time.

Our management assessed the effectiveness of our internal control over financial reporting and concluded that, as of December 31, 2015, such internal control is effective. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)* ("COSO").

Our independent registered public accountants, Deloitte & Touche LLP, with direct access to our Board of Directors through our Audit Committee, have audited our consolidated financial statements prepared by us and have issued attestation reports on internal control over financial reporting for our Company.

Management's Process to Assess the Effectiveness of Internal Control Over Financial Reporting

To comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, we completed a comprehensive compliance process to evaluate our internal control over financial reporting for our Company. We involved employees at all levels of our Company during 2015 in training, performing and evaluating our internal controls.

Our management's conclusion on the effectiveness of internal control over financial reporting is based on a comprehensive evaluation and analysis of the five elements of COSO. Our management considered information from multiple sources as the basis its conclusion—including self-assessments of the control activities within each work process, assessments of division-level and entity-level controls and internal control attestations from key external service providers, as well as from key management. In addition, our internal control processes contain self-monitoring mechanisms, and proactive steps are taken to correct deficiencies as they are identified. We also maintain an internal auditing program that independently assesses the effectiveness of internal control over financial reporting within each of the five COSO elements.

/s/ Peter R. Huntsman	/s/ J. Kimo Esplin
Peter R. Huntsman	J. Kimo Esplin
President and Chief Executive Officer	*Executive Vice President and Chief Financial Officer*

February 16, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Huntsman Corporation and subsidiaries

We have audited the internal control over financial reporting of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2015, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2015 of the Company and our report dated February 16, 2016 expressed an unqualified opinion on those financial statements.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 16, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Huntsman Corporation and subsidiaries

We have audited the accompanying consolidated balance sheets of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive (loss) income, equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Huntsman Corporation and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 16, 2016 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 16, 2016

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Millions, Except Share and Per Share Amounts)

	December 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents(a)	$ 257	$ 860
Restricted cash(a)	12	10
Accounts and notes receivable (net of allowance for doubtful accounts of $26 and $34, respectively), ($438 and $472 pledged as collateral, respectively)(a)	1,420	1,665
Accounts receivable from affiliates	29	42
Inventories(a)	1,692	2,025
Prepaid expenses	112	62
Deferred income taxes	—	62
Other current assets(a)	312	313
Total current assets	3,834	5,039
Property, plant and equipment, net(a)	4,446	4,423
Investment in unconsolidated affiliates	347	350
Intangible assets, net(a)	86	95
Goodwill	116	122
Deferred income taxes	418	435
Other noncurrent assets(a)	573	459
Total assets	$ 9,820	$10,923
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable(a)	$ 1,034	$ 1,218
Accounts payable to affiliates	27	57
Accrued liabilities(a)	686	739
Deferred income taxes	—	51
Current portion of debt(a)	170	267
Total current liabilities	1,917	2,332
Long-term debt(a)	4,625	4,854
Notes payable to affiliates	1	6
Deferred income taxes	422	333
Other noncurrent liabilities(a)	1,226	1,447
Total liabilities	8,191	8,972
Commitments and contingencies (Notes 19 and 20)		
Equity		
Huntsman Corporation stockholders' equity:		
Common stock $0.01 par value, 1,200,000,000 shares authorized, 249,483,541 and 248,893,036 issued and 237,080,026 and 243,416,979 outstanding in 2015 and 2014, respectively	3	3
Additional paid-in capital	3,407	3,385
Treasury stock, 11,162,454 and 4,043,526 shares in 2015 and 2014, respectively	(135)	(50)
Unearned stock-based compensation	(17)	(14)
Accumulated deficit	(528)	(493)
Accumulated other comprehensive loss	(1,288)	(1,053)
Total Huntsman Corporation stockholders' equity	1,442	1,778
Noncontrolling interests in subsidiaries	187	173
Total equity	1,629	1,951
Total liabilities and equity	$ 9,820	$10,923

(a) At December 31, 2015 and December 31, 2014, respectively, $34 and $46 of cash and cash equivalents, $12 and $10 of restricted cash, $26 and $41 of accounts and notes receivable (net), $54 and $68 of inventories, $5 and $6 of other current assets, $307 and $339 of property, plant and equipment (net), $36 and $40 of intangible assets (net), $38 and $27 of other noncurrent assets, $82 and $92 of accounts payable, $27 and $37 of accrued liabilities, $15 and $172 of current portion of debt, $137 and $36 of long-term debt, and $54 and $97 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Millions, Except Per Share Amounts)

	Year ended December 31,		
	2015	2014	2013
Revenues:			
Trade sales, services and fees, net	$10,168	$11,317	$10,847
Related party sales	131	261	232
Total revenues	10,299	11,578	11,079
Cost of goods sold	8,451	9,659	9,326
Gross profit	1,848	1,919	1,753
Operating expenses:			
Selling, general and administrative	982	974	942
Research and development	160	158	140
Other operating (income) expense	(1)	(4)	10
Restructuring, impairment and plant closing costs	302	158	151
Total expenses	1,443	1,286	1,243
Operating income	405	633	510
Interest expense	(205)	(205)	(190)
Equity in income of investment in unconsolidated affiliates	6	6	8
Loss on early extinguishment of debt	(31)	(28)	(51)
Other income (loss)	1	(2)	2
Income from continuing operations before income taxes	176	404	279
Income tax expense	(46)	(51)	(125)
Income from continuing operations	130	353	154
Loss from discontinued operations	(4)	(8)	(5)
Net income	126	345	149
Net income attributable to noncontrolling interests	(33)	(22)	(21)
Net income attributable to Huntsman Corporation	$ 93	$ 323	$ 128
Basic income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 0.40	$ 1.36	$ 0.55
Loss from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	(0.02)	(0.03)	(0.02)
Net income attributable to Huntsman Corporation common stockholders	$ 0.38	$ 1.33	$ 0.53
Weighted average shares	242.8	242.1	239.7
Diluted income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 0.40	$ 1.34	$ 0.55
Loss from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	(0.02)	(0.03)	(0.02)
Net income attributable to Huntsman Corporation common stockholders	$ 0.38	$ 1.31	$ 0.53
Weighted average shares	245.4	246.0	242.4
Amounts attributable to Huntsman Corporation common stockholders:			
Income from continuing operations	$ 97	$ 331	$ 133
Loss from discontinued operations, net of tax	(4)	(8)	(5)
Net income	$ 93	$ 323	$ 128
Dividends per share	$ 0.50	$ 0.50	$ 0.50

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(In Millions)

	Year ended December 31,		
	2015	**2014**	**2013**
Net income	$ 126	$ 345	$149
Other comprehensive (loss) income, net of tax:			
Foreign currency translations adjustments	(313)	(221)	(23)
Pension and other postretirement benefits adjustments	66	(271)	185
Other, net	7	1	10
Other comprehensive (loss) income, net of tax	(240)	(491)	172
Comprehensive (loss) income	(114)	(146)	321
Comprehensive income attributable to noncontrolling interests	(28)	(7)	(26)
Comprehensive (loss) income attributable to Huntsman Corporation	$(142)	$(153)	$295

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In Millions, Except Share Amounts)

	Huntsman Corporation Stockholders' Equity								
	Shares								
	Common stock	Common stock	Additional paid-in capital	Treasury stock	Unearned stock-based compensation	Accumulated deficit	Accumulated other comprehensive loss	Noncontrolling interests in subsidiaries	Total equity
Balance, January 1, 2013	238,273,422	2	3,264	(50)	(12)	(687)	(744)	123	1,896
Net income	—	—	—	—	—	128	—	21	149
Other comprehensive income	—	—	—	—	—	—	167	5	172
Issuance of nonvested stock awards	—	—	14	—	(14)	—	—	—	—
Vesting of stock awards	1,067,888	—	5	—	—	—	—	—	5
Recognition of stock-based compensation	—	—	8	—	13	—	—	—	21
Repurchase and cancellation of stock awards	(304,209)	—	—	—	—	(6)	—	—	(6)
Stock options exercised	1,364,341	—	13	—	—	—	—	—	13
Excess tax benefit related to stock-based compensation	—	—	1	—	—	—	—	—	1
Accrued and unpaid dividends	—	—	—	—	—	(2)	—	—	(2)
Dividends declared on common stock	—	—	—	—	—	(120)	—	—	(120)
Balance, December 31, 2013	240,401,442	2	3,305	(50)	(13)	(687)	(577)	149	2,129
Net income	—	—	—	—	—	323	—	22	345
Other comprehensive loss	—	—	—	—	—	—	(476)	(15)	(491)
Issuance of nonvested stock awards	—	—	15	—	(15)	—	—	—	—
Vesting of stock awards	1,018,050	—	7	—	—	—	—	—	7
Recognition of stock-based compensation	—	—	10	—	14	—	—	—	24
Repurchase and cancellation of stock awards	(302,200)	—	—	—	—	(7)	—	—	(7)
Stock options exercised	2,299,687	1	47	—	—	—	—	—	48
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(4)	(4)
Excess tax benefit related to stock-based compensation	—	—	1	—	—	—	—	—	1
Accrued and unpaid dividends	—	—	—	—	—	(1)	—	—	(1)
Cash received for a noncontrolling interest of a subsidiary	—	—	—	—	—	—	—	5	5
Acquisition of a business	—	—	—	—	—	—	—	16	16
Dividends declared on common stock	—	—	—	—	—	(121)	—	—	(121)
Balance, December 31, 2014	243,416,979	3	3,385	(50)	(14)	(493)	(1,053)	173	1,951
Net income	—	—	—	—	—	93	—	33	126
Other comprehensive loss	—	—	—	—	—	—	(235)	(5)	(240)
Issuance of nonvested stock awards	—	—	19	—	(19)	—	—	—	—
Vesting of stock awards	1,037,743	—	7	—	—	—	—	—	7
Recognition of stock-based compensation	—	—	10	—	16	—	—	—	26
Repurchase and cancellation of stock awards	(304,340)	—	—	—	—	(7)	—	—	(7)
Stock options exercised	48,572	—	1	—	—	—	—	—	1
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(14)	(14)
Excess tax benefit related to stock-based compensation	—	—	1	—	—	—	—	—	1
Cash paid for noncontrolling interest			(1)						(1)
Treasury stock repurchased	(7,118,928)	—	(15)	(85)	—	—	—	—	(100)
Dividends declared on common stock	—	—	—	—	—	(121)	—	—	(121)
Balance, December 31, 2015	237,080,026	$ 3	$3,407	$(135)	$(17)	$(528)	$(1,288)	$187	$1,629

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Year ended December 31,		
	2015	2014	2013
Operating Activities:			
Net income	$ 126	$ 345	$ 149
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of investment in unconsolidated affiliates	(6)	(6)	(8)
Depreciation and amortization	399	445	448
Provision for losses on accounts receivable	1	—	2
Loss on disposal of businesses/assets, net	4	4	5
Loss on early extinguishment of debt	31	28	51
Noncash interest expense	11	11	11
Noncash restructuring and impairment charges	112	37	13
Deferred income taxes	(25)	(51)	10
Noncash loss on foreign currency transactions	7	15	31
Stock-based compensation	30	28	29
Other, net	3	(2)	—
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts and notes receivable	121	2	(11)
Inventories	179	(20)	77
Prepaid expenses	(52)	(2)	(11)
Other current assets	(64)	(44)	23
Other noncurrent assets	(98)	(44)	(113)
Accounts payable	(157)	86	(12)
Accrued liabilities	(9)	11	(39)
Other noncurrent liabilities	(38)	(83)	53
Net cash provided by operating activities	575	760	708
Investing Activities:			
Capital expenditures	(663)	(601)	(471)
Cash received from unconsolidated affiliates	48	51	71
Investment in unconsolidated affiliates	(54)	(108)	(104)
Acquisition of businesses, net of cash acquired	(14)	(960)	(66)
Cash received from purchase price adjustment for business acquired	18	—	—
Proceeds from sale of businesses/assets	1	15	2
Cash received from termination of cross-currency interest rate contracts	66	—	—
Change in restricted cash	(3)	—	—
Other, net	1	(3)	2
Net cash used in investing activities	(600)	(1,606)	(566)

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In Millions)

	Year ended December 31,		
	2015	2014	2013
Financing Activities:			
Net repayments under revolving loan facilities	$ (1)	$ (1)	$ (4)
Net repayments on overdraft facilities	(8)	(5)	(9)
Repayments of short-term debt	—	(8)	(18)
Borrowings on short-term debt	12	15	15
Repayments of long-term debt	(604)	(418)	(840)
Proceeds from issuance of long-term debt	326	1,792	979
Repayments of notes payable	(33)	(34)	(40)
Borrowings on notes payable	34	33	35
Debt issuance costs paid	(8)	(67)	(11)
Call premiums related to early extinguishment of debt	(35)	(24)	(4)
Contingent consideration paid for acquisition	(4)	(6)	—
Dividends paid to common stockholders	(121)	(121)	(120)
Dividends paid to noncontrolling interests	(14)	(4)	—
Repurchase and cancellation of stock awards	(7)	(7)	(6)
Proceeds from issuance of common stock	1	47	13
Repurchase of common stock	(100)	—	—
Excess tax benefit related to stock-based compensation	1	1	1
Other, net	(1)	4	3
Net cash (used in) provided by financing activities	(562)	1,197	(6)
Effect of exchange rate changes on cash	(16)	(11)	(3)
(Decrease) increase in cash and cash equivalents	(603)	340	133
Cash and cash equivalents at beginning of period	860	520	387
Cash and cash equivalents at end of period	$ 257	$ 860	$ 520
Supplemental cash flow information:			
Cash paid for interest	$ 225	$ 208	$ 187
Cash paid for income taxes	126	165	78

As of December 31, 2015, 2014 and 2013, the amount of capital expenditures in accounts payable was $79 million, $88 million and $73 million, respectively.

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

DEFINITIONS

For convenience in this report, the terms "Company," "our" or "we" may be used to refer to Huntsman Corporation and, unless the context otherwise requires, its subsidiaries and predecessors. Any references to our "Company" "we" "us" or "our" as of a date prior to October 19, 2004 (the date of our Company's formation) are to Huntsman Holdings, LLC and its subsidiaries (including their respective predecessors). In this report, "Huntsman International" refers to Huntsman International LLC (our 100% owned subsidiary) and, unless the context otherwise requires, its subsidiaries; "HPS" refers to Huntsman Polyurethanes Shanghai Ltd. (our consolidated splitting joint venture with Shanghai Chlor-Alkali Chemical Company, Ltd); and "SLIC" refers to Shanghai Liengheng Isocyanate Company (our unconsolidated manufacturing joint venture with BASF and three Chinese chemical companies).

In this report, we may use, without definition, the common names of competitors or other industry participants. We may also use the common names or abbreviations for certain chemicals or products. Each capitalized term used without definition in this report has the meaning specified in the Annual Report on Form 10-K for the year ended December 31, 2015, which was filed with the Securities and Exchange Commission on February 16, 2016.

DESCRIPTION OF BUSINESS

We are a global manufacturer of differentiated organic chemical products and of inorganic chemical products. Our products comprise a broad range of chemicals and formulations, which we market globally to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, personal care and hygiene, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. We are a leading global producer in many of our key product lines, including MDI, amines, surfactants, maleic anhydride, epoxy-based polymer formulations, textile chemicals, dyes, titanium dioxide and color pigments.

We operate in five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments and Additives. Our Polyurethanes, Performance Products, Advanced Materials and Textile Effects segments produce differentiated organic chemical products and our Pigments and Additives segment produces inorganic chemical products. In a series of transactions beginning in 2006, we sold or shutdown substantially all of our Australian styrenics operations and our North American polymers and base chemicals operations. We report the results of these businesses as discontinued operations.

COMPANY

Our Company, a Delaware corporation, was formed in 2004 to hold the Huntsman businesses. Jon M. Huntsman founded the predecessor to our Company in 1970 as a small packaging company. Since then, we have grown through a series of acquisitions and now own a global portfolio of businesses.

Currently, we operate all of our businesses through Huntsman International, our 100% owned subsidiary. Huntsman International is a Delaware limited liability company and was formed in 1999.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Asset Retirement Obligations

We accrue for asset retirement obligations, which consist primarily of landfill capping, closure and post-closure costs, asbestos abatement costs, demolition and removal costs and leasehold remediation costs, in the period in which the obligations are incurred. Asset retirement obligations are accrued at estimated fair value. When the liability is initially recorded, we capitalize the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its estimated settlement value and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we will recognize a gain or loss for any difference between the settlement amount and the liability recorded.

Carrying Value of Long-Lived Assets

We review long-lived assets and all amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Recoverability is based upon current and anticipated undiscounted cash flows, and we recognize an impairment when such estimated cash flows are less than the carrying value of the asset. Measurement of the amount of impairment, if any, is based upon the difference between carrying value and fair value. Fair value is generally estimated by discounting estimated future cash flows using a discount rate commensurate with the risks involved or selling price of assets held for sale. See "Note 11. Restructuring, Impairment and Plant Closing Costs."

Cash and Cash Equivalents

We consider cash in checking accounts and cash in short-term highly liquid investments with remaining maturities of three months or less at the date of purchase, to be cash and cash equivalents. Cash flows from discontinued operations are not presented separately in our consolidated statements of cash flows.

Cost of Goods Sold

We classify the costs of manufacturing and distributing our products as cost of goods sold. Manufacturing costs include variable costs, primarily raw materials and energy, and fixed expenses directly associated with production. Manufacturing costs also include, among other things, plant site operating costs and overhead (including depreciation), production planning and logistics costs, repair and maintenance costs, plant site purchasing costs, and engineering and technical support costs. Distribution, freight and warehousing costs are also included in cost of goods sold.

Derivatives and Hedging Activities

All derivatives, whether designated in hedging relationships or not, are recorded on our balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged items are recognized in earnings. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in accumulated other comprehensive loss, to the extent effective, and will be recognized in the income statement when the hedged item affects earnings. Changes in the fair value of the hedge in the net investment of certain international operations are recorded in other comprehensive income (loss), to the extent effective. The effectiveness of a cash flow hedging relationship is established at the inception of the hedge, and after

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

inception we perform effectiveness assessments at least every three months. A derivative designated as a cash flow hedge is determined to be effective if the change in value of the hedge divided by the change in value of the hedged item is within a range of 80% to 125%. Hedge ineffectiveness in a cash flow hedge occurs only if the cumulative gain or loss on the derivative hedging instrument exceeds the cumulative change in the expected future cash flows on the hedged transaction. For a derivative that does not qualify or has not been designated as a hedge, changes in fair value are recognized in earnings.

Environmental Expenditures

Environmental related restoration and remediation costs are recorded as liabilities when site restoration and environmental remediation and clean-up obligations are either known or considered probable and the related costs can be reasonably estimated. Other environmental expenditures that are principally maintenance or preventative in nature are recorded when expended and incurred and are expensed or capitalized as appropriate. See "Note 20. Environmental, Health and Safety Matters."

Foreign Currency Translation

The accounts of our operating subsidiaries outside of the U.S., unless they are operating in highly inflationary economic environments, consider the functional currency to be the currency of the economic environment in which they operate. Accordingly, assets and liabilities are translated at rates prevailing at the balance sheet date. Revenues, expenses, gains and losses are translated at a weighted average rate for the period. Cumulative translation adjustments are recorded to equity as a component of accumulated other comprehensive loss.

If a subsidiary operates in an economic environment that is considered to be highly inflationary (100% cumulative inflation over a three-year period), the U.S. dollar is considered to be the functional currency and gains and losses from remeasurement to the U.S. dollar from the local currency are included in the statement of operations. Where a subsidiary's operations are effectively run, managed, financed and contracted in U.S. dollars, such as certain finance subsidiaries outside of the U.S., the U.S. dollar is considered to be the functional currency.

Foreign currency transaction gains and losses are recorded in other operating (income) expense in our consolidated statements of operations and were net losses of $7 million, $15 million and $11 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Income Taxes

We use the asset and liability method of accounting for income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial and tax reporting purposes. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed on a tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets for each jurisdiction. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

evidence such as our projections for the future. Changes in expected future income in applicable jurisdictions could affect the realization of deferred tax assets in those jurisdictions.

We do not provide for income taxes or benefits on the undistributed earnings of our non-U.S. subsidiaries that are reinvested and, in the opinion of management, will continue to be reinvested indefinitely.

Accounting for uncertainty in income taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The application of income tax law is inherently complex. We are required to determine if an income tax position meets the criteria of more-likely-than-not to be realized based on the merits of the position under tax law, in order to recognize an income tax benefit. This requires us to make significant judgments regarding the merits of income tax positions and the application of income tax law. Additionally, if a tax position meets the recognition criteria of more-likely-than-not we are required to make judgments and apply assumptions to measure the amount of the tax benefits to recognize. These judgments are based on the probability of the amount of tax benefits that would be realized if the tax position was challenged by the taxing authorities. Interpretations and guidance surrounding income tax laws and regulations change over time. As a consequence, changes in assumptions and judgments can materially affect amounts recognized in our consolidated financial statements.

Intangible Assets and Goodwill

Intangible assets are stated at cost (fair value at the time of acquisition) and are amortized using the straight-line method over the estimated useful lives or the life of the related agreement as follows:

Patents and technology	5 - 30 years
Trademarks	9 - 30 years
Licenses and other agreements	5 - 15 years
Other intangibles	5 - 15 years

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not subject to any method of amortization, but is tested for impairment annually (at the beginning of the third quarter) and when events and circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. When the fair value is less than the carrying value of the related reporting unit, we are required to reduce the amount of goodwill through a charge to earnings. Fair value is estimated using the market approach, as well as the income approach based on discounted cash flow projections. Goodwill has been assigned to reporting units for purposes of impairment testing. The net change to goodwill in response to changes in foreign currency exchange rates during 2015 was $6 million.

Inventories

Inventories are stated at the lower of cost or market, with cost determined using LIFO, first-in first-out, and average costs methods for different components of inventory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Legal Costs

We expense legal costs, including those legal costs incurred in connection with a loss contingency, as incurred.

Net Income Per Share Attributable to Huntsman Corporation

Basic income per share excludes dilution and is computed by dividing net income attributable to Huntsman Corporation common stockholders by the weighted average number of shares outstanding during the period. Diluted income per share reflects all potential dilutive common shares outstanding during the period and is computed by dividing net income available to Huntsman Corporation common stockholders by the weighted average number of shares outstanding during the period increased by the number of additional shares that would have been outstanding as dilutive securities.

Basic and diluted income per share is determined using the following information (in millions):

	Year Ended December 31,		
	2015	2014	2013
Numerator:			
Basic and diluted income from continuing operations:			
Income from continuing operations attributable to Huntsman Corporation	$ 97	$ 331	$ 133
Basic and diluted net income:			
Net income attributable to Huntsman Corporation	$ 93	$ 323	$ 128
Shares (denominator):			
Weighted average shares outstanding	242.8	242.1	239.7
Dilutive securities:			
Stock-based awards	2.6	3.9	2.7
Total weighted average shares outstanding, including dilutive shares	245.4	246.0	242.4

Additional stock-based awards of 6.1 million, 1.0 million and 7.3 million weighted average equivalent shares of stock were outstanding during the years ended December 31, 2015, 2014 and 2013, respectively. However, these stock-based awards were not included in the computation of diluted earnings per share for the respective periods mentioned because the effect would be anti-dilutive.

Other Noncurrent Assets

Other noncurrent assets consist primarily of spare parts, the overfunded portion related to defined benefit plans for employees and capitalized turnaround costs.

Principles of Consolidation

Our consolidated financial statements include the accounts of our wholly owned and majority owned subsidiaries and any variable interest entities for which we are the primary beneficiary. All intercompany accounts and transactions have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives or lease term as follows:

Buildings and equipment	5 - 50 years
Plant and equipment	3 - 30 years
Furniture, fixtures and leasehold improvements	5 - 20 years

Interest expense capitalized as part of plant and equipment was $22 million, $16 million and $7 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Periodic maintenance and repairs applicable to major units of manufacturing facilities (a "turnaround") are accounted for on the deferral basis by capitalizing the costs of the turnaround and amortizing the costs over the estimated period until the next turnaround. Normal maintenance and repairs of plant and equipment are charged to expense as incurred. Renewals, betterments and major repairs that materially extend the useful life of the assets are capitalized, and the assets replaced, if any, are retired.

Reclassifications

Certain amounts in the consolidated financial statements for prior periods have been reclassified to conform with the current presentation. Effective October 1, 2015, we retroactively applied, and information in this report reflects, the presentation and disclosure requirements of ASU No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. See "—Recently Issued Accounting Pronouncements."

Revenue Recognition

We generate substantially all of our revenues through sales in the open market and long-term supply agreements. We recognize revenue when it is realized or realizable and earned. Revenue for product sales is recognized when a sales arrangement exists, risk and title to the product transfer to the customer, collectability is reasonably assured and pricing is fixed or determinable. The transfer of risk and title to the product to the customer usually occurs at the time shipment is made.

Securitization of Accounts Receivable

Under our A/R Programs, we grant an undivided interest in certain of our trade receivables to the U.S. SPE and the EU SPE. This undivided interest serves as security for the issuance of debt. The A/R Programs provide for financing in both U.S. dollars and euros. The amounts outstanding under our A/R Programs are accounted for as secured borrowings. See "Note 14. Debt—Direct and Subsidiary Debt—A/R Programs."

Stock-Based Compensation

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which the employee is required to provide services in exchange for the award. See "Note 22. Stock-Based Compensation Plan."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

Accounting Pronouncements Adopted During 2015

In April 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, changing the criteria for reporting discontinued operations and enhancing reporting requirements for discontinued operations. A disposal of a component of an entity or a group of components of an entity will be required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. Further, the amendments in this ASU will require an entity to present, for each comparative period, the assets and liabilities of a disposal group that includes a discontinued operation separately in the asset and liability sections, respectively, of the statement of financial position. The amendments in this ASU are effective prospectively for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years, and for all businesses that, on acquisition, are classified as held for sale that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years. We adopted the amendments in this ASU effective January 1, 2015, and the initial adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, and that amortization of debt issuance costs shall be reported as interest expense. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, with early application permitted. Entities would apply the new guidance retrospectively to all prior periods. We adopted the amendments in this ASU effective October 1, 2015 and have presented debt issuance costs as a direct deduction from the carrying amount of debt in our consolidated financial statements retrospectively to all prior periods. Debt issuance costs were previously presented as other noncurrent assets in our consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*. The amendments in this ASU require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the current reporting period in which the adjustment amounts are determined and calculated as if the accounting had been completed at the acquisition date. The amendments in this ASU also require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The amendments in this ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date of this ASU with earlier application permitted for financial statements that have not been issued. We adopted the amendments in this ASU effective October 1, 2015, and the initial adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*. The amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments in this ASU are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The amendments in this ASU may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. We adopted the amendments in this ASU effective October 1, 2015 and have classified, on a prospective basis, all deferred tax liabilities and assets as noncurrent on our consolidated financial statements.

Accounting Pronouncements Pending Adoption in Future Periods

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, outlining a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers and supersedes most current revenue recognition guidance. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, deferring the effective date of ASU No. 2014-09 for all entities by one year. The amendments in these ASUs are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The amendments in ASU No. 2014-09 should be applied retrospectively, and early application is permitted. We are currently evaluating the impact of the adoption of the amendments in ASU No. 2014-09 on our consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern,* providing guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early adoption is permitted. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*, eliminating from US GAAP the concept of extraordinary items. Reporting entities will no longer have to assess whether a particular event or transaction event is extraordinary. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively or may

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

also apply them retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*. The amendments in this ASU change the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities by placing more emphasis on risk of loss when determining a controlling financial interest. These amendments affect areas specific to limited partnerships and similar legal entities, evaluating fees paid to a decision maker or service provider as a variable interest, the effects of both fee arrangements and related parties on the primary beneficiary determination and certain investment funds. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments retrospectively or using a modified retrospective approach. Early adoption is permitted, including adoption in an interim period provided that any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-05, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*. The amendments in this ASU provide guidance that will help entities evaluate the accounting for fees paid by a customer in a cloud computing arrangement, including whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license consistent with the acquisition of other software licenses; otherwise, the customer should account for the arrangement as a service contract. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Entities can elect to adopt the amendments either prospectively to all arrangements entered into after the effective date or retrospectively to all prior periods. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. The amendments in this ASU do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method, but rather does apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure in scope inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments in this ASU should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

amendments in this ASU require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. The amendments allow equity investments that do not have readily determinable fair values to be remeasured at fair value either upon the occurrence of an observable price change or upon identification of an impairment. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption of the amendments in the ASU is not permitted. An entity should apply the amendments by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values (including disclosure requirements) should be applied prospectively to equity investments that exist as of the date of adoption. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

3. BUSINESS COMBINATIONS

Rockwood Acquisition

On October 1, 2014, we completed the acquisition of the Performance Additives and Titanium Dioxide businesses of Rockwood Holdings, Inc. We paid $1.02 billion in cash and assumed certain unfunded pension liabilities in connection with the Rockwood Acquisition. The acquisition was financed using a bank term loan. The majority of the acquired businesses have been integrated into our Pigments and Additives segment. Transaction costs charged to expense related to this acquisition were approximately nil, $24 million and $8 million for the years ended December 31, 2015, 2014 and 2013, respectively, and were recorded in selling, general and administrative expenses in our consolidated statements of operations.

The following businesses were acquired from Rockwood:

- titanium dioxide, a white pigment derived from titanium bearing ores with strong specialty business in fibers, inks, pharmaceuticals, food and cosmetics;
- functional additives made from barium and zinc based inorganics used to make colors more brilliant, primarily in plastics, coatings, films, food, cosmetics, pharmaceuticals and paper;
- color pigments made from synthetic iron-oxide and other non-TiO2 inorganic pigments used by manufacturers of coatings and colorants;
- timber treatment wood protection chemicals used primarily in residential and commercial applications;
- water treatment products used to improve water purity in industrial, commercial and municipal applications; and
- specialty automotive molded components.

In connection with securing certain regulatory approvals required to complete the Rockwood Acquisition, we sold our TiO2 TR52 product line used in printing inks to Henan in December 2014. The sale did not include any manufacturing assets but does include an agreement to supply TR52 product to Henan during a transitional period.

3. BUSINESS COMBINATIONS (Continued)

We have accounted for the Rockwood Acquisition using the acquisition method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed. The allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

Cash paid for Rockwood Acquisition in 2014	$1,038
Purchase price adjustment received in 2015	(18)
Net acquisition cost	$1,020
Fair value of assets acquired and liabilities assumed:	
Cash	$ 77
Accounts receivable	220
Inventories	401
Prepaid expenses and other current assets	55
Property, plant and equipment	665
Intangible assets	31
Deferred income taxes, non-current	106
Other assets	8
Accounts payable	(146)
Accrued expenses and other current liabilities	(106)
Long-term debt, non-current	(3)
Pension and related liabilities	(233)
Deferred income taxes, non-current	(9)
Other liabilities	(30)
Total fair value of net assets acquired	1,036
Noncontrolling interest	(16)
Total	$1,020

During the second quarter of 2015, we received $18 million related to the settlement of certain purchase price adjustments. As a result of the finalization of the valuation of the assets and liabilities, reallocations were made in certain property, plant and equipment, deferred tax, accrued liability and other long-term liability balances. None of the fair value of this acquisition was allocated to goodwill. Intangible assets acquired consist primarily of developed technology, trademarks and customer relationships, all of which are being amortized over nine years. The noncontrolling interest primarily relates to Viance, a 50%-owned joint venture with Dow Chemical acquired as part of the Rockwood Acquisition. The noncontrolling interest was valued at 50% of the fair value of the net assets of Viance as of October 1, 2014, as dictated by the ownership interest percentages. If the Rockwood Acquisition were to have occurred on January 1, 2013, the following estimated pro forma revenues and net income

3. BUSINESS COMBINATIONS (Continued)

attributable to Huntsman Corporation would have been reported (dollars in millions, except per share amounts):

	Pro Forma Year ended December 31, (Unaudited)	
	2014	2013
Revenues	$12,724	$12,599
Net income attributable to Huntsman Corporation	398	100
Income per share:		
Basic	$ 1.64	$ 0.42
Diluted	1.62	0.41

Oxid Acquisition

On August 29, 2013, we completed the acquisition of the chemical business of Oxid L.P. (the "Oxid Acquisition"). The acquisition cost of approximately $76 million consisted of cash payments of approximately $66 million and contingent consideration of $10 million. The contingent consideration related to an earn-out agreement which would be paid over two years if certain conditions were met. Related to this earn-out agreement, $6 million was paid during 2014 and the balance has been paid in 2015. The acquired business has been integrated into our Polyurethanes segment. Transaction costs charged to expense related to this acquisition were not significant.

We have accounted for the Oxid Acquisition using the acquisition method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed. The allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

Cash paid for acquisition	$66
Contingent consideration	10
Acquisition cost	$76
Fair value of assets acquired and liabilities assumed:	
Accounts receivable	$ 9
Inventories	14
Property, plant and equipment	22
Intangible assets	36
Accounts payable	(4)
Accrued liabilities	(1)
Total fair value of net assets acquired	$76

Intangible assets acquired consist primarily of developed technology and customer relationships, both of which are being amortized over 15 years. If the Oxid Acquisition were to have occurred on

3. BUSINESS COMBINATIONS (Continued)

January 1, 2013, the following estimated pro forma revenues and net income attributable to Huntsman Corporation would have been reported (dollars in millions, except per share amounts):

	Pro Forma Year ended December 31, 2013 (Unaudited)
Revenues	$11,142
Net income attributable to Huntsman Corporation	135
Income per share:	
Basic	$ 0.56
Diluted	0.56

4. INVENTORIES

Inventories consisted of the following (dollars in millions):

	December 31, 2015	December 31, 2014
Raw materials and supplies	$ 389	$ 508
Work in progress	125	96
Finished goods	1,221	1,494
Total	1,735	2,098
LIFO reserves	(43)	(73)
Net inventories	$1,692	$2,025

For both December 31, 2015 and 2014, approximately 9% of inventories were recorded using the LIFO cost method.

5. PROPERTY, PLANT AND EQUIPMENT

The cost and accumulated depreciation of property, plant and equipment were as follows (dollars in millions):

	December 31, 2015	December 31, 2014
Land	$ 208	$ 227
Buildings	793	799
Plant and equipment	6,981	6,889
Construction in progress	935	869
Total	8,917	8,784
Less accumulated depreciation	(4,471)	(4,361)
Net	$ 4,446	$ 4,423

5. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expense for 2015, 2014 and 2013 was $377 million, $413 million and $415 million, respectively, of which nil, nil and $2 million was related to discontinued operations in 2015, 2014 and 2013, respectively.

6. INVESTMENT IN UNCONSOLIDATED AFFILIATES

Investments in companies in which we exercise significant influence, but do not control, are accounted for using the equity method. Investments in companies in which we do not exercise significant influence are accounted for using the cost method.

Our ownership percentage and investment in unconsolidated affiliates were as follows (dollars in millions):

	December 31,	
	2015	2014
Equity Method:		
Louisiana Pigment Company, L.P. (50%)	$ 84	$ 91
BASF Huntsman Shanghai Isocyanate Investment BV (50%)(1)	116	100
Nanjing Jinling Huntsman New Material Co., Ltd. (49%)	120	122
Jurong Ningwu New Materials Development Co., Ltd. (30%)	18	16
Nippon Aqua Co., Ltd (15%)(2)	—	12
Total equity method investments	338	341
Cost Method:		
International Diol Company (4%)	5	5
White Mountain Titanium Corporation (3%)	3	3
Others	1	1
Total investments	$347	$350

(1) We own 50% of BASF Huntsman Shanghai Isocyanate Investment BV. BASF Huntsman Shanghai Isocyanate Investment BV owns a 70% interest in SLIC, thus giving us an indirect 35% interest in SLIC.

(2) As of April 1, 2015, we no longer exercise significant influence in our investment in Nippon Aqua Co., Ltd., for which we previously accounted using the equity method. Consequently, we now account for this investment at fair value as an available-for-sale equity security. See "Note 16. Fair Value."

In November 2012, we entered into an agreement to form a joint venture with Sinopec (Nanjing Jingling). The joint venture involves the construction and operation of a PO/MTBE facility in China. Under the joint venture agreement, we hold a 49% interest in the joint venture and Sinopec holds a 51% interest. Our total equity investment is anticipated to be approximately $85 million, net of license fees from the joint venture. At the end of 2015, cumulative capital contributions were approximately $85 million, net of license fees from the joint venture. Construction on the project is expected to be completed in the second half of 2016, with start-up expected in the first half of 2017.

7. VARIABLE INTEREST ENTITIES

We evaluate our investments and transactions to identify variable interest entities for which we are the primary beneficiary. We hold a variable interest in the following joint ventures for which we are the primary beneficiary:

- Rubicon LLC manufactures products for our Polyurethanes and Performance Products segments. The structure of the joint venture is such that the total equity investment at risk is not sufficient to permit the joint venture to finance its activities without additional financial support. By virtue of the operating agreement with this joint venture, we purchase a majority of the output, absorb a majority of the operating costs and provide a majority of the additional funding.
- Pacific Iron Products Sdn Bhd manufactures products for our Pigments and Additives segment. In this joint venture we supply all the raw materials through a fixed cost supply contract, operate the manufacturing facility and market the products of the joint venture to customers. Through a fixed price raw materials supply contract with the joint venture we are exposed to the risk related to the fluctuation of raw material pricing.
- Arabian Amines Company manufactures products for our Performance Products segment. As required in the operating agreement governing this joint venture, we purchase all of Arabian Amines Company's production and sell it to our customers. Substantially all of the joint venture's activities are conducted on our behalf.
- Sasol-Huntsman is our 50%-owned joint venture with Sasol that owns and operates a maleic anhydride facility in Moers, Germany. This joint venture manufactures products for our Performance Products segment. The joint venture uses our technology and expertise, and we bear a disproportionate amount of risk of loss due to a related-party loan to Sasol-Huntsman for which we bear the default risk.
- Viance is our 50%-owned joint venture with Dow Chemical. Viance markets timber treatment products for our Pigments and Additives segment. Our joint venture interest in Viance was acquired as part of the Rockwood Acquisition on October 1, 2014. The joint venture sources all of its products through a contract manufacturing arrangement at our Harrisburg, North Carolina facility, and we bear a disproportionate amount of working capital risk of loss due to the supply arrangement whereby we control manufacturing on Viance's behalf. As a result, we concluded that we are the primary beneficiary and began consolidating Viance upon the Rockwood Acquisition on October 1, 2014.

Creditors of these entities have no recourse to our general credit. See "Note 14. Debt—Direct and Subsidiary Debt." As the primary beneficiary of these variable interest entities at December 31, 2015, the joint ventures' assets, liabilities and results of operations are included in our consolidated financial statements.

7. VARIABLE INTEREST ENTITIES (Continued)

The following table summarizes the carrying amount of our variable interest entities' assets and liabilities included in our consolidated balance sheets, before intercompany eliminations, as of December 31, 2015 and 2014 (dollars in millions):

	December 31, 2015	December 31, 2014
Current assets	$121	$186
Property, plant and equipment, net	307	340
Other noncurrent assets	95	70
Deferred income taxes	35	50
Intangible assets	36	39
Goodwill	13	14
Total assets	$607	$699
Current liabilities	$159	$356
Long-term debt	140	42
Deferred income taxes	11	9
Other noncurrent liabilities	54	97
Total liabilities	$364	$504

8. INTANGIBLE ASSETS

The gross carrying amount and accumulated amortization of intangible assets were as follows (dollars in millions):

	December 31, 2015			December 31, 2014		
	Carrying Amount	Accumulated Amortization	Net	Carrying Amount	Accumulated Amortization	Net
Patents, trademarks and technology	$369	$327	$42	$371	$328	$43
Licenses and other agreements	38	22	16	37	19	18
Non-compete agreements	3	2	1	4	2	2
Other intangibles	82	55	27	87	55	32
Total	$492	$406	$86	$499	$404	$95

Amortization expense was $8 million, $19 million and $21 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Our estimated future amortization expense for intangible assets over the next five years is as follows (dollars in millions):

Year ending December 31,	
2016	$12
2017	9
2018	9
2019	9
2020	9

9. OTHER NONCURRENT ASSETS

Other noncurrent assets consisted of the following (dollars in millions):

	December 31, 2015	December 31, 2014
Capitalized turnaround costs	$248	$191
Spare parts inventory	95	96
Deposits	45	43
Catalyst assets	44	28
Investment in available for sale securities	18	—
Pension assets	35	8
Other	88	93
Total	$573	$459

Amortization expense of catalyst assets for the years ended December 31, 2015, 2014 and 2013 was $14 million, $13 million and $12 million, respectively.

10. ACCRUED LIABILITIES

Accrued liabilities consisted of the following (dollars in millions):

	December 31, 2015	December 31, 2014
Payroll and related costs	$183	$204
Volume and rebate accruals	72	79
Restructuring and plant closing costs	117	89
Taxes other than income taxes	65	65
Income taxes	18	35
Interest	22	32
Pension liabilities	11	13
Other postretirement benefits	9	9
Environmental accruals	6	7
Asset retirement obligations	18	—
Other miscellaneous accruals	165	206
Total	$686	$739

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

As of December 31, 2015, 2014 and 2013, accrued restructuring, impairment and plant closing costs by type of cost and initiative consisted of the following (dollars in millions):

	Workforce reductions(1)	Demolition and decommissioning	Non-cancelable lease costs	Other restructuring costs	Total(2)
Accrued liabilities as of January 1, 2013	$ 90	$ —	$ 15	$ —	$ 105
2013 charges for 2012 and prior initiatives	32	16	53	20	121
2013 charges for 2013 initiatives	28	—	—	8	36
Reversal of reserves no longer required	(22)	—	(4)	—	(26)
2013 payments for 2012 and prior initiatives	(66)	(16)	(3)	(19)	(104)
2013 payments for 2013 initiatives	(10)	—	—	(8)	(18)
Net activity of discontinued operations	—	—	(3)	—	(3)
Foreign currency effect on liability balance	—	—	2	—	2
Accrued liabilities as of December 31, 2013	52	—	60	1	113
Adjustment to Pigments & Additives opening balance sheet liabilities	1	—	—	—	1
2014 charges for 2013 and prior initiatives	37	7	4	17	65
2014 charges for 2014 initiatives	64	—	—	—	64
Reversal of reserves no longer required	(4)	—	—	(1)	(5)
2014 payments for 2013 and prior initiatives	(58)	(7)	(8)	(13)	(86)
2014 payments for 2014 initiatives	(1)	—	—	(1)	(2)
Net activity of discontinued operations	—	—	(2)	—	(2)
Foreign currency effect on liability balance	(4)	—	(6)	—	(10)
Accrued liabilities as of December 31, 2014	87	—	48	3	138
Adjustment to Pigments & Additives opening balance sheet liabilities	1	—	—	—	1
2015 charges for 2014 and prior initiatives	71	24	15	23	133
2015 charges for 2015 initiatives	58	1	—	8	67
Reversal of reserves no longer required	(7)	—	(6)	—	(13)
2015 payments for 2014 and prior initiatives	(68)	(8)	(17)	(21)	(114)
2015 payments for 2015 initiatives	(26)	(1)	—	(8)	(35)
Foreign currency effect on liability balance	(7)	—	(2)	—	(9)
Accrued liabilities as of December 31, 2015	$109	$ 16	$ 38	$ 5	$ 168

(1) The total workforce reduction reserves of $109 million relate to the termination of 1,057 positions, of which 972 positions had not been terminated as of December 31, 2015.

(2) In December 2015, we prepaid $49 million of severance and other restructuring costs related to restructuring programs in our Pigments and Additives, Textile Effects and Performance Products segments. Certain of the severance costs were prepaid to a third party who will distribute the severance payments to affected employees when they are terminated in 2016.

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Continued)

(3) Accrued liabilities remaining at December 31, 2015 and 2014 by year of initiatives were as follows (dollars in millions):

	December 31,	
	2015	2014
2013 initiatives and prior	$ 68	$ 75
2014 initiatives	75	63
2015 initiatives	25	—
Total	$168	$138

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Continued)

Details with respect to our reserves for restructuring, impairment and plant closing costs are provided below by segment and initiative (dollars in millions):

	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Pigments and Additives	Discontinued Operations	Corporate & Other	Total
Accrued liabilities as of January 1, 2013	$ 27	$ —	$ 27	$ 42	$ 1	$ 6	$ 2	$ 105
2013 charges for 2012 and prior initiatives	5	—	38	73	4	—	1	121
2013 charges for 2013 initiatives	—	18	—	1	—	—	17	36
Reversal of reserves no longer required	(9)	—	(8)	(9)	—	—	—	(26)
2013 payments for 2012 and prior initiatives	(14)	—	(45)	(41)	(3)	—	(1)	(104)
2013 payments for 2013 initiatives	—	(7)	—	—	(1)	—	(10)	(18)
Net activity of discontinued operations	—	—	—	—	—	(3)	—	(3)
Foreign currency effect on liability balance	—	(1)	—	2	1	—	—	2
Accrued liabilities as of December 31, 2013	9	10	12	68	2	3	9	113
Adjustment to Pigments & Additives opening balance sheet liabilities	—	—	—	—	1	—	—	1
2014 charges for 2013 and prior initiatives	2	23	10	13	3	—	14	65
2014 charges for 2014 initiatives	—	—	1	6	57	—	—	64
Reversal of reserves no longer required	(1)	—	(2)	(1)	—	—	(1)	(5)
2014 payments for 2013 and prior initiatives	(3)	(22)	(14)	(25)	(4)	—	(18)	(86)
2014 payments for 2014 initiatives	—	—	(1)	(1)	—	—	—	(2)
Net activity of discontinued operations	—	—	—	—	—	(2)	—	(2)
Foreign currency effect on liability balance	(1)	(2)	(1)	(6)	—	—	—	(10)
Accrued liabilities as of December 31, 2014	6	9	5	54	59	1	4	138
Adjustment to Pigments & Additives opening balance sheet liabilities	—	—	—	—	1	—	—	1
2015 charges for 2014 and prior initiatives	2	3	1	42	77	—	8	133
2015 charges for 2015 initiatives	17	8	5	2	34	—	1	67
Reversal of reserves no longer required	(4)	(1)	—	(7)	—	—	(1)	(13)
2015 payments for 2014 and prior initiatives	(4)	(8)	(2)	(34)	(59)	—	(7)	(114)
2015 payments for 2015 initiatives	(11)	(1)	(5)	(1)	(16)	—	(1)	(35)
Foreign currency effect on liability balance	(1)	(1)	—	(1)	(6)	—	—	(9)
Accrued liabilities as of December 31, 2015	$ 5	$ 9	$ 4	$ 55	$ 90	$ 1	$ 4	$ 168
Current portion of restructuring reserves	$ 4	$ 9	$ —	$ 16	$ 83	$ 1	$ 4	$ 117
Long-term portion of restructuring reserve	1	—	4	39	7	—	—	51

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Continued)

Details with respect to cash and noncash restructuring charges for the years ended December 31, 2015, 2014 and 2013 by initiative are provided below (dollars in millions):

Cash charges:	
2015 charges for 2014 and prior initiatives	$133
2015 charges for 2015 initiatives	67
Reversal of reserves no longer required	(13)
Pension-related settlement charges	3
Accelerated depreciation	74
Other non-cash charges	38
Total 2015 Restructuring, Impairment and Plant Closing Costs	$302
Cash charges:	
2014 charges for 2013 and prior initiatives	$ 65
2014 charges for 2014 initiatives	64
Reversal of reserves no longer required	(5)
Pension-related settlement charges	2
Non-cash charges	32
Total 2014 Restructuring, Impairment and Plant Closing Costs	$158
Cash charges:	
2013 charges for 2012 and prior initiatives	$121
2013 charges for 2013 initiatives	36
Reversal of reserves no longer required	(26)
Pension-related settlement charges	7
Non-cash charges	13
Total 2013 Restructuring, Impairment and Plant Closing Costs	$151

2015 RESTRUCTURING ACTIVITIES

In June 2015, our Polyurethanes segment initiated a restructuring program in Europe. In connection with this restructuring program, we recorded restructuring expense of $13 million during 2015 related primarily to workforce reductions. All expected charges have been incurred as of the end of 2015.

In December 2015, our Performance Products segment announced plans for a reorganization of its commercial and technical functions and a refocused divisional business strategy to better position the segment for growth in coming years. During 2015, we recorded cash charges of $8 million primarily related to workforce reductions. We expect to incur charges through the first quarter of 2016 associated with this initiative.

In June 2015, our Advanced Materials segment initiated a restructuring program in Europe. In connection with this restructuring program, we recorded restructuring expense of $11 million during 2015 related primarily to workforce reductions and accelerated depreciation recorded as restructuring, impairment and plant closing costs. All expected charges have been incurred as of the end of 2015.

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Continued)

On September 27, 2011, we announced plans to implement a significant restructuring of our Textile Effects segment, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the Textile Effects segment's long-term global competitiveness. In connection with this plan, during 2015, we recorded charges of $9 million for non-cancelable long-term contract termination costs, $21 million for decommissioning and $1 million of other restructuring charges associated with this initiative. During the fourth quarter of 2015, we settled certain of our obligations under these long-term contracts and recorded a restructuring charge of $14 million. In addition, we recorded charges of $6 million associated with other initiatives.

On December 1, 2014, we announced that we are taking significant action to improve the global competitiveness of our Pigments and Additives segment. As part of a comprehensive restructuring program, we are reducing our workforce by approximately 900 positions. In connection with this restructuring program, during 2015, our Pigments and Additives segment recorded charges of $61 million for workforce reductions, $3 million for pension related charges and $15 million in other restructuring costs associated with this initiative. We expect to incur charges related to this program through the middle of 2016.

On February 12, 2015, we announced a plan to close the 'black end' manufacturing operations and ancillary activities at our Calais, France site, which will reduce our titanium dioxide capacity by approximately 100 kilotons, or 13% of our European titanium dioxide capacity. In connection with this announcement, we began to accelerate depreciation on the affected assets and recorded accelerated depreciation in 2015 of $68 million as restructuring, impairment and plant closing costs. In addition, during 2015, we recorded charges of $30 million primarily for workforce reductions and non-cash charges of $17 million. We expect to incur charges related to this program through the end of 2016.

On March 4, 2015, we announced plans to restructure our color pigments business, another step in our previously announced plan to significantly restructure our global Pigments and Additives segment, and recorded restructuring expense of approximately $4 million during 2015 primarily related to workforce reductions. We expect to incur charges related to this program through 2016.

During the fourth quarter of 2015, we determined that the South African asset group of our Pigments and Additives segment was impaired and recorded an impairment charge of $19 million.

During 2015, our Corporate and other segment recorded charges of $8 million primarily related to a reorganization of our global information technology organization. We expect to incur charges related to these initiatives through the end of 2016.

2014 Restructuring Activities

In connection with a September 2014 announcement of a feasibility study into a MDI production expansion at our Geismar, Louisiana facility, we concluded that certain capitalized engineering costs associated with a previously planned MDI production expansion at our Rotterdam, The Netherlands facility were impaired and our Polyurethanes segment recorded a noncash impairment charge of $16 million during 2014.

During 2013, our Performance Products segment initiated a restructuring program to refocus its surfactants business in Europe. In connection with this program, in 2014 we completed the sale of our European commodity surfactants business, including the ethoxylation facility in Lavera, France to

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Continued)

Wilmar. In addition, Wilmar has entered into a multi-year arrangement to purchase certain sulfated surfactant products from our facilities in St. Mihiel, France and Castiglione delle Stiviere, Italy. Additionally, in 2014 we ceased production at our Patrica, Italy surfactants facility. During 2014, we recorded charges of $23 million primarily related to workforce reductions.

During 2014, our Advanced Materials segment recorded charges of $11 million primarily related to workforce reductions with our global transformational change program designed to improve the segment's manufacturing efficiencies, enhance its commercial excellence and improve its long-term global competitiveness.

During 2011, we announced plans to implement a significant restructuring of our Textile Effects segment, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the Textile Effects segment's long-term global competitiveness. In connection with this program, during 2014, our Textile Effects segment recorded charges of $19 million, including a $9 million noncash charge for a pension settlement loss. In June 2014, we announced plans for the closure of our Qingdao, China plant, which was completed during 2015. During 2014, we recorded charges of $6 million primarily related to workforce reductions related to this initiative.

On December 1, 2014, we announced that we are taking significant action to improve the global competitiveness of our Pigments and Additives segment. As part of a comprehensive restructuring program, we are reducing our workforce by approximately 900 positions. In connection with this restructuring program, we recorded restructuring expense of $57 million in the fourth quarter of 2014 related primarily to workforce reductions.

On February 12, 2015, we announced plans to reduce our titanium dioxide capacity by approximately 100 kilotons by closing specific operations at our Calais, France facility, subject to consultation with employees and appropriate representative groups. This plan is in addition to that announced on December 1, 2014.

During 2014, our Corporate and other segment recorded charges of $13 million primarily related to the reorganization of our global information technology organization.

2013 Restructuring Activities

During 2012, our Polyurethanes segment began implementing a restructuring program to reduce annualized fixed costs. In connection with this program, we recorded cash charges of $5 million and reversed charges of $9 million during 2013 primarily for workforce reductions. Our Polyurethanes segment also recorded pension-related charges of $6 million during 2013 related to this program.

During 2013, our Performance Products segment recorded charges of $13 million primarily related to workforce reductions in association with plans to refocus our surfactants business in Europe and $5 million primarily related to workforce reductions in our Australian operation.

During the fourth quarter of 2012, our Advanced Materials segment began implementing a global transformational change program, subject to consultation with relevant employee representatives, designed to improve the segment's manufacturing efficiencies, enhance commercial excellence and improve its long-term global competitiveness. During 2013, we recorded cash charges of $38 million and noncash charges of $4 million and reversed charges of $8 million.

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Continued)

During 2011, our Textile Effects segment began implementing a significant restructuring program, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the segment's long-term global competitiveness. In connection with this program, during 2013, we recorded cash charges of $73 million, a noncash charge of $9 million for a pension settlement loss and reversed charges of $5 million.

During 2013, our Corporate and other segment recorded charges of $18 million primarily related to workforce reductions in association with a reorganization of our global information technology organization.

12. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations consist primarily of landfill capping, closure and post-closure costs, asbestos abatement costs, demolition and removal costs and leasehold remediation costs. We are legally required to perform capping and closure and post-closure care on the landfills and asbestos abatement on certain of our premises. For each asset retirement obligation we recognized the estimated fair value of a liability and capitalized the cost as part of the cost basis of the related asset.

The following table describes changes to our asset retirement obligation liabilities (dollars in millions):

	December 31,	
	2015	2014
Asset retirement obligations at beginning of year	$26	$29
Accretion expense	3	2
Liabilities incurred	—	—
Liabilities assumed in connection with the Rockwood Acquisition	30	—
Liabilities settled	(1)	(2)
Foreign currency effect on reserve balance	(6)	(3)
Asset retirement obligations at end of year	$52	$26

13. OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consisted of the following (dollars in millions):

	December 31,	
	2015	2014
Pension liabilities	$ 842	$ 965
Other postretirement benefits	84	134
Environmental accruals	32	53
Restructuring and plant closing costs	51	49
Employee benefit accrual	36	39
Asset retirement obligations	34	26
Other	147	181
Total	$1,226	$1,447

14. DEBT

Outstanding debt, net of debt issuance costs, of consolidated entities consisted of the following (dollars in millions):

	December 31,	
	2015	2014
Senior Credit Facilities:		
Term loans	$2,454	$2,468
Amounts outstanding under A/R programs	215	229
Senior notes	1,850	1,582
Senior subordinated notes	—	526
Variable interest entities	151	207
Other	125	109
Total debt—excluding debt to affiliates	$4,795	$5,121
Total current portion of debt	$ 170	$ 267
Long-term portion	4,625	4,854
Total debt—excluding debt to affiliates	$4,795	$5,121
Total debt—excluding debt to affiliates	$4,795	$5,121
Notes payable to affiliates-noncurrent	1	6
Total debt	$4,796	$5,127

Direct and Subsidiary Debt

Our direct debt and guarantee obligations consist of a guarantee of certain indebtedness incurred from time to time to finance certain insurance premiums. Substantially all of our other debt, including the facilities described below, has been incurred by our subsidiaries (primarily Huntsman International); we are not a guarantor of such subsidiary debt.

14. DEBT (Continued)

Certain of our subsidiaries are designated as nonguarantor subsidiaries and have third-party debt agreements. These debt agreements contain certain restrictions with regard to dividends, distributions, loans or advances. In certain circumstances, the consent of a third party would be required prior to the transfer of any cash or assets from these subsidiaries to us.

Debt Issuance Costs

We record debt issuance costs related to a debt liabillty on the balance sheet as a reduction in the face amount of that debt liability. As of December 31, 2015 and 2014, the amount of debt issuance costs directly reducing the debt liability was $67 million and $79 million, respectively. We record the amortization of debt issuance costs as interest expense.

Senior Credit Facilities

As of December 31, 2015, our Senior Credit Facilities consisted of our Revolving Facility, our extended term loan B facility ("Extended Term Loan B"), our extended term loan B facility—series 2 ("Extended Term Loan B—Series 2"), our 2015 extended term loan B facility ("2015 Extended Term Loan B"), our 2014 new term loan facility ("2014 New Term Loan"), and Term Loan C as follows (dollars in millions):

Facility	Committed Amount	Principal Outstanding	Unamortized Discounts and Debt Issuance Costs	Carrying Value	Interest Rate(3)	Maturity
Revolving Facility	$625	$ —(1)	$ —(1)	$ —(1)	USD LIBOR plus 2.75%	2017
Extended Term Loan B	NA	312	(1)	311	USD LIBOR plus 2.75%	2017
Extended Term Loan B—Series 2	NA	192	—	192	USD LIBOR plus 3.00%	2017
2015 Extended Term Loan B	NA	773	(5)	768	USD LIBOR plus 3.00%	2019
2014 New Term Loan	NA	1,188	(55)	1,133	USD LIBOR plus 3.00%(2)	2021
Term Loan C	NA	50	—	50	USD LIBOR plus 2.25%	2016

(1) We had no borrowings outstanding under our Revolving Facility; we had approximately $15 million (U.S. dollar equivalents) of letters of credit and bank guarantees issued and outstanding under our Revolving Facility.

(2) The 2014 New Term Loan is subject to a 0.75% LIBOR floor.

(3) The applicable interest rate of the Senior Credit Facilities is subject to certain secured leverage ratio thresholds. As of December 31, 2015, the weighted average interest rate on our outstanding balances under the Senior Credit Facilities was approximately 3%.

14. DEBT (Continued)

Our obligations under the Senior Credit Facilities are guaranteed by our Guarantors, and are secured by a first priority lien on substantially all of our domestic property, plant and equipment, the stock of all of our material domestic subsidiaries and certain foreign subsidiaries, and pledges of intercompany notes between certain of our subsidiaries.

Amendment to the Credit Agreement

On August 10, 2015 we entered into a fourteenth amendment to the agreement governing the Senior Credit Facilities (the "Credit Agreement"). The amendment extends the stated maturity date of $773 million aggregate principal amount of our Extended Term Loan B and Extended Term Loan B—Series 2 from April 19, 2017 to April 19, 2019 and increases the interest rate margin with respect to the 2015 Extended Term Loan B to LIBOR plus 3.00%.

On October 1, 2014, the 2014 New Term Loan in an aggregate principal amount of $1.2 billion was used to fund the Rockwood Acquisition. See "Note 3. Business Combinations and Dispositions—Rockwood Acquisition." The 2014 New Term Loan matures on October 1, 2021 and has amoritzed in aggregate annual amounts equal to 1% of the original principal amount of the 2014 New Term Loan, payable quarterly as of March 31, 2015. The 2014 New Term Loan bears interest at an interest rate margin of LIBOR plus 3.00% (subject to a 0.75% floor).

On October 1, 2014, we entered into a further amendment to the Credit Agreement. The amendment increased revolving commitments in an aggregate principal amount of $25 million to an aggregate amount of $625 million.

A/R Programs

Our A/R Programs are structured so that we grant a participating undivided interest in certain of our trade receivables to the U.S. SPE and the EU SPE. We retain the servicing rights and a retained interest in the securitized receivables. Information regarding our A/R Programs as of December 31, 2015 was as follows (monetary amounts in millions):

Facility	Maturity	Maximum Funding Availability(1)	Amount Outstanding	Interest Rate(2)
U.S. A/R Program	March 2018	$250	$90(3)	Applicable rate plus 0.95%
EU A/R Program	March 2018	€225 (approximately $246)	€114 (approximately $125)	Applicable rate plus 1.10%

(1) The amount of actual availability under our A/R Programs may be lower based on the level of eligible receivables sold, changes in the credit ratings of our customers, customer concentration levels and certain characteristics of the accounts receivable being transferred, as defined in the applicable agreements.

(2) Applicable rate for our U.S. A/R Program is defined by the lender as USD LIBOR. Applicable rate for our EU A/R Program is either GBP LIBOR, USD LIBOR or EURIBOR.

(3) As of December 31, 2015, we had approximately $7 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

14. DEBT (Continued)

During the three months ended March 31, 2015, we entered into amendments to our A/R Programs that, among other things, extend the scheduled commitment termination dates and reduce the applicable borrowing margins. As of December 31, 2015 and 2014, $438 million and $472 million, respectively, of accounts receivable were pledged as collateral under our A/R Programs.

Notes

As of December 31, 2015, we had outstanding the following notes (monetary amounts in millions):

Notes	Maturity	Interest Rate	Amount Outstanding	Unamortized Discounts and Debt Issuance Costs
2020 Senior Notes	November 2020	4.875%	$650 ($646 carrying value)	$(4)
2021 Senior Notes	April 2021	5.125%	€445 (€443 carrying value ($484))	$(2)
2022 Senior Notes	November 2022	5.125%	$400 ($396 carrying value)	$(4)
2025 Senior Notes	April 2025	4.25%	€300 (€297 carrying value ($324))	$(4)

On March 31, 2015, Huntsman International completed a €300 million (approximately $326 million) offering of 2025 Senior Notes. On April 17, 2015, we applied the net proceeds of this offering to redeem $289 million ($294 million carrying value) of its 2021 Senior Subordinated Notes.

The 2025 Senior Notes bear interest at 4.25% per year, payable semi-annually on April 1 and October 1, and are due on April 1, 2025. We may redeem the 2025 Senior Notes in whole or in part at any time prior to January 1, 2025 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest.

The 2020, 2021, 2022 and 2025 Senior Notes are general unsecured senior obligations of Huntsman International and are guaranteed on a general unsecured senior basis by the Guarantors. The indentures impose certain limitations on the ability of Huntsman International and its subsidiaries to, among other things, incur additional indebtedness secured by any principal properties, incur indebtedness of nonguarantor subsidiaries, enter into sale and leaseback transactions with respect to any principal properties and consolidate or merge with or into any other person or lease, sell or transfer all or substantially all of its properties and assets. Upon the occurrence of certain change of control events, holders of the 2020, 2021, 2022 and 2025 Senior Notes will have the right to require that Huntsman International purchase all or a portion of such holder's notes in cash at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase.

14. DEBT (Continued)

Redemption of Notes and Loss on Early Extinguishment of Debt

During the years ended December 31, 2015 and 2014, we redeemed or repurchased the following notes (dollars in millions):

Date of Redemption	Notes	Principal Amount of Notes Redeemed	Amount Paid (Excluding Accrued Interest)	Loss on Early Extinguishment of Debt
September 2015	2021 Senior Subordinated Notes	$195	$204	$ 7
April 2015	2021 Senior Subordinated Notes	289	311	20
January 2015	2021 Senior Subordinated Notes	37	40	3
December 2014	2021 Senior Subordinated Notes	8	9	—
November 2014	2020 Senior Subordinated Notes	350	374	28

Variable Interest Entity Debt

As of December 31, 2015, Arabian Amines Company, our consolidated 50%-owned joint venture, had $143 million outstanding under its loan commitments and debt financing arrangements. On April 29, 2015, Arabian Amines Company obtained a waiver of certain financial covenants from the lender as well as a waiver of prior noncompliance under the debt financing agreements. As of December 31, 2015, Arabian Amines Company is in compliance with its debt financing arrangements and we have classified $11 million as current debt and $132 million as long-term debt on our consolidated balance sheets. We do not guarantee these loan commitments, and Arabian Amines Company is not a guarantor of any of our other debt obligations.

Other Debt

On July 24, 2015, HPS entered into a financing arrangement to fund the construction of our MDI plant in China. As part of the financing, HPS has secured commitments of a RMB 669 million (approximately $103 million) term loan and a RMB 423 million (approximately $65 million) working capital facility. These facilities are unsecured, and we do not provide a guarantee of these loan commitments. As of December 31, 2015 we had nil borrowed on these facilities.

COMPLIANCE WITH COVENANTS

We believe that we are in compliance with the covenants contained in the agreements governing our material debt instruments, including our Senior Credit Facilities, our A/R Programs and our notes.

Our material financing arrangements contain certain covenants with which we must comply. A failure to comply with a covenant could result in a default under a financing arrangement unless we obtained an appropriate waiver or forbearance (as to which we can provide no assurance). A default under these material financing arrangements generally allows debt holders the option to declare the underlying debt obligations immediately due and payable. Furthermore, certain of our material financing arrangements contain cross-default and cross-acceleration provisions under which a failure to comply with the covenants in one financing arrangement may result in an event of default under another financing arrangement.

14. DEBT (Continued)

Our Senior Credit Facilities are the Leverage Covenant which applies only to the Revolving Facility and is calculated at the Huntsman International level. The Leverage Covenant is applicable only if borrowings, letters of credit or guarantees are outstanding under the Revolving Facility (cash collateralized letters of credit or guarantees are not deemed outstanding). The Leverage Covenant is a net senior secured leverage ratio covenant which requires that Huntsman International's ratio of senior secured debt to EBITDA (as defined in the applicable agreement) is not more than 3.75 to 1.

If in the future Huntsman International fails to comply with the Leverage Covenant, then we may not have access to liquidity under our Revolving Facility. If Huntsman International failed to comply with the Leverage Covenant at a time when we had uncollateralized loans or letters of credit outstanding under the Revolving Facility, Huntsman International would be in default under the Senior Credit Facilities, and, unless Huntsman International obtained a waiver or forbearance with respect to such default (as to which we can provide no assurance), Huntsman International could be required to pay off the balance of the Senior Credit Facilities in full, and we may not have further access to such facilities.

The agreements governing our A/R Programs also contain certain receivable performance metrics. Any material failure to meet the applicable A/R Programs' metrics in the future could lead to an early termination event under the A/R Programs, which could require us to cease our use of such facilities, prohibiting us from additional borrowings against our receivables or, at the discretion of the lenders, requiring that we repay the A/R Programs in full. An early termination event under the A/R Programs would also constitute an event of default under our Senior Credit Facilities, which could require us to pay off the balance of the Senior Credit Facilities in full and could result in the loss of our Senior Credit Facilities.

MATURITIES

The scheduled maturities of our debt (excluding debt to affiliates) by year as of December 31, 2015 are as follows (dollars in millions):

Year ending December 31,	
2016	$ 170
2017	546
2018	269
2019	786
2020	693
Thereafter	2,331
	$4,795

15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

We are exposed to market risks, such as changes in interest rates, foreign exchange rates and commodity prices. From time to time, we enter into transactions, including transactions involving derivative instruments, to manage certain of these exposures. We also hedge our net investment in certain European operations. Changes in the fair value of the hedge in the net investment of certain European operations are recorded in accumulated other comprehensive loss.

15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Interest Rate Risks

Through our borrowing activities, we are exposed to interest rate risk. Such risk arises due to the structure of our debt portfolio, including the mix of fixed and floating interest rates. Actions taken to reduce interest rate risk include managing the mix and rate characteristics of various interest bearing liabilities, as well as entering into interest rate derivative instruments.

From time to time, we may purchase interest rate swaps and/or other derivative instruments to reduce the impact of changes in interest rates on our floating-rate long-term debt. Under interest rate swaps, we agree with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional principal amount.

We have entered into several interest rate contracts to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities. These swaps are designated as cash flow hedges and the effective portion of the changes in the fair value of the swaps are recorded in other comprehensive (loss) income (dollars in millions):

December 31, 2015				
Notional Value	Effective Date	Maturity	Fixed Rate	Fair Value
$50	December 2014	April 2017	2.5%	$1 noncurrent liability
50	January 2015	April 2017	2.5%	1 noncurrent liability

December 31, 2014				
Notional Value	Effective Date	Maturity	Fixed Rate	Fair Value
$50	January 2010	January 2015	2.8%	less than $1 current liability
50	December 2014	April 2017	2.5%	2 noncurrent liability
50	January 2015	April 2017	2.5%	2 noncurrent liability

Beginning in 2009, Arabian Amines Company entered into a 12-year floating to fixed interest rate contract providing for a receipt of LIBOR interest payments for a fixed payment of 5.02%. In connection with the consolidation of Arabian Amines Company as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the swap as of December 31, 2015 was $24 million, and the interest rate contract is not designated as a cash flow hedge. As of December 31, 2015 and 2014, the fair value of the swap was $2 million and $3 million, respectively, and was recorded as other current liabilities on our consolidated balance sheets. For 2015 and 2014, we recorded a reduction of interest expense of $1 million and $1 million, respectively, due to changes in fair value of the swap.

For the years ended December 31, 2015 and 2014, the changes in accumulated other comprehensive gain (loss) associated with these cash flow hedging activities were gains of approximately $1 million and $2 million, respectively.

During 2016, accumulated other comprehensive loss of nil is expected to be reclassified to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however,

15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

FOREIGN EXCHANGE RATE RISK

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2015 and 2014, we had approximately $176 million and $179 million notional amount (in U.S. dollar equivalents) outstanding, respectively, in foreign currency contracts with a term of approximately one month.

In November 2014, we entered into two five year cross-currency interest rate contracts and one eight year cross-currency interest rate contract to swap an aggregate notional $200 million for an aggregate notional €161 million. The swap is designated as a hedge of net investment for financial reporting purposes. Under the cross-currency interest rate contract, we will receive fixed U.S. dollar payments of $5 million semiannually on May 15 and November 15 (equivalent to an annual rate of 5.125%) and make interest payments of approximately €3 million (equivalent to an annual rate of approximately 3.6%). As of December 31, 2015 the fair value of this swap was $28 million and was recorded in noncurrent assets.

On March 17, 2010, we entered into three five year cross-currency interest rate contracts to swap an aggregate notional $350 million for an aggregate notional €255 million. This swap was designated as a hedge of net investment for financial reporting purposes. As of December 31, 2014, the fair value of this swap was $43 million, and was recorded in current assets. During the three months ended March 31, 2015, we terminated these cross-currency interest rate contracts and received $66 million in payments from the counterparties.

A portion of our debt is denominated in euros. We also finance certain of our non-U.S. subsidiaries with intercompany loans that are, in many cases, denominated in currencies other than the entities' functional currency. We manage the net foreign currency exposure created by this debt through various means, including cross-currency swaps, the designation of certain intercompany loans as permanent loans because they are not expected to be repaid in the foreseeable future and the designation of certain debt and swaps as net investment hedges.

Foreign currency transaction gains and losses on intercompany loans that are not designated as permanent loans are recorded in earnings. Foreign currency transaction gains and losses on intercompany loans that are designated as permanent loans are recorded in other comprehensive (loss) income. From time to time, we review such designation of intercompany loans.

We review our non-U.S. dollar denominated debt and derivative instruments to determine the appropriate amounts designated as hedges. As of December 31, 2015, we have designated approximately €751 million (approximately $821 million) of euro-denominated debt and cross-currency

15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

interest rate contracts as a hedge of our net investment. For the years ended December 31, 2015, 2014 and 2013, the amount of gain (loss) recognized on the hedge of our net investment was $68 million, $97 million and $(22) million, respectively, and was recorded in other comprehensive (loss) income. As of December 31, 2015, we had approximately €1,213 million (approximately $1,325 million) in net euro assets.

Commodity Prices Risk

Inherent in our business is exposure to price changes for several commodities. However, our exposure to changing commodity prices is somewhat limited since the majority of our raw materials are acquired at posted or market related prices, and sales prices for many of our finished products are at market related prices which are largely set on a monthly or quarterly basis in line with industry practice. Consequently, we do not generally hedge our commodity exposures.

16. FAIR VALUE

The fair values of our financial instruments were as follows (dollars in millions):

	December 31,			
	2015		2014	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Non-qualified employee benefit plan investments	$ 26	$ 26	$ 22	$ 22
Investments in equity securities	18	18	—	—
Cross-currency interest rate contacts	28	28	48	48
Interest rate contracts	(4)	(4)	(7)	(7)
Long-term debt (including current portion)	(4,795)	(4,647)	(5,121)	(5,210)

The carrying amounts reported in the balance sheets of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair values of non-qualified employee benefit plan investments and investments in equity securities are obtained through market observable pricing using prevailing market prices. The estimated fair values of our long-term debt are based on quoted market prices for the identical liability when traded as an asset in an active market (Level 1).

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2015 and 2014. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since December 31, 2015, and current estimates of fair value may differ significantly from the amounts presented herein.

16. FAIR VALUE (Continued)

The following assets and liabilities are measured at fair value on a recurring basis (dollars in millions):

		Fair Value Amounts Using		
Description	**December 31, 2015**	**Quoted prices in active markets for identical assets (Level 1)(4)**	**Significant other observable inputs (Level 2)(4)**	**Significant unobservable inputs (Level 3)**
Assets:				
Available-for sale equity securities:				
Equity mutual funds	$26	$26	$ —	$—
Investments in equity securities(1)	18	18	—	—
Derivatives:				
Cross-currency interest rate contracts(2)	28	—	—	28
Total assets	$72	$44	$ —	$28
Liabilities:				
Derivatives:				
Interest rate contracts(3)	$(4)	$—	$ (4)	$—

		Fair Value Amounts Using		
Description	**December 31, 2014**	**Quoted prices in active markets for identical assets (Level 1)(4)**	**Significant other observable inputs (Level 2)(4)**	**Significant unobservable inputs (Level 3)**
Assets:				
Available-for sale equity securities:				
Equity mutual funds	$22	$22	$—	$—
Derivatives:				
Cross-currency interest rate contracts(2)	48	—	43	5
Total assets	$70	$22	$43	$ 5
Liabilities:				
Derivatives:				
Interest rate contracts(3)	$(7)	$—	$(7)	$—

(1) As of April 1, 2015, we no longer exercise significant influence in our investment in Nippon Aqua Co., Ltd., for which we previously accounted using the equity method. Consequently, we now account for this investment at fair value as an available-for-sale equity security.

(2) The income approach is used to calculate the fair value of these instruments. Fair value represents the present value of estimated future cash flows, calculated using relevant interest rates, exchange rates, and yield curves at stated intervals. There were no material changes to the valuation methods or assumptions used to determine the fair value during the current period.

In November 2014, we entered into two five year cross-currency interest rate contracts and one eight year cross-currency interest rate contract. These instruments have been categorized by us as Level 3 within the fair value hierarchy due to unobservable inputs associated with the credit

16. FAIR VALUE (Continued)

valuation adjustment, which we deemed to be significant inputs to the overall measurement of fair value at inception.

(3) The income approach is used to calculate the fair value of these instruments. Fair value represents the present value of estimated future cash flows, calculated using relevant interest rates and yield curves at stated intervals. There were no material changes to the valuation methods or assumptions used to determine the fair value during the current period.

(4) There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2015 and 2014.

The following tables show reconciliations of beginning and ending balances for the years ended December 31, 2015 and 2014 for instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (dollars in millions).

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Cross-Currency Interest Rate Contracts
Beginning balance, January 1, 2015	$ 5
Transfers into Level 3	—
Transfers out of Level 3	—
Total gains (losses):	
Included in earnings	—
Included in other comprehensive income (loss)	23
Purchases, sales, issuances and settlements	—
Ending balance, December 31, 2015	$28
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at December 31, 2015	$—

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Cross-Currency Interest Rate Contracts
Beginning balance, January 1, 2014	$—
Transfers into Level 3	—
Transfers out of Level 3	—
Total gains (losses):	
Included in earnings	—
Included in other comprehensive income (loss)	5
Purchases, sales, issuances and settlements	—
Ending balance, December 31, 2014	$ 5
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at December 31, 2014	$—

16. FAIR VALUE (Continued)

Gains and losses (realized and unrealized) included in earnings for instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are reported in interest expense and other comprehensive income (loss) as follows (dollars in millions):

	Interest expense	Other comprehensive income (loss)
2015		
Total net gains included in earnings	$—	$—
Changes in unrealized gains relating to assets still held at December 31, 2015	—	23

	Interest expense	Other comprehensive income (loss)
2014		
Total net gains included in earnings	$—	$—
Changes in unrealized gains relating to assets still held at December 31, 2014	—	5

We also have assets that under certain conditions are subject to measurement at fair value on a non-recurring basis. These assets include property, plant and equipment and those associated with acquired businesses, including goodwill and intangible assets. For these assets, measurement at fair value in periods subsequent to their initial recognition is applicable if one or more is determined to be impaired. During 2015 and 2014, we recorded charges of $19 million and $26 million, respectively, for the impairment of long-lived assets. See "Note 11. Restructuring, Impairment and Plant Closing Costs."

17. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS

Our employees participate in a trusteed, non-contributory defined benefit pension plan (the "Plan") that covers substantially all of our full-time U.S. employees. Effective July 1, 2004, the Plan formula for employees not covered by a collective bargaining agreement was converted to a cash balance design. For represented employees, participation in the cash balance design is subject to the terms of negotiated contracts. For participating employees, benefits accrued under the prior formula were converted to opening cash balance accounts. The new cash balance benefit formula provides annual pay credits from 4% to 12% of eligible pay, depending on age and service, plus accrued interest. Participants in the plan on July 1, 2004 may be eligible for additional annual pay credits from 1% to 8%, depending on their age and service as of that date, for up to five years. The conversion to the cash balance plan did not have a significant impact on the accrued benefit liability, the funded status or ongoing pension expense.

We sponsor defined benefit plans in a number of countries outside of the U.S. The availability of these plans, and their specific design provisions, are consistent with local competitive practices and regulations.

We also sponsor unfunded postretirement benefit plans other than pensions, which provide medical and life insurance benefits.

17. EMPLOYEE BENEFIT PLANS (Continued)

Our postretirement benefit plans provide a fully insured Medicare Part D plan including prescription drug benefits affected by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act"). We cannot determine whether the medical benefits provided by our postretirement benefit plans are actuarially equivalent to those provided by the Act. We do not collect a subsidy and our net periodic postretirement benefits cost, and related benefit obligation, do not reflect an amount associated with the subsidy.

Beginning July 1, 2014, the Huntsman Defined Benefit Pension Plan was closed to new non-union entrants and as of April 1, 2015, it was closed to new union entrants. In addition, as of January 1, 2015, Rubicon LLC also closed its defined benefit plan to new entrants. Following the closure of these plans, new hires have been provided with a defined contribution plan with a non-discretionary employer contribution of 6% of pay and a company match of up to 4% of pay, for a total company contribution of up to 10% of pay.

In connection with the Rockwood Acquisition, we assumed certain pension and other postretirement benefit liabilities in the amount of approximately $233 million as of October 1, 2014.

17. EMPLOYEE BENEFIT PLANS (Continued)

The following table sets forth the funded status of the plans and the amounts recognized in our consolidated balance sheets at December 31, 2015 and 2014 (dollars in millions):

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2015		2014		2015		2014	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Change in benefit obligation								
Benefit obligation at beginning of year	$1,001	$3,317	$ 877	$2,859	$137	$ 6	$ 105	$ 5
Service cost	32	40	27	32	4	—	3	—
Interest cost	43	79	45	102	5	—	5	—
Participant contributions	—	6	—	7	3	—	3	—
Plan amendments	—	(31)	—	(6)	(40)	—	—	—
Acquisitions/divestitures	—	—	9	333	—	—	3	—
Foreign currency exchange rate changes	—	(210)	—	(294)	—	(1)	—	—
Curtailments	—	(4)	—	(1)	—	—	—	—
Special termination benefits	—	3	—	3	—	—	—	—
Actuarial (gain) loss	(65)	(65)	129	458	(9)	—	30	1
Benefits paid	(50)	(125)	(86)	(176)	(12)	—	(12)	—
Benefit obligation at end of year	$ 961	$3,010	$1,001	$3,317	$ 88	$ 5	$ 137	$ 6
Change in plan assets								
Fair value of plan assets at beginning of year	$ 761	$2,587	$ 755	$2,443	$ —	$—	$ —	$—
Actual return on plan assets	(10)	40	41	337	—	—	—	—
Foreign currency exchange rate changes	—	(153)	—	(235)	—	—	—	—
Participant contributions	—	6	—	7	3	—	3	—
Acquisitions/divestitures	—	—	6	106	—	—	—	—
Company contributions	21	76	45	105	9	—	9	—
Benefits paid	(50)	(125)	(86)	(176)	(12)	—	(12)	—
Fair value of plan assets at end of year	$ 722	$2,431	$ 761	$2,587	$ —	$—	$ —	$—
Funded status								
Fair value of plan assets	$ 722	$2,431	$ 761	$2,587	$ —	$—	$ —	$—
Benefit obligation	961	3,010	1,001	3,317	88	5	137	6
Accrued benefit cost	$ (239)	$ (579)	$ (240)	$ (730)	$(88)	$(5)	$(137)	$(6)
Amounts recognized in balance sheet:								
Noncurrent asset	$ —	$ 35	$ —	$ 8	$ —	$—	$ —	$—
Current liability	(6)	(5)	(6)	(7)	(9)	—	(9)	—
Noncurrent liability	(233)	(609)	(234)	(731)	(79)	(5)	(128)	(6)
	$ (239)	$ (579)	$ (240)	$ (730)	$(88)	$(5)	$(137)	$(6)

17. EMPLOYEE BENEFIT PLANS (Continued)

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2015		2014		2015		2014	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Amounts recognized in accumulated other comprehensive loss:								
Net actuarial loss	$359	$906	$390	$916	$ 38	$ 1	$ 50	$ 1
Prior service cost	(22)	(34)	(29)	(2)	(58)	—	(23)	—
	$337	$872	$361	$914	$(20)	$ 1	$ 27	$ 1

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year are as follows (dollars in millions):

	Defined Benefit Plans		Other Postretirement Benefit Plans	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Actuarial loss	$24	$43	$ 2	$—
Prior service cost	(5)	(4)	(7)	—
Total	$19	$39	$(5)	$—

Components of net periodic benefit costs for the years ended December 31, 2015, 2014 and 2013 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2015	2014	2013	2015	2014	2013
Service cost	$ 32	$ 27	$ 31	$ 40	$ 32	$ 38
Interest cost	43	45	40	79	102	90
Expected return on plan assets	(57)	(56)	(50)	(143)	(138)	(124)
Amortization of prior service cost	(6)	(6)	(7)	—	—	1
Amortization of actuarial loss	32	19	35	43	34	43
Settlement loss	—	—	—	—	13	12
Special termination benefits	—	—	—	3	3	9
Net periodic benefit cost	$ 44	$ 29	$ 49	$ 22	$ 46	$ 69

17. EMPLOYEE BENEFIT PLANS (Continued)

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2015	2014	2013	2015	2014	2013
Service cost	$ 4	$ 3	$ 4	$—	$—	$—
Interest cost	5	5	5	—	—	—
Amortization of prior service cost	(5)	(4)	(2)	—	—	—
Amortization of actuarial loss	3	1	2	—	—	—
Net periodic benefit cost	$ 7	$ 5	$ 9	$—	$—	$—

The amounts recognized in net periodic benefit cost and other comprehensive income (loss) as of December 31, 2015, 2014 and 2013 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2015	2014	2013	2015	2014	2013
Current year actuarial loss (gain)	$ 2	$144	$(149)	$ 33	$257	$(40)
Amortization of actuarial loss	(32)	(19)	(35)	(43)	(34)	(43)
Current year prior service (credits) cost	—	—	—	(32)	(6)	1
Amortization of prior service cost (credits)	6	6	7	—	—	(1)
Settlements	—	—	—	—	(13)	(12)
Total recognized in other comprehensive loss (income)	(24)	131	(177)	(42)	204	(95)
Net periodic benefit cost	44	29	49	22	46	69
Total recognized in net periodic benefit cost and other comprehensive (loss) income	$ 20	$160	$(128)	$(20)	$250	$(26)

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2015	2014	2013	2015	2014	2013
Current year actuarial loss (gain)	$ (9)	$ 30	$ (8)	$ —	$ 1	$ (1)
Amortization of actuarial loss	(3)	(1)	(2)	—	—	—
Current year prior service credit	(40)	—	(22)	—	—	—
Amortization of prior service cost	5	4	2	—	—	—
Total recognized in other comprehensive loss (income)	(47)	33	(30)	—	1	(1)
Net periodic benefit cost	7	5	9	—	—	—
Total recognized in net periodic benefit cost and other comprehensive (loss) income	$(40)	$ 38	$ (21)	$ —	$ 1	$ (1)

17. EMPLOYEE BENEFIT PLANS (Continued)

The following weighted-average assumptions were used to determine the projected benefit obligation at the measurement date and the net periodic pension cost for the year:

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2015	2014	2013	2015	2014	2013
Projected benefit obligation						
Discount rate	4.90%	4.25%	5.13%	2.53%	2.48%	3.62%
Rate of compensation increase	4.17%	4.16%	4.17%	3.23%	3.23%	3.37%
Net periodic pension cost						
Discount rate	4.25%	5.13%	4.18%	2.48%	3.62%	3.38%
Rate of compensation increase	4.16%	4.17%	4.19%	3.23%	3.37%	3.34%
Expected return on plan assets	7.74%	7.75%	7.75%	5.79%	5.82%	5.75%

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2015	2014	2013	2015	2014	2013
Projected benefit obligation						
Discount rate	4.68%	4.17%	4.79%	7.25%	6.44%	6.49%
Net periodic pension cost						
Discount rate	4.20%	4.79%	3.89%	6.44%	6.49%	5.79%

At December 31, 2015 and 2014, the health care trend rate used to measure the expected increase in the cost of benefits was assumed to be 7.0% and 6.5%, respectively, decreasing to 5% after 2024. Assumed health care cost trend rates can have a significant effect on the amounts reported for the postretirement benefit plans. A one-percent point change in assumed health care cost trend rates would have the following effects (dollars in millions):

	Increase	Decrease
Asset category		
Effect on total of service and interest cost	$—	$—
Effect on postretirement benefit obligation	2	(2)

The projected benefit obligation and fair value of plan assets for the defined benefit plans with projected benefit obligations in excess of plan assets as of December 31, 2015 and 2014 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2015	2014	2015	2014
Projected benefit obligation in excess of plan assets				
Projected benefit obligation	$961	$1,002	$2,129	$2,945
Fair value of plan assets	722	761	1,514	2,206

17. EMPLOYEE BENEFIT PLANS (Continued)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the defined benefit plans with an accumulated benefit obligation in excess of plan assets as of December 31, 2015 and 2014 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2015	2014	2015	2014
Accumulated benefit obligation in excess of plan assets				
Projected benefit obligation	$961	$1,002	$1,403	$2,253
Accumulated benefit obligation	941	980	1,312	2,108
Fair value of plan assets	722	761	823	1,554

Expected future contributions and benefit payments are as follows (dollars in millions):

	U.S. Plans		Non-U.S. Plans	
	Defined Benefit Plans	Other Postretirement Benefit Plans	Defined Benefit Plans	Other Postretirement Benefit Plans
2016 expected employer contributions				
To plan trusts	$ 6	$ 9	$ 60	$—
Expected benefit payments				
2016	67	9	111	—
2017	71	7	112	—
2018	62	7	116	—
2019	65	7	118	—
2020	65	7	121	—
2021 - 2025	354	37	650	2

Our investment strategy with respect to pension assets is to pursue an investment plan that, over the long term, is expected to protect the funded status of the plan, enhance the real purchasing power of plan assets, and not threaten the plan's ability to meet currently committed obligations. Additionally, our investment strategy is to achieve returns on plan assets, subject to a prudent level of portfolio risk. Plan assets are invested in a broad range of investments. These investments are diversified in terms of domestic and international equities, both growth and value funds, including small, mid and large capitalization equities; short-term and long-term debt securities; real estate; and cash and cash equivalents. The investments are further diversified within each asset category. The portfolio diversification provides protection against a single investment or asset category having a disproportionate impact on the aggregate performance of the plan assets.

Our pension plan assets are managed by outside investment managers. The investment managers value our plan assets using quoted market prices, other observable inputs or unobservable inputs. For certain assets, the investment managers obtain third-party appraisals at least annually, which use valuation techniques and inputs specific to the applicable property, market, or geographic location. During 2015, there were no transfers into or out of Level 3 assets.

We have established target allocations for each asset category. Our pension plan assets are periodically rebalanced based upon our target allocations.

17. EMPLOYEE BENEFIT PLANS (Continued)

The fair value of plan assets for the pension plans was $3.2 billion and $3.3 billion at December 31, 2015 and 2014, respectively. The following plan assets are measured at fair value on a recurring basis (dollars in millions):

		Fair Value Amounts Using		
Asset category	December 31, 2015	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. pension plans:				
Equities	$ 387	$ 279	$ 108	$—
Fixed income	277	211	66	—
Real estate/other	58	—	—	58
Cash	—	—	—	—
Total U.S. pension plan assets	$ 722	$ 490	$ 174	$58
Non-U.S. pension plans:				
Equities	$ 830	$ 446	$ 384	$—
Fixed income	1,113	514	599	—
Real estate/other	477	84	339	54
Cash	11	10	1	—
Total Non-U.S. pension plan assets	$2,431	$1,054	$1,323	$54

		Fair Value Amounts Using		
Asset category	December 31, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. pension plans:				
Equities	$ 454	$ 268	$ 186	$—
Fixed income	216	83	133	—
Real estate/other	85	34	—	51
Cash	6	6	—	—
Total U.S. pension plan assets	$ 761	$ 391	$ 319	$51
Non-U.S. pension plans:				
Equities	$ 933	$ 487	$ 446	$—
Fixed income	1,207	821	386	—
Real estate/other	383	28	310	45
Cash	64	59	5	—
Total Non-U.S. pension plan assets	$2,587	$1,395	$1,147	$45

17. EMPLOYEE BENEFIT PLANS (Continued)

The following table reconciles the beginning and ending balances of plan assets measured at fair value using unobservable inputs (Level 3) (dollars in millions):

Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3)	Real Estate/Other Year ended December 31, 2015	Real Estate/Other Year ended December 31, 2014
Balance at beginning of period	$ 96	$76
Return on pension plan assets	4	5
Purchases, sales and settlements	12	6
Transfers (out of) into Level 3	—	—
Acquisition date fair value of pension plan assets acquired	—	9
Balance at end of period	$112	$96

Based upon historical returns, the expectations of our investment committee and outside advisors, the expected long-term rate of return on the pension assets is estimated to be between 5.75% and 7.75%. The asset allocation for our pension plans at December 31, 2015 and 2014 and the target allocation for 2016, by asset category are as follows:

Asset category	Target Allocation 2016	Allocation at December 31, 2015	Allocation at December 31, 2014
U.S. pension plans:			
Equities	53%	54%	60%
Fixed income	40%	38%	28%
Real estate/other	7%	8%	11%
Cash	—	—	1%
Total U.S. pension plans	100%	100%	100%
Non-U.S. pension plans:			
Equities	36%	34%	36%
Fixed income	44%	46%	47%
Real estate/other	11%	20%	15%
Cash	9%	—	2%
Total non-U.S. pension plans	100%	100%	100%

Equity securities in our pension plans did not include any direct investments in equity securities of our Company or our affiliates at the end of 2015.

Defined Contribution Plans—U.S.

We have a money purchase pension plan covering substantially all of our domestic employees who were hired prior to January 1, 2004. Employer contributions are made based on a percentage of employees' earnings (ranging up to 8%). During 2014, we closed this plan to non-union participants, continuing to provide equivalent benefits to those covered under this plan into their salary deferral account.

17. EMPLOYEE BENEFIT PLANS (Continued)

We also have a salary deferral plan covering substantially all U.S. employees. Plan participants may elect to make voluntary contributions to this plan up to a specified amount of their compensation. We contribute an amount equal to one-half of the participant's contribution, not to exceed 2% of the participant's compensation.

Along with the introduction of the cash balance formula within our defined benefit pension plan, the money purchase pension plan was closed to new hires. At the same time, our match in the salary deferral plan was increased, for new hires, to a 100% match, not to exceed 4% of the participant's compensation, once the participant has achieved six years of service with our Company.

Our total combined expense for the above defined contribution plans for each of the years ended December 31, 2015, 2014 and 2013 was $23 million, $15 million and $14 million, respectively.

Defined Contribution Plans—Non-U.S.

We have defined contribution plans in a variety of non-U.S. locations.

Our total combined expense for these defined contribution plans for the years ended December 31, 2015, 2014 and 2013 was $13 million, $14 million and $14 million, respectively, primarily related to the Huntsman UK Pension Plan.

All UK associates are eligible to participate in the Huntsman UK Pension Plan, a contract-based arrangement with a third party. Company contributions vary by business during a five year transition period. Plan participants elect to make voluntary contributions to this plan up to a specified amount of their compensation. We contribute a matching amount not to exceed 12% of the participant's salary for new hires and 15% of the participant's salary for all other participants.

Supplemental Salary Deferral Plan and Supplemental Executive Retirement Plan

The Huntsman Supplemental Savings Plan ("Huntsman SSP") is a non-qualified plan covering key management employees and allows participants to defer amounts that would otherwise be paid as compensation. The participant can defer up to 75% of their salary and bonus each year. This plan also provides benefits that would be provided under the Huntsman Salary Deferral Plan if that plan were not subject to legal limits on the amount of contributions that can be allocated to an individual in a single year. The Huntsman SSP was amended and restated effective as of January 1, 2005 to allow eligible executive employees to comply with Section 409A of the Internal Revenue Code of 1986.

The SERP is an unfunded non-qualified pension plan established to provide certain executive employees with benefits that could not be provided, due to legal limitations, under the Huntsman Defined Benefit Pension Plan, a qualified defined benefit pension plan, and the Huntsman Money Purchase Pension Plan, a qualified money purchase pension plan.

Assets of these plans are included in other noncurrent assets and as of December 31, 2015 and 2014 were $26 million and $24 million, respectively. During each of the years ended December 31, 2015, 2014 and 2013, we expensed a total of $1 million as contributions to the Huntsman SSP and the SERP.

17. EMPLOYEE BENEFIT PLANS (Continued)

Stock-based Incentive Plan

In connection with the initial public offering of common and preferred stock on February 16, 2005, we adopted the Huntsman Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan permits the grant of non-qualified stock options, incentive stock options, stock appreciation rights, nonvested stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. As of December 31, 2015 we are authorized to grant up to 37.2 million shares under the Stock Incentive Plan. See "Note 22. Stock-Based Compensation Plan."

International Plans

International employees are covered by various post-employment arrangements consistent with local practices and regulations. Such obligations are included in other long-term liabilities in our consolidated balance sheets.

18. INCOME TAXES

The following is a summary of U.S. and non-U.S. provisions for current and deferred income taxes (dollars in millions):

	Year ended December 31,		
	2015	2014	2013
Income tax expense (benefit):			
U.S.			
Current	$ 48	$ 55	75
Deferred	21	(4)	79
Non-U.S.			
Current	24	48	42
Deferred	(47)	(48)	(71)
Total	$ 46	$ 51	$125

18. INCOME TAXES (Continued)

The following schedule reconciles the differences between the U.S. federal income taxes at the U.S. statutory rate to our provision for income taxes (dollars in millions):

	Year ended December 31,		
	2015	2014	2013
Income from continuing operations before income taxes	$176	$404	$279
Expected tax expense at U.S. statutory rate of 35%	$ 62	$142	$ 98
Change resulting from:			
State tax expense net of federal benefit	(3)	10	11
Non-U.S. tax rate differentials	4	(7)	10
Effects of non-U.S. operations	(6)	3	1
U.S. domestic manufacturing deduction	(7)	(14)	(14)
Currency exchange gains and losses	(58)	(7)	14
Effect of tax holidays	(6)	—	—
U.S. foreign tax credits, net of associated income and taxes	(22)	(2)	(86)
Tax benefit of losses with valuation allowances as a result of other comprehensive income	(3)	(7)	(22)
Tax authority audits and dispute resolutions	10	3	9
Change in valuation allowance	75	(76)	100
Other, net	—	6	4
Total income tax expense	$ 46	$ 51	$125

During 2013, we declared a dividend from our non-U.S. operations to the U.S., which included bringing onshore certain U.S. foreign tax credits. The foreign tax credits brought onshore significantly exceeded the amount needed to offset the cash tax impact of the dividend. A full valuation allowance was placed on the remaining foreign tax credits since it was more likely than not that the credits would expire unused due to the application of specific foreign tax credit limitations. In early 2014, the amount of foreign tax credits brought onshore was adjusted downward by $10 million, to $104 million, which was fully offset by a valuation allowance.

After extensive research and analysis, in September 2014, we made certain elections and filed amended U.S. tax returns for tax years 2008 through 2012, along with our original U.S. tax return for tax year 2013. These new tax elections and amended tax returns allowed us to utilize U.S. foreign tax credits. The net result was $104 million of income tax benefit recognized during 2014 for the release of the associated valuation allowance, including a discrete income tax benefit of $94 million in the third quarter of 2014.

During 2015, we declared a dividend from our non-U.S. operations to the U.S. which included bringing onshore certain U.S. foreign tax credits. The foreign tax credits brought onshore exceeded the amount needed to offset the cash tax impact of the dividend, as well as enough to allow us to carry $14 million of foreign tax credits back to a prior year and claim a refund.

Included in the non-U.S. deferred tax expense are income tax benefits of $3 million in 2015, $7 million in 2014 and $22 million in 2013 for losses from continuing operations for certain jurisdictions with valuation allowances to the extent that income was recorded in other comprehensive income in that same jurisdiction. The benefits in 2015 and 2014 were largely attributable to the U.K

18. INCOME TAXES (Continued)

and the benefit in 2013 was largely attributable to Switzerland. In both years, foreign currency gains and changes in pension related items resulted in income in other comprehensive income where we have a full valuation allowance against the net deferred tax asset. An offsetting income tax expense was recognized in accumulated other comprehensive loss.

We operate in over 40 non-U.S. tax jurisdictions with no specific country earning a predominant amount of our off-shore earnings. The vast majority of these countries have income tax rates that are lower than the U.S. statutory rate. The average statutory rate for countries with pre-tax losses was lower than the average statutory rate for countries with pre-tax income, resulting in a net expense as compared to the U.S. statutory rate. For the year ended December 31, 2015, the tax rate differential resulted in higher tax expense of $4 million, reflected in the reconciliation above.

In certain non-U.S. tax jurisdictions, our U.S. GAAP functional currency is different than the local tax currency. As a result, foreign exchange gains and losses will impact our effective tax rate. For 2015, this resulted in a $33 million tax benefit ($58 million, net of $25 million of contingent liabilities and valuation allowances). During 2015, a number of our intercompany liabilities that were denominated in U.S. dollars were owed by entities whose tax currency was the euro. As a result of the depreciation in the euro opposite the U.S. dollar, these entities recorded a tax only foreign exchange loss. Most of the intercompany receivables associated with these same U.S. dollar denominated intercompany debts were held by entities with a tax currency of the U.S. dollar which, therefore, resulted in no taxable gain.

During 2015, we were granted an extension of a tax holiday from 2015 to 2022 on certain of our manufacturing operations in Singapore. During 2015, pursuant to the Singapore tax holiday, we recorded a benefit of $6 million. We will continue to enjoy this benefit to the extent of continuing profits in this manufacturing endeavor.

We calculate deferred tax assets and liabilities related to U.S. state income taxes based on projected apportionment factors. During 2015, we experienced a decrease in our projected apportionment factors, which decreased our deferred tax liability for U.S. state income taxes. The amount of our deferred tax liability for U.S. state income taxes is significant, and therefore, the change in apportionment factors for 2015 decreased our net deferred tax liabilities by $5 million. Also during 2015, we changed the legal entity location of certain of our U.S. operations. These changes had the effect of reducing our state tax expense by approximately $3 million.

The components of income (loss) from continuing operations before income taxes were as follows (dollars in millions):

	Year ended December 31,		
	2015	2014	2013
U.S.	$243	$435	$ 419
Non-U.S.	(67)	(31)	(140)
Total	$176	$404	$ 279

18. INCOME TAXES (Continued)

Components of deferred income tax assets and liabilities were as follows (dollars in millions):

	December 31, 2015	December 31, 2014
Deferred income tax assets:		
Net operating loss carryforwards	$ 871	$ 875
Pension and other employee compensation	280	313
Property, plant and equipment	97	109
Intangible assets	131	46
Foreign tax credits	14	17
Other, net	100	100
Total	$1,493	$1,460
Deferred income tax liabilities:		
Property, plant and equipment	$ (577)	$ (540)
Pension and other employee compensation	(8)	(2)
Other, net	(128)	(103)
Total	$ (713)	$ (645)
Net deferred tax asset before valuation allowance	$ 780	$ 815
Valuation allowance—net operating losses and other	(784)	(702)
Net deferred tax asset	$ (4)	$ 113
Current deferred tax asset	$ —	$ 62
Current deferred tax liability	—	(51)
Non-current deferred tax asset	418	435
Non-current deferred tax liability	(422)	(333)
Net deferred tax liability	$ (4)	$ 113

We have gross NOLs of $3,347 million in various non-U.S. jurisdictions. While the majority of the non-U.S. NOLs have no expiration date, $852 million have a limited life (of which $489 million are subject to a valuation allowance) and $29 million are scheduled to expire in 2016 (all of which are subject to a valuation allowance). We had no NOLs expire unused in 2015.

Included in the $3,347 million of gross non-U.S. NOLs is $919 million attributable to our Luxembourg entities. As of December 31, 2015, due to the uncertainty surrounding the realization of the benefits of these losses, there is a valuation allowance of $216 million against these net tax-effected NOLs of $265 million.

We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed each period on a tax jurisdiction by jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective evidence such as our projections for the future.

18. INCOME TAXES (Continued)

Our judgments regarding valuation allowances are also influenced by the costs and risks associated with any tax planning idea.

During 2015, we established valuation allowances of $35 million and released valuation allowances of $3 million. In the U.S., we established $14 million of valuation allowance on U.S. foreign tax credits due to the application of specific foreign tax credit limitations, in The Netherlands we established $7 million of valuation allowance on losses which are scheduled to expire after 2016, and in Italy we established $12 million of valuation allowances on certain net deferred tax assets as a result of cumulative losses.

During 2014, we released valuation allowances of $111 million and established valuation allowances of $3 million. In the U.S., we released $94 million of valuation allowance on U.S. foreign tax credits as a result of making certain tax elections and filing amended U.S. tax returns and in Luxembourg we released a valuation allowance on $6 million of certain net deferred tax assets as a result of significant changes in estimated future taxable income resulting from increased intercompany receivables and, therefore, increased interest income in Luxembourg, our primary treasury center outside of the U.S.

During 2013, we established valuation allowances of $95 million primarily on U.S. foreign tax credits as a result of insufficient foreign source income and we released valuation allowances on $16 million of certain net deferred tax assets as a result of significant changes in estimated future taxable income resulting from increased intercompany receivables and, therefore, increased interest income.

Uncertainties regarding expected future income in certain jurisdictions could affect the realization of deferred tax assets in those jurisdictions and result in additional valuation allowances in future periods, or, in the case of unexpected pre-tax earnings, the release of valuation allowances in future periods.

18. INCOME TAXES (Continued)

The following is a summary of changes in the valuation allowance (dollars in millions):

	2015	2014	2013
Valuation allowance as of January 1	$702	$814	$ 736
Valuation allowance as of December 31	784	702	814
Net (increase) decrease	(82)	112	(78)
Foreign currency movements	(22)	(49)	16
(Decrease) increase to deferred tax assets with no impact on operating tax expense, including an offsetting (decrease) increase to valuation allowances	29	13	(38)
Change in valuation allowance per rate reconciliation	$ (75)	$ 76	$(100)
Components of change in valuation allowance affecting tax expense:			
Pre-tax losses in jurisdictions with valuation allowances resulting in no tax expense or benefit	$ (43)	$ (32)	$ (21)
Releases of valuation allowances in various jurisdictions	3	111	16
Establishments of valuation allowances in various jurisdictions	(35)	(3)	(95)
Change in valuation allowance per rate reconciliation	$ (75)	$ 76	$(100)

The following is a reconciliation of our unrecognized tax benefits (dollars in millions):

	2015	2014
Unrecognized tax benefits as of January 1	$68	$ 96
Gross increases and decreases—tax positions taken during a prior period	3	(18)
Gross increases and decreases—tax positions taken during the current period	5	1
Decreases related to settlements of amounts due to tax authorities	(2)	(5)
Reductions resulting from the lapse of statutes of limitation	(8)	(2)
Foreign currency movements	(4)	(4)
Unrecognized tax benefits as of December 31	$62	$ 68

As of December 31, 2015 and 2014, the amount of unrecognized tax benefits which, if recognized, would affect the effective tax rate is $50 million and $36 million, respectively.

During 2015, 2014, and 2013, for unrecognized tax benefits that impact tax expense, we recorded a net increase in unrecognized tax benefits with a corresponding income tax expense (not including interest and penalty expense) of $19 million, $1 million and $8 million, respectively. Additional decreases in unrecognized tax benefits were offset by cash settlements or by a decrease in net deferred tax assets and, therefore, did not affect income tax expense.

18. INCOME TAXES (Continued)

In accordance with our accounting policy, we continue to recognize interest and penalties accrued related to unrecognized tax benefits in income tax expense.

	Year ended December 31,		
	2015	2014	2013
Interest expense included in tax expense	$(9)	$ 2	$ 2
Penalties expense included in tax expense	—	—	(1)

	December 31,	
	2015	2014
Accrued liability for interest	$ 4	$14
Accrued liability for penalties	—	—

We conduct business globally and, as a result, we file income tax returns in U.S. federal, various U.S. state and various non-U.S. jurisdictions. The following table summarizes the tax years that remain subject to examination by major tax jurisdictions:

Tax Jurisdiction	Open Tax Years
China	2011 and later
France	2002 and later
India	2004 and later
Italy	2010 and later
Malaysia	2003 and later
Switzerland	2009 and later
The Netherlands	2010 and later
United Kingdom	2012 and later
United States federal	2009 and later

Certain of our U.S. and non-U.S. income tax returns are currently under various stages of audit by applicable tax authorities and the amounts ultimately agreed upon in resolution of the issues raised may differ materially from the amounts accrued.

We estimate that it is reasonably possible that certain of our non-U.S. unrecognized tax benefits could change within 12 months of the reporting date with a resulting decrease in the unrecognized tax benefits within a reasonably possible range of $4 million to $24 million. For the 12-month period from the reporting date, we would expect that a substantial portion of the decrease in our unrecognized tax benefits would result in a corresponding benefit to our income tax expense.

During 2015, we concluded and effectively settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to China and France. During 2014, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, China, France and Spain. During 2013, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, China, France and Italy.

For non-U.S. entities that were not treated as branches for U.S. tax purposes, we do not provide for income taxes on the undistributed earnings of these subsidiaries that are reinvested and, in the

18. INCOME TAXES (Continued)

opinion of management, will continue to be reinvested indefinitely. We have material intercompany debt obligations owed by our non-U.S. subsidiaries to the U.S. We do not intend to repatriate earnings to the U.S. via dividend based on estimates of future domestic cash generation and our ability to return cash to the U.S. through payments of intercompany debt owned by our non-U.S. subsidiaries to the U.S. To the extent that cash is required in the U.S., rather than repatriate earnings to the U.S. via dividend, we expect to utilize our intercompany debt. If any earnings were repatriated via dividend, we may need to accrue and pay taxes on the distributions.

As discussed, we made a distribution of a portion of our earnings in 2015 and 2013 when the amount of foreign tax credits associated with the distribution was greater than the amount of tax otherwise due. The undistributed earnings of foreign subsidiaries with positive earnings that are deemed to be permanently invested were approximately $354 million at December 31, 2015. It is not practicable to determine the unrecognized deferred tax liability on those earnings because of the significant assumptions necessary to compute the tax.

19. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

We have various purchase commitments extending through 2029 for materials, supplies and services entered into in the ordinary course of business. Included in the purchase commitments table below are contracts which require minimum volume purchases that extend beyond one year or are renewable annually and have been renewed for 2016. Certain contracts allow for changes in minimum required purchase volumes in the event of a temporary or permanent shutdown of a facility. To the extent the contract requires a minimum notice period, such notice period has been included in the table below. The contractual purchase prices for substantially all of these contracts are variable based upon market prices, subject to annual negotiations. We have estimated our contractual obligations by using the terms of our current pricing for each contract. We also have a limited number of contracts which require a minimum payment even if no volume is purchased. We believe that all of our purchase obligations will be utilized in our normal operations. For the years ended December 31, 2015, 2014 and 2013, we made minimum payments of nil, nil and $7 million, respectively, under such take or pay contracts without taking the product.

Total purchase commitments as of December 31, 2015 are as follows (dollars in millions):

Year ending December 31,	
2016	$1,455
2017	876
2018	607
2019	338
2020	119
Thereafter	871
	$4,266

19. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases

We lease certain railcars, aircraft, equipment and facilities under long-term lease agreements. The total expense recorded under operating lease agreements in our consolidated statements of operations is approximately $94 million, $97 million and $80 million for 2015, 2014 and 2013, respectively, net of sublease rentals of approximately $3 million, $3 million and $4 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Future minimum lease payments under operating leases as of December 31, 2015 are as follows (dollars in millions):

Year ending December 31,	
2016	$ 87
2017	75
2018	70
2019	62
2020	57
Thereafter	202
	$553

Future minimum lease payments have not been reduced by minimum sublease rentals of $2 million due in the future under noncancelable subleases.

Legal Matters

Antitrust Matters

We were named as a defendant in consolidated class action civil antitrust suits filed on February 9 and 12, 2010 in the U.S. District Court for the District of Maryland alleging that we and our co-defendants and other alleged co-conspirators conspired to fix prices of titanium dioxide sold in the U.S. between at least March 1, 2002 and the present. The other defendants named in this matter were DuPont, Kronos and Cristal (formerly Millennium). On August 28, 2012, the court certified a class consisting of all U.S. customers who purchased titanium dioxide directly from the defendants (the "Direct Purchasers") since February 1, 2003. On December 13, 2013, we and all other defendants settled the Direct Purchasers litigation and the court approved the settlement. We paid the settlement in an amount immaterial to our consolidated financial statements.

On November 22, 2013, we were named as a defendant in a civil antitrust suit filed in the U.S. District Court for the District of Minnesota brought by a Direct Purchaser who opted out of the Direct Purchasers class litigation (the "Opt-Out Litigation"). On April 21, 2014, the court severed the claims against us from the other defendants sued and ordered our case transferred to the U.S. District Court for the Southern District of Texas. Subsequently, Kronos, another defendant, was also severed from the Minnesota case and claims against it were transferred and consolidated for trial with our case in the Southern District of Texas. The trial previously scheduled to begin February 22, 2016 has been rescheduled to begin September 26, 2016. It is possible that additional claims will be filed by other Direct Purchasers who opted out of the class litigation.

19. COMMITMENTS AND CONTINGENCIES (Continued)

We were also named as a defendant in a class action civil antitrust suit filed on March 15, 2013 in the U.S. District Court for the Northern District of California by the purchasers of products made from titanium dioxide (the "Indirect Purchasers") making essentially the same allegations as did the Direct Purchasers. On October 14, 2014, plaintiffs filed their Second Amended Class Action Complaint narrowing the class of plaintiffs to those merchants and consumers of architectural coatings containing titanium dioxide. On August 11, 2015, the court granted our motion to dismiss the Indirect Purchasers litigation with leave to amend the complaint. A Third Amended Class Action Complaint was filed on September 29, 2015 further limiting the class to consumers of architectural paints. Plaintiffs have raised state antitrust claims under the laws of 15 states, consumer protection claims under the laws of 9 states, and unjust enrichment claims under the laws of 16 states. On November 4, 2015, we and our co-defendants filed another motion to dismiss, which remains pending. The Opt-Out Litigation and Indirect Purchasers plaintiffs seek to recover injunctive relief, treble damages or the maximum damages allowed by state law, costs of suit and attorneys' fees. We are not aware of any illegal conduct by us or any of our employees. Nevertheless, we have incurred costs relating to these claims and could incur additional costs in amounts which in the aggregate could be material to us. Because of the overall complexity of these cases, we are unable to reasonably estimate any possible loss or range of loss associated with these claims and we have made no accruals with respect to these claims.

Product Delivery Claim

We have been notified by a customer of potential claims related to our alleged delivery of a different product than the one the customer had ordered. Our customer claims that it was unaware that the different product had been delivered until after that product had been used to manufacture materials which were subsequently sold. Originally, the customer stated that it had been notified of claims by its customers of up to an aggregate of €153 million (approximately $167 million) relating to this matter and claimed that we may be responsible for all or a portion of these potential claims. Our customer has since resolved some of these claims and the aggregate amount of the current claims is now approximately €113 million (approximately $123 million). Based on the facts currently available, we believe that we are insured for any liability we may ultimately have in excess of $10 million. However, no assurance can be given regarding our ultimate liability or costs. We believe our range of possible loss in this matter is between €0 and €113 million (approximately $123 million), and we have made no accrual with respect to this matter.

Indemnification Matters

On July 3, 2012, Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC ("the Banks") demanded that we indemnify them for claims brought against them by certain MatlinPatterson entities that were formerly our stockholders ("MatlinPatterson") in litigation filed by MatlinPatterson on June 19, 2012 in the 9th District Court in Montgomery County, Texas (the "Texas Litigation"). The Banks assert that they are entitled to indemnification pursuant to the Agreement of Compromise and Settlement between the Banks and our Company, dated June 22, 2009, wherein the Banks and our Company settled claims that we filed relating to the failed acquisition by and merger with Hexion. MatlinPatterson claims that the Banks knowingly made materially false representations about the nature of the financing for the acquisition of our Company by Hexion and that they suffered substantial loss in value to their 19 million shares of our common stock as a result thereof. MatlinPatterson is asserting statutory fraud, common law fraud and aiding and abetting statutory fraud and are seeking

19. COMMITMENTS AND CONTINGENCIES (Continued)

actual damages, exemplary damages, costs and attorney's fees and pre-judgment and post-judgment interest. On December 21, 2012, the court dismissed the Texas Litigation, a decision which was affirmed by the Ninth Court of Appeals of Texas on May 15, 2014. A subsequent motion for rehearing by MatlinPatterson was denied by the same appellate court on June 12, 2014. A petition for discretionary review in the Texas Supreme Court was denied by final order entered January 7, 2016.

On July 14, 2014, the Banks demanded that we indemnify them for additional claims brought against them by certain other former Company stockholders in litigation filed June 14, 2014 in the United States District Court for the Eastern District of Wisconsin (the "Wisconsin Litigation"). The stockholders in the Wisconsin Litigation have made essentially the same allegations as MatlinPatterson made in the Texas Litigation and, additionally, have named Apollo Global Management LLC and Apollo Management Holdings, L.P. as defendants. Stockholder plaintiffs in the Wisconsin Litigation assert claims for misrepresentation and conspiracy to defraud. On April 9, 2015, the court denied the Banks' motions to dismiss the Wisconsin Litigation, which were on the same grounds asserted in the Texas Litigation, as moot. We expect the Banks to refile these motions once limited discovery related to jurisdiction is complete. We denied the Banks' indemnification demand for both the Texas Litigation and the Wisconsin Litigation.

Other Proceedings

We are a party to various other proceedings instituted by private plaintiffs, governmental authorities and others arising under provisions of applicable laws, including various environmental, products liability and other laws. Except as otherwise disclosed in this report, we do not believe that the outcome of any of these matters will have a material effect on our financial condition, results of operations or liquidity.

20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

EHS Capital Expenditures

We may incur future costs for capital improvements and general compliance under EHS laws, including costs to acquire, maintain and repair pollution control equipment. For the years ended December 31, 2015, 2014 and 2013, our capital expenditures for EHS matters totaled $141 million, $125 million, and $92 million, respectively. Because capital expenditures for these matters are subject to evolving regulatory requirements and depend, in part, on the timing, promulgation and enforcement of specific requirements, our capital expenditures for EHS matters have varied significantly from year to year and we cannot provide assurance that our recent expenditures are indicative of future amounts we may spend related to EHS and other applicable laws.

Environmental Reserves

We have accrued liabilities relating to anticipated environmental cleanup obligations, site reclamation and closure costs and known penalties. Liabilities are recorded when potential liabilities are either known or considered probable and can be reasonably estimated. Our liability estimates are calculated using present value techniques as appropriate and are based upon requirements placed upon us by regulators, available facts, existing technology and past experience. The environmental liabilities do not include amounts recorded as asset retirement obligations. We had accrued $38 million and $60 million for environmental liabilities as of December 31, 2015 and 2014, respectively. Of these

20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)

amounts, $6 million and $7 million were classified as accrued liabilities in our consolidated balance sheets as of December 31, 2015 and 2014, respectively, and $32 million and $53 million were classified as other noncurrent liabilities in our consolidated balance sheets as of December 31, 2015 and 2014, respectively. In certain cases, our remediation liabilities may be payable over periods of up to 30 years. We may incur losses for environmental remediation in excess of the amounts accrued; however, we are not able to estimate the amount or range of such potential excess.

ENVIRONMENTAL MATTERS

Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and similar state laws, a current or former owner or operator of real property in the U.S. may be liable for remediation costs regardless of whether the release or disposal of hazardous substances was in compliance with law at the time it occurred, and a current owner or operator may be liable regardless of whether it owned or operated the facility at the time of the release. Outside the U.S., analogous contaminated property laws, such as those in effect in France and Australia, can hold past owners and/or operators liable for remediation at former facilities. Currently, there are approximately 10 former facilities or third-party sites in the U.S. for which we have been notified of potential claims against us for cleanup liabilities, including, but not limited to, sites listed under CERCLA. Based on current information and past experiences at other CERCLA sites, we do not expect these third-party claims to have a material impact on our consolidated financial statements.

Under the Resource Conservation and Recovery Act ("RCRA") in the U.S. and similar state laws, we may be required to remediate contamination originating from our properties as a condition to our hazardous waste permit. Some of our manufacturing sites have an extended history of industrial chemical manufacturing and use, including on-site waste disposal. We are aware of soil, groundwater or surface contamination from past operations at some of our sites, and we may find contamination at other sites in the future. For example, our Port Neches, Texas, and Geismar, Louisiana, facilities are the subject of ongoing remediation requirements imposed under RCRA. Similar laws exist in a number of locations in which we currently operate, or previously operated, manufacturing facilities, such as Australia, India, France, Hungary and Italy.

West Footscray Remediation

By letter dated March 7, 2006, our former Base Chemicals and Polymers facility in West Footscray, Australia was issued a cleanup notice by the Environmental Protection Authority Victoria ("EPA Victoria") due to concerns about soil and groundwater contamination emanating from the site. On August 23, 2010, EPA Victoria revoked a second cleanup notice and issued a revised notice that included a requirement for financial assurance for the remediation. As of December 31, 2015, we had an accrued liability of approximately $17 million related to estimated environmental remediation costs at this site. We can provide no assurance that the authority will not seek to institute additional requirements for the site or that additional costs will not be required for the cleanup.

North Maybe Mine Remediation

The North Maybe Canyon Mine site is a CERCLA site and involves a former phosphorous mine near Soda Springs, Idaho, which is believed to have been operated by several companies, including a predecessor company to us. In 2004, the U.S. Forest Service notified us that we are a CERCLA PRP

20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)

for contamination originating from the site. In February 2010, we and Wells Cargo (another PRP) agreed to conduct a Remedial Investigation/Feasibility Study of a portion of the site and are currently engaged in that process. At this time, we are unable to reasonably estimate our potential liabilities at this site.

Port Neches Flaring Matter

As part of the EPA's national enforcement initiative on flaring operations and by letter dated October 12, 2012, the U.S. Department of Justice (the "DOJ") notified us that we were in violation of the CAA based on our response to a 2010 CAA Section 114 Information Request. The EPA has used the enforcement initiative to bring similar actions against refiners and other chemical manufacturers and has sought to collect civil penalties in excess of $100,000. Specifically, the EPA alleged violations at our Port Neches, Texas facility from 2007-2012 for flare operations not consistent with good pollution control practice and not in compliance with certain flare-related regulations. As a result of these findings, the EPA referred this matter to the DOJ. We provided a formal response to the DOJ and the EPA with a supplemental data submission on April 29, 2013. We have been engaged in discussions with the DOJ and the EPA regarding these alleged violations and conducted field trials on an alternate flare monitoring method beginning in September 2014. We are currently unable to determine the likelihood or magnitude of any potential penalty or injunctive relief that may be incurred in resolving this matter.

21. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY

SHARE REPURCHASE PROGRAM

On September 29, 2015, our Board of Directors authorized our Company to repurchase up to $150 million in shares of our common stock. Repurchases under this program may be made through open market transactions, in privately negotiated transactions, accelerated share repurchase programs or by other means. The timing and actual number of any shares repurchased depends on a variety of factors, including market conditions. The share repurchase authorization does not have an expiration date and repurchases may be commenced, suspended or discontinued from time to time without prior notice. On October 27, 2015, we entered into and funded an accelerated share repurchase agreement with Citibank, N.A. to repurchase $100 million of our common stock. Citibank, N.A. made an initial delivery of approximately 7.1 million shares of Huntsman Corporation common stock based on the closing price of $11.94 on October 27, 2015. The accelerated share repurchase agreement was completed in January 2016 with the delivery of an additional approximately 1.5 million shares of Huntsman Corporation common stock. The final number of shares repurchased and the aggregate cost per share was based on the Company's daily volume-weighted average stock price during the term of the transaction, less a discount.

21. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY (Continued)

Dividends on Common Stock

The following tables represent dividends on common stock for our Company for the years ended December 31, 2015 and 2014 (dollars in millions, except per share payment amounts):

	2015	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2015	$0.125	$31
June 30, 2015	0.125	31
September 30, 2015	0.125	31
December 31, 2015	0.125	30

	2014	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2014	$0.125	$30
June 30, 2014	0.125	30
September 30, 2014	0.125	31
December 31, 2014	0.125	30

22. STOCK-BASED COMPENSATION PLAN

Under the Stock Incentive Plan, a plan approved by stockholders, we may grant non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. The terms of the grants are fixed at the grant date. As of December 31, 2015 we were authorized to grant up to 37.2 million shares under the Stock Incentive Plan. As of December 31, 2015, we had 7 million shares remaining under the Stock Incentive Plan available for grant. Option awards have a maximum contractual term of 10 years and generally must have an exercise price at least equal to the market price of our common stock on the date the option award is granted. Stock-based awards generally vest over a three-year period; certain performance awards vest over a two-year period and awards to our directors vest on the grant date.

The compensation cost from continuing operations under the Stock Incentive Plan was as follows (dollars in millions):

	Year ended December 31,		
	2015	2014	2013
Compensation cost	$30	$28	$29

The total income tax benefit recognized in the statement of operations for stock-based compensation arrangements was $6 million, $6 million and $7 million for the years ended December 31, 2015, 2014 and 2013, respectively.

22. STOCK-BASED COMPENSATION PLAN (Continued)

Stock Options

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes valuation model that uses the assumptions noted in the following table. Expected volatilities are based on the historical volatility of our common stock through the grant date. The expected term of options granted was estimated based on the contractual term of the instruments and employees' expected exercise and post-vesting employment termination behavior. The risk-free rate for periods within the contractual life of the option was based on the U.S. Treasury yield curve in effect at the time of grant. The assumptions noted below represent the weighted averages of the assumptions utilized for all stock options granted during the year.

	Year ended December 31,		
	2015	2014	2013
Dividend yield	2.3%	2.4%	2.8%
Expected volatility	57.6%	60.3%	62.5%
Risk-free interest rate	1.4%	1.7%	1.0%
Expected life of stock options granted during the period	5.9 years	5.7 years	5.6 years

A summary of stock option activity under the Stock Incentive Plan as of December 31, 2015 and changes during the year then ended is presented below:

Option Awards	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
	(in thousands)		(years)	(in millions)
Outstanding at January 1, 2015	8,781	$14.84		
Granted	1,011	22.21		
Exercised	(49)	16.43		
Forfeited	(199)	19.70		
Outstanding at December 31, 2015	9,544	15.51	4.8	$17
Exercisable at December 31, 2015	7,449	13.95	3.7	17

The weighted-average grant-date fair value of stock options granted during 2015, 2014 and 2013 was $9.81, $9.63 and $7.93 per option, respectively. As of December 31, 2015, there was $11 million of total unrecognized compensation cost related to nonvested stock option arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.8 years.

During the years ended December 31, 2015, 2014 and 2013, the total intrinsic value of stock options exercised was approximately nil, $14 million and $14 million, respectively.

22. STOCK-BASED COMPENSATION PLAN (Continued)

Nonvested shares

Nonvested shares granted under the Stock Incentive Plan consist of restricted stock, which is accounted for as an equity award, and phantom stock, which is accounted for as a liability award because it can be settled in either stock or cash.

During the first quarter of 2015, we began issuing performance awards to certain employees. The fair value of each performance award is estimated using a Monte Carlo simulation model that uses various assumptions, including an expected volatility rate and a risk-free interest rate. For the year ended December 31, 2015 the weighted-average expected volatility rate was 30.0% and the weighted average risk-free interest rate was 0.7%. For the performance awards granted during the year ended December 31, 2015, the number of shares earned varies based upon the Company achieving certain performance criteria over two-year and three-year performance periods. The performance criteria are total stockholder return of our common stock relative to the total stockholder return of a specified industry peer-group for the two-year and three-year performance periods.

A summary of the status of our nonvested shares as of December 31, 2015 and changes during the year then ended is presented below:

	Equity Awards		Liability Awards	
	Shares (in thousands)	Weighted Average Grant-Date Fair Value	Shares (in thousands)	Weighted Average Grant-Date Fair Value
Nonvested at January 1, 2015	1,821	$17.37	492	$18.50
Granted	855	23.25	261	22.60
Vested	(779)(1)	17.30	(259)	17.09
Forfeited	(43)	21.37	(19)	21.22
Nonvested at December 31, 2015	1,854	19.97	475	21.37

(1) As of December 31, 2015, a total of 393,952 restricted stock units were vested but not yet issued, of which 29,645 vested during 2015. These shares have not been reflected as vested shares in this table because, in accordance with the restricted stock unit agreements, shares of common stock are not issued for vested restricted stock units until termination of employment. This table does reflect 29,921 vested restricted stock units for which shares of common stock were issued in 2015.

As of December 31, 2015, there was $20 million of total unrecognized compensation cost related to nonvested share compensation arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.8 years. The value of share awards that vested during the years ended December 31, 2015, 2014 and 2013 was $20 million, $19 million and $18 million, respectively.

23. OTHER COMPREHENSIVE (LOSS) INCOME

Other comprehensive (loss) income consisted of the following (dollars in millions):

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2015	$ 25	$(1,122)	$10	$11	$(1,076)	$23	$(1,053)
Other comprehensive (loss) income before reclassifications, gross	(271)	44	1	6	(220)	5	(215)
Tax expense	(42)	(33)	—	—	(75)	—	(75)
Amounts reclassified from accumulated other comprehensive loss, gross(c)	—	69	—	—	69	—	69
Tax expense	—	(14)	—	—	(14)	—	(14)
Net current-period other comprehensive (loss) income	(313)	66	1	6	(240)	5	(235)
Ending balance, December 31, 2015	$(288)	$(1,056)	$11	$17	$(1,316)	$28	$(1,288)

(a) Amounts are net of tax of $90 and $47 as of December 31, 2015 and January 1, 2015, respectively.

(b) Amounts are net of tax of $135 and $182 as of December 31, 2015 and January 1, 2015, respectively.

(c) See table below for details about these reclassifications.

23. OTHER COMPREHENSIVE (LOSS) INCOME (Continued)

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2014	$ 246	$ (851)	$12	$ 8	$ (585)	$ 8	$ (577)
Other comprehensive (loss) income before reclassifications, gross	(187)	(311)	(2)	4	(496)	15	(481)
Tax (expense) benefit	(34)	88	—	(1)	53	—	53
Amounts reclassified from accumulated other comprehensive loss, gross(c)	—	(59)	—	—	(59)	—	(59)
Tax benefit	—	11	—	—	11	—	11
Net current-period other comprehensive (loss) income	(221)	(271)	(2)	3	(491)	15	(476)
Ending balance, December 31, 2014	$ 25	$(1,122)	$10	$11	$(1,076)	$23	$(1,053)

(a) Amounts are net of tax of $47 and $13 as of December 31, 2014 and January 1, 2014, respectively.

(b) Amounts are net of tax of $182 and $83 as of December 31, 2014 and January 1, 2014, respectively.

(c) See table below for details about these reclassifications.

Details about Accumulated Other Comprehensive Loss Components(a):	Year ended December 31, 2015 Amount reclassified from accumulated other comprehensive loss	Year ended December 31, 2014 Amount reclassified from accumulated other comprehensive loss	Year ended December 31, 2013 Amount reclassified from accumulated other comprehensive loss	Affected line item in the statement where net income is presented
Amortization of pension and other postretirement benefits:				
Prior service credit	$ 10	$ 9	$ 8	(b)
Actuarial loss	(79)	(55)	(80)	(b)(c)
Settlement loss	—	(13)	(12)	(b)
	(69)	(59)	(84)	Total before tax
	14	11	23	Income tax expense
Total reclassifications for the period	$(55)	$(48)	$(61)	Net of tax

(a) Pension and other postretirement benefits amounts in parentheses indicate credits on our consolidated statements of operations.

23. OTHER COMPREHENSIVE (LOSS) INCOME (Continued)

(b) These accumulated other comprehensive loss components are included in the computation of net periodic pension costs. See "Note 17. Employee Benefit Plans."

(c) Amounts contain approximately $6 million, $4 million and $6 million of actuarial losses related to discontinued operations for the years ended December 31, 2015, 2014 and 2013, respectively.

Items of other comprehensive income (loss) of our Company and our consolidated affiliates have been recorded net of tax, with the exception of the foreign currency translation adjustments related to subsidiaries with earnings permanently reinvested. The tax effect is determined based upon the jurisdiction where the income or loss was recognized and is net of valuation allowances.

24. RELATED PARTY TRANSACTIONS

Our consolidated financial statements include the following transactions with our affiliates not otherwise disclosed (dollars in millions):

	Year ended December 31,		
	2015	2014	2013
Sales to:			
Unconsolidated affiliates	$131	$261	$232
Inventory purchases from:			
Unconsolidated affiliates	487	614	597

Our subsidiary Airstar Corporation ("Airstar") subleases a Gulfstream IV-SP Aircraft (the "Aircraft") from Jstar Corporation ("Jstar"), a corporation wholly owned by Jon M. Huntsman pursuant to a lease arrangement that expires in 2021. Jon M. Huntsman is the Executive Chairman and the father of our Chief Executive Officer, Peter R. Huntsman and our Division President, Advanced Materials, James H. Huntsman. Under this arrangement, monthly sublease payments from Airstar to Jstar are approximately $120,000, and an aggregate of $8 million is payable through the end of the remaining six year lease term. These monthly sublease payments are equal to the financing costs paid by Jstar to a leasing company and the arrangement does not result in a financial benefit to Jstar.

We occupy and use a portion of an office building owned by the Huntsman Foundation, a private charitable foundation established by Jon M. and Karen H. Huntsman to further the charitable interests of the Huntsman family, under a lease pursuant to which we make annual lease payments of approximately $2 million. During each of the years ended 2015, 2014 and 2013, we made payments of approximately $2 million to the Huntsman Foundation under the lease. The lease expires on December 31, 2018, subject to a five-year extension, at our option.

Through May 2002, we paid the premiums on various life insurance policies for Jon M. Huntsman. These policies have been liquidated, and the cash values have been paid to Mr. Huntsman. Mr. Huntsman is indebted to us in the amount of approximately $2 million with accrued interest, which represents the insurance premiums paid on his behalf through May 2002. This amount is included in other noncurrent assets in our consolidated balance sheets.

24. RELATED PARTY TRANSACTIONS (Continued)

Effective August 31, 2015, we entered into a new Consulting Agreement with Jon M. Huntsman, Jr., one of our former directors and the former governor of Utah and U.S. Ambassador to Singapore and China. Pursuant to the new Consulting Agreement, Jon M. Huntsman, Jr. agreed to: provide strategic advice to senior management and the board of the Company on political, economic and business matters; support development and continued maintenance of the Company's high value customers and significant business relationships across all regions; support development and continued maintenance of governmental and business relationships in developing economic regions, particularly in connection with markets and opportunities in India, China and Southeast Asia; participate in negotiations and discussions with business executives and leaders, government officials and/or dignitaries; and participate in such other meetings or discussions as may be requested by senior management of the Company upon reasonable notice. In exchange for these services, we agree to pay Jon M. Huntsman, Jr. $50,000 per month through the term of the Consulting Agreement and up to $200,000 in additional compensation based on achievement of designated results as determined by the board. The new Consulting Agreement expires on August 31, 2016, subject to our right to extend the agreement for one year terms. Jon M. Huntsman, Jr. is the son of our Executive Chairman, Jon M. Huntsman and the brother of our Chief Executive Officer, Peter R. Huntsman, and Division President, Advanced Materials, James Huntsman.

25. OPERATING SEGMENT INFORMATION

We derive our revenues, earnings and cash flows from the manufacture and sale of a wide variety of differentiated and commodity chemical products. We have reported our operations through five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments and Additives. We have organized our business and derived our operating segments around differences in product lines.

The major products of each reportable operating segment are as follows:

Segment	Products
Polyurethanes	MDI, PO, polyols, PG, TPU, aniline and MTBE
Performance Products	amines, surfactants, LAB, maleic anhydride, other performance chemicals, EG, olefins and technology licenses
Advanced Materials	Basic liquid and solid epoxy resins; specialty resin compounds; cross-linking, matting and curing agents; epoxy, acrylic and polyurethane-based formulations
Textile Effects	textile chemicals, dyes and inks
Pigments and Additives	titanium dioxide, functional additives, color pigments, timber treatment and water treatment chemicals

Sales between segments are generally recognized at external market prices and are eliminated in consolidation. We use EBITDA to measure the financial performance of our global business units and for reporting the results of our operating segments. This measure includes all operating items relating to the businesses. The EBITDA of operating segments excludes items that principally apply to our Company as a whole. The revenues and EBITDA for each of our reportable operating segments are as follows (dollars in millions):

25. OPERATING SEGMENT INFORMATION (Continued)

	Year ended December 31,		
	2015	2014	2013
Revenues:			
Polyurethanes	$ 3,811	$ 5,032	$ 4,964
Performance Products	2,501	3,072	3,019
Advanced Materials	1,103	1,248	1,267
Textile Effects	804	896	811
Pigments and Additives	2,160	1,549	1,269
Eliminations	(80)	(219)	(251)
Total	$10,299	$11,578	$11,079
Segment EBITDA(1):			
Polyurethanes	$ 516	$ 669	$ 696
Performance Products	438	440	372
Advanced Materials	195	182	86
Textile Effects	18	28	(78)
Pigments and Additives	(223)	(59)	79
Corporate and other(2)	(197)	(228)	(261)
Subtotal	747	1,032	894
Discontinued Operations(3)	(6)	(10)	(5)
Total	741	1,022	889
Interest expense, net	(205)	(205)	(190)
Income tax expense—continuing operations	(46)	(51)	(125)
Income tax benefit—discontinued operations	2	2	2
Depreciation and amortization	(399)	(445)	(448)
Net income attributable to Huntsman Corporation	$ 93	$ 323	$ 128

	Year ended December 31,		
	2015	2014	2013
Depreciation and Amortization:			
Polyurethanes	$100	$131	$156
Performance Products	119	138	121
Advanced Materials	38	42	38
Textile Effects	17	16	17
Pigments and Additives	93	78	73
Corporate and other(2)	32	40	41
Subtotal	399	445	446
Discontinued Operations	—	—	2
Total	$399	$445	$448

25. OPERATING SEGMENT INFORMATION (Continued)

	Year ended December 31,		
	2015	2014	2013
Capital Expenditures:			
Polyurethanes	$181	$174	$132
Performance Products	205	181	115
Advanced Materials	25	46	73
Textile Effects	24	38	31
Pigments and Additives	202	136	98
Corporate and other	26	26	22
Total	$663	$601	$471

	December 31,		
	2015	2014	2013
Total Assets:			
Polyurethanes	$2,779	$ 2,859	$2,839
Performance Products	2,264	2,326	2,320
Advanced Materials	822	828	918
Textile Effects	562	574	653
Pigments and Additives	2,494	2,640	1,469
Corporate and other	899	1,696	960
Total	$9,820	$10,923	$9,159

(1) Segment EBITDA is defined as net income attributable to Huntsman Corporation before interest, income tax, depreciation and amortization, and certain Corporate and other items.

(2) Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, LIFO inventory valuation reserve adjustments, loss on early extinguishment of debt, unallocated restructuring, impairment and plant closing costs, non-operating income and expense, benzene sales and gains and losses on the disposition of corporate assets.

(3) The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded for all periods presented. The EBITDA of our former polymers, base chemicals and Australian styrenics businesses are included in discontinued operations for all periods presented.

25. OPERATING SEGMENT INFORMATION (Continued)

	Year ended December 31,		
	2015	2014(2)	2013
By Geographic Area			
Revenues(1):			
United States	$ 3,228	$ 3,540	$ 3,319
China	1,110	1,200	1,081
Mexico	475	825	853
Germany	714	677	586
Other nations	4,772	5,336	5,240
Total	$10,299	$11,578	$11,079

	December 31,		
	2015	2014	2013
Long-lived assets(3):			
United States	$1,938	$1,748	$1,422
Germany	362	381	200
The Netherlands	304	314	356
United Kingdom	320	311	312
China	217	221	202
Italy	229	211	197
Other nations	1,076	1,237	1,135
Total	$4,446	$4,423	$3,824

(1) Geographic information for revenues is based upon countries into which product is sold.

(2) Subsequent to the issuance of the Company's 2014 financial statements, revenues by geographic area were corrected to properly reflect intercompany sales eliminations.

(3) Long-lived assets consist of property, plant and equipment, net.

26. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA

A summary of selected unaudited quarterly financial data for the years ended December 31, 2015 and 2014 is as follows (dollars in millions, except per share amounts):

	Three months ended			
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015(1)
Revenues	$2,589	$2,740	$2,638	$2,332
Gross profit	450	549	473	376
Restructuring, impairment and plant closing costs	93	114	14	81
Income from continuing operations	17	41	63	9
Net income	15	39	63	9
Net income attributable to Huntsman Corporation	5	29	55	4
Basic income per share(3):				
Income from continuing operations attributable to Huntsman Corporation common stockholders	0.03	0.13	0.23	0.02
Net income attributable to Huntsman Corporation common stockholders	0.02	0.12	0.23	0.02
Diluted income per share(3):				
Income from continuing operations attributable to Huntsman Corporation common stockholders	0.03	0.13	0.22	0.02
Net income attributable to Huntsman Corporation common stockholders	0.02	0.12	0.22	0.02

	Three months ended			
	March 31, 2014	June 30, 2014	September 30, 2014(2)	December 31, 2014
Revenues	$2,755	$2,988	$2,884	$2,951
Gross profit	450	505	515	449
Restructuring, impairment and plant closing costs	39	13	39	67
Income (loss) from continuing operations	69	124	194	(34)
Net income (loss)	62	124	194	(35)
Net income (loss) attributable to Huntsman Corporation	54	119	188	(38)
Basic income (loss) per share(3):				
Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders	0.25	0.49	0.77	(0.16)
Net income (loss) attributable to Huntsman Corporation common stockholders	0.22	0.49	0.77	(0.16)
Diluted income (loss) per share(3):				
Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders	0.25	0.48	0.76	(0.16)
Net income (loss) attributable to Huntsman Corporation common stockholders	0.22	0.48	0.76	(0.16)

(1) During the three months ended December 31, 2015, we declared a dividend from our non-U.S. operations to the U.S., which included bringing onshore certain U.S. foreign tax credits. The

26. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Continued)

foreign tax credits brought onshore exceeded the amount needed to offset the cash tax impact of the dividend, as well as enough to allow us to carry $14 million of foreign tax credits back to a prior year and claim a refund. During 2015, a number of our intercompany liabilities that were denominated in U.S. dollars were owed by entities whose tax currency was the euro. As a result of the depreciation in the euro opposite the U.S. dollar, these entities recorded a tax only foreign exchange loss. Most of the intercompany receivables associated with these same U.S. dollar denominated intercompany debts were held by entities with a tax currency of the U.S. dollar which, therefore, resulted in no taxable gain. This resulted in a $33 million tax benefit ($58 million, net of $25 million of contingent liabilities and valuation allowances) in the fourth quarter of 2015.

(2) During the three months ended September 30, 2014, as a result of extensive research and analysis, we filed amended U.S. tax returns for tax years 2008 through 2012, along with our original U.S. tax return for tax year 2013, and made elections which allowed us to utilize U.S. foreign tax credits. As a result of utilizing these assets that had been subject to a valuation allowance, we recognized a discrete income tax benefit of $94 million in the third quarter of 2014.

(3) Basic and diluted income per share are computed independently for each of the quarters presented based on the weighted average number of common shares outstanding during that period. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted earnings per share.

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MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

Our common stock is listed on the New York Stock Exchange under the symbol "HUN." As of February 8, 2016, there were approximately 59 stockholders of record and the closing price of our common stock on the New York Stock Exchange was $8.54 per share.

The reported high and low sale prices of our common stock on the New York Stock Exchange for each of the periods set forth below are as follows:

Period	High	Low
2015		
First Quarter	$24.62	$21.01
Second Quarter	23.83	21.46
Third Quarter	22.40	9.27
Fourth Quarter	14.02	9.84

Period	High	Low
2014		
First Quarter	$25.81	$20.79
Second Quarter	28.87	23.55
Third Quarter	29.32	25.64
Fourth Quarter	27.15	20.36

Dividends

The following tables represent dividends on common stock for our Company for the years ended December 31, 2015 and 2014 (dollars in millions, except per share payment amounts):

	2015	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2015	$0.125	$31
June 30, 2015	0.125	31
September 30, 2015	0.125	31
December 31, 2015	0.125	30

	2014	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2014	$0.125	$30
June 30, 2014	0.125	30
September 30, 2014	0.125	31
December 31, 2014	0.125	30

The payment of dividends is a business decision made by our Board of Directors from time to time based on our earnings, financial position and prospects, and such other considerations as our Board of Directors considers relevant. Accordingly, while management currently expects that the Company will continue to pay the quarterly cash dividend, its dividend practice may change at any time.

PURCHASES OF EQUITY SECURITIES BY THE COMPANY

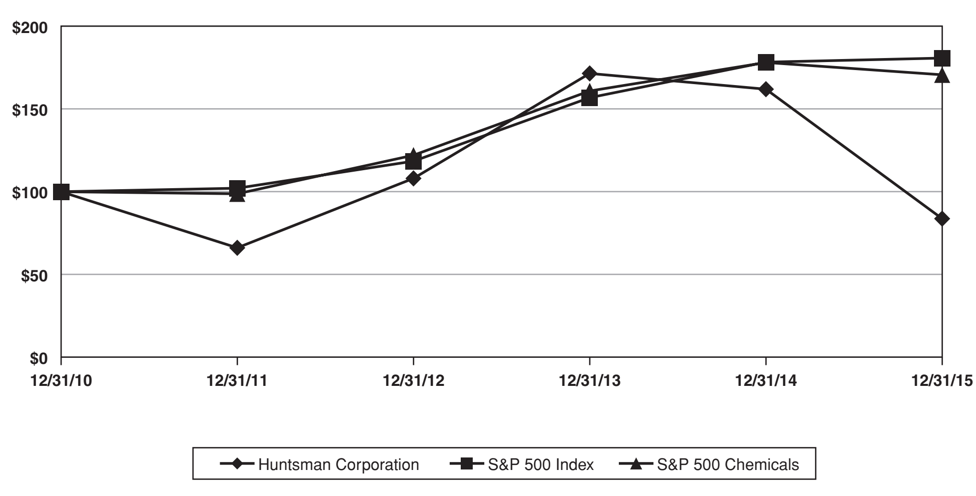
The following table provides information with respect to shares of our common stock that we repurchased as part of our share repurchase program during the three months ended December 31, 2015. There were no shares of restricted stock granted under our stock incentive plan that we withheld upon vesting to satisfy our tax withholding obligations during the three months ended December 31, 2015.

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs(1)	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs(1)
October	7,118,928	$11.94	7,118,928	$50,000,000
November	—	—	—	50,000,000
December	—	—	—	50,000,000
Total	7,118,928	$11.94	—	

(1) On September 29, 2015, our Board of Directors authorized our Company to repurchase up to $150 million in shares of our common stock. The share repurchase authorization does not have an expiration date and repurchases may be commenced, suspended or discontinued from time to time without prior notice. On October 27, 2015, we entered into and funded an accelerated share repurchase agreement with Citibank, N.A. to repurchase $100 million of our common stock. Citibank, N.A. made an initial delivery of approximately 7.1 million shares of Huntsman Corporation common stock based on the closing price of $11.94 on October 27, 2015. The accelerated share repurchase agreement was completed in January 2016 with the delivery of an additional approximately 1.5 million shares of Huntsman Corporation common stock. The final number of shares repurchased and the aggregate cost per share was based on the Company's daily volume-weighted average stock price during the term of the transaction, less a discount. For more information, see "Note 21. Huntsman Corporation Stockholders' Equity—Share Repurchase Program" to our consolidated financial statements.

STOCK PERFORMANCE GRAPH

Comparison of Cumulative Five Year Total Return



Total Return To Shareholders
(Includes reinvestment of dividends)

Company / Index	ANNUAL RETURN PERCENTAGE Years Ending				
	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15
Huntsman Corporation	−33.90	63.47	58.69	−5.55	−48.31
S&P 500 Index	2.11	16.00	32.39	13.69	1.38
S&P 500 Chemicals	−1.26	23.61	31.80	10.70	−4.18

Company / Index	Base Period 12/31/10	INDEXED RETURNS Years Ending				
		12/31/11	12/31/12	12/31/13	12/31/14	12/31/15
Huntsman Corporation	**100**	66.10	108.05	171.46	161.95	83.72
S&P 500 Index	**100**	102.11	118.45	156.82	178.29	180.75
S&P 500 Chemicals	**100**	98.74	122.05	160.87	178.09	170.65

CORPORATE INFORMATION

GLOBAL HEADQUARTERS

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP

STOCKHOLDER INQUIRIES

Inquiries from stockholders and other interested parties regarding our company are always welcome. Please direct your requests to:

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The Woodlands, Texas 77380
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Email: ir@huntsman.com

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www.computershare.com/investor

STOCK LISTING

Our common stock is listed on the New York Stock Exchange under the symbol HUN.

HUN LISTED NYSE

ANNUAL MEETING

The 2016 annual meeting of stockholders will take place on Thursday, May 5, 2016 at 8:30 a.m., local time, at the following location:
The Westin The Woodlands
2 Waterway Square Place
The Woodlands, TX 77380
Tel.: +1-281-419-4300

WEBSITE

www.huntsman.com

FORWARD-LOOKING STATEMENTS

Statements in this report that are not historical are forward-looking statements. These statements are based on management's current belief and expectations. The forward-looking statements in this report are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect our operations, markets, products, services, prices and other factors as discussed in our filings with the Securities and Exchange Commission. Significant risks and uncertainties may relate to, but are not limited to, financial, economic, competitive, environmental, political, legal, regulatory and technological factors. We assume no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

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www.curran-connors.com

Enriching lives through innovation

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