

July 31, 2013



# Huntsman Releases Second Quarter 2013 Results; Adjusted EBITDA Improves 38% Compared To Prior Quarter

THE WOODLANDS, Texas, July 31, 2013 /PRNewswire/ --

## Second Quarter 2013 Highlights

- Adjusted EBITDA was \$304 million, a decrease of \$72 million compared to \$376 million in the prior year period primarily as a result of the \$103 million decrease in our TiO<sub>2</sub> Pigments division. Adjusted EBITDA increased \$84 million compared to \$220 million in the prior quarter.
- Adjusted diluted income per share was \$0.39 compared to \$0.61 in the prior year period and \$0.19 in the prior quarter.
- Net income attributable to Huntsman Corporation was \$47 million compared to net income of \$124 million in the prior year period and net loss of \$24 million in the prior quarter.
- On July 8, 2013 we announced an agreement to acquire the business of Oxid, a privately-held manufacturer and marketer of specialty urethane polyols. This transaction is expected to close during the third quarter of 2013.

| In millions, except per share amounts, unaudited       | Three months ended |         |           | Six months ended |         |
|--------------------------------------------------------|--------------------|---------|-----------|------------------|---------|
|                                                        | June 30,           |         | March 31, | June 30,         |         |
|                                                        | 2013               | 2012    | 2013      | 2013             | 2012    |
| Revenues                                               | \$2,830            | \$2,914 | \$ 2,702  | \$5,532          | \$5,827 |
| Net income (loss) attributable to Huntsman Corporation | \$ 47              | \$ 124  | \$ (24)   | \$ 23            | \$ 287  |
| Adjusted net income <sup>(1)</sup>                     | \$ 94              | \$ 147  | \$ 46     | \$ 140           | \$ 333  |
| Diluted income (loss) per share                        | \$ 0.19            | \$ 0.52 | \$ (0.10) | \$ 0.10          | \$ 1.19 |
| Adjusted diluted income per share <sup>(1)</sup>       | \$ 0.39            | \$ 0.61 | \$ 0.19   | \$ 0.58          | \$ 1.39 |
| EBITDA <sup>(1)</sup>                                  | \$ 249             | \$ 352  | \$ 112    | \$ 361           | \$ 742  |

Adjusted EBITDA<sup>(1)</sup>

\$ 304      \$ 376      \$ 220      \$ 524      \$ 783

*See end of press release for footnote explanations*

Huntsman Corporation (NYSE: HUN) today reported second quarter 2013 results with revenues of \$2,830 million and adjusted EBITDA of \$304 million.

Peter R. Huntsman, our President and CEO, commented:

*"I am pleased with the quality of our second quarter results. Excluding the approximate \$25 million negative impact from the force majeure at our European MDI facility, and with the exception of our TiO<sub>2</sub> Pigments division, all of our divisions improved year over year and compared to the prior quarter's performance. We are starting to see the benefits of our restructuring efforts within our Textile Effects and Advanced Materials divisions. I am also impressed with the strong earnings from our Performance Products division following the planned maintenance closure earlier in the year.*

*While many areas of the global economy continue to moderate or languish, between new products, our focus on growing sectors and our further cost reduction efforts, we believe that we will see an improving second half of the year."*

## **Segment Analysis for 2Q13 Compared to 2Q12**

### *Polyurethanes*

The decrease in revenues in our Polyurethanes division for the three months ended June 30, 2013 compared to the same period in 2012 was primarily due to sales mix effect partially offset by higher average selling prices. MDI sales volumes decreased in the European region primarily as a result of the force majeure at our MDI facility in Rotterdam, The Netherlands partially offset by increased sales volumes in the Americas and Asia Pacific regions. PO/MTBE sales volumes were essentially unchanged. MDI average selling prices increased in all regions primarily in response to higher raw material costs. PO/MTBE average selling prices decreased primarily due to less favorable market conditions. Adjusted EBITDA was unchanged as increased PO/MTBE earnings offset the impact of the force majeure at our MDI facility in Rotterdam, The Netherlands.

### *Performance Products*

Sales revenues in our Performance Products division for the three months ended June 30, 2013 compared to the same period in 2012 were essentially unchanged. Average selling prices decreased primarily in response to lower raw material costs offset by an improvement in sales mix effect. Sales volumes were essentially unchanged as higher sales of maleic anhydride and glycols were offset by lower surfactant sales. The increase in adjusted EBITDA was primarily due to higher margins in our maleic anhydride and U.S. ethylene derivatives.

### *Advanced Materials*

The decrease in revenues in our Advanced Materials division for the three months ended June 30, 2013 compared to the same period in 2012 was primarily due to lower sales volumes, partially offset by higher average selling prices. Sales volumes decreased in the European and India Middle East regions, primarily in our base resins business due to weaker demand and increased competition while sales volumes in the Americas region increased primarily due to strong demand in the aerospace and coatings and construction markets. Average selling prices increased in the European region, primarily in response to higher raw material costs and increased focus on higher value component sales, partially offset by decreases in average selling prices in the Asia Pacific formulations business and in the Americas base resins business due to increased competition. The increase in adjusted EBITDA was primarily due to lower manufacturing and selling, general and administrative costs as a result of our restructuring efforts, partially offset by lower contribution margins and lower sales volumes.

#### *Textile Effects*

The increase in revenues in our Textile Effects division for the three months ended June 30, 2013 compared to the same period in 2012 was due to higher sales volumes and higher average selling prices. Sales volumes increased primarily due to increased market share in key markets. Average selling prices increased primarily in response to higher raw material costs. The increase in adjusted EBITDA was primarily due to higher sales volumes, higher contribution margins and lower manufacturing and selling, general and administrative costs as a result of our restructuring efforts.

#### *Pigments*

The decrease in revenues in our Pigments division for the three months ended June 30, 2013 compared to the same period in 2012 was primarily due to lower average selling prices partially offset by higher sales volumes. Average selling prices decreased in all regions of the world primarily as a result of high industry inventory levels, however we have now seen sequential stabilization in selling prices. Sales volumes increased primarily due to higher end-use demand. The decrease in adjusted EBITDA was primarily due to lower contribution margins partially offset by lower manufacturing and selling, general and administrative costs as a result of our restructuring efforts.

#### *Corporate, LIFO and Other*

Adjusted EBITDA from Corporate, LIFO and Other decreased by \$6 million to a loss of \$49 million for the three months ended June 30, 2013 compared to a loss of \$43 million for the same period in 2012. The decrease in adjusted EBITDA was primarily the result of a \$5 million increase in LIFO inventory valuation expense (\$4 million of income in 2013 compared to \$9 million of income in 2012).

### **Liquidity, Capital Resources and Outstanding Debt**

As of June 30, 2013 we had \$838 million of combined cash and unused borrowing capacity compared to \$887 million at December 31, 2012.

On April 29, 2013, we amended our accounts receivable securitization programs to, among other things, extend the maturities to April 2016, reduce the applicable borrowing rates and

increase the availability under the programs.

Total capital expenditures for the quarter ended June 30, 2013 were \$92 million. We expect to spend approximately \$450 million on capital expenditures in 2013.

## **Income Taxes**

During the three months ended June 30, 2013 we recorded an income tax expense of \$44 million and paid \$29 million in cash for income taxes. Our adjusted effective income tax rate for the three months ended June 30, 2013 was approximately 36%.

We expect our full year 2013 adjusted effective tax rate to be approximately 35% primarily due to the effect of tax valuation allowances and our regional mix of income. We expect our long term effective income tax rate to be approximately 30 - 35%.

## **Earnings Conference Call Information**

We will hold a conference call to discuss our second quarter 2013 financial results on Wednesday, July 31, 2013 at 10:00 a.m. ET.

Call-in numbers for the conference call:

U.S. participants (888) 713 - 4215

International participants (617) 213 - 4867

Passcode 50478256

In order to facilitate the registration process, you may use the following link to pre-register for the conference call. Callers who pre-register will be given a unique PIN to gain immediate access to the call and bypass the live operator. You may pre-register at any time, including up to and after the call start time. To pre-register, please go to:

<https://www.theconferencingservice.com/prereg/key.process?key=PQ77Q3UJQ>

## **Webcast Information**

The conference call will be available via webcast and can be accessed from the investor relations portion of the company's website at [huntsman.com](http://huntsman.com).

## **Replay Information**

The conference call will be available for replay beginning July 31, 2013 and ending August 6, 2013.

Call-in numbers for the replay:

U.S. participants (888) 286 - 8010

International participants (617) 801 - 6888

Replay code 65843848

**Table 1 – Results of Operations**

|                                                                 | <b>Three months ended</b> |             | <b>Six months ended</b> |             |
|-----------------------------------------------------------------|---------------------------|-------------|-------------------------|-------------|
|                                                                 | <b>June 30,</b>           |             | <b>June 30,</b>         |             |
| In millions, except per share amounts, unaudited                | <b>2013</b>               | <b>2012</b> | <b>2013</b>             | <b>2012</b> |
| <b>Revenues</b>                                                 | \$ 2,830                  | \$ 2,914    | \$ 5,532                | \$ 5,827    |
| Cost of goods sold                                              | 2,379                     | 2,387       | 4,732                   | 4,750       |
| <b>Gross profit</b>                                             | 451                       | 527         | 800                     | 1,077       |
| Operating expenses                                              | 281                       | 272         | 536                     | 537         |
| Restructuring, impairment and plant closing costs               | 29                        | 5           | 73                      | 5           |
| <b>Operating income</b>                                         | 141                       | 250         | 191                     | 535         |
| Interest expense, net                                           | (47)                      | (57)        | (98)                    | (116)       |
| Equity in income of investment in unconsolidated affiliates     | 2                         | 1           | 3                       | 3           |
| Loss on early extinguishment of debt                            | -                         | -           | (35)                    | (1)         |
| Other income                                                    | 2                         | 1           | 2                       | 1           |
| <b>Income before income taxes</b>                               | 98                        | 195         | 63                      | 422         |
| Income tax expense                                              | (44)                      | (65)        | (24)                    | (125)       |
| <b>Income from continuing operations</b>                        | 54                        | 130         | 39                      | 297         |
| Loss from discontinued operations, net of tax <sup>(2)</sup>    | -                         | (2)         | (2)                     | (6)         |
| <b>Net income</b>                                               | 54                        | 128         | 37                      | 291         |
| Net income attributable to noncontrolling interests, net of tax | (7)                       | (4)         | (14)                    | (4)         |
| <b>Net income attributable to Huntsman Corporation</b>          | \$ 47                     | \$ 124      | \$ 23                   | \$ 287      |
| <b>Adjusted EBITDA<sup>(1)</sup></b>                            | \$ 304                    | \$ 376      | \$ 524                  | \$ 783      |
| <b>Adjusted net income<sup>(1)</sup></b>                        | \$ 94                     | \$ 147      | \$ 140                  | \$ 333      |

|                                                        |         |         |         |         |
|--------------------------------------------------------|---------|---------|---------|---------|
| <b>Basic income per share</b>                          | \$ 0.20 | \$ 0.52 | \$ 0.10 | \$ 1.21 |
| <b>Diluted income per share</b>                        | \$ 0.19 | \$ 0.52 | \$ 0.10 | \$ 1.19 |
| <b>Adjusted diluted income per share<sup>(1)</sup></b> | \$ 0.39 | \$ 0.61 | \$ 0.58 | \$ 1.39 |

**Common share information:**

|                                                      |       |       |       |       |
|------------------------------------------------------|-------|-------|-------|-------|
| Basic shares outstanding                             | 239.7 | 237.8 | 239.4 | 237.2 |
| Diluted shares                                       | 242.2 | 240.5 | 242.0 | 240.2 |
| Diluted shares for adjusted diluted income per share | 242.2 | 240.5 | 242.0 | 240.2 |

*See end of press release for footnote explanations*

**Table 2 – Results of Operations by Segment**

|                                               | Three months ended |                |             | Six months ended |                |             |
|-----------------------------------------------|--------------------|----------------|-------------|------------------|----------------|-------------|
|                                               | June 30,           |                | Better /    | June 30,         |                | Better /    |
| In millions, unaudited                        | 2013               | 2012           | (Worse)     | 2013             | 2012           | (Worse)     |
| <b>Segment Revenues:</b>                      |                    |                |             |                  |                |             |
| Polyurethanes                                 | \$1,246            | \$1,262        | (1)%        | \$2,428          | \$2,475        | (2)%        |
| Performance Products                          | 777                | 778            | ---         | 1,499            | 1,592          | (6)%        |
| Advanced Materials                            | 321                | 346            | (7)%        | 657              | 686            | (4)%        |
| Textile Effects                               | 216                | 195            | 11%         | 404              | 380            | 6%          |
| Pigments                                      | 334                | 407            | (18)%       | 664              | 831            | (20)%       |
| Eliminations and other                        | (64)               | (74)           | 14%         | (120)            | (137)          | 12%         |
| <b>Total</b>                                  | <b>\$2,830</b>     | <b>\$2,914</b> | <b>(3)%</b> | <b>\$5,532</b>   | <b>\$5,827</b> | <b>(5)%</b> |
| <b>Segment Adjusted EBITDA<sup>(1)</sup>:</b> |                    |                |             |                  |                |             |
| Polyurethanes                                 | \$ 174             | \$ 174         | ---         | \$ 352           | \$ 355         | (1)%        |
| Performance Products                          | 111                | 87             | 28%         | 165              | 179            | (8)%        |

|                           |               |               |              |               |               |              |
|---------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Advanced Materials        | 32            | 26            | 23%          | 59            | 59            | ---          |
| Textile Effects           | 3             | (4)           | NM           | -             | (12)          | 100%         |
| Pigments                  | 33            | 136           | (76)%        | 42            | 286           | (85)%        |
| Corporate, LIFO and other | (49)          | (43)          | (14)%        | (94)          | (84)          | (12)%        |
|                           | <hr/>         | <hr/>         |              | <hr/>         | <hr/>         |              |
| <b>Total</b>              | <b>\$ 304</b> | <b>\$ 376</b> | <b>(19)%</b> | <b>\$ 524</b> | <b>\$ 783</b> | <b>(33)%</b> |
|                           | <hr/>         | <hr/>         |              | <hr/>         | <hr/>         |              |

See end of press release for footnote explanations

**Table 3 – Factors Impacting Sales Revenues**

| Three months ended     |                                      |          |           |                       |       |
|------------------------|--------------------------------------|----------|-----------|-----------------------|-------|
| June 30, 2013 vs. 2012 |                                      |          |           |                       |       |
| Unaudited              | Average Selling Price <sup>(a)</sup> |          |           |                       |       |
|                        | Local                                | Exchange | Sales Mix | Sales                 | Total |
|                        | Currency                             | Rate     | & Other   | Volume <sup>(a)</sup> |       |
| Polyurethanes          | 1%                                   | (1)%     | (1)%      | ---                   | (1)%  |
| Performance Products   | (1)%                                 | ---      | 1%        | ---                   | ---   |
| Advanced Materials     | 3%                                   | (2)%     | 2%        | (10)%                 | (7)%  |
| Textile Effects        | 3%                                   | (1)%     | ---       | 9%                    | 11%   |
| Pigments               | (26)%                                | (1)%     | ---       | 9%                    | (18)% |
| Total Company          | (4)%                                 | (1)%     | (1)%      | 3%                    | (3)%  |
| Six months ended       |                                      |          |           |                       |       |
| June 30, 2013 vs. 2012 |                                      |          |           |                       |       |
| Unaudited              | Average Selling Price <sup>(a)</sup> |          |           |                       |       |
|                        | Local                                | Exchange | Sales Mix | Sales                 | Total |
|                        | Currency                             | Rate     | & Other   | Volume <sup>(a)</sup> |       |
| Polyurethanes          | 1%                                   | ---      | 1%        | (4)%                  | (2)%  |

|                      |       |      |      |      |       |
|----------------------|-------|------|------|------|-------|
| Performance Products | 3%    | ---  | ---  | (9)% | (6)%  |
| Advanced Materials   | 2%    | (2)% | 3%   | (7)% | (4)%  |
| Textile Effects      | ---   | (1)% | (1)% | 8%   | 6%    |
| Pigments             | (25)% | ---  | 1%   | 4%   | (20)% |
| Total Company        | (1)%  | (1)% | ---  | (3)% | (5)%  |

(a) Excludes revenues and sales volumes from tolling arrangements, by-products and raw materials.

**Table 4 – Reconciliation of U.S. GAAP to Non-GAAP Measures**

|                                                                                     | EBITDA             |        | Income Tax<br>(Expense) Benefit |         | Net Income (Loss)<br>Attrib. to HUN Corp. |        |
|-------------------------------------------------------------------------------------|--------------------|--------|---------------------------------|---------|-------------------------------------------|--------|
|                                                                                     | Three months ended |        | Three months ended              |         | Three months ended                        |        |
|                                                                                     | June 30,           |        | June 30,                        |         | June 30,                                  |        |
| In millions, except per share amounts, unaudited                                    | 2013               | 2012   | 2013                            | 2012    | 2013                                      | 2012   |
| <b>GAAP<sup>(1)</sup></b>                                                           | \$ 249             | \$ 352 | \$ (44)                         | \$ (65) | \$ 47                                     | \$ 124 |
| <b>Adjustments:</b>                                                                 |                    |        |                                 |         |                                           |        |
| Acquisition expenses                                                                | 2                  | 1      | -                               | -       | 2                                         | 1      |
| (Income) loss from discontinued operations, net of tax <sup>(2)</sup>               | (2)                | 3      | N/A                             | N/A     | -                                         | 2      |
| Discount amortization on settlement financing associated with the terminated merger | N/A                | N/A    | (1)                             | (3)     | 1                                         | 5      |
| Certain legal settlements and related expenses                                      | 6                  | -      | (1)                             | -       | 5                                         | -      |
| Amortization of pension and postretirement actuarial losses                         | 18                 | 11     | (4)                             | (3)     | 14                                        | 8      |
| Restructuring, impairment and plant closing and transition costs                    | 31                 | 9      | (6)                             | (2)     | 25                                        | 7      |

**Adjusted<sup>(1)</sup>**

\$ 304

\$ 376

\$ (56)

\$ (73)

\$ 94

\$ 147

Adjusted income tax expense

56

73

Net income attributable to  
noncontrolling interests, net  
of tax

7

4

**Adjusted pre-tax income<sup>(1)</sup>**

\$ 157

\$ 224

**Adjusted effective tax rate**

36%

33%

|                                                                                              | EBITDA             | Income Tax<br>(Expense) Benefit | Net Income (Loss)<br>Attrib. to HUN Corp. |  |
|----------------------------------------------------------------------------------------------|--------------------|---------------------------------|-------------------------------------------|--|
|                                                                                              | Three months ended | Three months ended              | Three months ended                        |  |
|                                                                                              | March 31,          | March 31,                       | March 31,                                 |  |
| In millions, except per share<br>amounts, unaudited                                          | 2013               | 2013                            | 2013                                      |  |
| <b>GAAP<sup>(1)</sup></b>                                                                    | \$ 112             | \$ 20                           | \$ (24)                                   |  |
| <b>Adjustments:</b>                                                                          |                    |                                 |                                           |  |
| Acquisition expenses                                                                         | 3                  | (1)                             | 2                                         |  |
| Loss from discontinued<br>operations, net of tax <sup>(2)</sup>                              | 3                  | N/A                             | 2                                         |  |
| Discount amortization on<br>settlement financing<br>associated with the<br>terminated merger | N/A                | (1)                             | 2                                         |  |
| Loss on early<br>extinguishment of debt                                                      | 35                 | (13)                            | 22                                        |  |
| Certain legal settlements<br>and related expenses                                            | 2                  | (1)                             | 1                                         |  |
| Amortization of pension and<br>postretirement actuarial<br>losses                            | 19                 | (7)                             | 12                                        |  |
| Restructuring, impairment<br>and plant closing and<br>transition costs                       | 46                 | (17)                            | 29                                        |  |

**Adjusted<sup>(1)</sup>**\$ 220\$ (20)\$ 46

Adjusted income tax expense

20

Net income attributable to  
noncontrolling interests, net  
of tax

7

**Adjusted pre-tax income<sup>(1)</sup>**\$ 73**Adjusted effective tax rate**

27%

|                                                                                              | <b>EBITDA</b>           |             | <b>Income Tax<br/>(Expense) Benefit</b> |             | <b>Net Income (Loss)<br/>Attrib. to HUN Corp.</b> |             |  |
|----------------------------------------------------------------------------------------------|-------------------------|-------------|-----------------------------------------|-------------|---------------------------------------------------|-------------|--|
|                                                                                              | <b>Six months ended</b> |             | <b>Six months ended</b>                 |             | <b>Six months ended</b>                           |             |  |
|                                                                                              | <b>June 30,</b>         |             | <b>June 30,</b>                         |             | <b>June 30,</b>                                   |             |  |
| In millions, except per share<br>amounts, unaudited                                          | <b>2013</b>             | <b>2012</b> | <b>2013</b>                             | <b>2012</b> | <b>2013</b>                                       | <b>2012</b> |  |
| <b>GAAP<sup>(1)</sup></b>                                                                    | \$ 361                  | \$ 742      | \$ (24)                                 | \$ (125)    | \$ 23                                             | \$ 287      |  |
| <b>Adjustments:</b>                                                                          |                         |             |                                         |             |                                                   |             |  |
| Acquisition expenses                                                                         | 5                       | 1           | (1)                                     | -           | 4                                                 | 1           |  |
| Loss from discontinued<br>operations, net of tax <sup>(2)</sup>                              | 1                       | 4           | N/A                                     | N/A         | 2                                                 | 6           |  |
| Discount amortization on<br>settlement financing<br>associated with the<br>terminated merger | N/A                     | N/A         | (2)                                     | (5)         | 3                                                 | 10          |  |
| Loss on early<br>extinguishment of debt                                                      | 35                      | 1           | (13)                                    | -           | 22                                                | 1           |  |
| Certain legal settlements<br>and related expenses                                            | 8                       | 1           | (2)                                     | -           | 6                                                 | 1           |  |
| Amortization of pension and<br>postretirement actuarial<br>losses                            | 37                      | 21          | (11)                                    | (4)         | 26                                                | 17          |  |
| Restructuring, impairment<br>and plant closing and<br>transition costs                       | 77                      | 13          | (23)                                    | (3)         | 54                                                | 10          |  |

|                                                                 |               |               |                |                 |               |               |
|-----------------------------------------------------------------|---------------|---------------|----------------|-----------------|---------------|---------------|
| <b>Adjusted<sup>(1)</sup></b>                                   | <u>\$ 524</u> | <u>\$ 783</u> | <u>\$ (76)</u> | <u>\$ (137)</u> | <u>\$ 140</u> | <u>\$ 333</u> |
| Adjusted income tax expense                                     |               |               |                |                 | 76            | 137           |
| Net income attributable to noncontrolling interests, net of tax |               |               |                |                 | 14            | 4             |
| <b>Adjusted pre-tax income<sup>(1)</sup></b>                    |               |               |                |                 | <u>\$ 230</u> | <u>\$ 474</u> |
| <b>Adjusted effective tax rate</b>                              |               |               |                |                 | 33%           | 29%           |

See end of press release for footnote explanations

**Table 5 – Reconciliation of Net Income (Loss) to EBITDA**

| In millions, unaudited                                                   | Three months ended |              |               | Six months ended |              |
|--------------------------------------------------------------------------|--------------------|--------------|---------------|------------------|--------------|
|                                                                          | June 30,           |              | March 31,     | June 30,         |              |
|                                                                          | 2013               | 2012         | 2013          | 2013             | 2012         |
| <b>Net income (loss) attributable to Huntsman Corporation</b>            | \$ 47              | \$124        | \$ (24)       | \$ 23            | \$287        |
| Interest expense, net                                                    | 47                 | 57           | 51            | 98               | 116          |
| Income tax expense (benefit) from continuing operations                  | 44                 | 65           | (20)          | 24               | 125          |
| Income tax expense (benefit) from discontinued operations <sup>(2)</sup> | 2                  | (1)          | (2)           | -                | (2)          |
| Depreciation and amortization of continuing operations                   | 109                | 107          | 106           | 215              | 212          |
| Depreciation and amortization of discontinued operations <sup>(2)</sup>  | -                  | -            | 1             | 1                | 4            |
| <b>EBITDA<sup>(1)</sup></b>                                              | <u>\$249</u>       | <u>\$352</u> | <u>\$ 112</u> | <u>\$361</u>     | <u>\$742</u> |

See end of press release for footnote explanations

**Table 6 – Selected Balance Sheet Items**

|                                     | June 30,        | March 31,       | December 31,    |
|-------------------------------------|-----------------|-----------------|-----------------|
| In millions                         | 2013            | 2013            | 2012            |
|                                     | (unaudited)     | (unaudited)     |                 |
| Cash                                | \$ 181          | \$ 256          | \$ 396          |
| Accounts and notes receivable, net  | 1,714           | 1,646           | 1,583           |
| Inventories                         | 1,698           | 1,797           | 1,819           |
| Other current assets                | 339             | 304             | 321             |
| Property, plant and equipment, net  | 3,613           | 3,643           | 3,745           |
| Other assets                        | 1,109           | 1,073           | 1,020           |
| <b>Total assets</b>                 | <b>\$ 8,654</b> | <b>\$ 8,719</b> | <b>\$ 8,884</b> |
| Accounts payable                    | \$ 996          | \$ 1,101        | \$ 1,102        |
| Other current liabilities           | 778             | 724             | 791             |
| Current portion of debt             | 317             | 298             | 288             |
| Long-term debt                      | 3,454           | 3,489           | 3,414           |
| Other liabilities                   | 1,266           | 1,282           | 1,393           |
| Total equity                        | 1,843           | 1,825           | 1,896           |
| <b>Total liabilities and equity</b> | <b>\$ 8,654</b> | <b>\$ 8,719</b> | <b>\$ 8,884</b> |

**Table 7 – Outstanding Debt**

|                              | June 30,    | March 31,   | December 31, |
|------------------------------|-------------|-------------|--------------|
| In millions                  | 2013        | 2013        | 2012         |
|                              | (unaudited) | (unaudited) |              |
| <b>Debt:</b>                 |             |             |              |
| Senior credit facilities     | \$ 1,599    | \$ 1,598    | \$ 1,565     |
| Accounts receivable programs | 239         | 236         | 241          |

|                                          |                 |                 |                 |
|------------------------------------------|-----------------|-----------------|-----------------|
| Senior notes                             | 646             | 646             | 568             |
| Senior subordinated notes                | 892             | 892             | 892             |
| Variable interest entities               | 259             | 262             | 270             |
| Other debt                               | 136             | 153             | 166             |
|                                          | <hr/>           | <hr/>           | <hr/>           |
| <b>Total debt - excluding affiliates</b> | <b>3,771</b>    | <b>3,787</b>    | <b>3,702</b>    |
|                                          | <hr/>           | <hr/>           | <hr/>           |
| Total cash                               | 181             | 256             | 396             |
|                                          | <hr/>           | <hr/>           | <hr/>           |
| <b>Net debt- excluding affiliates</b>    | <b>\$ 3,590</b> | <b>\$ 3,531</b> | <b>\$ 3,306</b> |
|                                          | <hr/>           | <hr/>           | <hr/>           |

**Table 8 – Summarized Statement of Cash Flows**

| In millions, unaudited                              | Three months ended |       | Six months ended |         |
|-----------------------------------------------------|--------------------|-------|------------------|---------|
|                                                     | June 30,           |       | June 30,         |         |
|                                                     | 2013               |       | 2013             | 2012    |
|                                                     | <hr/>              | <hr/> | <hr/>            | <hr/>   |
| <b>Total cash at beginning of period</b>            | \$                 | 256   | \$ 396           | \$ 562  |
| Net cash provided by (used in) operating activities |                    | 72    | (2)              | 348     |
| Net cash used in investing activities               |                    | (97)  | (182)            | (185)   |
| Net cash used in financing activities               |                    | (48)  | (27)             | (264)   |
| Effect of exchange rate changes on cash             |                    | (2)   | (4)              | (1)     |
| Change in restricted cash                           |                    | -     | -                | 1       |
|                                                     | <hr/>              | <hr/> | <hr/>            | <hr/>   |
| <b>Total cash at end of period</b>                  | \$                 | 181   | \$ 181           | \$ 461  |
|                                                     | <hr/>              | <hr/> | <hr/>            | <hr/>   |
| <b>Supplemental cash flow information:</b>          |                    |       |                  |         |
| Cash paid for interest                              | \$                 | (36)  | \$ (95)          | \$(106) |
| Cash paid for income taxes                          |                    | (29)  | (46)             | (70)    |
| Cash paid for capital expenditures                  |                    | (92)  | (181)            | (163)   |
| Depreciation & amortization                         |                    | 109   | 216              | 216     |

Changes in primary working capital:

|                                              |         |         |         |
|----------------------------------------------|---------|---------|---------|
| Accounts and notes receivable                | (101)   | (186)   | (183)   |
| Inventories                                  | 88      | 79      | (139)   |
| Accounts payable                             | (70)    | (60)    | 100     |
|                                              | <hr/>   | <hr/>   | <hr/>   |
| Total use of cash on primary working capital | \$ (83) | \$(167) | \$(222) |
|                                              | <hr/>   | <hr/>   | <hr/>   |

## Footnotes

- (1) We use EBITDA and adjusted EBITDA to measure the operating performance of our business. We provide adjusted net income because we feel it provides meaningful insight for the investment community into the performance of our business. We believe that net income (loss) attributable to Huntsman Corporation is the performance measure calculated and presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") that is most directly comparable to EBITDA, adjusted EBITDA and adjusted net income. Additional information with respect to our use of each of these financial measures follows:

EBITDA is defined as net income (loss) attributable to Huntsman Corporation before interest, income taxes, and depreciation and amortization. EBITDA as used herein is not necessarily comparable to other similarly titled measures of other companies. The reconciliation of EBITDA to net income (loss) attributable to Huntsman Corporation is set forth in Table 5 above.

Adjusted EBITDA is computed by eliminating the following from EBITDA: acquisition expenses; loss (gain) on initial consolidation of subsidiaries; EBITDA from discontinued operations; loss (gain) on disposition of businesses/assets; loss on early extinguishment of debt; extraordinary loss (gain) on the acquisition of a business; certain legal settlements and related expenses; amortization of pension and postretirement actuarial losses (gains); and restructuring, impairment, plant closing and transition costs (credits). The reconciliation of adjusted EBITDA to EBITDA is set forth in Table 4 above.

Adjusted net income (loss) is computed by eliminating the after tax impact of the following items from net income (loss) attributable to Huntsman Corporation: acquisition expenses; loss (gain) on initial consolidation of subsidiaries; loss (income) from discontinued operations; discount amortization on settlement financing associated with the terminated merger; loss (gain) on disposition of businesses/assets; loss on early extinguishment of debt; extraordinary loss (gain) on the acquisition of a business; certain legal settlements and related expenses; amortization of pension and postretirement actuarial losses (gains); and restructuring, impairment, plant closing and transition costs (credits). 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. The reconciliation of adjusted net income (loss) to net income (loss) attributable to Huntsman Corporation common stockholders is set forth in Table 4 above.

- (2) During the first quarter 2010 we closed our Australian styrenics operations; results from this business are treated as discontinued operations.

## About Huntsman:

*Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated chemicals with 2012 revenues of over \$11 billion. Our chemical products*

*number in the thousands and are sold worldwide to meet the needs of consumers and manufacturers serving a broad range of end markets. We operate more than 75 manufacturing and R&D facilities in 30 countries and employ approximately 12,000 associates within our 5 distinct business divisions. For more information about Huntsman, please visit the company's website at [www.huntsman.com](http://www.huntsman.com).*

*Forward-Looking Statements:*

*Statements in this release that are not historical are forward-looking statements. These statements are based on management's current beliefs and expectations. The forward-looking statements in this release are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the company's operations, markets, products, services, prices and other factors as discussed in the Huntsman companies' filings with the U.S. 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. The company assumes no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by applicable laws.*

SOURCE Huntsman Corporation