

July 29, 2015



# Huntsman Releases Second Quarter 2015 Results; Adjusted Earnings Per Share Improves More Than 50% Compared To The First Quarter

THE WOODLANDS, Texas, July 29, 2015 /PRNewswire/ --

## Second Quarter 2015 Highlights

- Adjusted EBITDA was \$385 million compared to \$363 million in the prior year period and \$285 million in the prior quarter.
- Adjusted diluted income per share was \$0.63 compared to \$0.59 in the prior year period and \$0.40 in the prior quarter.
- Net income attributable to Huntsman Corporation was \$29 million compared to net income of \$119 million in the prior year period and \$5 million in the prior quarter.
- The stronger U.S. dollar reduced adjusted EBITDA by an estimated \$49 million compared to the prior year period.
- Extended planned maintenance at our Port Neches, TX facility reduced adjusted EBITDA in the second quarter 2015 by approximately \$35 million.

| In millions, except per share amounts, unaudited | Three months ended |          |           | Six months ended |          |
|--|--------------------|----------|-----------|------------------|----------|
|  | June 30,           |          | March 31, | June 30,         |          |
|  | 2015               | 2014     | 2015      | 2015             | 2014     |
| Revenues   | \$ 2,740           | \$ 2,988 | \$ 2,589  | \$ 5,329         | \$ 5,743 |
| Net income attributable to Huntsman Corporation  | \$ 29              | \$ 119   | \$ 5      | \$ 34            | \$ 173   |
| Adjusted net income <sup>(1)</sup>               | \$ 155             | \$ 145   | \$ 98     | \$ 253           | \$ 250   |
| Diluted income per share                         | \$ 0.12            | \$ 0.48  | \$ 0.02   | \$ 0.14          | \$ 0.71  |
| Adjusted diluted income per share <sup>(1)</sup> | \$ 0.63            | \$ 0.59  | \$ 0.40   | \$ 1.02          | \$ 1.02  |
| EBITDA <sup>(1)</sup>                            | \$ 216             | \$ 327   | \$ 159    | \$ 375           | \$ 588   |
| Adjusted EBITDA <sup>(1)</sup>                   | \$ 385             | \$ 363   | \$ 285    | \$ 670           | \$ 692   |

See end of press release for footnote explanations

Huntsman Corporation (NYSE: HUN) today reported second quarter 2015 results with revenues of \$2,740 million and adjusted EBITDA of \$385 million.

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

*"Our Performance Products and Advanced Materials businesses continue to demonstrate remarkable earnings. Combined, these businesses represent approximately 50% of our adjusted EBITDA; they have EBITDA margins of approximately 20% and low earnings volatility. Their EBITDA grew approximately 20% compared to the prior year and we have growth projects in place for these businesses that are expected to deliver an additional \$100 million over the next couple of years.*

*Notwithstanding EBITDA headwinds in the second quarter 2015 such as \$49 million from foreign currency and \$35 million from the extended maintenance outage at our Port Neches, TX facility, our earnings are growing. We are delivering on our announced restructuring savings and growth projects. Our aggressive efforts to deliver \$200 million of synergy and restructuring savings within our Pigments and Additives division by the middle of 2016 are progressing on-time and according to plan."*

## **Segment Analysis for 2Q15 Compared to 2Q14**

### *Polyurethanes*

The decrease in revenues in our Polyurethanes division for the three months ended June 30, 2015 compared to the same period in 2014 was primarily due to a planned maintenance outage at our PO/MTBE facility in Port Neches, Texas that extended into the second quarter of 2015 and lower average selling prices. PO/MTBE sales volumes decreased due to the planned maintenance outage. MDI sales volumes increased due to improved demand in the European region primarily due to improved demand within the insulation, composite wood products and automotive markets. PO/MTBE average selling prices decreased in-line with lower pricing for high octane gasoline. MDI average selling prices decreased in response to lower raw material costs and the foreign currency exchange impact of a stronger U.S. dollar against major European currencies. The decrease in adjusted EBITDA was primarily due to lower PO/MTBE earnings, partially offset by higher MDI contribution margins. We estimate the reduction to adjusted EBITDA from the planned PO/MTBE maintenance outage was approximately \$30 million within this division in the second quarter 2015.

### *Performance Products*

The decrease in revenues in our Performance Products division for the three months ended June 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 sale of our European commodity surfactants business at the end of the second quarter 2014 although sales volumes increased 2% excluding the impact of this sale. Average selling prices decreased in response to lower raw material costs and the foreign currency exchange impact of a stronger U.S. dollar against major European currencies. The increase in adjusted EBITDA was primarily due to higher contribution margins in our amines and upstream intermediate businesses.

### *Advanced Materials*

The decrease in revenues in our Advanced Materials division for the three months ended June 30, 2015 compared to the same period in 2014 was primarily due to lower sales volumes. Sales volumes decreased primarily due to the de-selection of certain business and our restructuring efforts. Average selling prices increased on a local currency basis due to

certain price increase initiatives and our focus on higher value markets, but were more than offset by the foreign currency exchange impact of a stronger U.S. dollar against major European currencies. The increase in adjusted EBITDA was primarily due to higher contribution margins from our focus on higher value business and lower fixed costs.

#### *Textile Effects*

The decrease in revenues in our Textile Effects division for the three months ended June 30, 2015 compared to the same period in 2014 was due to lower average selling prices and lower sales volumes. Average selling prices decreased primarily due to the impact of a stronger U.S. dollar against major European currencies. Sales volumes decreased primarily due to the de-selection of lower value business and destocking within the fibers and dyes supply chain. The increase in adjusted EBITDA was primarily due to higher contribution margins from our focus on higher value business and lower fixed costs.

#### *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 June 30, 2015 compared to the same period in 2014 due to lower sales volumes and lower average selling prices. Sales volumes decreased primarily as a result of lower end use demand in Europe and North America. 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. The decrease in pro forma adjusted EBITDA was primarily due to lower contribution margins for titanium dioxide.

#### *Corporate, LIFO and Other*

Adjusted EBITDA from Corporate, LIFO and Other improved by \$16 million to a loss of \$31 million for the three months ended June 30, 2015 compared to a loss of \$47 million for the same period in 2014. The increase in adjusted EBITDA was primarily the result of a benefit from LIFO inventory valuation income of \$9 million and an increase in income from benzene sales of \$5 million.

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

As of June 30, 2015, we had \$1,418 million of combined cash and unused borrowing capacity compared to \$1,601 million at December 31, 2014.

Total capital expenditures for the three months ended June 30, 2015 were \$147 million. We expect to spend approximately \$525 million on base capital expenditures in 2015, net of reimbursements. In addition, in 2015 we expect to spend approximately \$100 million combined on our new Chinese MDI facility, the completion of our Augusta, Georgia color pigments facility and replacement of Rockwood computer systems.

Based on the preliminary allocation of the purchase accounting for the Rockwood Performance Additives and Titanium Dioxide businesses, we expect our annual depreciation and amortization rate to be approximately \$400 million.

### **Income Taxes**

During the three months ended June 30, 2015, we recorded an income tax expense of \$34 million and paid \$19 million in cash for income taxes. Our adjusted effective income tax rate for the three months ended June 30, 2015 was 32%.

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 second quarter 2015 financial results on Wednesday, July 29, 2015 at 10:00 a.m. ET.

Call-in numbers for the conference call:

|                            |                  |
|----------------------------|------------------|
| U.S. participants          | (888) 713 - 4211 |
| International participants | (617) 213 - 4864 |
| Passcode                   | 43780722         |

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=PWX3M7V4U>

### 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 July 29, 2015 and ending August 5, 2015.

Call-in numbers for the replay:

|                            |                  |
|----------------------------|------------------|
| U.S. participants          | (888) 286 - 8010 |
| International participants | (617) 801 - 6888 |
| Replay code                | 27138577         |

### Upcoming Conferences

During the third quarter a member of management will present at the Jefferies Industrials Conference, August 11, 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

|  | Three months ended |      | Six months ended |      |
|--|--------------------|------|------------------|------|
|  | June 30,           |      | June 30,         |      |
| In millions, except per share amounts, unaudited | 2015               | 2014 | 2015             | 2014 |

|   |          |          |          |          |
|---|----------|----------|----------|----------|
| <b>Revenues</b>   | \$ 2,740 | \$ 2,988 | \$ 5,329 | \$ 5,743 |
| Cost of goods sold  | 2,191    | 2,483    | 4,330    | 4,788    |
| <b>Gross profit</b>   | 549      | 505      | 999      | 955      |
| Operating expenses  | 289      | 276      | 569      | 537      |
| Restructuring, impairment and plant closing costs               | 114      | 13       | 207      | 52       |
| <b>Operating income</b>   | 146      | 216      | 223      | 366      |
| Interest expense  | (53)     | (51)     | (109)    | (99)     |
| Equity in income of investment in unconsolidated affiliates     | 3        | 2        | 5        | 4        |
| Loss on early extinguishment of debt                            | (20)     | -        | (23)     | -        |
| Other (expense) income  | (1)      | -        | (2)      | 1        |
| <b>Income before income taxes</b>                               | 75       | 167      | 94       | 272      |
| Income tax expense  | (34)     | (43)     | (36)     | (79)     |
| <b>Income from continuing operations</b>                        | 41       | 124      | 58       | 193      |
| Loss from discontinued operations, net of tax <sup>(3)</sup>    | (2)      | -        | (4)      | (7)      |
| <b>Net income</b>   | 39       | 124      | 54       | 186      |
| Net income attributable to noncontrolling interests, net of tax | (10)     | (5)      | (20)     | (13)     |
| <b>Net income attributable to Huntsman Corporation</b>          | \$ 29    | \$ 119   | \$ 34    | \$ 173   |

**Adjusted EBITDA<sup>(1)</sup>** \$ 385 \$ 363 \$ 670 \$ 692

**Adjusted net income<sup>(1)</sup>** \$ 155 \$ 145 \$ 253 \$ 250

**Basic income per share** \$ 0.12 \$ 0.49 \$ 0.14 \$ 0.72

**Diluted income per share** \$ 0.12 \$ 0.48 \$ 0.14 \$ 0.71

**Adjusted diluted income per share<sup>(1)</sup>** \$ 0.63 \$ 0.59 \$ 1.02 \$ 1.02

**Common share information:**

Basic shares outstanding 244.1 241.8 244.0 241.3

Diluted shares 247.5 245.7 247.3 245.0

Diluted shares for adjusted diluted income per share 247.5 245.7 247.3 245.0

See end of press release for footnote explanations

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

| In millions, unaudited   | Three months ended |                  | Better /<br>(Worse) | Six months ended |                  | Better /<br>(Worse) |
|--------------------------|--------------------|------------------|---------------------|------------------|------------------|---------------------|
|                          | June 30,<br>2015   | June 30,<br>2014 |                     | June 30,<br>2015 | June 30,<br>2014 |                     |
| <b>Segment Revenues:</b> |                    |                  |                     |                  |                  |                     |
| Polyurethanes            | \$ 995             | \$ 1,310         | (24)%               | \$ 1,885         | \$ 2,510         | (25)%               |
| Performance Products     | 675                | 833              | (19)%               | 1,331            | 1,598            | (17)%               |
| Advanced Materials       | 282                | 324              | (13)%               | 572              | 643              | (11)%               |
| Textile Effects          | 216                | 248              | (13)%               | 422              | 472              | (11)%               |

|                        |                 |                 |             |                 |                 |             |
|------------------------|-----------------|-----------------|-------------|-----------------|-----------------|-------------|
| Pigments & Additives   | 592             | 340             | 74%         | 1,164           | 658             | 77%         |
| Eliminations and other | <u>(20)</u>     | <u>(67)</u>     | 70%         | <u>(45)</u>     | <u>(138)</u>    | 67%         |
| <b>Total</b>           | <b>\$ 2,740</b> | <b>\$ 2,988</b> | <b>(8)%</b> | <b>\$ 5,329</b> | <b>\$ 5,743</b> | <b>(7)%</b> |

**Segment Adjusted  
EBITDA<sup>(1)</sup>:**

|                              |               |               |           |               |               |             |
|------------------------------|---------------|---------------|-----------|---------------|---------------|-------------|
| Polyurethanes                | \$ 159        | \$ 197        | (19)%     | \$ 264        | \$ 364        | (27)%       |
| Performance Products         | 141           | 115           | 23%       | 262           | 233           | 12%         |
| Advanced Materials           | 58            | 53            | 9%        | 116           | 99            | 17%         |
| Textile Effects              | 23            | 22            | 5%        | 40            | 38            | 5%          |
| Pigments & Additives         | 35            | 23            | 52%       | 56            | 49            | 14%         |
| Corporate, LIFO and<br>other | <u>(31)</u>   | <u>(47)</u>   | 34%       | <u>(68)</u>   | <u>(91)</u>   | 25%         |
| <b>Total</b>                 | <b>\$ 385</b> | <b>\$ 363</b> | <b>6%</b> | <b>\$ 670</b> | <b>\$ 692</b> | <b>(3)%</b> |

See end of press release for footnote explanations

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

| In millions, unaudited, pro<br>forma              | Three months ended |                  | Better /<br><br>(Worse) | Six months ended |                  | Better /<br><br>(Worse) |
|---|--------------------|------------------|-------------------------|------------------|------------------|-------------------------|
|   | June 30,<br>2015   | June 30,<br>2014 |                         | June 30,<br>2015 | June 30,<br>2014 |                         |
| <b>Segment Revenues:</b>                          |                    |                  |                         |                  |                  |                         |
| Polyurethanes                                     | \$ 995             | \$ 1,318         | (25)%                   | \$ 1,885         | \$ 2,525         | (25)%                   |
| Performance Products                              | 675                | 833              | (19)%                   | 1,331            | 1,598            | (17)%                   |
| Advanced Materials                                | 282                | 324              | (13)%                   | 572              | 643              | (11)%                   |
| Textile Effects                                   | 216                | 248              | (13)%                   | 422              | 472              | (11)%                   |
| Pigments & Additives                              | 592                | 740              | (20)%                   | 1,164            | 1,429            | (19)%                   |
| Eliminations and other                            | <u>(20)</u>        | <u>(67)</u>      | 70%                     | <u>(45)</u>      | <u>(138)</u>     | 67%                     |
| <b>Pro forma total</b>                            | <b>\$ 2,740</b>    | <b>\$ 3,396</b>  | <b>(19)%</b>            | <b>\$ 5,329</b>  | <b>\$ 6,529</b>  | <b>(18)%</b>            |
| <b>Segment Adjusted<br/>EBITDA<sup>(1)</sup>:</b> |                    |                  |                         |                  |                  |                         |
| Polyurethanes                                     | \$ 159             | \$ 199           | (20)%                   | \$ 264           | \$ 368           | (28)%                   |
| Performance Products                              | 141                | 115              | 23%                     | 262              | 233              | 12%                     |
| Advanced Materials                                | 58                 | 53               | 9%                      | 116              | 99               | 17%                     |
| Textile Effects                                   | 23                 | 22               | 5%                      | 40               | 38               | 5%                      |
| Pigments & Additives                              | 35                 | 79               | (56)%                   | 56               | 152              | (63)%                   |
| Corporate, LIFO and<br>other                      | <u>(31)</u>        | <u>(47)</u>      | 34%                     | <u>(68)</u>      | <u>(91)</u>      | 25%                     |
| <b>Pro forma total</b>                            | <b>\$ 385</b>      | <b>\$ 421</b>    | <b>(9)%</b>             | <b>\$ 670</b>    | <b>\$ 799</b>    | <b>(16)%</b>            |

See end of press release for footnote explanations

**Table 4 – Factors Impacting Sales Revenues**

| Three months ended<br>June 30, 2015 vs. 2014 |                                      |                  |                                     |                                |       |
|--|--------------------------------------|------------------|-------------------------------------|--------------------------------|-------|
| Unaudited                                    | Average Selling Price <sup>(a)</sup> |                  |                                     | Sales<br>Volume <sup>(b)</sup> | Total |
|  | Local<br>Currency                    | Exchange<br>Rate | Sales Mix<br>& Other <sup>(c)</sup> |                                |       |
| Polyurethanes                                | (9)%                                 | (7)%             | 8%                                  | (16)%                          | (24)% |
| Performance Products                         | (6)%                                 | (6)%             | (4)%                                | (3)%                           | (19)% |
| Advanced Materials                           | 2%                                   | (9)%             | (2)%                                | (4)%                           | (13)% |
| Textile Effects                              | (3)%                                 | (6)%             | 3%                                  | (7)%                           | (13)% |
| Pigments & Additives                         | (10)%                                | (10)%            | 99%                                 | (5)%                           | 74%   |
| Total Company                                | (5)%                                 | (8)%             | 15%                                 | (10)%                          | (8)%  |

| Six months ended<br>June 30, 2015 vs. 2014 |                                      |                  |                                     |                                |       |
|--|--------------------------------------|------------------|-------------------------------------|--------------------------------|-------|
| Unaudited                                  | Average Selling Price <sup>(a)</sup> |                  |                                     | Sales<br>Volume <sup>(b)</sup> | Total |
|  | Local<br>Currency                    | Exchange<br>Rate | Sales Mix<br>& Other <sup>(c)</sup> |                                |       |
| Polyurethanes                              | (7)%                                 | (6)%             | 7%                                  | (19)%                          | (25)% |
| Performance Products                       | (4)%                                 | (5)%             | (2)%                                | (6)%                           | (17)% |
| Advanced Materials                         | 3%                                   | (8)%             | (1)%                                | (5)%                           | (11)% |
| Textile Effects                            | 3%                                   | (6)%             | 1%                                  | (9)%                           | (11)% |
| Pigments & Additives                       | (9)%                                 | (9)%             | 102%                                | (7)%                           | 77%   |
| Total Company                              | (4)%                                 | (7)%             | 16%                                 | (12)%                          | (7)%  |

(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 Sales Revenue**

| Three months ended<br>June 30, 2015 vs. 2014 |  |                      |                                |       |
|--|--|----------------------|--------------------------------|-------|
| Unaudited, pro forma                         | Average<br>Selling<br>Price <sup>(a)</sup> | Sales Mix<br>& Other | Sales<br>Volume <sup>(b)</sup> | Total |
| Polyurethanes                                | (16)%                                      | 7%                   | (4)% [c]                       | (13)% |
| Performance Products                         | (12)%                                      | (4)%                 | 2% (d)                         | (14)% |
| Advanced Materials                           | (7)%                                       | (2)%                 | ---- (e)                       | (9)%  |
| Textile Effects                              | (9)%                                       | 3%                   | (7)%                           | (13)% |

|                      |       |    |      |       |
|----------------------|-------|----|------|-------|
| Pigments & Additives | (20)% | 2% | (2)% | (20)% |
| Total Company        | (15)% | 6% | (2)% | (11)% |

**Six months ended  
June 30, 2015 vs. 2014**

| Unaudited, pro forma | <b>Average</b>                     |                              |                                   |              |
|----------------------|------------------------------------|------------------------------|-----------------------------------|--------------|
|                      | <b>Selling Price<sup>(a)</sup></b> | <b>Sales Mix &amp; Other</b> | <b>Sales Volume<sup>(b)</sup></b> | <b>Total</b> |
| Polyurethanes        | (13)%                              | 7%                           | (19)%                             | (25)%        |
| Performance Products | (9)%                               | (2)%                         | (6)%                              | (17)%        |
| Advanced Materials   | (5)%                               | (1)%                         | (5)%                              | (11)%        |
| Textile Effects      | (3)%                               | 1%                           | (9)%                              | (11)%        |
| Pigments & Additives | (19)%                              | 2%                           | (2)%                              | (19)%        |
| Total Company        | (13)%                              | 7%                           | (12)%                             | (18)%        |

(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 2Q15.

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

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

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

| In millions, except per share amounts, unaudited                      | <b>EBITDA</b>                      |             | <b>Income Tax Expense</b>          |             | <b>Net Income Attrib. to HUN Corp.</b> |             |    |
|---|------------------------------------|-------------|------------------------------------|-------------|--|-------------|----|
|   | <b>Three months ended June 30,</b> |             | <b>Three months ended June 30,</b> |             | <b>Three months ended June 30,</b>     |             |    |
|   | <b>2015</b>                        | <b>2014</b> | <b>2015</b>                        | <b>2014</b> | <b>2015</b>                            | <b>2014</b> |    |
| <b>GAAP<sup>(1)</sup></b>   | \$ 216                             | \$ 327      | \$ (34)                            | \$ (43)     | \$ 29                                  | \$ 119      | \$ |
| <b>Adjustments:</b>   |                                    |             |                                    |             |  |             |    |
| Acquisition and integration expenses, purchase accounting adjustments | 12                                 | 9           | (3)                                | (2)         | 9                                      | 7           |    |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 1                                  | 2           | N/A                                | N/A         | 2                                      | -           |    |
| Loss (gain) on disposition of businesses/assets                       | 1                                  | (2)         | -                                  | 1           | 1                                      | (1)         |    |
| Loss on early extinguishment of debt                                  | 20                                 | -           | (7)                                | -           | 13                                     | -           |    |
| Certain legal settlements and related expenses                        | 1                                  | 2           | (1)                                | -           | -                                      | 2           |    |
| Amortization of pension and postretirement actuarial losses           | 19                                 | 12          | (5)                                | (4)         | 14                                     | 8           |    |



Restructuring,  
impairment, plant  
closing and  
transition costs

115                      13                      (28)                      (3)                      87                      10

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

\$ 385                      \$ 363                      \$ (78)                      \$ (51)                      \$ 155                      \$ 145                      \$

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

78                      51

10                      5

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

\$ 243                      \$ 201

**Adjusted effective  
tax rate**

32%                      25%

|  |                           |                               |  |  |
|--|---------------------------|-------------------------------|--|--|
|  | <b>EBITDA</b>             | <b>Income Tax<br/>Expense</b> | <b>Net Income<br/>Attrib. to HUN Corp.</b> |  |
|  | <u>Three months ended</u> | <u>Three months ended</u>     | <u>Three months ended</u>                  |  |
|  | <u>March 31,</u>          | <u>March 31,</u>              | <u>March 31,</u>                           |  |

In millions, except  
per share amounts,  
unaudited

2015                      2015                      2015

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

\$ 159                      \$ (2)                      \$ 5                      \$

**Adjustments:**

Acquisition and  
integration  
expenses,  
purchase  
accounting  
adjustments  
Loss from  
discontinued  
operations, net of  
tax<sup>(3)</sup>  
Loss on early  
extinguishment of  
debt  
Certain legal  
settlements and  
related expenses  
Amortization of  
pension and  
postretirement  
actuarial losses  
Restructuring,  
impairment, plant  
closing and  
transition costs

9                      (2)                      7  
1                      N/A                      2  
3                      (1)                      2  
1                      -                      1  
18                      (5)                      13  
94                      (26)                      68

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

\$ 285                      \$ (36)                      \$ 98                      \$

Adjusted income  
tax expense

36

Net income attributable to noncontrolling interests, net of tax

10

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

\$ 144

**Adjusted effective tax rate**

25%

| In millions, except per share amounts, unaudited                      | <u>EBITDA</u>           |               | <u>Income Tax Expense</u> |                 | <u>Net Income</u>           |               |           |
|---|-------------------------|---------------|---------------------------|-----------------|-----------------------------|---------------|-----------|
|   | <u>Six months ended</u> |               | <u>Six months ended</u>   |                 | <u>Attrib. to HUN Corp.</u> |               |           |
|   | <u>June 30,</u>         |               | <u>June 30,</u>           |                 | <u>June 30,</u>             |               |           |
|   | <u>2015</u>             | <u>2014</u>   | <u>2015</u>               | <u>2014</u>     | <u>2015</u>                 | <u>2014</u>   |           |
| <b>GAAP<sup>(1)</sup></b>   | \$ 375                  | \$ 588        | \$ (36)                   | \$ (79)         | \$ 34                       | \$ 173        | \$        |
| <b>Adjustments:</b>   |                         |               |                           |                 |                             |               |           |
| Acquisition and integration expenses, purchase accounting adjustments | 21                      | 17            | (5)                       | (4)             | 16                          | 13            |           |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 2                       | 9             | N/A                       | N/A             | 4                           | 7             |           |
| Loss (gain) on disposition of businesses/assets                       | 1                       | (2)           | -                         | 1               | 1                           | (1)           |           |
| Loss on early extinguishment of debt                                  | 23                      | -             | (8)                       | -               | 15                          | -             |           |
| Certain legal settlements and related expenses                        | 2                       | 2             | (1)                       | -               | 1                           | 2             |           |
| Amortization of pension and postretirement actuarial losses           | 37                      | 25            | (10)                      | (8)             | 27                          | 17            |           |
| Restructuring, impairment, plant closing and transition costs         | 209                     | 53            | (54)                      | (14)            | 155                         | 39            |           |
| <b>Adjusted<sup>(1)</sup></b>   | <u>\$ 670</u>           | <u>\$ 692</u> | <u>\$ (114)</u>           | <u>\$ (104)</u> | <u>\$ 253</u>               | <u>\$ 250</u> | <u>\$</u> |
| Adjusted income tax expense   |                         |               |                           |                 | 114                         | 104           |           |
| Net income attributable to noncontrolling interests, net of tax       |                         |               |                           |                 | 20                          | 13            |           |
| <b>Adjusted pre-tax income<sup>(1)</sup></b>                          |                         |               |                           |                 | <u>\$ 387</u>               | <u>\$ 367</u> |           |

**Adjusted effective  
tax rate**

29%

28%

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           | Pro Forma EBITDA   |               |
|---|--------------------|---------------|
|   | Three months ended |               |
|   | June 30,           |               |
|   | 2015               | 2014          |
| <b>GAAP<sup>(1)</sup></b>   | \$ 216             | \$ 383        |
| <b>Adjustments:</b>   |                    |               |
| Allocation of Rockwood general corporate overhead                     | -                  | 7             |
| Acquisition and integration expenses, purchase accounting adjustments | 12                 | 3             |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 1                  | 2             |
| Loss (gain) on disposition of businesses/assets                       | 1                  | (2)           |
| Loss on early extinguishment of debt                                  | 20                 | -             |
| Certain legal settlements and related expenses                        | 1                  | 2             |
| Amortization of pension and postretirement actuarial losses           | 19                 | 13            |
| Restructuring, impairment, plant closing and transition costs         | 115                | 13            |
| <b>Pro forma adjusted<sup>(2)</sup></b>                               | <b>\$ 385</b>      | <b>\$ 421</b> |

| In millions, except per share amounts, unaudited pro forma            | Pro Forma EBITDA   |  |
|---|--------------------|--|
|   | Three months ended |  |
|   | March 31,          |  |
|   | 2015               |  |
| <b>GAAP<sup>(1)</sup></b>   | \$ 159             |  |
| <b>Adjustments:</b>   |                    |  |
| Acquisition and integration expenses, purchase accounting adjustments | 9                  |  |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 1                  |  |
| Loss on early extinguishment of debt                                  | 3                  |  |
| Certain legal settlements and related expenses                        | 1                  |  |
| Amortization of pension and postretirement actuarial losses           | 18                 |  |
| Restructuring, impairment, plant closing and transition costs         | 94                 |  |
| <b>Pro forma adjusted<sup>(2)</sup></b>                               | <b>\$ 285</b>      |  |

**Pro Forma EBITDA**  
**Six months ended**

| In millions, except per share amounts, unaudited pro forma            | June 30,      |               |
|---|---------------|---------------|
|   | 2015          | 2014          |
| <b>GAAP<sup>(1)</sup></b>   | \$ 375        | \$ 691        |
| <b>Adjustments:</b>   |               |               |
| Allocation of general corporate overhead                              | -             | 14            |
| Acquisition and integration expenses, purchase accounting adjustments | 21            | 5             |
| Loss from discontinued operations, net of tax <sup>(3)</sup>          | 2             | 9             |
| Loss (gain) on disposition of businesses/assets                       | 1             | (2)           |
| Loss on early extinguishment of debt                                  | 23            | -             |
| Certain legal settlements and related expenses                        | 2             | 2             |
| Amortization of pension and postretirement actuarial losses           | 37            | 27            |
| Restructuring, impairment, plant closing and transition costs         | 209           | 53            |
| <b>Pro forma adjusted<sup>(2)</sup></b>                               | <b>\$ 670</b> | <b>\$ 799</b> |

See end of press release for footnote explanations

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

| In millions, unaudited   | Three months ended |               |               | Six months ended |               |
|--|--------------------|---------------|---------------|------------------|---------------|
|  | June 30,           |               | March 31,     | June 30,         |               |
|  | 2015               | 2014          | 2015          | 2015             | 2014          |
| <b>Net income attributable to Huntsman Corporation</b>                   | \$ 29              | \$ 119        | \$ 5          | \$ 34            | \$ 173        |
| Interest expense   | 53                 | 51            | 56            | 109              | 99            |
| Income tax expense from continuing operations                            | 34                 | 43            | 2             | 36               | 79            |
| Income tax expense (benefit) from discontinued operations <sup>(3)</sup> | 1                  | (2)           | 1             | 2                | (2)           |
| Depreciation and amortization  | 99                 | 116           | 95            | 194              | 239           |
| <b>EBITDA<sup>(1)</sup></b>  | <b>216</b>         | <b>327</b>    | <b>159</b>    | <b>375</b>       | <b>588</b>    |
| <b>Pro forma adjustments to:</b>   |                    |               |               |                  |               |
| Net income attributable to Huntsman Corporation                          | -                  | 23            | -             | -                | 38            |
| Interest expense   | -                  | 8             | -             | -                | 23            |
| Income tax expense from continuing operations                            | -                  | 19            | -             | -                | 28            |
| Depreciation and amortization  | -                  | 6             | -             | -                | 14            |
| <b>Pro forma EBITDA<sup>(2)</sup></b>                                    | <b>\$ 216</b>      | <b>\$ 383</b> | <b>\$ 159</b> | <b>\$ 375</b>    | <b>\$ 691</b> |

See end of press release for footnote explanations

**Table 9 – Selected Balance Sheet Items**

| In millions                         | June 30,<br>2015 | March 31,<br>2015 | December 31,<br>2014 |
|-------------------------------------|------------------|-------------------|----------------------|
|                                     | (unaudited)      | (unaudited)       |                      |
| Cash                                | \$ 608           | \$ 1,003          | \$ 870               |
| Accounts and notes receivable, net  | 1,754            | 1,668             | 1,707                |
| Inventories                         | 1,938            | 1,869             | 2,025                |
| Other current assets                | 295              | 347               | 437                  |
| Property, plant and equipment, net  | 4,328            | 4,250             | 4,423                |
| Other assets                        | 1,655            | 1,614             | 1,540                |
| <b>Total assets</b>                 | <b>\$ 10,578</b> | <b>\$ 10,751</b>  | <b>\$ 11,002</b>     |
| Accounts payable                    | \$ 1,209         | \$ 1,191          | \$ 1,275             |
| Other current liabilities           | 786              | 754               | 790                  |
| Current portion of debt             | 127              | 529               | 267                  |
| Long-term debt                      | 4,920            | 4,829             | 4,933                |
| Other liabilities                   | 1,694            | 1,675             | 1,786                |
| Total equity                        | 1,842            | 1,773             | 1,951                |
| <b>Total liabilities and equity</b> | <b>\$ 10,578</b> | <b>\$ 10,751</b>  | <b>\$ 11,002</b>     |

**Table 10 – Outstanding Debt**

| In millions                              | June 30,<br>2015 | March 31,<br>2015 | December 31,<br>2014 |
|--|------------------|-------------------|----------------------|
|  | (unaudited)      | (unaudited)       |                      |
| <b>Debt:</b>                             |                  |                   |                      |
| Senior credit facilities                 | \$ 2,509         | \$ 2,512          | \$ 2,528             |
| Accounts receivable programs             | 217              | 214               | 229                  |
| Senior notes                             | 1,884            | 1,862             | 1,596                |
| Senior subordinated notes                | 198              | 493               | 531                  |
| Variable interest entities               | 165              | 198               | 207                  |
| Other debt                               | 74               | 79                | 109                  |
| <b>Total debt - excluding affiliates</b> | <b>5,047</b>     | <b>5,358</b>      | <b>5,200</b>         |
| Total cash                               | 608              | 1,003             | 870                  |
| <b>Net debt- excluding affiliates</b>    | <b>\$ 4,439</b>  | <b>\$ 4,355</b>   | <b>\$ 4,330</b>      |

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

| In millions, unaudited                                 | Three months ended |                 | Six months ended |  |
|--|--------------------|-----------------|------------------|--|
|  | June 30,           |                 | June 30,         |  |
|  | 2015               | 2015            | 2014             |  |
| <b>Total cash at beginning of period<sup>(a)</sup></b> | \$ 1,003           | \$ 870          | \$ 529           |  |
| Net cash provided by (used in) operating activities    | 147                | 181             | (17)             |  |
| Net cash used in investing activities                  | (152)              | (233)           | (202)            |  |
| Net cash (used in) provided by financing activities    | (391)              | (202)           | 103              |  |
| Effect of exchange rate changes on cash                | 1                  | (7)             | (1)              |  |
| Change in restricted cash                              | -                  | (1)             | -                |  |
| <b>Total cash at end of period<sup>(a)</sup></b>       | <b>\$ 608</b>      | <b>\$ 608</b>   | <b>\$ 412</b>    |  |
| <b>Supplemental cash flow information:</b>             |                    |                 |                  |  |
| Cash paid for interest                                 | \$ (67)            | \$ (115)        | \$ (91)          |  |
| Cash paid for income taxes                             | (19)               | (30)            | (143)            |  |
| Cash paid for capital expenditures                     | (147)              | (296)           | (214)            |  |
| Depreciation and amortization                          | 99                 | 194             | 239              |  |
| Changes in primary working capital:                    |                    |                 |                  |  |
| Accounts and notes receivable                          | \$ (93)            | \$ (142)        | \$ (300)         |  |
| Inventories  | (47)               | 7               | (109)            |  |
| Accounts payable                                       | 14                 | 12              | 94               |  |
| Total cash used in primary working capital             | <b>\$ (126)</b>    | <b>\$ (123)</b> | <b>\$ (315)</b>  |  |

(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 5 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) amortization of pension and postretirement actuarial losses (gains); and (i) 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: (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) amortization of pension and postretirement actuarial losses (gains); and (k) 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) 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).*

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### **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-releases-second-quarter-2015-results-adjusted-earnings-per-share-improves-more-than-50-compared-to-the-first-quarter-300120339.html>

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