

February 12, 2013



# Huntsman Releases Fourth Quarter And Full Year 2012 Results; Reports Record Full Year Adjusted EBITDA Of \$1.4 Billion And Announces Increased Common Dividend

THE WOODLANDS, Texas, Feb. 12, 2013 /PRNewswire/ --

## Full Year 2012 Highlights

- Net income attributable to Huntsman Corporation increased to \$363 million compared to \$247 million in the prior year period.
- Adjusted EBITDA improved 15% to \$1,396 million compared to the prior year period.
- Adjusted diluted income per share improved 33% to \$2.25 compared to the prior year period.

## Fourth Quarter 2012 Highlights

- Adjusted EBITDA was \$233 million compared to \$243 million in the prior year period.
- Adjusted diluted income per share was \$0.24 compared to \$0.28 in the prior year period.
- Net loss attributable to Huntsman Corporation was \$40 million compared to \$105 million of income in the prior year period. The decrease from the prior year period was primarily due to a \$78 million loss on early extinguishment of debt (compared to \$2 million in the prior year period) and \$40 million of restructuring costs (compared to \$4 million of credits in the prior year period).

## Increased Common Dividend

- The company's board of directors has declared a \$0.125 per share cash dividend on its common stock. The dividend is payable on March 29, 2013 to stockholders of record as of March 15, 2013.

| In millions, except per share amounts,<br>unaudited | Three months ended |          |               | Twelve months ended |           |
|-----------------------------------------------------|--------------------|----------|---------------|---------------------|-----------|
|                                                     | December 31,       |          | September 30, | December 31,        |           |
|                                                     | 2012               | 2011     | 2012          | 2012                | 2011      |
| Revenues                                            | \$ 2,619           | \$ 2,632 | \$ 2,741      | \$ 11,187           | \$ 11,221 |

|                                                        |           |         |         |          |          |
|--------------------------------------------------------|-----------|---------|---------|----------|----------|
| Net (loss) income attributable to Huntsman Corporation | \$ (40)   | \$ 105  | \$ 116  | \$ 363   | \$ 247   |
| Adjusted net income <sup>(1)</sup>                     | \$ 58     | \$ 68   | \$ 168  | \$ 542   | \$ 408   |
| Diluted (loss) income per share                        | \$ (0.17) | \$ 0.44 | \$ 0.48 | \$ 1.51  | \$ 1.02  |
| Adjusted diluted income per share <sup>(1)</sup>       | \$ 0.24   | \$ 0.28 | \$ 0.70 | \$ 2.25  | \$ 1.69  |
| EBITDA <sup>(1)</sup>                                  | \$ 104    | \$ 273  | \$ 341  | \$ 1,187 | \$ 1,039 |
| Adjusted EBITDA <sup>(1)</sup>                         | \$ 233    | \$ 243  | \$ 401  | \$ 1,396 | \$ 1,214 |

*See end of press release for footnote explanations*

Huntsman Corporation (NYSE: HUN) today reported fourth quarter 2012 results with revenues of \$2,619 million and adjusted EBITDA of \$233 million.

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

*"Our 2012 adjusted EBITDA of \$1.4 billion represents record earnings for our current configuration of businesses. I am very enthusiastic about the direction in which the company is headed. Within our largest division – Polyurethanes – our MDI business is growing at attractive rates, and future prospects are pointing towards tighter market conditions. In the fourth quarter, I was pleased to see that our smallest division – Textile Effects – recorded positive earnings as a result of our restructuring and cost cutting efforts. Our Pigments division is going through a business cycle where we expect an improvement in earnings beginning in the second half of 2013.*

*We have put programs in place across our divisions that will enhance our future competitiveness and increase shareholder value. I expect the future annual benefits of these programs to be approximately \$190 million when complete in the middle of 2014.*

*The company generated more than \$200 million in cash from operations and repaid \$50 million of term loans in the fourth quarter. We look forward to funding future growth opportunities with free cash flow generation and remain committed to reducing our overall debt."*

## **Segment Analysis for 4Q12 Compared to 4Q11**

### *Polyurethanes*

The increase in revenues in our Polyurethanes division for the three months ended December 31, 2012 compared to the same period in 2011 was due to higher average selling prices and higher sales volumes partially offset by the strength of the U.S. dollar against the euro. PO/MTBE average selling prices increased primarily due to favorable market conditions. MDI average selling prices increased in all regions partially offset by the strength of the U.S. dollar against the euro. MDI sales volumes increased primarily due to strong demand globally for insulation and the housing & automotive recovery in North America, PO/MTBE volumes increased due to strong demand. The increase in adjusted EBITDA was primarily due to higher volumes, higher contribution margins and lower fixed costs.

### *Performance Products*

The decrease in revenues in our Performance Products division for the three months ended December 31, 2012 compared to the same period in 2011 was due to lower sales volumes and lower average selling prices. Sales volumes decreased primarily due to lower product availability of intermediates as we prepared for our first quarter 2013 maintenance and softer demand for European surfactants. Average selling prices declined due to lower raw material costs and the strength of the U.S. dollar against major international currencies, partially offset by an improvement in sales mix. The increase in adjusted EBITDA was primarily due to higher sales volumes and higher contribution margins in our amines business as well as higher contribution margins in our maleic anhydride and North American intermediates businesses.

#### *Advanced Materials*

Revenues were essentially unchanged in our Advanced Materials division for the three months ended December 31, 2012 compared to the same period in 2011 as higher sales volumes offset lower average selling prices. Sales volumes increased primarily due to stronger demand in the Americas, Asia Pacific and India while sales volumes in Europe decreased due to planned manufacturing maintenance and lower demand in the wind energy market. Average selling prices decreased primarily due to competitive market pressure, lower raw material costs in most regions and the strength of the U.S. dollar against major international currencies. The decrease in adjusted EBITDA was primarily due to lower contribution margins partially offset by lower selling, general and administrative costs as a result of recent restructuring efforts.

On January 23, 2013 we announced a comprehensive restructuring program in our Advanced Materials division designed to improve efficiencies and increase its global competitiveness. We expect the program to be complete by the middle of 2014 with future annual benefits of approximately \$70 million.

#### *Textile Effects*

The increase in revenues in our Textile Effects division for the three months ended December 31, 2012 compared to the same period in 2011 was due to higher sales volumes, partially offset by lower average selling prices. Sales volumes increased due to increased global market share and improved demand. The increase in local currency average selling prices was offset by the strength of the U.S. dollar against major international currencies. The increase in adjusted EBITDA was primarily due to higher sales volumes and lower manufacturing and selling, general and administrative costs as a result of our restructuring efforts.

#### *Pigments*

The decrease in revenues in our Pigments division for the three months ended December 31, 2012 compared to the same period in 2011 was due to lower sales volumes and lower average selling prices. Sales volumes decreased primarily due to lower global demand and customer destocking. Average selling prices decreased due to lower global demand and the strength of the U.S. dollar against major international currencies. The decrease in adjusted EBITDA was primarily due to lower sales volumes and lower contribution margins.

#### *Corporate, LIFO and Other*

Adjusted EBITDA from Corporate, LIFO and Other decreased by \$15 million to a loss of \$49 million for the three months ended December 31, 2012 compared to a loss of \$34 million for the same period in 2011. The decrease in adjusted EBITDA was primarily the result of a \$6 million increase in LIFO inventory valuation expense (income of nil in 2012 compared to \$6 million of income in 2011) and increased corporate expenses.

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

As of December 31, 2012 we had \$887 million of combined cash and unused borrowing capacity compared to \$1,043 million at December 31, 2011.

For the three months ended December 31, 2012 our primary net working capital decreased by \$130 million and we generated \$218 million in cash from operations. For the year ended December 31, 2012 our primary net working capital increased by \$102 million and we generated \$774 million in cash from operations.

On October 31, 2012 we repaid \$50 million of our senior secured term loans due 2014.

On December 3, 2012 we used the proceeds of our recent 4.875% senior notes offering due 2020 to redeem \$400 million of 5.5% senior notes due 2016. In connection with the redemption, we recognized a loss on early extinguishment of debt in the fourth quarter of approximately \$77 million. The 5.5% senior notes were favorably issued to us at less than market interest rates; accounting standards required us to record the notes on our balance sheet at less than face value and amortize the difference over time up to the full face value of \$400 million. As a result, when we refinanced the notes we recognized an increase of recorded debt on our balance sheet of \$73 million.

Total capital expenditures for the year ended December 31, 2012 were \$412 million. We expect to spend approximately \$450 million on capital expenditures in 2013 which approximates our annual depreciation and amortization.

### **Income Taxes**

During the three months ended December 31, 2012 we recorded an income tax benefit of \$17 million and paid \$71 million in cash for income taxes. Our adjusted effective income tax rate for the three months ended December 31, 2012 was approximately 26%.

During the year ended December 31, 2012 we recorded income tax expense of \$169 million and paid \$224 million in cash for income taxes. Our adjusted effective income tax rate for the year ended December 31, 2012 was approximately 30%.

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

### **Conference Call Information**

We will hold a conference call to discuss our fourth quarter and full year 2012 financial results on Tuesday, February 12, 2013 at 10:00 a.m. ET.

Call-in numbers for the conference call:

U.S. participants (888) 713 - 4205  
International participants (617) 213 - 4862  
Passcode 39830729

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=P9P3QHHYU>

## Webcast Information

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

## Replay Information

The conference call will be available for replay beginning February 12, 2013 and ending February 19, 2013.

Call-in numbers for the replay:

U.S. participants (888) 286 - 8010  
International participants (617) 801 - 6888  
Replay code 46339142

**Table 1 – Results of Operations**

| In millions, except per share amounts, unaudited                       | Three months ended<br>December 31, |               | Twelve months ended<br>December 31, |               |
|------------------------------------------------------------------------|------------------------------------|---------------|-------------------------------------|---------------|
|                                                                        | 2012                               | 2011          | 2012                                | 2011          |
| <b>Revenues</b>                                                        | \$ 2,619                           | \$ 2,632      | \$ 11,187                           | \$ 11,221     |
| Cost of goods sold                                                     | 2,199                              | 2,243         | 9,153                               | 9,381         |
| <b>Gross profit</b>                                                    | 420                                | 389           | 2,034                               | 1,840         |
| Operating expenses                                                     | 305                                | 246           | 1,097                               | 1,067         |
| Restructuring, impairment and plant closing costs (credits)            | 40                                 | (4)           | 92                                  | 167           |
| <b>Operating income</b>                                                | 75                                 | 147           | 845                                 | 606           |
| Interest expense, net                                                  | (54)                               | (62)          | (226)                               | (249)         |
| Equity in income of investment in unconsolidated affiliates            | 2                                  | 2             | 7                                   | 8             |
| Loss on early extinguishment of debt                                   | (78)                               | (2)           | (80)                                | (7)           |
| Other (loss) income                                                    | (1)                                | 2             | 1                                   | 2             |
| <b>(Loss) income before income taxes</b>                               | (56)                               | 87            | 547                                 | 360           |
| Income tax benefit (expense)                                           | 17                                 | 2             | (169)                               | (109)         |
| <b>(Loss) income from continuing operations</b>                        | (39)                               | 89            | 378                                 | 251           |
| Income (loss) from discontinued operations, net of tax <sup>(2)</sup>  | -                                  | 4             | (7)                                 | (1)           |
| Extraordinary gain on the acquisition of a business, net of tax of nil | 1                                  | 2             | 2                                   | 4             |
| <b>Net (loss) income</b>                                               | (38)                               | 95            | 373                                 | 254           |
| Net (income) loss attributable to noncontrolling interests, net of tax | (2)                                | 10            | (10)                                | (7)           |
| <b>Net (loss) income attributable to Huntsman Corporation</b>          | <u>\$ (40)</u>                     | <u>\$ 105</u> | <u>\$ 363</u>                       | <u>\$ 247</u> |

|                                                        |           |         |          |          |
|--------------------------------------------------------|-----------|---------|----------|----------|
| <b>Adjusted EBITDA<sup>(1)</sup></b>                   | \$ 233    | \$ 243  | \$ 1,396 | \$ 1,214 |
| <b>Adjusted net income<sup>(1)</sup></b>               | \$ 58     | \$ 68   | \$ 542   | \$ 408   |
| <b>Basic (loss) income per share</b>                   | \$ (0.17) | \$ 0.45 | \$ 1.53  | \$ 1.04  |
| <b>Diluted (loss) income per share</b>                 | \$ (0.17) | \$ 0.44 | \$ 1.51  | \$ 1.02  |
| <b>Adjusted diluted income per share<sup>(1)</sup></b> | \$ 0.24   | \$ 0.28 | \$ 2.25  | \$ 1.69  |
| <b>Common share information:</b>                       |           |         |          |          |
| Basic shares outstanding                               | 238.2     | 235.7   | 237.6    | 237.6    |
| Diluted shares                                         | 238.2     | 239.5   | 240.6    | 241.7    |
| Diluted shares for adjusted diluted income per share   | 241.3     | 239.5   | 240.6    | 241.7    |

See end of press release for footnote explanations

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

| In millions,<br>unaudited                     | Three months ended |                 | Better /<br><br>(Worse) | Twelve months ended |                  | Better /<br><br>(Worse) |
|-----------------------------------------------|--------------------|-----------------|-------------------------|---------------------|------------------|-------------------------|
|                                               | December 31,       |                 |                         | December 31,        |                  |                         |
|                                               | 2012               | 2011            |                         | 2012                | 2011             |                         |
| <b>Segment Revenues:</b>                      |                    |                 |                         |                     |                  |                         |
| Polyurethanes                                 | \$ 1,182           | \$ 1,043        | 13%                     | \$ 4,894            | \$ 4,434         | 10%                     |
| Performance Products                          | 723                | 755             | (4)%                    | 3,065               | 3,301            | (7)%                    |
| Advanced Materials                            | 311                | 313             | (1)%                    | 1,325               | 1,372            | (3)%                    |
| Textile Effects                               | 190                | 174             | 9%                      | 752                 | 737              | 2%                      |
| Pigments                                      | 286                | 399             | (28)%                   | 1,436               | 1,642            | (13)%                   |
| Eliminations and other                        | (73)               | (52)            | (40)%                   | (285)               | (265)            | (8)%                    |
| <b>Total</b>                                  | <b>\$ 2,619</b>    | <b>\$ 2,632</b> | <b>---</b>              | <b>\$ 11,187</b>    | <b>\$ 11,221</b> | <b>---</b>              |
| <b>Segment Adjusted EBITDA<sup>(1)</sup>:</b> |                    |                 |                         |                     |                  |                         |
| Polyurethanes                                 | \$ 186             | \$ 79           | 135%                    | \$ 772              | \$ 476           | 62%                     |
| Performance Products                          | 79                 | 60              | 32%                     | 361                 | 374              | (3)%                    |
| Advanced Materials                            | 6                  | 15              | (60)%                   | 92                  | 111              | (17)%                   |
| Textile Effects                               | 1                  | (22)            | NM                      | (22)                | (64)             | 66%                     |
| Pigments                                      | 10                 | 145             | (93)%                   | 362                 | 508              | (29)%                   |
| Corporate, LIFO and other                     | (49)               | (34)            | (44)%                   | (169)               | (191)            | 12%                     |
| <b>Total</b>                                  | <b>\$ 233</b>      | <b>\$ 243</b>   | <b>(4)%</b>             | <b>\$ 1,396</b>     | <b>\$ 1,214</b>  | <b>15%</b>              |

See end of press release for footnote explanations

**Table 3 – Factors Impacting Sales Revenues**

| Three months ended<br>December 31, 2012 vs. 2011 |                                      |                  |                      |                                |       |
|--------------------------------------------------|--------------------------------------|------------------|----------------------|--------------------------------|-------|
| Unaudited                                        | Average Selling Price <sup>(a)</sup> |                  | Sales Mix<br>& Other | Sales<br>Volume <sup>(a)</sup> | Total |
|                                                  | Local<br>Currency                    | Exchange<br>Rate |                      |                                |       |
| Polyurethanes                                    | 6%                                   | (2)%             | (1)%                 | 10%                            | 13%   |
| Performance Products                             | (3)%                                 | (2)%             | 5%                   | (4)%                           | (4)%  |
| Advanced Materials                               | (6)%                                 | (3)%             | 1%                   | 7%                             | (1)%  |
| Textile Effects                                  | 1%                                   | (2)%             | (1)%                 | 11%                            | 9%    |
| Pigments                                         | (9)%                                 | (2)%             | ---                  | (17)%                          | (28)% |
| Total Company                                    | ---                                  | (2)%             | ---                  | 2%                             | ---   |

  

| Twelve months ended<br>December 31, 2012 vs. 2011 |                                      |                  |                      |                                |       |
|---------------------------------------------------|--------------------------------------|------------------|----------------------|--------------------------------|-------|
| Unaudited                                         | Average Selling Price <sup>(a)</sup> |                  | Sales Mix<br>& Other | Sales<br>Volume <sup>(a)</sup> | Total |
|                                                   | Local<br>Currency                    | Exchange<br>Rate |                      |                                |       |
| Polyurethanes                                     | 4%                                   | (2)%             | ---                  | 8%                             | 10%   |
| Performance Products                              | (3)%                                 | (3)%             | 2%                   | (3)%                           | (7)%  |
| Advanced Materials                                | (6)%                                 | (4)%             | ---                  | 7%                             | (3)%  |
| Textile Effects                                   | ---                                  | (4)%             | (1)%                 | 7%                             | 2%    |
| Pigments                                          | 14%                                  | (5)%             | ---                  | (22)%                          | (13)% |
| Total Company                                     | 2%                                   | (3)%             | 1%                   | ---                            | ---   |

(a) Excludes revenues and sales volumes primarily from tolling arrangements and the sale of by-products and raw materials.

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

| In millions, except per<br>share amounts,<br>unaudited | EBITDA                             |        | Income Tax<br>(Expense) Benefit    |      | Net Income (Loss)<br>Attrib. to HUN Corp. |        |
|--------------------------------------------------------|------------------------------------|--------|------------------------------------|------|-------------------------------------------|--------|
|                                                        | Three months ended<br>December 31, |        | Three months ended<br>December 31, |      | Three months ended<br>December 31,        |        |
|                                                        | 2012                               | 2011   | 2012                               | 2011 | 2012                                      | 2011   |
| <b>GAAP<sup>(1)</sup></b>                              | \$ 104                             | \$ 273 | \$ 17                              | \$ 2 | \$ (40)                                   | \$ 105 |
| <b>Adjustments:</b>                                    |                                    |        |                                    |      |                                           |        |
| Legal settlements<br>and related<br>expenses           | 6                                  | 8      | (2)                                | (3)  | 4                                         | 5      |

|                                                                                     |               |               |                |               |              |              |
|-------------------------------------------------------------------------------------|---------------|---------------|----------------|---------------|--------------|--------------|
| Loss on early extinguishment of debt                                                | 78            | 2             | (28)           | (1)           | 50           | 1            |
| Restructuring, impairment, plant closing and transition costs (credits)             | 45            | (4)           | (4)            | (7)           | 41           | (11)         |
| Discount amortization on settlement financing associated with the terminated merger | N/A           | N/A           | (3)            | (2)           | 5            | 5            |
| Acquisition expenses                                                                | 3             | -             | (1)            | -             | 2            | -            |
| Gain on disposition of businesses/assets                                            | (3)           | (34)          | -              | 3             | (3)          | (31)         |
| Loss (income) from discontinued operations, net of tax <sup>(2)</sup>               | 1             | -             | N/A            | N/A           | -            | (4)          |
| Extraordinary gain on the acquisition of a business, net of tax                     | (1)           | (2)           | N/A            | N/A           | (1)          | (2)          |
| <b>Adjusted<sup>(1)</sup></b>                                                       | <u>\$ 233</u> | <u>\$ 243</u> | <u>\$ (21)</u> | <u>\$ (8)</u> | <u>\$ 58</u> | <u>\$ 68</u> |
| Adjusted income tax expense                                                         |               |               |                |               | 21           | 8            |
| Net income (loss) attributable to noncontrolling interests, net of tax              |               |               |                |               | 2            | (10)         |
| <b>Adjusted pre-tax income<sup>(1)</sup></b>                                        |               |               |                |               | <u>\$ 81</u> | <u>\$ 66</u> |
| <b>Adjusted effective tax rate</b>                                                  |               |               |                |               | 26%          | 12%          |

|                                                               | <b>EBITDA</b>                               | <b>Income Tax<br/>(Expense) Benefit</b>     | <b>Net Income (Loss)<br/>Attrib. to HUN Corp.</b> |
|---------------------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------|
|                                                               | <b>Three months ended<br/>September 30,</b> | <b>Three months ended<br/>September 30,</b> | <b>Three months ended<br/>September 30,</b>       |
| In millions, except per share amounts, unaudited              | <b>2012</b>                                 | <b>2012</b>                                 | <b>2012</b>                                       |
| <b>GAAP<sup>(1)</sup></b>                                     | \$ 341                                      | \$ (61)                                     | \$ 116                                            |
| <b>Adjustments:</b>                                           |                                             |                                             |                                                   |
| Legal settlements and related expenses                        | 4                                           | (2)                                         | 2                                                 |
| Loss on early extinguishment of debt                          | 1                                           | (1)                                         | -                                                 |
| Loss on initial consolidation of subsidiaries                 | 4                                           | -                                           | 4                                                 |
| Restructuring, impairment, plant closing and transition costs | 51                                          | (11)                                        | 40                                                |

|                                                                                     |               |                |               |
|-------------------------------------------------------------------------------------|---------------|----------------|---------------|
| Discount amortization on settlement financing associated with the terminated merger | N/A           | (3)            | 5             |
| Acquisition expenses                                                                | 1             | -              | 1             |
| Loss from discontinued operations, net of tax <sup>(2)</sup>                        | -             | N/A            | 1             |
| Extraordinary gain on the acquisition of a business, net of tax <sup>(3)</sup>      | (1)           | N/A            | (1)           |
| <b>Adjusted<sup>(1)</sup></b>                                                       | <b>\$ 401</b> | <b>\$ (78)</b> | <b>\$ 168</b> |
| Adjusted income tax expense                                                         |               |                | 78            |
| <b>Adjusted pre-tax income<sup>(1)</sup></b>                                        |               |                | <b>\$ 250</b> |
| <b>Adjusted effective tax rate</b>                                                  |               |                | 31%           |

| In millions, except per share amounts, unaudited                                    | EBITDA                              |          | Income Tax<br>(Expense) Benefit     |          | Net Income (Loss)<br>Attrib. to HUN Corp. |        |
|-------------------------------------------------------------------------------------|-------------------------------------|----------|-------------------------------------|----------|-------------------------------------------|--------|
|                                                                                     | Twelve months ended<br>December 31, |          | Twelve months ended<br>December 31, |          | Twelve months ended<br>December 31,       |        |
|                                                                                     | 2012                                | 2011     | 2012                                | 2011     | 2012                                      | 2011   |
| <b>GAAP<sup>(1)</sup></b>                                                           | \$ 1,187                            | \$ 1,039 | \$ (169)                            | \$ (109) | \$ 363                                    | \$ 247 |
| <b>Adjustments:</b>                                                                 |                                     |          |                                     |          |                                           |        |
| Legal settlements and related expenses                                              | 11                                  | 46       | (4)                                 | (17)     | 7                                         | 29     |
| Loss on early extinguishment of debt                                                | 80                                  | 7        | (29)                                | (3)      | 51                                        | 4      |
| Loss (gain) on initial consolidation of subsidiaries                                | 4                                   | (12)     | -                                   | 2        | 4                                         | (10)   |
| Restructuring, impairment, plant closing and transition costs                       | 109                                 | 167      | (18)                                | (11)     | 91                                        | 156    |
| Discount amortization on settlement financing associated with the terminated merger | N/A                                 | N/A      | (11)                                | (10)     | 20                                        | 18     |
| Acquisition expenses                                                                | 5                                   | 5        | (1)                                 | (1)      | 4                                         | 4      |
| Gain on disposition of businesses/assets                                            | (3)                                 | (40)     | -                                   | 3        | (3)                                       | (37)   |
| Loss from discontinued operations, net of tax <sup>(2)</sup>                        | 5                                   | 6        | N/A                                 | N/A      | 7                                         | 1      |

|                                                                 |                 |                 |                 |                 |               |               |
|-----------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|
| Extraordinary gain on the acquisition of a business, net of tax | (2)             | (4)             | N/A             | N/A             | (2)           | (4)           |
| <b>Adjusted<sup>(1)</sup></b>                                   | <u>\$ 1,396</u> | <u>\$ 1,214</u> | <u>\$ (232)</u> | <u>\$ (146)</u> | <u>\$ 542</u> | <u>\$ 408</u> |
| Adjusted income tax expense                                     |                 |                 |                 |                 | 232           | 146           |
| Net income attributable to noncontrolling interests, net of tax |                 |                 |                 |                 | 10            | 7             |
| <b>Adjusted pre-tax income<sup>(1)</sup></b>                    |                 |                 |                 |                 | <u>\$ 784</u> | <u>\$ 561</u> |
| <b>Adjusted effective tax rate</b>                              |                 |                 |                 |                 | 30%           | 26%           |

See end of press release for footnote explanations

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

| In millions, unaudited                                                  | Three months ended |              |               | Twelve months ended |                |
|-------------------------------------------------------------------------|--------------------|--------------|---------------|---------------------|----------------|
|                                                                         | December 31,       |              | September 30, | December 31,        |                |
|                                                                         | 2012               | 2011         | 2012          | 2012                | 2011           |
| <b>Net (loss) income attributable to Huntsman Corporation</b>           | \$ (40)            | \$105        | \$ 116        | \$ 363              | \$ 247         |
| Interest expense, net                                                   | 54                 | 62           | 56            | 226                 | 249            |
| Income tax (benefit) expense from continuing operations                 | (17)               | (2)          | 61            | 169                 | 109            |
| Income tax benefit from discontinued operations <sup>(2)</sup>          | (1)                | (4)          | -             | (3)                 | (5)            |
| Depreciation and amortization of continuing operations                  | 108                | 112          | 107           | 427                 | 439            |
| Depreciation and amortization of discontinued operations <sup>(2)</sup> | -                  | -            | 1             | 5                   | -              |
| <b>EBITDA<sup>(1)</sup></b>                                             | <u>\$104</u>       | <u>\$273</u> | <u>\$ 341</u> | <u>\$1,187</u>      | <u>\$1,039</u> |

See end of press release for footnote explanations

**Table 6 – Selected Balance Sheet Items**

| In millions                        | December 31,<br>2012 | September 30,<br>2012 | December 31,<br>2011 |
|------------------------------------|----------------------|-----------------------|----------------------|
|                                    |                      | (unaudited)           |                      |
| Cash                               | \$ 396               | \$ 444                | \$ 562               |
| Accounts and notes receivable, net | 1,534                | 1,626                 | 1,529                |
| Inventories                        | 1,819                | 1,807                 | 1,539                |

|                                     |                 |                 |                 |
|-------------------------------------|-----------------|-----------------|-----------------|
| Other current assets                | 370             | 365             | 316             |
| Property, plant and equipment, net  | 3,745           | 3,626           | 3,622           |
| Other assets                        | 1,020           | 1,078           | 1,089           |
| <b>Total assets</b>                 | <b>\$ 8,884</b> | <b>\$ 8,946</b> | <b>\$ 8,657</b> |
| Accounts payable                    | \$ 1,102        | \$ 1,017        | \$ 862          |
| Other current liabilities           | 791             | 758             | 752             |
| Current portion of debt             | 288             | 130             | 212             |
| Long-term debt                      | 3,414           | 3,550           | 3,730           |
| Other liabilities                   | 1,393           | 1,275           | 1,325           |
| Total equity                        | 1,896           | 2,216           | 1,776           |
| <b>Total liabilities and equity</b> | <b>\$ 8,884</b> | <b>\$ 8,946</b> | <b>\$ 8,657</b> |

**Table 7 – Outstanding Debt**

| In millions                              | December 31,<br>2012 | September 30,<br>2012<br>(unaudited) | December 31,<br>2011 |
|------------------------------------------|----------------------|--------------------------------------|----------------------|
| <b>Debt:</b>                             |                      |                                      |                      |
| Senior credit facilities                 | \$ 1,565 (a)         | \$ 1,613                             | \$ 1,696             |
| Accounts receivable programs             | 241                  | 237                                  | 237                  |
| Senior notes                             | 568 (b)              | 490                                  | 472                  |
| Senior subordinated notes                | 892                  | 892                                  | 976                  |
| Variable interest entities               | 270                  | 266                                  | 281                  |
| Other debt                               | 166                  | 182                                  | 280                  |
| <b>Total debt - excluding affiliates</b> | <b>3,702</b>         | <b>3,680</b>                         | <b>3,942</b>         |
| Total cash                               | 396                  | 444                                  | 562                  |
| <b>Net debt- excluding affiliates</b>    | <b>\$ 3,306</b>      | <b>\$ 3,236</b>                      | <b>\$ 3,380</b>      |

(a) net of \$26 million unamortized discount as of December 31, 2012

(b) net of \$32 million unamortized discount as of December 31, 2012

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

| In millions, unaudited                   | Three months ended<br>December 31,<br>2012 | Year ended<br>December 31,<br>2012 | 2011          |
|------------------------------------------|--------------------------------------------|------------------------------------|---------------|
| <b>Total cash at beginning of period</b> | <b>\$ 444</b>                              | <b>\$ 562</b>                      | <b>\$ 973</b> |

|                                           |       |       |       |
|-------------------------------------------|-------|-------|-------|
| Net cash provided by operating activities | 218   | 774   | 365   |
| Net cash used in investing activities     | (172) | (471) | (280) |
| Net cash used in financing activities     | (95)  | (473) | (490) |
| Effect of exchange rate changes on cash   | 1     | 3     | (7)   |
| Change in restricted cash                 | -     | 1     | 1     |

|                                    |               |               |               |
|------------------------------------|---------------|---------------|---------------|
| <b>Total cash at end of period</b> | <b>\$ 396</b> | <b>\$ 396</b> | <b>\$ 562</b> |
|------------------------------------|---------------|---------------|---------------|

**Supplemental cash flow information:**

|                                    |         |          |          |
|------------------------------------|---------|----------|----------|
| Cash paid for interest             | \$ (32) | \$ (209) | \$ (204) |
| Cash paid for income taxes         | (71)    | (224)    | (119)    |
| Cash paid for capital expenditures | (164)   | (412)    | (330)    |
| Depreciation & amortization        | 108     | 432      | 439      |

Changes in primary working capital:

|                               |     |       |       |
|-------------------------------|-----|-------|-------|
| Accounts and notes receivable | 102 | -     | (121) |
| Inventories                   | 4   | (248) | (161) |
| Accounts payable              | 24  | 146   | 24    |

|                            |               |                 |                 |
|----------------------------|---------------|-----------------|-----------------|
| Total source (use) of cash | <b>\$ 130</b> | <b>\$ (102)</b> | <b>\$ (258)</b> |
|----------------------------|---------------|-----------------|-----------------|

**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: EBITDA from discontinued operations; restructuring, impairment, plant closing and transition costs (credits); acquisition expenses; certain legal settlements and related expenses; loss on early extinguishment of debt; loss (gain) on initial consolidation of subsidiaries; extraordinary loss (gain) on the acquisition of a business; and loss (gain) on disposition of businesses/assets. 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: loss (income) from discontinued operations; restructuring, impairment, plant closing and transition costs (credits); discount amortization on settlement financing associated with the terminated merger; acquisition expenses; certain legal settlements and related expenses; loss on early extinguishment of debt; loss (gain) on initial consolidation of subsidiaries; extraordinary loss (gain) on the acquisition of a business; and loss (gain) on disposition of businesses/assets. We do not adjust for changes in tax valuation allowances because we do not believe it provides more meaningful information than is provided under GAAP. The reconciliation of adjusted net income (loss) to net income (loss) attributable to Huntsman Corporation common stockholders is set forth in Table 4 above.

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

*About Huntsman:*

*Huntsman is a global manufacturer and marketer of differentiated chemicals. Our operating companies manufacture products for a variety of global industries, including chemicals, plastics, automotive, aviation, textiles, footwear, paints and coatings, construction, technology, agriculture, health care, detergent, personal care, furniture, appliances and packaging. Originally known for pioneering innovations in packaging and, later, for rapid and integrated growth in petrochemicals, Huntsman has approximately 12,000 employees and operates from multiple locations worldwide. The Company had 2012 revenues of over \$11 billion. For more information about Huntsman, please visit the company's website at [www.huntsman.com](http://www.huntsman.com).*

*Forward-Looking Statements:*

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

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