

October 27, 2015



# Huntsman Reports Third Quarter 2015 Adjusted EBITDA Of \$311 Million And Announces Major Reduction In Planned Capital Expenditures

THE WOODLANDS, Texas, Oct. 27, 2015 /PRNewswire/ --

## Third Quarter 2015 Highlights

- Announces \$150 million reduction in planned capital expenditures for 2016 and 2017 combined.
- Announces intention to enter into a \$100 million accelerated share repurchase transaction as part of the board authorized \$150 million share repurchase program.
- Pigments and Additives synergy and restructuring savings remain on track, planned separation well advanced.
- Adjusted EBITDA was \$311 million compared to \$356 million in the prior year period and \$385 million in the prior quarter.
- Adjusted diluted income per share was \$0.47 compared to \$0.60 in the prior year period and \$0.63 in the prior quarter.
- Net income attributable to Huntsman Corporation was \$55 million compared to net income of \$188 million in the prior year period and \$29 million in the prior quarter.
- The stronger U.S. dollar reduced adjusted EBITDA by an estimated \$43 million compared to the prior year period.

| In millions, except per share amounts, unaudited | Three months ended |         | Nine months ended |               |         |
|--------------------------------------------------|--------------------|---------|-------------------|---------------|---------|
|                                                  | September 30,      |         | June 30,          | September 30, |         |
|                                                  | 2015               | 2014    | 2015              | 2015          | 2014    |
| Revenues                                         | \$2,638            | \$2,884 | \$ 2,740          | \$7,967       | \$8,627 |
| Net income attributable to Huntsman Corporation  | \$ 55              | \$ 188  | \$ 29             | \$ 89         | \$ 361  |
| Adjusted net income <sup>(1)</sup>               | \$ 115             | \$ 147  | \$ 155            | \$ 368        | \$ 397  |
| Diluted income per share                         | \$ 0.22            | \$ 0.76 | \$ 0.12           | \$ 0.36       | \$ 1.47 |
| Adjusted diluted income per share <sup>(1)</sup> | \$ 0.47            | \$ 0.60 | \$ 0.63           | \$ 1.49       | \$ 1.62 |
| EBITDA <sup>(1)</sup>                            | \$ 255             | \$ 293  | \$ 216            | \$ 630        | \$ 881  |

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

\$ 311

\$ 356

\$ 385

\$ 981

\$1,048

*See end of press release for footnote explanations*

Huntsman Corporation (NYSE: HUN) today reported third quarter 2015 results with revenues of \$2,638 million and adjusted EBITDA of \$311 million.

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

*"We are aggressively focused on those elements within our business that we can control and are fully committed to an improvement in our free cash flow generation. We reduced our planned capital expenditures by a combined total of \$150 million over the next two years and are determined to deliver more than \$100 million of future synergy and restructuring savings. We expect our 2016 free cash flow to improve by at least \$350 million.*

*"As an expression of confidence in the company's future and our ability to deliver further shareholder value the board authorized \$150 million of share repurchases. We intend to enter into a \$100 million accelerated share repurchase transaction which will be completed within the next several months.*

*"Our board of directors has made it clear that we intend to exit theTiO<sub>2</sub> business. We have narrowed our options to just two – one comprises a TiO<sub>2</sub> spin to our shareholders and the other option constitutes a more strategic move. More information will be forthcoming in the near future."*

## **Segment Analysis for 3Q15 Compared to 3Q14**

### *Polyurethanes*

The decrease in revenues in our Polyurethanes division for the three months ended September 30, 2015 compared to the same period in 2014 was primarily due to lower average selling prices partially offset by higher sales volumes. MDI average selling prices decreased in response to lower raw material costs and the currency exchange impact of a stronger U.S. dollar against major European currencies. PO/MTBE average selling prices decreased in-line with lower pricing for high octane gasoline. PO/MTBE sales volumes increased primarily as a result of not experiencing an unplanned manufacturing disruption at our Port Neches, Texas facility as we did in the third quarter 2014. MDI sales volumes decreased due to lower demand in the Asian and Americas regions partially offset by growth in the European region. The decrease in adjusted EBITDA was primarily due to the foreign currency exchange impact of a stronger U.S. dollar against major European currencies and lower MDI sales volumes partially offset by higher MDI contribution margins.

### *Performance Products*

The decrease in revenues in our Performance Products division for the three months ended September 30, 2015 compared to the same period in 2014 was primarily due to lower average selling prices, partially offset by higher sales volumes. Average selling prices decreased 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 increased primarily due to higher sales volumes of ethylene oxide intermediates.

The decrease in adjusted EBITDA was primarily due to lower contribution margins in our upstream intermediates business, partially offset by higher contribution margins in our amines and maleic anhydride businesses.

#### *Advanced Materials*

The decrease in revenues in our Advanced Materials division for the three months ended September 30, 2015 compared to the same period in 2014 was due to lower sales volumes and lower average selling prices. Sales volumes decreased primarily due to the de-selection of certain business, customer destocking and competitive pressure. Average selling prices increased on a local currency basis in the Americas 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 decrease in adjusted EBITDA was primarily due to the foreign currency exchange impact of a stronger U.S. dollar against major international currencies.

#### *Textile Effects*

The decrease in revenues in our Textile Effects division for the three months ended September 30, 2015 compared to the same period in 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 lower value business and challenging market conditions. The decrease in adjusted EBITDA was primarily due to the foreign currency exchange impact of a stronger U.S. dollar against major international currencies.

#### *Pigments and Additives*

Pro forma for the acquisition of Rockwood Performance Additives and Titanium Dioxide businesses, revenues decreased in our Pigments and Additives division for the three months ended September 30, 2015 compared to the same period in 2014 due to lower average selling prices and lower sales volumes. 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. The decrease in pro forma adjusted EBITDA was primarily due to lower contribution margins for titanium dioxide and the negative impact from the manufacturing disruption at our Uerdingen, Germany facility. The total impact from the manufacturing disruption was approximately \$8 million approximately \$5 million related to lost sales volumes and unabsorbed fixed costs and approximately \$3 million related to clean up costs that have been excluded from adjusted EBITDA.

#### *Corporate, LIFO and Other*

Adjusted EBITDA from Corporate, LIFO and Other decreased by \$1 million to a loss of \$50 million for the three months ended September 30, 2015 compared to a loss of \$49 million for the same period in 2014.

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

As of September 30, 2015, we had \$1,215 million of combined cash and unused borrowing capacity compared to \$1,601 million at December 31, 2014.

In August 2015, we entered into an amendment of our credit agreement. The amendment extends \$773 million of our term loan B from 2017 to 2019.

In September 2015, we redeemed \$198 million of 8 5/8% senior subordinated notes due 2021 with cash on hand.

We expect to spend approximately \$450 million annually on capital expenditures in 2016 and 2017. This represents a combined reduction of \$150 million compared to prior guidance.

## **Income Taxes**

During the three months ended September 30, 2015, we recorded an income tax expense of \$49 million and paid \$51 million in cash for income taxes. Our adjusted effective income tax rate for the three months ended September 30, 2015 was 26%.

We expect our 2015 and long term adjusted effective tax rate to be approximately 30%.

## **Earnings Conference Call Information**

We will hold a conference call to discuss our third quarter 2015 financial results on Tuesday, October 27, 2015 at 10:00 a.m. ET.

Call-in numbers for the conference call:

|                            |                  |
|----------------------------|------------------|
| U.S. participants          | (888) 679 - 8034 |
| International participants | (617) 213 - 4847 |
| Passcode                   | 36096009         |

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=PN7J4EM4U>

## **Webcast Information**

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

## **Replay Information**

The conference call will be available for replay beginning October 27, 2015 and ending November 4, 2015.

Call-in numbers for the replay:

|                   |                  |
|-------------------|------------------|
| U.S. participants | (888) 286 - 8010 |
|-------------------|------------------|

International participants (617) 801 - 6888  
Replay code 29385180

## Upcoming Conferences

During the fourth quarter a member of management will present at the Citi Basic Materials Conference, December 1, 2015. A webcast of the presentation, if applicable, along with accompanying materials will be available at [ir.huntsman.com](http://ir.huntsman.com).

**Table 1 – Results of Operations**

| In millions, except per share amounts, unaudited                | Three months ended<br>September 30, |               | Nine months ended<br>September 30, |               |
|-----------------------------------------------------------------|-------------------------------------|---------------|------------------------------------|---------------|
|                                                                 | 2015                                | 2014          | 2015                               | 2014          |
| <b>Revenues</b>                                                 | \$2,638                             | \$2,884       | \$7,967                            | \$8,627       |
| Cost of goods sold                                              | 2,165                               | 2,369         | 6,495                              | 7,157         |
| <b>Gross profit</b>                                             | 473                                 | 515           | 1,472                              | 1,470         |
| Operating expenses                                              | 290                                 | 274           | 859                                | 811           |
| Restructuring, impairment and plant closing costs               | 14                                  | 39            | 221                                | 91            |
| <b>Operating income</b>                                         | 169                                 | 202           | 392                                | 568           |
| Interest expense                                                | (49)                                | (49)          | (158)                              | (148)         |
| Equity in income of investment in unconsolidated affiliates     | -                                   | 2             | 5                                  | 6             |
| Loss on early extinguishment of debt                            | (8)                                 | -             | (31)                               | -             |
| Other expense                                                   | -                                   | (1)           | (2)                                | -             |
| <b>Income before income taxes</b>                               | 112                                 | 154           | 206                                | 426           |
| Income tax (expense) benefit                                    | (49)                                | 40            | (85)                               | (39)          |
| <b>Income from continuing operations</b>                        | 63                                  | 194           | 121                                | 387           |
| Loss from discontinued operations, net of tax <sup>(3)</sup>    | -                                   | -             | (4)                                | (7)           |
| <b>Net income</b>                                               | 63                                  | 194           | 117                                | 380           |
| Net income attributable to noncontrolling interests, net of tax | (8)                                 | (6)           | (28)                               | (19)          |
| <b>Net income attributable to Huntsman Corporation</b>          | <u>\$ 55</u>                        | <u>\$ 188</u> | <u>\$ 89</u>                       | <u>\$ 361</u> |
| <br><b>Adjusted EBITDA<sup>(1)</sup></b>                        | <br>\$ 311                          | <br>\$ 356    | <br>\$ 981                         | <br>\$1,048   |
| <br><b>Adjusted net income<sup>(1)</sup></b>                    | <br>\$ 115                          | <br>\$ 147    | <br>\$ 368                         | <br>\$ 397    |
| <br><b>Basic income per share</b>                               | <br>\$ 0.23                         | <br>\$ 0.77   | <br>\$ 0.36                        | <br>\$ 1.49   |
| <b>Diluted income per share</b>                                 | \$ 0.22                             | \$ 0.76       | \$ 0.36                            | \$ 1.47       |
| <b>Adjusted diluted income per share<sup>(1)</sup></b>          | \$ 0.47                             | \$ 0.60       | \$ 1.49                            | \$ 1.62       |
| <br><b>Common share information:</b>                            |                                     |               |                                    |               |
| Basic shares outstanding                                        | 244                                 | 243           | 244                                | 242           |
| Diluted shares                                                  | 247                                 | 247           | 247                                | 246           |
| Diluted shares for adjusted diluted income per share            | 247                                 | 247           | 247                                | 246           |

See end of press release for footnote explanations

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

Table 2 Results of Operations by Segment

| In millions, unaudited                        | Three months ended |                | Better /<br>(Worse) | Nine months ended |                | Better /<br>(Worse) |
|-----------------------------------------------|--------------------|----------------|---------------------|-------------------|----------------|---------------------|
|                                               | September 30,      |                |                     | September 30,     |                |                     |
|                                               | 2015               | 2014           |                     | 2015              | 2014           |                     |
| <b>Segment Revenues:</b>                      |                    |                |                     |                   |                |                     |
| Polyurethanes                                 | \$1,017            | \$1,321        | (23)%               | \$2,902           | \$3,831        | (24)%               |
| Performance Products                          | 618                | 762            | (19)%               | 1,949             | 2,360          | (17)%               |
| Advanced Materials                            | 275                | 310            | (11)%               | 847               | 953            | (11)%               |
| Textile Effects                               | 196                | 221            | (11)%               | 618               | 693            | (11)%               |
| Pigments & Additives                          | 543                | 318            | 71%                 | 1,707             | 976            | 75%                 |
| Eliminations and other                        | (11)               | (48)           | 77%                 | (56)              | (186)          | 70%                 |
| <b>Total</b>                                  | <b>\$2,638</b>     | <b>\$2,884</b> | <b>(9)%</b>         | <b>\$7,967</b>    | <b>\$8,627</b> | <b>(8)%</b>         |
| <b>Segment Adjusted EBITDA<sup>(1)</sup>:</b> |                    |                |                     |                   |                |                     |
| Polyurethanes                                 | \$ 168             | \$ 187         | (10)%               | \$ 432            | \$ 551         | (22)%               |
| Performance Products                          | 122                | 129            | (5)%                | 384               | 362            | 6%                  |
| Advanced Materials                            | 56                 | 57             | (2)%                | 172               | 156            | 10%                 |
| Textile Effects                               | 10                 | 14             | (29)%               | 50                | 52             | (4)%                |
| Pigments & Additives                          | 5                  | 18             | (72)%               | 61                | 67             | (9)%                |
| Corporate, LIFO and other                     | (50)               | (49)           | (2)%                | (118)             | (140)          | 16%                 |
| <b>Total</b>                                  | <b>\$ 311</b>      | <b>\$ 356</b>  | <b>(13)%</b>        | <b>\$ 981</b>     | <b>\$1,048</b> | <b>(6)%</b>         |

See end of press release for footnote explanations

**Table 3 – Pro Forma <sup>(2)</sup> Results of Operations by Segment**

Table 3 - Pro Forma Results of Operations by Segment

|                                   | Three months ended |         |          | Nine months ended |         |          |
|-----------------------------------|--------------------|---------|----------|-------------------|---------|----------|
|                                   | September 30,      |         | Better / | September 30,     |         | Better / |
| In millions, unaudited, pro forma | 2015               | 2014    | (Worse)  | 2015              | 2014    | (Worse)  |
| <b>Segment Revenues:</b>          |                    |         |          |                   |         |          |
| Polyurethanes                     | \$1,017            | \$1,327 | (23)%    | \$2,902           | \$3,852 | (25)%    |
| Performance Products              | 618                | 762     | (19)%    | 1,949             | 2,360   | (17)%    |
| Advanced Materials                | 275                | 310     | (11)%    | 847               | 953     | (11)%    |
| Textile Effects                   | 196                | 221     | (11)%    | 618               | 693     | (11)%    |
| Pigments & Additives              | 543                | 685     | (21)%    | 1,707             | 2,114   | (19)%    |
| Eliminations and other            | (11)               | (48)    | 77%      | (56)              | (186)   | 70%      |

|                                               |                |                |       |                |                |       |
|-----------------------------------------------|----------------|----------------|-------|----------------|----------------|-------|
| <b>Pro forma total</b>                        | <u>\$2,638</u> | <u>\$3,257</u> | (19)% | <u>\$7,967</u> | <u>\$9,786</u> | (19)% |
| <b>Segment Adjusted EBITDA<sup>(1)</sup>:</b> |                |                |       |                |                |       |
| Polyurethanes                                 | \$ 168         | \$ 188         | (11)% | \$ 432         | \$ 557         | (22)% |
| Performance Products                          | 122            | 129            | (5)%  | 384            | 362            | 6%    |
| Advanced Materials                            | 56             | 57             | (2)%  | 172            | 156            | 10%   |
| Textile Effects                               | 10             | 14             | (29)% | 50             | 52             | (4)%  |
| Pigments & Additives                          | 5              | 57             | (91)% | 61             | 208            | (71)% |
| Corporate, LIFO and other                     | <u>(50)</u>    | <u>(49)</u>    | (2)%  | <u>(118)</u>   | <u>(140)</u>   | 16%   |
| <b>Pro forma total</b>                        | <u>\$ 311</u>  | <u>\$ 396</u>  | (21)% | <u>\$ 981</u>  | <u>\$1,195</u> | (18)% |

See end of press release for footnote explanations

**Table 4 – Factors Impacting Sales Revenues**

| <b>Three months ended<br/>September 30, 2015 vs. 2014</b> |                                            |                          |                                                |                                       |              |
|-----------------------------------------------------------|--------------------------------------------|--------------------------|------------------------------------------------|---------------------------------------|--------------|
| Unaudited                                                 | <b>Average Selling Price<sup>(a)</sup></b> |                          |                                                |                                       |              |
|                                                           | <b>Local<br/>Currency</b>                  | <b>Exchange<br/>Rate</b> | <b>Sales Mix<br/>&amp; Other<sup>(c)</sup></b> | <b>Sales<br/>Volume<sup>(b)</sup></b> | <b>Total</b> |
| Polyurethanes                                             | (13)%                                      | (5)%                     | (7)%                                           | 2%                                    | (23)%        |
| Performance Products                                      | (10)%                                      | (5)%                     | (5)%                                           | 1%                                    | (19)%        |
| Advanced Materials                                        | 2%                                         | (9)%                     | (2)%                                           | (2)%                                  | (11)%        |
| Textile Effects                                           | (1)%                                       | (7)%                     | 1%                                             | (4)%                                  | (11)%        |
| Pigments & Additives                                      | (12)%                                      | (8)%                     | 98%                                            | (7)%                                  | 71%          |
| Total Company                                             | (9)%                                       | (6)%                     | 5%                                             | 1%                                    | (9)%         |
| <b>Nine months ended<br/>September 30, 2015 vs. 2014</b>  |                                            |                          |                                                |                                       |              |
| Unaudited                                                 | <b>Average Selling Price<sup>(a)</sup></b> |                          |                                                |                                       |              |
|                                                           | <b>Local<br/>Currency</b>                  | <b>Exchange<br/>Rate</b> | <b>Sales Mix<br/>&amp; Other<sup>(c)</sup></b> | <b>Sales<br/>Volume<sup>(b)</sup></b> | <b>Total</b> |
| Polyurethanes                                             | (9)%                                       | (6)%                     | 3%                                             | (12)%                                 | (24)%        |
| Performance Products                                      | (6)%                                       | (5)%                     | (2)%                                           | (4)%                                  | (17)%        |
| Advanced Materials                                        | 3%                                         | (9)%                     | (1)%                                           | (4)%                                  | (11)%        |
| Textile Effects                                           | (1)%                                       | (6)%                     | 4%                                             | (8)%                                  | (11)%        |
| Pigments & Additives                                      | (9)%                                       | (9)%                     | 100%                                           | (7)%                                  | 75%          |
| Total Company                                             | (6)%                                       | (7)%                     | 13%                                            | (8)%                                  | (8)%         |

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

(b) Excludes sales from by-products and raw materials.

(c) Includes full revenue impact from the October 1, 2014 acquisition of the Performance Additives and Titanium Dioxide businesses of Rockwood Holdings, Inc.

**Table 5 – Factors Impacting Pro Forma <sup>(2)</sup> Sales Revenues**

|                      | Three months ended<br>September 30, 2015 vs. 2014 |           |                       |              |       |
|----------------------|---------------------------------------------------|-----------|-----------------------|--------------|-------|
|                      | Average                                           |           |                       |              |       |
|                      | Selling                                           | Sales Mix | Sales                 |              |       |
| Unaudited, pro forma | Price <sup>(a)</sup>                              | & Other   | Volume <sup>(b)</sup> |              | Total |
| Polyurethanes        | (18)%                                             | (7)%      | 2%                    |              | (23)% |
| Performance Products | (15)%                                             | (5)%      | 1%                    |              | (19)% |
| Advanced Materials   | (7)%                                              | (2)%      | 1%                    | (e)          | (8)%  |
| Textile Effects      | (8)%                                              | 1%        | (4)%                  |              | (11)% |
| Pigments & Additives | (18)%                                             | 1%        | (3)%                  | (f)          | (20)% |
| Total Company        | (16)%                                             | (4)%      | 1%                    | (e)(f)       | (19)% |
|                      | Nine months ended<br>September 30, 2015 vs. 2014  |           |                       |              |       |
|                      | Average                                           |           |                       |              |       |
|                      | Selling                                           | Sales Mix | Sales                 |              |       |
| Unaudited, pro forma | Price <sup>(a)</sup>                              | & Other   | Volume <sup>(b)</sup> |              | Total |
| Polyurethanes        | (15)%                                             | 2%        | (2)%                  | (c)          | (15)% |
| Performance Products | (11)%                                             | (2)%      | ----                  | (d)          | (13)% |
| Advanced Materials   | (6)%                                              | (1)%      | (1)%                  | (e)          | (8)%  |
| Textile Effects      | (7)%                                              | 4%        | (8)%                  |              | (11)% |
| Pigments & Additives | (18)%                                             | 1%        | (2)%                  | (f)          | (19)% |
| Total Company        | (14)%                                             | 3%        | (2)%                  | (c)(d)(e)(f) | (13)% |

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

(b) Excludes sales from by-products and raw materials.

(c) Excludes volume impact from planned maintenance at our PO/MTBE facility in 1H15.

(d) Excludes volume impact from closure of our European surfactants plant in 2Q14.

(e) Excludes volume impact from de-selection of lower margin business in 2015.

(f) Excludes volume impact from nitrogen tank incident at our Uerdingen, Germany facility in 3Q15.

**Table 6 – Reconciliation of U.S. GAAP to Non-GAAP Measures**

| In millions, except<br>per share amounts,<br>unaudited | EBITDA             |        | Income Tax<br>Expense |       | Net Income<br>Attrib. to HUN Corp. |        | Diluted In- |
|--------------------------------------------------------|--------------------|--------|-----------------------|-------|------------------------------------|--------|-------------|
|                                                        | Three months ended |        | Three months ended    |       | Three months ended                 |        | Per Share   |
|                                                        | September 30,      |        | September 30,         |       | September 30,                      |        | Three month |
|                                                        |                    |        |                       |       |                                    |        | September   |
|                                                        | 2015               | 2014   | 2015                  | 2014  | 2015                               | 2014   | 2015        |
| <b>GAAP<sup>(1)</sup></b>                              | \$ 255             | \$ 293 | \$ (49)               | \$ 40 | \$ 55                              | \$ 188 | \$ 0.22     |



**Adjustments:**

|                                                                       |     |     |     |      |    |      |      |
|-----------------------------------------------------------------------|-----|-----|-----|------|----|------|------|
| Acquisition and integration expenses, purchase accounting adjustments | 10  | 10  | (2) | (2)  | 8  | 8    | 0.03 |
| Impact of certain foreign tax credit elections                        | N/A | N/A | -   | (94) | -  | (94) | -    |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 1   | -   | N/A | N/A  | -  | -    | -    |
| Loss on early extinguishment of debt                                  | 8   | -   | (3) | -    | 5  | -    | 0.02 |
| Certain legal settlements and related expenses                        | 1   | 1   | -   | -    | 1  | 1    | -    |
| Plant incident remediation costs                                      | 3   | -   | (1) | -    | 2  | -    | 0.01 |
| Amortization of pension and postretirement actuarial losses           | 19  | 12  | (4) | (2)  | 15 | 10   | 0.06 |
| Restructuring, impairment, plant closing and transition costs         | 14  | 40  | 15  | (6)  | 29 | 34   | 0.12 |

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

|               |               |                |                |               |               |                |
|---------------|---------------|----------------|----------------|---------------|---------------|----------------|
| <u>\$ 311</u> | <u>\$ 356</u> | <u>\$ (44)</u> | <u>\$ (64)</u> | <u>\$ 115</u> | <u>\$ 147</u> | <u>\$ 0.47</u> |
|---------------|---------------|----------------|----------------|---------------|---------------|----------------|

Adjusted income tax expense

Net income attributable to noncontrolling interests, net of tax

|    |    |
|----|----|
| 44 | 64 |
| 8  | 6  |

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

|               |               |
|---------------|---------------|
| <u>\$ 167</u> | <u>\$ 217</u> |
|---------------|---------------|

**Adjusted effective tax rate**

|     |     |
|-----|-----|
| 26% | 29% |
|-----|-----|

|                                                  | EBITDA                      | Income Tax Expense          | Net Income Attrib. to HUN Corp. | Diluted In Per Sha |
|--------------------------------------------------|-----------------------------|-----------------------------|---------------------------------|--------------------|
|                                                  | Three months ended June 30, | Three months ended June 30, | Three months ended June 30,     | Three month June 3 |
| In millions, except per share amounts, unaudited | 2015                        | 2015                        | 2015                            | 2015               |

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

|        |         |       |         |
|--------|---------|-------|---------|
| \$ 216 | \$ (34) | \$ 29 | \$ 0.12 |
|--------|---------|-------|---------|

**Adjustments:**

|                                                                       |    |     |   |      |
|-----------------------------------------------------------------------|----|-----|---|------|
| Acquisition and integration expenses, purchase accounting adjustments | 12 | (3) | 9 | 0.04 |
|-----------------------------------------------------------------------|----|-----|---|------|

|                                                                 |               |                |               |                |
|-----------------------------------------------------------------|---------------|----------------|---------------|----------------|
| Loss from discontinued operations, net of tax <sup>(3)</sup>    | 1             | N/A            | 2             | 0.01           |
| Loss on disposition of businesses/assets                        | 1             | -              | 1             | -              |
| Loss on early extinguishment of debt                            | 20            | (7)            | 13            | 0.05           |
| Certain legal settlements and related expenses                  | 1             | (1)            | -             | -              |
| Amortization of pension and postretirement actuarial losses     | 19            | (5)            | 14            | 0.06           |
| Restructuring, impairment, plant closing and transition costs   | 115           | (28)           | 87            | 0.35           |
| <b>Adjusted<sup>(1)</sup></b>                                   | <u>\$ 385</u> | <u>\$ (78)</u> | <u>\$ 155</u> | <u>\$ 0.63</u> |
| Adjusted income tax expense                                     |               |                | 78            |                |
| Net income attributable to noncontrolling interests, net of tax |               |                | 10            |                |
| <b>Adjusted pre-tax income<sup>(1)</sup></b>                    |               |                | <u>\$ 243</u> |                |
| <b>Adjusted effective tax rate</b>                              |               |                | 32%           |                |

|                                                                       | <b>EBITDA</b>                          |             | <b>Income Tax Expense (Benefit)</b>    |             | <b>Net Income Attrib. to HUN Corp.</b> |             | <b>Diluted Income Per Share</b>        |
|-----------------------------------------------------------------------|----------------------------------------|-------------|----------------------------------------|-------------|----------------------------------------|-------------|----------------------------------------|
|                                                                       | <b>Nine months ended September 30,</b> |             | <b>Nine months ended September 30,</b> |             | <b>Nine months ended September 30,</b> |             | <b>Nine months ended September 30,</b> |
| In millions, except per share amounts, unaudited                      | <b>2015</b>                            | <b>2014</b> | <b>2015</b>                            | <b>2014</b> | <b>2015</b>                            | <b>2014</b> | <b>2015</b>                            |
| <b>GAAP<sup>(1)</sup></b>                                             | \$ 630                                 | \$ 881      | \$ (85)                                | \$ (39)     | \$ 89                                  | \$ 361      | \$ 0.36                                |
| <b>Adjustments:</b>                                                   |                                        |             |                                        |             |                                        |             |                                        |
| Acquisition and integration expenses, purchase accounting adjustments | 31                                     | 27          | (7)                                    | (6)         | 24                                     | 21          | 0.10                                   |
| Impact of certain foreign tax credit elections                        | N/A                                    | N/A         | -                                      | (94)        | -                                      | (94)        | -                                      |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 3                                      | 9           | N/A                                    | N/A         | 4                                      | 7           | 0.02                                   |
| Loss (gain) on disposition of businesses/assets                       | 1                                      | (2)         | -                                      | 1           | 1                                      | (1)         | -                                      |

|                                                               |               |                 |                 |                 |               |               |                |
|---------------------------------------------------------------|---------------|-----------------|-----------------|-----------------|---------------|---------------|----------------|
| Loss on early extinguishment of debt                          | 31            | -               | (11)            | -               | 20            | -             | 0.08           |
| Certain legal settlements and related expenses                | 3             | 3               | (1)             | -               | 2             | 3             | 0.01           |
| Plant incident remediation costs                              | 3             | -               | (1)             | -               | 2             | -             | 0.01           |
| Amortization of pension and postretirement actuarial losses   | 56            | 37              | (14)            | (10)            | 42            | 27            | 0.17           |
| Restructuring, impairment, plant closing and transition costs | 223           | 93              | (39)            | (20)            | 184           | 73            | 0.74           |
| <b>Adjusted<sup>(1)</sup></b>                                 | <u>\$ 981</u> | <u>\$ 1,048</u> | <u>\$ (158)</u> | <u>\$ (168)</u> | <u>\$ 368</u> | <u>\$ 397</u> | <u>\$ 1.49</u> |

Adjusted income tax expense  
Net income attributable to noncontrolling interests, net of tax

158 168

28 19

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

\$ 554 \$ 584

**Adjusted effective tax rate**

29% 29%

*See end of press release for footnote explanations*

**Table 7 – Pro Forma <sup>(2)</sup> Reconciliation of U.S. GAAP to Non-GAAP Measures**

| In millions, except per share amounts, unaudited, pro forma           | <b>Pro Forma EBITDA</b>                 |             |
|-----------------------------------------------------------------------|-----------------------------------------|-------------|
|                                                                       | <b>Three months ended September 30,</b> |             |
|                                                                       | <b>2015</b>                             | <b>2014</b> |
| <b>GAAP<sup>(1)</sup></b>                                             | \$ 255                                  | \$ 333      |
| <b>Adjustments:</b>                                                   |                                         |             |
| Allocation of Rockwood general corporate overhead                     | -                                       | 5           |
| Acquisition and integration expenses, purchase accounting adjustments | 10                                      | 4           |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 1                                       | -           |
| Loss on early extinguishment of debt                                  | 8                                       | -           |
| Certain legal settlements and related expenses                        | 1                                       | 1           |
| Plant incident remediation costs                                      | 3                                       | -           |
| Amortization of pension and postretirement actuarial losses           | 19                                      | 13          |
| Restructuring, impairment, plant closing and transition costs         | 14                                      | 40          |

|                                         |               |               |
|-----------------------------------------|---------------|---------------|
| <b>Pro forma adjusted<sup>(2)</sup></b> | <b>\$ 311</b> | <b>\$ 396</b> |
|-----------------------------------------|---------------|---------------|

|                                                                       |                           |  |
|-----------------------------------------------------------------------|---------------------------|--|
|                                                                       | <b>Pro Forma EBITDA</b>   |  |
|                                                                       | <b>Three months ended</b> |  |
|                                                                       | <b>June 30,</b>           |  |
|                                                                       | <b>2015</b>               |  |
| In millions, except per share amounts, unaudited pro forma            |                           |  |
| <b>GAAP<sup>(1)</sup></b>                                             | <b>\$ 216</b>             |  |
| <b>Adjustments:</b>                                                   |                           |  |
| Acquisition and integration expenses, purchase accounting adjustments | 12                        |  |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 1                         |  |
| Loss on disposition of businesses/assets                              | 1                         |  |
| Loss on early extinguishment of debt                                  | 20                        |  |
| Certain legal settlements and related expenses                        | 1                         |  |
| Amortization of pension and postretirement actuarial losses           | 19                        |  |
| Restructuring, impairment, plant closing and transition costs         | 115                       |  |
| <b>Pro forma adjusted<sup>(2)</sup></b>                               | <b>\$ 385</b>             |  |

|                                                                       |                          |                 |
|-----------------------------------------------------------------------|--------------------------|-----------------|
|                                                                       | <b>Pro Forma EBITDA</b>  |                 |
|                                                                       | <b>Nine months ended</b> |                 |
|                                                                       | <b>September 30,</b>     |                 |
|                                                                       | <b>2015</b>              | <b>2014</b>     |
| In millions, except per share amounts, unaudited pro forma            |                          |                 |
| <b>GAAP<sup>(1)</sup></b>                                             | <b>\$ 630</b>            | <b>\$ 1,023</b> |
| <b>Adjustments:</b>                                                   |                          |                 |
| Allocation of general corporate overhead                              | -                        | 20              |
| Acquisition and integration expenses, purchase accounting adjustments | 31                       | 9               |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 3                        | 9               |
| Loss (gain) on disposition of businesses/assets                       | 1                        | (2)             |
| Loss on early extinguishment of debt                                  | 31                       | -               |
| Certain legal settlements and related expenses                        | 3                        | 3               |
| Plant incident remediation costs                                      | 3                        | -               |
| Amortization of pension and postretirement actuarial losses           | 56                       | 40              |
| Restructuring, impairment, plant closing and transition costs         | 223                      | 93              |
| <b>Pro forma adjusted<sup>(2)</sup></b>                               | <b>\$ 981</b>            | <b>\$ 1,195</b> |

See end of press release for footnote explanations

**Table 8 – Reconciliation of Net Income to EBITDA**

|                        | <b>Three months ended</b> |             |                 | <b>Nine months ended</b> |             |
|------------------------|---------------------------|-------------|-----------------|--------------------------|-------------|
|                        | <b>September 30,</b>      |             | <b>June 30,</b> | <b>September 30,</b>     |             |
|                        | <b>2015</b>               | <b>2014</b> | <b>2015</b>     | <b>2015</b>              | <b>2014</b> |
| In millions, unaudited |                           |             |                 |                          |             |

|                                                                          |              |              |               |              |                |
|--------------------------------------------------------------------------|--------------|--------------|---------------|--------------|----------------|
| <b>Net income attributable to Huntsman Corporation</b>                   | \$ 55        | \$188        | \$ 29         | \$ 89        | \$ 361         |
| Interest expense                                                         | 49           | 49           | 53            | 158          | 148            |
| Income tax expense (benefit) from continuing operations                  | 49           | (40)         | 34            | 85           | 39             |
| Income tax (benefit) expense from discontinued operations <sup>(3)</sup> | (1)          | -            | 1             | 1            | (2)            |
| Depreciation and amortization                                            | 103          | 96           | 99            | 297          | 335            |
| <b>EBITDA<sup>(1)</sup></b>                                              | <b>255</b>   | <b>293</b>   | <b>216</b>    | <b>630</b>   | <b>881</b>     |
| <b>Pro forma adjustments to:</b>                                         |              |              |               |              |                |
| Net income attributable to Huntsman Corporation                          | -            | 15           | -             | -            | 49             |
| Interest expense                                                         | -            | 11           | -             | -            | 33             |
| Income tax expense (benefit) from continuing operations                  | -            | 4            | -             | -            | 30             |
| Depreciation and amortization                                            | -            | 10           | -             | -            | 30             |
| <b>Pro forma EBITDA<sup>(2)</sup></b>                                    | <b>\$255</b> | <b>\$333</b> | <b>\$ 216</b> | <b>\$630</b> | <b>\$1,023</b> |

See end of press release for footnote explanations

**Table 9 – Selected Balance Sheet Items**

| In millions                         | September 30,<br>2015<br>(unaudited) | June 30,<br>2015<br>(unaudited) | December 31,<br>2014 |
|-------------------------------------|--------------------------------------|---------------------------------|----------------------|
| Cash                                | \$ 437                               | \$ 608                          | \$ 870               |
| Accounts and notes receivable, net  | 1,632                                | 1,754                           | 1,707                |
| Inventories                         | 1,850                                | 1,938                           | 2,025                |
| Other current assets                | 332                                  | 295                             | 437                  |
| Property, plant and equipment, net  | 4,380                                | 4,328                           | 4,423                |
| Other assets                        | 1,605                                | 1,655                           | 1,540                |
| <b>Total assets</b>                 | <b>\$ 10,236</b>                     | <b>\$10,578</b>                 | <b>\$ 11,002</b>     |
| Accounts payable                    | \$ 1,068                             | \$ 1,209                        | \$ 1,275             |
| Other current liabilities           | 839                                  | 786                             | 790                  |
| Current portion of debt             | 158                                  | 127                             | 267                  |
| Long-term debt                      | 4,709                                | 4,920                           | 4,933                |
| Other liabilities                   | 1,671                                | 1,694                           | 1,786                |
| Total equity                        | 1,791                                | 1,842                           | 1,951                |
| <b>Total liabilities and equity</b> | <b>\$ 10,236</b>                     | <b>\$10,578</b>                 | <b>\$ 11,002</b>     |

**Table 10 – Outstanding Debt**

| In millions                              | September 30,<br>2015<br>(unaudited) | June 30,<br>2015<br>(unaudited) | December 31,<br>2014 |
|------------------------------------------|--------------------------------------|---------------------------------|----------------------|
| <b>Debt:</b>                             |                                      |                                 |                      |
| Senior credit facilities                 | \$ 2,507                             | \$ 2,509                        | \$ 2,528             |
| Accounts receivable programs             | 217                                  | 217                             | 229                  |
| Senior notes                             | 1,883                                | 1,884                           | 1,596                |
| Senior subordinated notes                | -                                    | 198                             | 531                  |
| Variable interest entities               | 158                                  | 165                             | 207                  |
| Other debt                               | 102                                  | 74                              | 109                  |
| <b>Total debt - excluding affiliates</b> | <b>4,867</b>                         | <b>5,047</b>                    | <b>5,200</b>         |
| Total cash                               | 437                                  | 608                             | 870                  |
| <b>Net debt- excluding affiliates</b>    | <b>\$ 4,430</b>                      | <b>\$ 4,439</b>                 | <b>\$ 4,330</b>      |

**Table 11 – Summarized Statement of Cash Flows**

| In millions, unaudited                                 | Three months ended<br>September 30,<br>2015 | Nine months ended<br>September 30,<br>2015      2014 |               |
|--------------------------------------------------------|---------------------------------------------|------------------------------------------------------|---------------|
| <b>Total cash at beginning of period<sup>(a)</sup></b> | <b>\$ 608</b>                               | <b>\$ 870</b>                                        | <b>\$ 529</b> |
| Net cash provided by operating activities              | 206                                         | 387                                                  | 343           |
| Net cash used in investing activities                  | (150)                                       | (383)                                                | (337)         |
| Net cash (used in) provided by financing activities    | (216)                                       | (418)                                                | 62            |
| Effect of exchange rate changes on cash                | (6)                                         | (13)                                                 | (6)           |
| Change in restricted cash                              | (5)                                         | (6)                                                  | 1             |
| <b>Total cash at end of period<sup>(a)</sup></b>       | <b>\$ 437</b>                               | <b>\$ 437</b>                                        | <b>\$ 592</b> |
| <b>Supplemental cash flow information:</b>             |                                             |                                                      |               |
| Cash paid for interest                                 | \$ (43)                                     | \$(158)                                              | \$(145)       |
| Cash paid for income taxes                             | (51)                                        | (81)                                                 | (156)         |
| Cash paid for capital expenditures                     | (158)                                       | (454)                                                | (351)         |
| Depreciation and amortization                          | 103                                         | 297                                                  | 335           |
| <b>Changes in primary working capital:</b>             |                                             |                                                      |               |
| Accounts and notes receivable                          | \$ 89                                       | \$ (53)                                              | \$(161)       |
| Inventories                                            | 39                                          | 46                                                   | (112)         |
| Accounts payable                                       | (123)                                       | (111)                                                | 131           |

Total cash provided by (used in) primary working capital

|    |   |         |         |
|----|---|---------|---------|
| \$ | 5 | \$(118) | \$(142) |
|----|---|---------|---------|

(a) Includes restricted cash.

## 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 8 above.

Adjusted EBITDA is computed by eliminating the following from EBITDA: (a) acquisition and integration expenses, purchase accounting adjustments; (b) loss (gain) on initial consolidation of subsidiaries; (c) EBITDA from discontinued operations; (d) loss (gain) on disposition of businesses/assets; (e) loss on early extinguishment of debt; (f) extraordinary loss (gain) on the acquisition of a business; (g) certain legal settlements and related expenses; (h) plant incident remediation costs; (i) amortization of pension and postretirement actuarial losses (gains); and (j) restructuring, impairment, plant closing and transition costs (credits). The reconciliation of adjusted EBITDA to EBITDA is set forth in Table 6 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: (a) acquisition and integration expenses, purchase accounting adjustments; (b) impact of certain foreign tax credit elections; (c) loss (gain) on initial consolidation of subsidiaries; (d) loss (income) from discontinued operations; (e) discount amortization on settlement financing associated with the terminated merger; (f) loss (gain) on disposition of businesses/assets; (g) loss on early extinguishment of debt; (h) extraordinary loss (gain) on the acquisition of a business; (i) certain legal settlements and related expenses; (j) plant incident remediation costs; (k) amortization of pension and postretirement actuarial losses (gains); and (l) 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 6 above.

- (2) Pro forma adjusted as if it had occurred at the beginning of the relevant period to (a) include the October 1, 2014 acquisition of the Performance Additives and Titanium Dioxide businesses of Rockwood Holdings, Inc.; (b) to exclude the related sale of our TR52 product line – used in printing inks – to Henan Billions Chemicals Co., Ltd. in December 2014; and (c) to exclude the allocation of general corporate overhead by Rockwood.
- (3) 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 2014 revenues of approximately \$13 billion including the acquisition of Rockwood's performance additives and titanium dioxide businesses. 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. We operate more than 100 manufacturing and R&D facilities in more than 30 countries and employ approximately 16,000 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).*

## Social Media:

Twitter: [twitter.com/Huntsman\\_Corp](https://twitter.com/Huntsman_Corp)

Facebook: [www.facebook.com/huntsmancorp](http://www.facebook.com/huntsmancorp)  
LinkedIn: [www.linkedin.com/company/huntsman](http://www.linkedin.com/company/huntsman)

### **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.*

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/huntsman-reports-third-quarter-2015-adjusted-ebitda-of-311-million-and-announces-major-reduction-in-planned-capital-expenditures-300166572.html>

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