



HUNTSMAN

Enriching lives through innovation

2014 ANNUAL REPORT

ENRICHING LIVES THROUGH INNOVATION

Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated chemicals. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets.

POLYURETHANES

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

PERFORMANCE PRODUCTS

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

ADVANCED MATERIALS

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

TEXTILE EFFECTS

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

PIGMENTS AND ADDITIVES

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

2014 AT-A-GLANCE

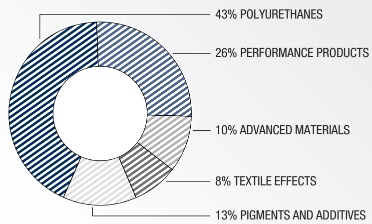
REVENUES

$11.6 BILLION

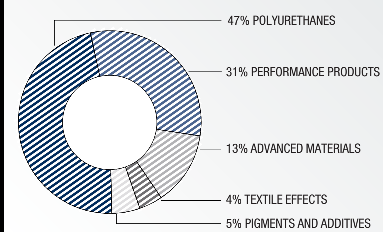
ADJUSTED EBITDA

$1,340 MILLION

REVENUES BY DIVISION(1)



ADJUSTED EBITDA BY DIVISION(1)



Adjusted EBITDA increased 10% compared to the prior year.

FINANCIAL HIGHLIGHTS

	Year Ended December 31,		
$ in millions	2014	2013	2012
Revenues	$11,578	$11,079	$11,187
Gross profit	$ 1,919	$ 1,753	$ 2,034
Interest expense, net	$ 205	$ 190	$ 226
Net income	$ 345	$ 149	$ 373
Adjusted net income(2)	$ 478	$ 390	$ 577
Adjusted EBITDA(2)	$ 1,340	$ 1,213	$ 1,439
Capital expenditures(3)	$ 564	$ 467	$ 408

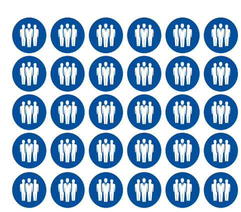
	December 31,		
$ in millions	2014	2013	2012
Total assets	$11,002	$ 9,188	$ 8,884
Net debt(4)	$ 4,330	$ 3,381	$ 3,306

OPERATE MORE THAN

100

MANUFACTURING AND R&D FACILITIES

FACILITIES IN MORE THAN 30 COUNTRIES



~16,000 EMPLOYEES

HUN LISTED NYSE

(1) Segment allocation before Corporate and other unallocated items.
(2) For a reconciliation see pages 10–11 of the Financials section.
(3) Net of reimbursements of $37 million, $4 million and $4 million in 2014, 2013 and 2012, respectively.
(4) Net debt calculated as total debt excluding affiliates less cash.

PETER R. HUNTSMAN:

A LETTER TO OUR STOCKHOLDERS

Dear Fellow Stockholder,

2014 ended a very strong year for our company. Our differentiated businesses, which include our MDI urethanes, Performance Products, Advanced Materials and Textile Effects, collectively increased their adjusted EBITDA by more than $200 million. Our full year adjusted earnings per share grew 20% compared to the prior year.

In October, we successfully completed the acquisition of the Performance Additives and Titanium Dioxide businesses of Rockwood Holdings, Inc. The addition of these businesses broadens our product offering and further enables our ability to build the most competitive and successful pigments and additives business in the world. This acquisition was immediately accretive to our earnings and we have implemented a plan to deliver more than $140 million of synergies. In addition, this acquisition provides further optionality for our Pigments and Additives business.

We have made a tremendous effort to control our costs and improve the competitiveness of our businesses this year. In 2014, we completed a number of initiatives across many of our divisions, generating annual savings of nearly $100 million. These initiatives include relocating manufacturing from Europe to countries such as Thailand and China, where many of our customers are expanding.

We have spent considerable capital investing in safety measures, environmental performance and the long-term growth of our company. In total, we spent $564 million on capital expenditures in 2014, net of reimbursements. We expect these investments will lead to more than $300 million of increased EBITDA over the next several years. Importantly, we continue to focus on safety improvements for our employees and improve our environmental footprint. Our safety and environmental performance is rated among the best in our industry and we continue to pursue further improvement.

I believe we are well positioned for success. We recently completed a multi-year planning review with senior leaders of our company. I have never been more excited about our company's future than I am today. We are well on our way to delivering $2 billion of adjusted EBITDA and $700 million of free cash flow.

Thank you for your continued support.

PETER R. HUNTSMAN
President and Chief Executive Officer
February 25, 2015

JON M. HUNTSMAN:

SPECIAL NOTE TO STOCKHOLDERS

Our business continues to expand and to thrive. Huntsman's assets now total $11 billion. We employ approximately 16,000 associates around the globe at more than 100 manufacturing and research and development sites in more than 30 countries. Our earnings continue to grow concurrently; Huntsman's adjusted EBITDA increased 10% compared to the prior year.

In my capacity as Executive Chairman, I am honored to represent a Board of Directors comprised of members who emerged from diverse backgrounds to positions of prominence in their respective fields. Each has earned a reputation for knowledge and integrity. Huntsman is fortunate to have the benefit of the wealth of experience and prudent judgment they bring to our company's corporate governance.

Peter Huntsman is a gifted CEO and a proven leader in whom the board instills full faith and confidence. Under his leadership, Huntsman's management maintains an unwavering focus on executing our corporate vision, including expansion of key product lines into high growth markets, perfecting cost control measures and making strategic additions to our portfolio of businesses.

As founder of the business our family established more than four decades ago, I also remain its largest shareholder, so my economic interests are directly aligned with yours. Please know that I am relentlessly committed to pursuing consistent and progressive value creation of our common investment.

JON M. HUNTSMAN
Executive Chairman and Founder
February 25, 2015

2014 FINANCIAL REVIEW AND FORM 10-K

DEFINITIONS

Each capitalized term used without definition in this report has the meaning specified in the Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the Securities and Exchange Commission on February 18, 2015.

SELECTED FINANCIAL DATA

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

	Year ended December 31,				
	2014	**2013**	**2012**	**2011**	**2010**
	(in millions, except per share amounts)				
Statements of Operations Data:					
Revenues	$11,578	$11,079	$11,187	$11,221	$9,250
Gross profit	1,919	1,753	2,034	1,840	1,461
Restructuring, impairment and plant closing costs	158	151	92	167	29
Operating income	633	510	845	606	410
Income (loss) from continuing operations	353	154	378	251	(9)
(Loss) income from discontinued operations, net of tax(a)	(8)	(5)	(7)	(1)	42
Extraordinary gain (loss) on the acquisition of a business, net of tax of nil(b)	—	—	2	4	(1)
Net income	345	149	373	254	32
Net income attributable to Huntsman Corporation	323	128	363	247	27
Basic income (loss) per common share:					
Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.36	$ 0.55	$ 1.55	$ 1.03	$(0.06)
(Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(a)	(0.03)	(0.02)	(0.03)	—	0.17
Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax(b)	—	—	0.01	0.01	—
Net income attributable to Huntsman Corporation common stockholders	$ 1.33	$ 0.53	$ 1.53	$ 1.04	$ 0.11
Diluted income (loss) per common share:					
Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.34	$ 0.55	$ 1.53	$ 1.01	$(0.06)
(Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(a)	(0.03)	(0.02)	(0.03)	—	0.17
Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax(b)	—	—	0.01	0.01	—
Net income attributable to Huntsman Corporation common stockholders	$ 1.31	$ 0.53	$ 1.51	$ 1.02	$ 0.11
Other Data:					
Depreciation and amortization	$ 445	$ 448	$ 432	$ 439	$ 405
Capital expenditures	601	471	412	330	236
Dividends per share	0.50	0.50	0.40	0.40	0.40
Balance Sheet Data (at period end):					
Total assets	$11,002	$ 9,188	$ 8,884	$ 8,657	$8,714
Total debt	5,206	3,916	3,706	3,946	4,150
Total liabilities	9,051	7,059	6,988	6,881	6,864

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

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

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

Overview

We are a global manufacturer of differentiated organic chemical products and of inorganic chemical products. Our products comprise a broad range of chemicals and formulations, which we market globally to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, personal care and hygiene, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. We are a leading global producer in many of our key product lines, including MDI, amines, surfactants, maleic anhydride, epoxy-based polymer formulations, textile chemicals, dyes, titanium dioxide and color pigments. Our administrative, research and development and manufacturing operations are primarily conducted at the facilities located in more than 30 countries. We employed approximately 16,000 associates worldwide at December 31, 2014.

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

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

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

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

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

For further information regarding sales price and demand trends, see "Results of Operations—Segment Analysis—Year Ended December 31, 2014 Compared to Year Ended December 31, 2013" and the tables captioned "Year ended December 31, 2014 vs. 2013, Period-Over-Period Increase (Decrease)" and "Fourth Quarter 2014 vs. Third Quarter 2014, Period-Over-Period Increase (Decrease)" below.

OUTLOOK

Our differentiated businesses that include MDI urethanes, Performance Products, Advanced Materials and Textile Effects have an attractive growth profile and we expect profitability to continue to improve during 2015.

We have a number of initiatives underway that will improve the competitiveness and strength of our entire Company and we are investing in growth projects that will improve our businesses over the next few years. We are taking aggressive action to deliver synergies as we integrate the businesses we purchased from Rockwood Holdings, Inc. ("Rockwood").

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

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

Polyurethanes:

- Strong MDI demand in the U.S. and Asia, modest demand in Europe
- Improving MDI margins
- Lower benzene raw material costs
- Lower PO/MTBE margins
- PO/MTBE maintenance outage in the first quarter 2015, approximate $60 million EBITDA impact and $90 million maintenance cost

Performance Products:

- Benefits of European surfactants restructuring expected in 2015
- Improving downstream product margins
- Singapore polyetheramine facility expansion in mid-2016
- Lower oil prices reduces U.S. Gulf Coast manufacturing advantage

Advanced Materials:

- Strong aerospace market

Textile Effects:

- Selective growth above underlying market demand
- Progressive environmental regulations impacting raw materials costs

Pigments and Additives:

- Approximately $130 million of synergies from integration of former Rockwood businesses
- Approximately $35 million of cost savings from planned titanium dioxide capacity rationalization in Calais, France
- Improving sales prices

We expect to spend approximately $625 million in 2015 on capital expenditures, net of reimbursements, for growth initiatives, maintenance and restructuring.

We expect our full year 2015 adjusted effective income tax rate to be in the low 30%s. We believe our long-term effective income tax rate will be approximately 30%.

RECENT DEVELOPMENTS

Rockwood Acquisition

On October 1, 2014, we completed the acquisition of the Performance Additives and Titanium Dioxide businesses (the "Rockwood Acquisition") of Rockwood. These businesses manufacture and market titanium dioxide and performance additives products. We paid $1.04 billion in cash, subject to certain purchase price adjustments, and assumed certain unfunded pension liabilities in connection with the Rockwood Acquisition. The Rockwood Acquisition was financed using a bank term loan.

The following businesses were acquired from Rockwood:

- titanium dioxide, a white pigment derived from titanium bearing ores, with strong specialty business in fibers, inks, pharmaceuticals, food and cosmetics;
- functional additives made from barium and zinc-based inorganics used to make colors more brilliant, primarily in plastics, coatings, films, food, cosmetics, pharmaceuticals and paper industries;
- color pigments made from synthetic iron-oxide and other (not titanium dioxide) inorganic pigments used by manufacturers of coatings and colorants;
- timber treatment wood protection chemicals used primarily in residential and commercial applications;

- water treatment products used to improve water purity in industrial, commercial and municipal applications; and
- specialty automotive molded components.

The unaudited condensed combined balance sheet of the acquired businesses as of June 30, 2014 and the unaudited condensed combined statements of operations, comprehensive income (loss), cash flows, and changes in parent company equity of the acquired businesses for the six months ended June 30, 2014 and June 30, 2013 can be found in our current report on Form 8-K filed on October 7, 2014.

In connection with securing certain regulatory approvals required to complete the Rockwood Acquisition, we sold our TiO2 TR52 product line used in printing inks to Henan Billions Chemicals Co., Ltd. ("Henan") in December 2014. The sale did not include any manufacturing assets but does include an agreement to supply TR52 to Henan.

Pigments and Additives Restructuring

On December 1, 2014, we announced that we are taking significant action to improve the global competitiveness of our Pigments and Additives segment. As part of a comprehensive restructuring program, we plan to reduce our workforce by approximately 900 positions. Annual cost savings are expected to exceed $130 million and are expected to be achieved by the middle of 2016. In connection with this restructuring program, we recorded restructuring expense of $57 million in the fourth quarter of 2014 related primarily to workforce reductions. We expect to record additional restructuring expense in 2015 once negotiations of employee termination benefits with European works councils are completed.

On February 12, 2015, we announced plans to reduce our titanium dioxide capacity by approximately 100 kt by closing specific operations at our Calais, France facility, subject to consultation with employees and appropriate representative groups. Annual cost savings are expected to be approximately $35 million and are expected to be achieved by the middle of 2016. This plan is in addition to that announced on December 1, 2014.

Notes Issuance

In November 2014, Huntsman International issued $400 million in aggregate principal amount of senior notes carrying an interest rate of 5.125% and maturing on November 15, 2022 (the "2022 Senior Notes"). We used the net proceeds of this offering to redeem all of our 8.625% senior subordinated notes due 2020 (the "2020 Senior Subordinated Notes"), including accrued interest, and for general corporate purposes.

RESULTS OF OPERATIONS

The following table sets forth our consolidated results of operations for the years ended December 31, 2014, 2013 and 2012 (dollars in millions, except per share amounts).

	Year ended December 31,			Percent Change	
	2014	**2013**	**2012**	**2014 vs. 2013**	**2013 vs. 2012**
Revenues	$11,578	$11,079	$11,187	5%	(1)%
Cost of goods sold	9,659	9,326	9,153	4%	2%
Gross profit	1,919	1,753	2,034	9%	(14)%
Operating expenses	1,128	1,092	1,097	3%	—
Restructuring, impairment and plant closing costs	158	151	92	5%	64%
Operating income	633	510	845	24%	(40)%
Interest expense	(205)	(190)	(226)	8%	(16)%
Equity in income of investment in unconsolidated affiliates	6	8	7	(25)%	14%
Loss on early extinguishment of debt	(28)	(51)	(80)	(45)%	(36)%
Other (loss) income	(2)	2	1	NM	100%
Income from continuing operations before income taxes	404	279	547	45%	(49)%
Income tax expense	(51)	(125)	(169)	(59)%	(26)%
Income from continuing operations	353	154	378	129%	(59)%
Loss from discontinued operations, net of tax	(8)	(5)	(7)	60%	(29)%
Extraordinary gain on the acquisition of a business, net of tax of nil	—	—	2	—	NM
Net income	345	149	373	132%	(60)%
Net income attributable to noncontrolling interests	(22)	(21)	(10)	5%	110%
Net income attributable to Huntsman Corporation	323	128	363	152%	(65)%
Interest expense	205	190	226	8%	(16)%
Income tax expense from continuing operations	51	125	169	(59)%	(26)%
Income tax benefit from discontinued operations	(2)	(2)	(3)	—	(33)%
Depreciation and amortization	445	448	432	(1)%	4%
EBITDA(1)	$ 1,022	$ 889	$ 1,187	15%	(25)%
Reconciliation of EBITDA to adjusted EBITDA:					
EBITDA(1)	$ 1,022	$ 889	$ 1,187		
Acquisition and integration expenses and purchase accounting adjustments	67	21	5		
Loss on initial consolidation of subsidiaries	—	—	4		
EBITDA from discontinued operations	10	5	5		
Gain on disposition of businesses/assets	(3)	—	(3)		
Loss on early extinguishment of debt	28	51	80		
Extraordinary gain on the acquisition of a business	—	—	(2)		
Certain legal settlements and related expenses	3	9	11		
Amortization of pension and postretirement actuarial losses	51	74	43		
Restructuring, impairment and plant closing and transition costs(3):					
Polyurethanes	19	2	38		
Performance Products	28	18	1		
Advanced Materials	11	34	38		
Textile Effects	28	87	26		
Pigments and Additives	60	4	4		
Corporate and other	16	19	2		
Total restructuring, impairment and plant closing and transition costs(3)	162	164	109		
Adjusted EBITDA(1)	$ 1,340	$ 1,213	$ 1,439		
Net cash provided by operating activities	$ 760	$ 708	$ 774	7%	(9)%
Net cash used in investing activities	(1,606)	(566)	(471)	184%	20%
Net cash provided by (used in) financing activities	1,197	(6)	(473)	NM	(99)%
Capital expenditures	(601)	(471)	(412)	28%	14%

	Year ended December 31,		
	2014	2013	2012
Reconciliation of net income to adjusted net income:			
Net income attributable to Huntsman Corporation	$ 323	$ 128	$ 363
Acquisition and integration expenses and purchase accounting adjustments net of tax of $(10), $(5) and $(1) in 2014, 2013 and 2012, respectively	57	16	4
Impact of certain foreign tax credit elections	(94)	—	—
Loss on initial consolidation of subsidiaries, net of tax of nil for 2014, 2013 and 2012 each	—	—	4
Loss from discontinued operations, net of tax of $(2), $(2) and $(3) in 2014, 2013 and 2012, respectively	8	5	7
Discount amortization on settlement financing, net of tax of nil, $(3) and $(11) in 2014, 2013 and 2012, respectively	—	6	20
Gain on disposition of businesses/assets, net of tax of $1, nil and nil in 2014, 2013 and 2012, respectively	(2)	—	(3)
Loss on early extinguishment of debt, net of tax of $(10), $(19) and $(29) in 2014, 2013 and 2012, respectively	18	32	51
Extraordinary gain on the acquisition of a business, net of tax of nil for 2014, 2013 and 2012 each	—	—	(2)
Certain legal settlements and related expenses, net of tax of nil, $(2) and $(4) in 2014, 2013 and 2012, respectively	3	7	7
Amortization of pension and postretirement actuarial losses, net of tax of $(10), $(20) and $(8) in 2014, 2013 and 2012, respectively	41	54	35
Restructuring, impairment and plant closing and transition costs(3), net of tax of $(38), $(22) and $(18) in 2014, 2013 and 2012, respectively	124	142	91
Adjusted net income(2)	$ 478	$ 390	$ 577
Weighted average shares-basic	242.1	239.7	237.6
Weighted average shares-diluted	246.0	242.4	240.6
Net income per share:			
Basic	$ 1.33	$ 0.53	$ 1.53
Diluted	1.31	0.53	1.51
Other non-GAAP measures:			
Adjusted income per share(2):			
Basic	$ 1.97	$ 1.63	$ 2.43
Diluted	1.94	1.61	2.40
Capital expenditures, net of reimbursements(4)	(564)	(467)	(408)

NM—Not meaningful

(1) EBITDA is defined as net income attributable to Huntsman Corporation before interest, income taxes, depreciation and amortization. Because EBITDA excludes these items, EBITDA provides an indicator of general economic performance that is not affected by debt restructurings, fluctuations in interest rates or effective tax rates, or levels of depreciation and amortization. Adjusted EBITDA is computed by eliminating the following from EBITDA: (a) acquisition and integration expenses and purchase

accounting adjustments; (b) loss on initial consolidation of subsidiaries; (c) EBITDA from discontinued operations; (d) gain on disposition of businesses/assets; (e) loss on early extinguishment of debt; (f) extraordinary gain on the acquisition of a business; (g) certain legal settlements and related expenses; (h) amortization of pension and postretirement actuarial losses; and (i) restructuring, impairment, plant closing and transition costs. We believe that net income attributable to Huntsman Corporation is the performance measure calculated and presented in accordance with GAAP that is most directly comparable to EBITDA and adjusted EBITDA.

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

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

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

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

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

(3) Includes cost associated with the transition of our Textile Effects segment's production from Basel, Switzerland to a tolling facility. These costs were included in cost of sales on our consolidated statements of operations. Additionally, includes costs associated with a reorganization of our global information technology organization.

(4) Capital expenditures, net of reimbursements, represent cash paid for capital expenditures less payments received as reimbursements from customers and joint venture partners. During 2014, 2013 and 2012, capital expenditures of $601 million, $471 million and $412 million, respectively, were reimbursed in part by $37 million, $4 million and $4 million, respectively.

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

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

- Revenues for the year ended December 31, 2014 increased by $499 million, or 5%, as compared with 2013. The increase was due principally to higher average selling prices in our Performance Products, Advanced Materials and Textile Effects segments and higher sales volumes in our Polyurethanes and Pigments and Additives segments. See "—Segment Analysis" below.
- Our gross profit for the year ended December 31, 2014 increased by $166 million, or 9%, as compared with 2013. The increase resulted from higher gross margins in all our segments, except for our Pigments and Additives segment. See "—Segment Analysis" below.
- Operating expenses for the year ended December 31, 2014 increased by $36 million, or 3%, as compared with 2013, primarily related to higher acquisition and integration costs and higher foreign currency losses.
- Restructuring, impairment and plant closing costs for the year ended December 31, 2014 increased to $158 million from $151 million in 2013. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.
- Our interest expense for 2014 increased by $15 million, or 8%, as compared with 2013. The increase was due primarily to additional borrowings in 2014 that were used to fund the Rockwood Acquisition.
- Loss on early extinguishment of debt for the year ended December 31, 2014 decreased to $28 million from $51 million in 2013. The loss in 2014 resulted from the redemption of our 2020 Senior Subordinated Notes. The loss in 2013 resulted primarily from the repurchase of the remainder of our 5.50% senior notes due 2016 ("2016 Senior Notes"). For more information, see "Note 13. Debt—Direct and Subsidiary Debt—Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements.
- Our income tax expense decreased by $74 million as compared with 2013, primarily due to the benefit of utilizing U.S. foreign tax credits, which had been subject to a valuation allowance. Excluding the impact of the U.S. foreign tax credits, our income tax expense increased by $40 million as compared with 2013. For the year ended December 31, 2014, excluding the impact of the benefit of our U.S. foreign tax credits, our effective tax rate was 39%, which is lower than our effective tax rate of 45% for 2013, primarily due to various valuation allowance releases in 2014 and because our Textile Effects segment's restructuring charges in 2013 received nominal tax benefit. Our tax expense is significantly affected by the mix of income and losses in the tax jurisdictions in which we operate, as impacted by the presence of valuation allowances in certain tax jurisdictions. For further information concerning taxes, see "Note 17. Income Taxes" to our consolidated financial statements.

Segment Analysis

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

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

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

	Fourth Quarter 2014 vs. Third Quarter 2014			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(2)
Period-Over-Period Increase (Decrease)				
Polyurethanes	(3)%	(2)%	(7)%	3%
Performance Products	—	(2)%	(2)%	(3)%
Advanced Materials	—	(3)%	1%	(3)%
Textile Effects	(2)%	(2)%	(1)%	(3)%
Pigments and Additives	4%	(8)%	103%(3)	(19)%
Total Company	(5)%	(2)%	10%	(1)%

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

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

(3) Includes the effects of the Rockwood Acquisition.

NM—Not Meaningful

Polyurethanes

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

Performance Products

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

Advanced Materials

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

Textile Effects

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

Pigments and Additives

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

Corporate and other

Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, last-in first-out ("LIFO") inventory valuation reserve adjustments, loss on early extinguishment of debt, unallocated restructuring, impairment and plant closing costs, nonoperating income and expense, benzene sales and gains and losses on the disposition of corporate assets. For

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

Discontinued Operations

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

Year Ended December 31, 2013 Compared with Year Ended December 31, 2012

For the year ended December 31, 2013, the net income attributable to Huntsman Corporation was $128 million on revenues of $11,079 million, compared with net income attributable to Huntsman Corporation of $363 million on revenues of $11,187 million for 2012. The decrease of $235 million in net income attributable to Huntsman Corporation was the result of the following items:

- Revenues for 2013 decreased by $108 million, or 1%, as compared with 2012. The decrease was due principally to lower average selling prices in our Pigments and Additives segment and lower sales volumes in our Performance Products and Advanced Materials segments. See "—Segment Analysis" below.
- Our gross profit for 2013 decreased by $281 million, or 14%, as compared with 2012. The decrease resulted from lower gross margins in our Polyurethanes and Pigments and Additives segments. See "—Segment Analysis" below.
- Restructuring, impairment and plant closing costs for 2013 increased to $151 million from $92 million in 2012. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.
- Our interest expense for 2013 decreased by $36 million, or 16%, as compared with 2012. The decrease was due primarily to the reduction in noncash interest expense resulting from the repayment of our 2016 Senior Notes in 2012 and 2013.
- Loss on early extinguishment of debt for 2013 decreased to $51 million from $80 million in 2012. In 2012, we recorded a loss on early extinguishment of debt of $80 million primarily from the repurchase of a portion of our 2016 Senior Notes. In 2013, we recorded a loss on early extinguishment of debt of $34 million primarily from the repurchase of the remainder of our 2016 Senior Notes and $17 million primarily related to the repayment of our term loan C Facility ("Term Loan C"). For more information, see "Note 13. Debt—Direct and Subsidiary Debt—Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements.

- Our income tax expense decreased by $44 million to an expense of $125 million for 2013 as compared with an expense of $169 million for 2012. Our tax obligations are affected by the mix of income and losses in the tax jurisdictions in which we operate. Our 2013 effective tax rate is significantly impacted by losses in tax jurisdictions where we have a full valuation allowance. For more information, see "Note 17. Income Taxes" to our consolidated financial statements.

Segment Analysis

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

	Year ended December 31, 2013	Year ended December 31, 2012	Percent Change Favorable (Unfavorable)
Revenues			
Polyurethanes	$ 4,964	$ 4,894	1%
Performance Products	3,019	3,065	(2)%
Advanced Materials	1,267	1,325	(4)%
Textile Effects	811	752	8%
Pigments and Additives	1,269	1,436	(12)%
Eliminations	(251)	(285)	12%
Total	$11,079	$11,187	(1)%
Segment EBITDA			
Polyurethanes	$ 696	$ 726	(4)%
Performance Products	372	360	3%
Advanced Materials	86	54	59%
Textile Effects	(78)	(49)	(59)%
Pigments and Additives	79	352	(78)%
Corporate and other	(261)	(251)	(4)%
Subtotal	894	1,192	(25)%
Discontinued Operations	(5)	(5)	—
Total	$ 889	$ 1,187	(25)%

	Year ended December 31, 2013 vs. 2012			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(2)
Period-Over-Period (Decrease) Increase				
Polyurethanes	(1)%	1%	—	1%
Performance Products	2%	—	(2)%	(2)%
Advanced Materials	4%	(1)%	3%	(10)%
Textile Effects	3%	(1)%	—	6%
Pigments and Additives	(23)%	1%	—	10%
Total Company	(2)%	—	—	1%

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

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

Polyurethanes

The increase in revenues in our Polyurethanes segment for 2013 compared to 2012 was primarily due to higher sales volumes. MDI sales volumes increased in the Americas and Asia Pacific regions, partially offset by lower volumes in the European region. European sales volumes were lower primarily as a result of a force majeure event that caused an extended outage at our Rotterdam, The Netherlands' MDI facility in the second quarter of 2013. PO/MTBE sales volumes decreased due to weaker market demand. MDI average selling prices increased in all regions primarily in response to higher raw material costs, offset by a decrease in PO/MTBE average selling prices primarily due to less favorable market conditions. The 2013 decrease in segment EBITDA was primarily due to lower PO/MTBE earnings (in 2012, first and third quarter EBITDA benefited from industry supply outages) and lower MDI margins in the European region as a result of the Rotterdam MDI facility outage during the second quarter of 2013, partially offset by increased MDI margins in the Americas and Asia Pacific regions. During 2013 and 2012, our Polyurethanes segment recorded restructuring, impairment and plant closing costs of $2 million and $38 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Performance Products

The decrease in revenues in our Performance Products segment for 2013 compared to 2012 was primarily due to lower sales volumes. The decrease in sales volumes resulted from the impact of the scheduled maintenance on our olefins and ethylene oxide facilities in Port Neches, Texas in the first quarter of 2013, which more than offset increases in amines and maleic anhydride sales volumes. Excluding the impact of this scheduled maintenance, sales volumes would have increased by approximately 4%. Average selling prices increased in amines and maleic anhydride offset by the mix effect of a higher level of toll business in 2013. The increase in segment EBITDA was primarily due to improved sales volumes and margins in maleic anhydride and amines, partially offset by the impact of our scheduled maintenance, estimated at $55 million, and higher restructuring, impairment and plant closing costs. During 2013 and 2012, our Performance Products segment recorded restructuring, impairment and plant closing costs of $18 million and $1 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Advanced Materials

The decrease in revenues in our Advanced Materials segment for 2013 compared to 2012 was primarily due to lower sales volumes, partially offset by higher average selling prices. Sales volumes decreased in our base resins business in all regions due to reduced available output which resulted from the permanent closure of some production lines and over supply. In our specialty component business, sales volumes decreased in all regions in the coatings and construction and wind markets, offset in part by higher sales volumes in the aerospace markets in the Americas and European regions. Sales volumes also decreased in our formulations business in the Americas and European regions, primarily in the wind and electrical and electronics markets, offset in part by higher sales volumes in the Asia Pacific region marine market and in the Africa Middle East region electrical and electronics market. Average selling prices increased in the European region, primarily in response to higher raw material costs and increased focus on higher value component and formulations sales, partially offset by decreases in average selling prices in our Asia Pacific formulations business and in our Americas base resins business due to increased competition. The increase in segment EBITDA was primarily due to lower restructuring, impairment and plant closing costs and lower selling, general and administrative costs as a result of recent restructuring efforts, partially offset by lower sales volumes and lower margins. During 2013 and 2012, our Advanced Materials segment recorded restructuring, impairment and plant closing costs of $34 million and $38 million, respectively. For more information concerning restructuring activities, see “Note 11. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements.

Textile Effects

The increase in revenues in our Textile Effects segment for 2013 compared to 2012 was due to higher sales volumes and higher average selling prices. Sales volumes increased primarily due to increased market share in key countries. Average selling prices increased primarily in response to higher raw material costs, offset in part by the strength of the U.S. dollar against major international currencies. The decrease in segment EBITDA was primarily due to higher restructuring, impairment and plant closing and transition costs and higher raw material costs, partially offset by lower manufacturing and selling, general and administrative costs as a result of our restructuring efforts and higher sales volumes. During 2013 and 2012, our Textile Effects segment recorded restructuring, impairment and plant closing and transition costs of $87 million and $26 million, respectively. For more information concerning restructuring activities, see “Note 11. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements.

Pigments and Additives

The decrease in revenues in our Pigments and Additives segment for 2013 compared to 2012 was primarily due to lower average selling prices, partially offset by higher sales volumes. Average selling prices decreased in all regions of the world primarily as a result of high industry inventory levels. Sales volumes increased in all regions primarily due to higher end-use demand. The decrease in segment EBITDA was primarily due to lower margins, partially offset by lower manufacturing and selling, general and administrative costs as a result of our restructuring efforts. During 2013 and 2012, our Pigments and Additives segment recorded restructuring, impairment and plant closing costs of $4 million each. For more information concerning restructuring activities, see “Note 11. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements.

Corporate and other

Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, LIFO inventory valuation reserve adjustments, loss on early extinguishment of debt, unallocated restructuring, impairment and plant closing costs, nonoperating income and expense, benzene sales and gains and losses on the disposition of corporate assets. For 2013, EBITDA from Corporate and other for Huntsman Corporation decreased by $10 million to a loss of $261 million from a loss of $251 million for 2012. The decrease in EBITDA from Corporate and other resulted primarily from a $17 million decrease in income from benzene sales ($7 million of loss in 2013 compared to $10 million of income in 2012), a $13 million decrease in LIFO inventory valuation income ($1 million of income in 2013 compared to $14 million of income in 2012) and a $17 million increase in restructuring, impairment and plant closing costs ($19 million of expense in 2013 compared to $2 million of expense in 2012). For more information concerning restructuring activities, see “Note 11. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements. The decrease in EBITDA was partially offset by a decrease in incentive compensation of $6 million and a decrease in loss on early extinguishment of debt of $29 million ($51 million of loss in 2013 compared to $80 million of loss in 2012). For more information regarding the loss on early extinguishment of debt, see “Note 13. Debt—Direct and Subsidiary Debt—Redemption of Notes and Loss on Early Extinguishment of Debt” to our consolidated financial statements.

Discontinued Operations

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

Liquidity and Capital Resources

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

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

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

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

Cash Flows for Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Net cash provided by operating activities for 2013 and 2012 was $708 million and $774 million, respectively. The decrease in net cash provided by operating activities during year ended December 31, 2013 compared with the same period in 2012 was primarily attributable to a decrease in operating income as described in "—Results of Operations" above, offset in part by a $123 million favorable variance in operating assets and liabilities for 2013 as compared with 2012.

Net cash used in investing activities for 2013 and 2012 was $566 million and $471 million, respectively. During 2013 and 2012, we paid $471 million and $412 million, respectively, for capital expenditures. During 2013 and 2012, we made investments in Louisiana Pigment Company, L.P. of $60 million and $100 million, respectively, and in our Nanjing Jinling joint venture of $37 million and $24 million, respectively, and received dividends from our unconsolidated joint ventures, Louisiana Pigment Company, L.P. and BASF Huntsman Shanghai Isocyanate Investment B.V., of $71 million and $82 million, respectively. During 2013 and 2012, we paid $66 million and $18 million, respectively, for the acquisitions of businesses.

Net cash used in financing activities for 2013 and 2012 was $6 million and $473 million, respectively. The decrease in net cash used in financing activities was primarily due to lower net repayments of debt during 2013 as compared to 2012, offset in part by an increase in dividends paid to common stockholders.

Changes in Financial Condition

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

	December 31, 2014	Less: Acquisition(1)	Subtotal	December 31, 2013	Increase (Decrease)	Percent Change
Cash and cash equivalents	$ 860	$ (78)	$ 782	$ 520	$ 262	50%
Restricted cash	10	—	10	9	1	11%
Accounts and notes receivable, net	1,707	(245)	1,462	1,575	(113)	(7)%
Inventories	2,025	(400)	1,625	1,741	(116)	(7)%
Prepaid expenses	62	(3)	59	61	(2)	(3)%
Deferred income taxes	62	(2)	60	53	7	13%
Other current assets	313	(41)	272	200	72	36%
Total current assets	5,039	(769)	4,270	4,159	111	3%
Accounts payable	1,275	(146)	1,129	1,113	16	1%
Accrued liabilities	739	(71)	668	726	(58)	(8)%
Deferred income taxes	51	(9)	42	43	(1)	—
Current portion of debt	267	—	267	277	(10)	(4)%
Total current liabilities	2,332	(226)	2,106	2,159	(53)	(2)%
Working capital	$2,707	$(543)	$2,164	$2,000	$ 164	8%

(1) Represents amounts related to the Rockwood Acquisition. For more information, see "Note. 3 Business Combinations and Dispositions—Rockwood Acquisition" to our consolidated financial statements.

Excluding the effects of the Rockwood Acquisition on October 1, 2014, our working capital increased by $164 million as a result of the net impact of the following significant changes:

- The increase in cash and cash equivalents of $262 million resulted from the matters identified on our consolidated statements of cash flows.
- Accounts and notes receivable decreased by $113 million mainly due to lower sales in the fourth quarter of 2014, excluding sales from the acquired Rockwood businesses, compared with the fourth quarter of 2013.
- Inventories decreased by $116 million mainly due to lower raw material costs offset in part by an increase in inventory levels in anticipation of scheduled maintenance outages at certain manufacturing facilities during the first quarter of 2015.
- Other current assets increased by $72 million mainly due to increases in income taxes receivable and the value of cross-currency interest rate contracts.
- Accrued liabilities decreased by $58 million mainly due to decreases in accrued taxes other than income, income taxes payable and accrued rebates, offset in part by an increase in accrued restructuring, impairment and plant closing costs.

Direct and Subsidiary Debt

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

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

Senior Credit Facilities

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

Facility	Committed Amount	Principal Outstanding	Carrying Value	Interest Rate(3)	Maturity
Revolving Facility	$625	$ —(1)	$ —(1)	USD LIBOR plus 2.50%	2017
Extended Term Loan B	NA	952	952	USD LIBOR plus 2.50%	2017
Extended Term Loan B—Series 2	NA	339	339	USD LIBOR plus 2.75%	2017
2014 New Term Loan	NA	1,200	1,188	USD LIBOR plus 3.00%(2)	2021
Term Loan C	NA	50	49	USD LIBOR plus 2.25%	2016

(1) We had no borrowings outstanding under our Revolving Facility; we had approximately $16 million (U.S. dollar equivalents) of letters of credit and bank guarantees issued and outstanding under our Revolving Facility.

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

(3) The applicable interest rate of the Senior Credit Facilities is subject to certain secured leverage ratio thresholds. As of December 31, 2014, the weighted average interest rate on our outstanding balances under the Senior Credit Facilities was approximately 3%.

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

Amendment to the Credit Agreement

On October 15, 2013, Huntsman International entered into a tenth amendment to the agreement governing the Senior Credit Facilities (the "Credit Agreement"). The amendment, among other things, permitted us to incur a senior secured term loan facility in an aggregate principal amount of $1.2 billion, the 2014 New Term Loan, and to increase our Revolving Facility. In August 2014, we entered into the eleventh and twelfth amendments, which modified the Credit Agreement to initially fund the 2014 New Term Loan into escrow and completed the increase of our Revolving Facility by $200 million.

On October 1, 2014, the 2014 New Term Loan was used to fund the Rockwood Acquisition. See "Note 3. Business Combinations and Dispositions—Rockwood Acquisition." The 2014 New Term Loan matures on October 1, 2021 and will amortize in aggregate annual amounts equal to 1% of the original principal amount of the 2014 New Term Loan, payable quarterly commencing March 31, 2015. The 2014 New Term Loan bears interest at an interest rate margin of LIBOR plus 3.00% (subject to a 0.75% floor). The 2014 New Term Loan was recorded at a carrying value of $1,188 million as of October 1, 2014.

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

A/R Programs

Our U.S. accounts receivable securitization program ("U.S. A/R Program") and our European accounts receivable securitization program ("EU A/R Program" and collectively with the U.S. A/R Program, "A/R Programs") are structured so that we grant a participating undivided interest in certain of our trade receivables to a U.S. special purpose entity ("U.S. SPE") and a European special purpose entity ("EU SPE"). We retain the servicing rights and a retained interest in the securitized receivables. Information regarding our A/R Programs as of December 31, 2014 was as follows (monetary amounts in millions):

Facility	Maturity	Maximum Funding Availability(1)	Amount Outstanding	Interest Rate(2)(3)
U.S. A/R Program	April 2016	$250	$90(4)	Applicable rate plus 1.10%
EU A/R Program	April 2016	€225 (approximately $275)	€114 (approximately $139)	Applicable rate plus 1.35%

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

(2) Each interest rate is defined in the applicable agreements. In addition, the U.S. SPE and the EU SPE are obligated to pay unused commitment fees to the lenders based on the amount of each lender's commitment.

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

(4) As of December 31, 2014, we had approximately $7 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

As of December 31, 2014 and 2013, $472 million and $521 million, respectively, of accounts receivable were pledged as collateral under our A/R Programs.

Notes

As of December 31, 2014, we had outstanding the following notes (monetary amounts in millions):

Notes	Maturity	Interest Rate	Amount Outstanding
Senior Notes ("2020 Senior Notes")	November 2020	4.875%	$650 ($647 carrying value)
Senior Notes ("2021 Senior Notes")	April 2021	5.125%	€445 (€449 carrying value ($549))
2022 Senior Notes	November 2022	5.125%	$400
Senior Subordinated Notes ("2021 Senior Subordinated Notes")	March 2021	8.625%	$522 ($531 carrying value)

On November 13, 2014, Huntsman International issued $400 million aggregate principal amount of 2022 Senior Notes. We applied the net proceeds to redeem in full $350 million of its 2020 Senior Subordinated Notes, pay associated accrued interest and for general corporate purposes.

The 2022 Senior Notes bear interest at 5.125% per year, payable semi-annually on November 15 and May 15, and are due on November 15, 2022. We may redeem the 2022 Senior Notes in whole or in part at any time prior to August 15, 2022 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest.

On June 2, 2014, pursuant to an indenture entered into on December 23, 2013, Huntsman International issued €145 million (approximately $197 million) aggregate principal amount of additional 2021 Senior Notes. The additional notes are recorded at carrying value €149 million (approximately $182 million) as of December 31, 2014.

The 2021 Senior Notes bear interest at 5.125% per year, payable semi-annually on April 15 and October 15, and are due on April 15, 2021. We may redeem the 2021 Senior Notes in whole or in part at any time prior to January 15, 2021 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest.

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

Redemption of Notes and Loss on Early Extinguishment of Debt

During the years ended December 31, 2014 and 2013, we redeemed or repurchased the following notes (dollars in millions):

Date of Redemption	Notes	Principal Amount of Notes Redeemed	Amount Paid (Excluding Accrued Interest)	Loss on Early Extinguishment of Debt
December 2014	2021 Senior Subordinated Notes	$ 8	$ 9	$—
November 28, 2014	2020 Senior Subordinated Notes	350	374	28
March 4, 2013	2016 Senior Notes	200	200	34

Variable Interest Entity Debt

As of December 31, 2014, Arabian Amines Company had $158 million outstanding under its loan commitments and debt financing arrangements. Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with payment and other obligations under these loan commitments. We do not guarantee these loan commitments and Arabian Amines Company is not a guarantor of any of our other debt obligations, and the noncompliance with these financial covenants does not affect any of our other debt obligations. We are currently in discussions with the lenders under these loan commitments and expect to resolve the noncompliance. As of December 31, 2014, the amounts outstanding under these loan commitments were classified as current on the accompanying consolidated balance sheets.

As of December 31, 2014, Sasol-Huntsman, our consolidated 50%-owned venture has €40 million (approximately $49 million) outstanding under the term loan facility. The facility will be repaid over semiannual installments with the final repayment scheduled for December 2018. Obligations under the facility agreement are secured by, among other things, first priority right on the property, plant and equipment of Sasol-Huntsman.

Compliance with Covenants

We believe that we are in compliance with the covenants contained in the agreements governing our material debt instruments, including our Senior Credit Facilities, our A/R Programs and our notes. However, Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with certain financial covenants contained under its loan commitments. See "—Variable Interest Entity Debt" above.

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

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

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

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

MATURITIES

The scheduled maturities of our debt (excluding debt to affiliates) by year as of December 31, 2014 are as follows (dollars in millions):

Year ending December 31	
2015	$ 267
2016	322
2017	1,293
2018	25
2019	14
Thereafter	3,279
	$5,200

Short-Term and Long-Term Liquidity

We depend upon our cash, credit facilities, A/R Programs and other debt instruments to provide liquidity for our operations and working capital needs. As of December 31, 2014, we had $1,601 million of combined cash and unused borrowing capacity, consisting of $870 million in cash and restricted cash, $609 million in availability under our Revolving Facility, and $122 million in availability under our A/R Programs. Our liquidity can be significantly impacted by various factors. The following matters had, or are expected to have, a significant impact on our liquidity:

- Cash invested in our accounts receivable and inventory, net of accounts payable, decreased by approximately $68 million for 2014, as reflected in our consolidated statements of cash flows. We expect volatility in our working capital components to continue.
- During 2015, we expect to spend approximately $625 million on capital expenditures, net of reimbursements, including approximately $100 million combined for our new MDI facility, the completion of the Augusta, Georgia color pigments facility and replacement of Rockwood computer systems. Our future expenditures include certain EHS maintenance and upgrades; periodic maintenance and repairs applicable to major units of manufacturing facilities; expansions of our existing facilities or construction of new facilities; certain cost reduction projects; and certain information technology expenditures. We expect to fund this spending with cash provided by operations.
- During 2014, we made contributions to our pension and postretirement benefit plans of $159 million. During 2015, we expect to contribute an additional amount of approximately $101 million to these plans.
- We are also involved in a number of cost reduction programs for which we have established restructuring accruals. As of December 31, 2014, we had $138 million of accrued restructuring costs from continuing operations, and we expect to incur and pay additional restructuring and plant closing costs of up to approximately $150 million in 2015.

  On December 1, 2014, we announced that we are taking significant action to improve the global competitiveness of our Pigments and Additives segment. As part of a comprehensive restructuring program, we plan to reduce our workforce by approximately 900 positions. Annual cost savings are expected to exceed $130 million and are expected to be achieved by the middle of 2016. In connection with this restructuring program, we recorded restructuring expense of $57 million in the fourth quarter of 2014 related primarily to workforce reductions. We expect to record additional restructuring expense in 2015 once negotiations of employee termination benefits with European works councils are completed.

On February 12, 2015, we announced plans to reduce our titanium dioxide capacity by approximately 100 kt by closing specific operations at our Calais, France facility, subject to consultation with employees and appropriate representative groups. Annual cost savings are expected to be approximately $35 million and are expected to be achieved by the middle of 2016. This plan is in addition to that announced on December 1, 2014.

- During 2014, after extensive analysis, we filed amended U.S. tax returns for tax years 2008 thought 2012, along with our original U.S. tax return for tax year 2013, which allowed us to utilize foreign tax credits. As a result of utilizing these assets, we realized reductions in our cash taxes paid of $55 million for 2014 and expect to realize an additional $12 million reduction in future cash taxes paid.
- On October 1, 2014, we completed the Rockwood Acquisition for a purchase price of $1.04 billion in cash, subject to certain purchase price adjustments. See "Note 3. Acquisition and Dispositions—Rockwood Acquisition" to our consolidated financial statements. The transaction was financed by a $1.2 billion New Term Loan under our existing Senior Credit Facilities. See "Note 13. Debt—Direct and Subsidiary Debt" to our consolidated financial statements.
- In August 2014, we completed an amendment to our Senior Credit Facilities to increase our commitments by $200 million to our existing Revolving Facility to an aggregate principal amount of $600 million. See "Note 13. Debt—Direct and Subsidiary Debt" to our consolidated financial statements. In addition, in October 2014, we further increased commitments under our Revolving Facility by $25 million to an aggregate principal amount of $625 million.
- During the first half of 2015, we will have scheduled maintenance at our PO/MTBE facility in Port Neches, Texas. We estimate the facility will be off-line for approximately 60 days and the EBITDA impact will be approximately $60 million. This amount includes lost revenue and unabsorbed fixed costs for the period. In addition, the maintenance costs will be approximately $90 million; however, these costs will be capitalized and amortized over approximately five years until the next scheduled maintenance outage reducing future EBITDA over that period of time.

As of December 31, 2014, we had $267 million classified as current portion of debt, including debt at our variable interest entities of $172 million, a short term borrowing facility in China totaling $36 million, our scheduled Senior Credit Facilities amortization payments totaling $26 million, our annual financing of various insurance premiums totaling $14 million, and certain other short-term facilities and scheduled amortization payments totaling $19 million. Although we cannot provide assurances, we intend to renew or extend the majority of these short-term facilities in the current period.

As of December 31, 2014, we had approximately $356 million of cash and cash equivalents, including restricted cash, held by our foreign subsidiaries, including our variable interest entities. Additionally, we have material intercompany debt obligations owed to us by our non-U.S. subsidiaries. We intend to use cash held in our foreign subsidiaries to fund our local operations. Nevertheless, we could repatriate cash as dividends or as repayments of intercompany debt. If foreign cash were repatriated as dividends, the dividends could be subject to U.S. federal and state income taxes without any offsetting foreign tax credit relief. At present, we estimate that we will generate sufficient cash in our U.S. operations, together with the payments of intercompany debt, if necessary, to meet our cash needs in the U.S. and we do not expect to repatriate cash to the U.S. as dividends. Cash held by certain foreign subsidiaries, including our variable interest entities, may also be subject to legal restrictions, including those arising from the interests of our partners, which could limit the amounts available for repatriation.

Contractual Obligations and Commercial Commitments

Our obligations under long-term debt (including the current portion), lease agreements and other contractual commitments as of December 31, 2014 are summarized below (dollars in millions):

	2015	2016 - 2017	2018 - 2019	After 2019	Total
Long-term debt, including current portion	$ 267	$1,615	$ 39	$3,279	$5,200
Interest expense(1)	245	423	357	285	1,310
Operating leases(2)	94	158	130	152	534
Purchase commitments(3)	1,365	679	181	190	2,415
Total(4)(5)	$1,971	$2,875	$707	$3,906	$9,459

(1) Interest calculated using interest rates as of December 31, 2014 and contractual maturity dates assuming no refinancing or extension of debt instruments.

(2) Future minimum lease payments have not been reduced by minimum sublease rentals of $3 million due in the future under noncancelable subleases.

(3) We have various purchase commitments extending through 2027 for materials, supplies and services entered into in the ordinary course of business. Included in the purchase commitments table above are contracts which require minimum volume purchases that extend beyond one year or are renewable annually and have been renewed for 2015. Certain contracts allow for changes in minimum required purchase volumes in the event of a temporary or permanent shutdown of a facility. To the extent the contract requires a minimum notice period, such notice period has been included in the above table. The contractual purchase price for substantially all of these contracts is variable based upon market prices, subject to annual negotiations. We have estimated our contractual obligations by using the terms of our current pricing for each contract. We also have a limited number of contracts which require a minimum payment even if no volume is purchased. We believe that all of our purchase obligations will be utilized in our normal operations. For the years ended December 31, 2014, 2013 and 2012, we made minimum payments of nil, $7 million and nil, respectively, under such take or pay contracts without taking the product.

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

	2015	2016 - 2017	2018 - 2019	5-Year Average Annual
Pension plans	$92	$165	$237	$112
Other postretirement obligations	9	20	20	9

(5) The above table does not reflect expected tax payments and unrecognized tax benefits due to the inability to make reasonably reliable estimates of the timing and amount of payments. For additional discussion on unrecognized tax benefits, see "Note 17. Income Taxes" to our consolidated financial statements.

Off-Balance Sheet Arrangements

No off-balance sheet arrangements exist at this time.

Restructuring, Impairment and Plant Closing Costs

On December 1, 2014, we announced that we are taking significant action to improve the global competitiveness of our Pigments and Additives segment. As part of a comprehensive restructuring program, we plan to reduce our workforce by approximately 900 positions. Annual cost savings are expected to exceed $130 million and are expected to be achieved by the middle of 2016. In connection with this restructuring program, we recorded restructuring expense of $57 million in the fourth quarter of 2014 related primarily to workforce reductions. We expect to record additional restructuring expense in 2015 once negotiations of employee termination benefits with European works councils are completed.

On February 12, 2015, we announced plans to reduce our titanium dioxide capacity by approximately 100 kt by closing specific operations at our Calais, France facility, subject to consultation with employees and appropriate representative groups. Annual cost savings are expected to be approximately $35 million and are expected to be achieved by the middle of 2016. This plan is in addition to that announced on December 1, 2014.

During 2013, our Performance Products segment initiated a restructuring program to refocus its surfactants business in Europe. In connection with this program, in 2014 we completed the sale of our European commodity surfactants business, including the ethoxylation facility in Lavera, France to Wilmar. In addition, Wilmar has entered into a multi-year arrangement to purchase certain sulfated surfactant products from our facilities in St. Mihiel, France and Castiglione delle Stiviere, Italy. Additionally, in 2014 we ceased production at our Patrica, Italy surfactants facility. During 2014, we recorded charges of $23 million primarily related to workforce reductions. We expect to complete this program by the end of 2015.

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

Legal Proceedings

For a discussion of legal proceedings, see "Note 18. Commitments and Contingencies—Legal Matters" to our consolidated financial statements.

Environmental, Health and Safety Matters

For a discussion of environmental, health and safety matters, see "Note 19. Environmental, Health and Safety Matters" to our consolidated financial statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

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

CRITICAL ACCOUNTING POLICIES

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

Summary of Significant Accounting Policies" to our consolidated financial statements. Summarized below are our critical accounting policies:

Contingent Loss Accruals

Environmental remediation costs for our facilities are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. Estimates of environmental reserves require evaluating government regulation, available technology, site-specific information and remediation alternatives. We accrue an amount equal to our best estimate of the costs to remediate based upon the available information. The extent of environmental impacts may not be fully known and the processes and costs of remediation may change as new information is obtained or technology for remediation is improved. Our process for estimating the expected cost for remediation considers the information available, technology that can be utilized and estimates of the extent of environmental damage. Adjustments to our estimates are made periodically based upon additional information received as remediation progresses. For further information, see "Note 19. Environmental, Health and Safety Matters" to our consolidated financial statements.

We are subject to legal proceedings and claims arising out of our business operations. We routinely assess the likelihood of any adverse outcomes to these matters, as well as ranges of probable losses. A determination of the amount of the reserves required, if any, for these contingencies is made after analysis of each known claim. We have an active risk management program consisting of numerous insurance policies secured from many carriers. These policies often provide coverage that is intended to minimize the financial impact, if any, of the legal proceedings. The required reserves may change in the future due to new developments in each matter. For further information, see "Note 18. Commitments and Contingencies—Legal Matters" to our consolidated financial statements.

Employee Benefit Programs

We sponsor several contributory and non-contributory defined benefit plans, covering employees primarily in the U.S., the U.K., The Netherlands, Belgium and Switzerland, but also covering employees in a number of other countries. We fund the material plans through trust arrangements (or local equivalents) where the assets are held separately from us. We also sponsor unfunded postretirement plans which provide medical and, in some cases, life insurance benefits covering certain employees in the U.S., Canada and South Africa. Amounts recorded in our consolidated financial statements are recorded based upon actuarial valuations performed by various independent actuaries. Inherent in these valuations are numerous assumptions regarding expected long-term rates of return on plan assets, discount rates, compensation increases, mortality rates and health care cost trends. These assumptions are described in "Note 16. Employee Benefit Plans" to our consolidated financial statements.

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

Assumptions	Statement of Operations(1)	Balance Sheet Impact(2)
Discount rate		
—1% increase	$(29)	$(609)
—1% decrease	33	634
Expected long-term rates of return on plan assets		
—1% increase	(42)	—
—1% decrease	42	—
Rate of compensation increase		
—1% increase	16	116
—1% decrease	(16)	(89)

(1) Estimated increase (decrease) on 2014 net periodic benefit cost

(2) Estimated increase (decrease) on December 31, 2014 pension and postretirement liabilities and accumulated other comprehensive loss

Goodwill

We test our goodwill for impairment at least annually (at the beginning of the third quarter) and when events and circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Goodwill has been assigned to reporting units for purposes of impairment testing. More than 60% of our goodwill balance relates to our Advanced Materials reporting unit. The remaining goodwill relates to three other reporting units.

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

We tested goodwill for impairment at the beginning of the third quarter of 2014 as part of the annual impairment testing procedures and determined that no goodwill impairment existed. Our most recent fair value determination resulted in an amount that exceeded the carrying amounts of reporting units by a significant margin.

Income Taxes

We use the asset and liability method of accounting for income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial and tax reporting purposes. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed on a tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets for each jurisdiction. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective evidence such as our projections for the future. Changes in expected future income in applicable jurisdictions could affect the realization of deferred tax assets in those jurisdictions. As of December 31, 2014, we had total valuation allowances of $702 million. See “Note 17. Income Taxes” to our consolidated financial statements for more information regarding our valuation allowances.

For non-U.S. entities that were not treated as branches for U.S. tax purposes, we do not provide for income taxes on the undistributed earnings of these subsidiaries that are reinvested and, in the opinion of management, will continue to be reinvested indefinitely. We have material intercompany debt obligations owed by our non-U.S. subsidiaries to the U.S. We do not intend to repatriate earnings to the U.S. via dividend based on estimates of future domestic cash generation, combined with the ability to return cash to the U.S. through payments of intercompany debt owed by our non-U.S. subsidiaries to the U.S. To the extent that cash is required in the U.S., rather than repatriate earnings to the U.S. via dividends, we will repay certain of our intercompany debt. If any earnings were repatriated via dividend, we may need to accrue and pay taxes on the distributions. As discussed in "Note 17. Income Taxes" to our consolidated financial statements, we made a distribution of a portion of our earnings in 2013 when the amount of foreign tax credits associated with the distribution was greater than the amount of tax otherwise due. The undistributed earnings of foreign subsidiaries with positive earnings that are deemed to be permanently invested were approximately $307 million at December 31, 2014. It is not practicable to determine the unrecognized deferred tax liability on those earnings because of the significant assumptions necessary to compute the tax.

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

Long-Lived Assets

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

Management uses judgment to estimate the useful lives of our long-lived assets. At December 31, 2014, if the estimated useful lives of our property, plant and equipment had either been one year greater or one year less than their recorded lives, then depreciation expense for 2014 would have been approximately $34 million less or $40 million greater, respectively.

We are required to evaluate the carrying value of our long-lived tangible and intangible assets whenever events indicate that such carrying value may not be recoverable in the future or when management's plans change regarding those assets, such as idling or closing a plant. We evaluate impairment by comparing undiscounted cash flows of the related asset groups that are largely independent of the cash flows of other asset groups to their carrying values. Key assumptions in determining the future cash flows include the useful life, technology, competitive pressures, raw material pricing and regulations. In connection with our asset evaluation policy, we reviewed all of our long-lived assets for indicators that the carrying value may not be recoverable. We determined that such indicators did not exist during the year ended December 31, 2014.

Restructuring and Plant Closing Costs

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

Revenue Recognition

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

Revenue arrangements that contain multiple deliverables, which relate primarily to the licensing of technology, are evaluated in accordance with ASC 605-25, *Revenue Recognition—Multiple-Element Arrangements*, to determine whether the arrangements should be divided into separate units of accounting and how the arrangement consideration should be measured and allocated among the separate units of accounting.

Variable Interest Entities—Primary Beneficiary

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

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

INTEREST RATE RISKS

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

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

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

December 31, 2014

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

December 31, 2013

Notional Value	Effective Date	Maturity	Fixed Rate	Fair Value
$50	December 2009	December 2014	2.6%	$1 current liability
50	January 2010	January 2015	2.8%	1 current liability
50	December 2014	April 2017	2.5%	1 noncurrent liability
50	January 2015	April 2017	2.5%	2 noncurrent liability

In 2009, Sasol-Huntsman, our consolidated 50% owned joint venture, entered into derivative transactions to hedge the variable interest rate associated with its local credit facility. These derivative rate hedges include a floating to fixed interest rate contract providing Sasol-Huntsman with EURIBOR interest payments for a fixed payment of 3.62% and a cap for future periods with a strike price of 3.62%. As of December 31, 2014, the interest rate contracts expired and we have only the remaining interest cap for future periods until December 2018. In connection with the consolidation of Sasol-Huntsman as of April 1, 2011, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the interest rate caps as of December 31, 2014 was €22 million (approximately $27 million) and the derivative transactions do not qualify for hedge accounting. As of December 31, 2014 and 2013, the fair value of this hedge was nil and €1 million (approximately $1 million), respectively, and was recorded in other noncurrent liabilities on the accompanying consolidated balance sheets. For 2014 and 2013, we recorded a reduction of interest expense of €1 million (approximately $1 million) and €1 million (approximately $2 million), respectively, due to changes in the fair value of the swap.

Beginning in 2009, Arabian Amines Company entered into a 12-year floating to fixed interest rate contract providing for a receipt of LIBOR interest payments for a fixed payment of 5.02%. In connection with the consolidation of Arabian Amines Company as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the swap as of December 31, 2014 was $28 million, and the interest rate contract is not designated as a cash flow hedge. As of December 31, 2014 and 2013, the fair value of the swap was $3 million and $4 million, respectively, and was recorded as other current liabilities on our consolidated balance sheets. For 2014 and 2013, we recorded a reduction of interest expense of $1 million and $2 million, respectively, due to changes in fair value of the swap. As of December 31, 2014 Arabian Amines Company was not in compliance with certain financial covenants contained in its loan commitments. For more information, see "Note 13. Debt—Direct and Subsidiary Debt—Variable Interest Entity Debt."

For the years ended December 31, 2014 and 2013, the changes in accumulated other comprehensive gain (loss) associated with these cash flow hedging activities were approximately $2 million and $(3) million, respectively.

During 2015, accumulated other comprehensive loss of nil is expected to be reclassified to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

FOREIGN EXCHANGE RATE RISK

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2014 and 2013, we had approximately $179 million and $193 million notional amount (in U.S. dollar equivalents) outstanding, respectively, in foreign currency contracts with a term of approximately one month.

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

In conjunction with the issuance of our 2020 Senior Subordinated Notes, we entered into cross-currency interest rate contracts with three counterparties. On March 17, 2010, we made payments of $350 million to these counterparties and received €255 million from these counterparties, and on maturity (March 15, 2015) we are required to pay €255 million to these counterparties and will receive $350 million from these counterparties. On March 15 and September 15 of each year, we will receive U.S. dollar interest payments of approximately $15 million (equivalent to an annual rate of 8.625%) and make interest payments of approximately €11 million (equivalent to an annual rate of approximately 8.41%). This swap is designated as a hedge of net investment for financial reporting purposes. As of December 31, 2014 and 2013, the fair value of this swap was $43 million and $2 million, respectively, and was recorded in current assets. On February 11, 2015, we terminated $200 million notional amounts of these cross-currency interest rate contracts and received a $37 million payment from the counterparty.

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

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

We review our non-U.S. dollar denominated debt and derivative instruments to determine the appropriate amounts designated as hedges. As of December 31, 2014, we have designated approximately €655 million (approximately $800 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2014, 2013 and 2012, the amount of gain (loss) recognized on the hedge of our net investment was $97 million, $(22) million and $(11) million, respectively, and was recorded in other comprehensive (loss) income. As of December 31, 2014, we had approximately €1,516 million (approximately $1,851 million) in net euro assets.

Commodity Prices Risk

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

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2014. Based on this evaluation, our chief executive officer and chief financial officer have concluded that, as of December 31, 2014, our disclosure controls and procedures were effective, in that they ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

No changes to our internal control over financial reporting occurred during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

Management's Report on Internal Control Over Financial Reporting

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

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

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

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

On October 1, 2014, we completed the Rockwood Acquisition. As a result, we have excluded the internal controls of Rockwood from our annual evaluation of the effectiveness of internal control over financial reporting. For the year ended December 31, 2014, Rockwood represents 2.9% of total revenues, and as of December 31, 2014, Rockwood represents 13.4% of total assets.

Our management assessed the effectiveness of our internal control over financial reporting and concluded that, as of December 31, 2014, such internal control is effective. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework* (2013) (“COSO”).

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

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

To comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, we completed a comprehensive compliance process to evaluate our internal control over financial reporting for our Company. We involved employees at all levels of our Company during 2014 in training, performing and evaluating our internal controls.

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

/s/ Peter R. Huntsman

Peter R. Huntsman
President and Chief Executive Officer

/s/ J. Kimo Esplin

J. Kimo Esplin
Executive Vice President and Chief Financial Officer

February 18, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Performance Additives and Titanium Dioxide businesses of Rockwood Holdings, Inc. ("Rockwood"), which was acquired on October 1, 2014 and whose financial statements constitute 13.4% of total assets and 2.9% of revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2014. Accordingly, our audit did not include the internal control over financial reporting at Rockwood. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2014 of the Company and our report dated February 18, 2015 expressed an unqualified opinion on those financial statements.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 18, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Huntsman Corporation and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 18, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 18, 2015

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Millions, Except Share and Per Share Amounts)

	December 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents(a)	$ 860	$ 520
Restricted cash(a)	10	9
Accounts and notes receivable (net of allowance for doubtful accounts of $34 and $42, respectively), ($472 and $521 pledged as collateral, respectively)(a)	1,665	1,542
Accounts receivable from affiliates	42	33
Inventories(a)	2,025	1,741
Prepaid expenses	62	61
Deferred income taxes	62	53
Other current assets(a)	313	200
Total current assets	5,039	4,159
Property, plant and equipment, net(a)	4,423	3,824
Investment in unconsolidated affiliates	350	285
Intangible assets, net(a)	95	87
Goodwill	122	131
Deferred income taxes	435	243
Other noncurrent assets(a)	538	459
Total assets	$11,002	$9,188
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable(a)	$ 1,218	$1,067
Accounts payable to affiliates	57	46
Accrued liabilities(a)	739	726
Deferred income taxes	51	43
Current portion of debt(a)	267	277
Total current liabilities	2,332	2,159
Long-term debt(a)	4,933	3,633
Notes payable to affiliates	6	6
Deferred income taxes	333	313
Other noncurrent liabilities(a)	1,447	948
Total liabilities	9,051	7,059
Commitments and contingencies (Notes 18 and 19)		
Equity		
Huntsman Corporation stockholders' equity:		
Common stock $0.01 par value, 1,200,000,000 shares authorized, 248,893,036 and 245,930,859 issued and 243,416,979 and 240,401,442 outstanding in 2014 and 2013, respectively	3	2
Additional paid-in capital	3,385	3,305
Treasury stock, 4,043,526 shares at both December 31, 2014 and 2013	(50)	(50)
Unearned stock-based compensation	(14)	(13)
Accumulated deficit	(493)	(687)
Accumulated other comprehensive loss	(1,053)	(577)
Total Huntsman Corporation stockholders' equity	1,778	1,980
Noncontrolling interests in subsidiaries	173	149
Total equity	1,951	2,129
Total liabilities and equity	$11,002	$9,188

(a) At December 31, 2014 and December 31, 2013, respectively, $46 and $39 of cash and cash equivalents, $10 and $9 of restricted cash, $41 each of accounts and notes receivable (net), $68 and $54 of inventories, $6 and $3 of other current assets, $339 and $369 of property, plant and equipment (net), $40 and $17 of intangible assets (net), $27 and $28 of other noncurrent assets, $92 and $73 of accounts payable, $37 and $32 of accrued liabilities, $172 and $183 of current portion of debt, $36 and $64 of long-term debt, and $97 and $45 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

See accompanying notes to consolidated financial statements.

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

	Year ended December 31,		
	2014	2013	2012
Revenues:			
Trade sales, services and fees, net	$11,317	$10,847	$10,964
Related party sales	261	232	223
Total revenues	11,578	11,079	11,187
Cost of goods sold	9,659	9,326	9,153
Gross profit	1,919	1,753	2,034
Operating expenses:			
Selling, general and administrative	974	942	951
Research and development	158	140	152
Other operating (income) expense	(4)	10	(6)
Restructuring, impairment and plant closing costs	158	151	92
Total expenses	1,286	1,243	1,189
Operating income	633	510	845
Interest expense	(205)	(190)	(226)
Equity in income of investment in unconsolidated affiliates	6	8	7
Loss on early extinguishment of debt	(28)	(51)	(80)
Other (loss) income	(2)	2	1
Income from continuing operations before income taxes	404	279	547
Income tax expense	(51)	(125)	(169)
Income from continuing operations	353	154	378
Loss from discontinued operations	(8)	(5)	(7)
Income before extraordinary gain	345	149	371
Extraordinary gain on the acquisition of a business, net of tax of nil	—	—	2
Net income	345	149	373
Net income attributable to noncontrolling interests	(22)	(21)	(10)
Net income attributable to Huntsman Corporation	$ 323	$ 128	$ 363

(continued)

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (Continued)

(In Millions, Except Per Share Amounts)

	Year ended December 31,		
	2014	2013	2012
Basic income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.36	$ 0.55	$ 1.55
Loss from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	(0.03)	(0.02)	(0.03)
Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax	—	—	0.01
Net income attributable to Huntsman Corporation common stockholders	$ 1.33	$ 0.53	$ 1.53
Weighted average shares	242.1	239.7	237.6
Diluted income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.34	$ 0.55	$ 1.53
Loss from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	(0.03)	(0.02)	(0.03)
Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax	—	—	0.01
Net income attributable to Huntsman Corporation common stockholders	$ 1.31	$ 0.53	$ 1.51
Weighted average shares	246.0	242.4	240.6
Amounts attributable to Huntsman Corporation common stockholders:			
Income from continuing operations	$ 331	$ 133	$ 368
Loss from discontinued operations, net of tax	(8)	(5)	(7)
Extraordinary gain on the acquisition of a business, net of tax	—	—	2
Net income	$ 323	$ 128	$ 363
Dividends per share	$ 0.50	$ 0.50	$ 0.40

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(In Millions)

	Year ended December 31,		
	2014	2013	2012
Net income	$ 345	$149	$ 373
Other comprehensive (loss) income, net of tax:			
Foreign currency translations adjustments, net of tax of $47, $13 and $20 in 2014, 2013 and 2012, respectively	(221)	(23)	51
Pension and other postretirement benefits adjustments, net of tax of $182, $83 and $197 in 2014, 2013 and 2012, respectively	(271)	185	(236)
Other, net	1	10	(1)
Other comprehensive (loss) income, net of tax	(491)	172	(186)
Comprehensive (loss) income	(146)	321	187
Comprehensive income attributable to noncontrolling interests	(7)	(26)	(9)
Comprehensive (loss) income attributable to Huntsman Corporation	$(153)	$295	$ 178

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

(In Millions, Except Share Amounts)

	Huntsman Corporation Stockholders' Equity								
	Shares								
	Common stock	Common stock	Additional paid-in capital	Treasury stock	Unearned stock-based compensation	Accumulated deficit	Accumulated other comprehensive loss	Noncontrolling interests in subsidiaries	Total equity
Balance, January 1, 2012	235,746,087	$ 2	$3,228	$(50)	$(12)	$(947)	$ (559)	$114	$1,776
Net income	—	—	—	—	—	363	—	10	373
Other comprehensive loss	—	—	—	—	—	—	(185)	(1)	(186)
Issuance of nonvested stock awards	—	—	12	—	(12)	—	—	—	—
Vesting of stock awards	2,162,043	—	10	—	—	—	—	—	10
Recognition of stock-based compensation	—	—	9	—	12	—	—	—	21
Repurchase and cancellation of stock awards	(537,039)	—	—	—	—	(7)	—	—	(7)
Stock options exercised	902,331	—	3	—	—	—	—	—	3
Excess tax benefit related to stock-based compensation	—	—	4	—	—	—	—	—	4
Acquisition of a business	—		(2)	—	—	—	—	—	(2)
Dividends declared on common stock	—	—	—	—	—	(96)	—	—	(96)
Balance, December 31, 2012	238,273,422	2	3,264	(50)	(12)	(687)	(744)	123	1,896
Net income	—	—	—	—	—	128	—	21	149
Other comprehensive income	—	—	—	—	—	—	167	5	172
Issuance of nonvested stock awards	—	—	14	—	(14)	—	—	—	—
Vesting of stock awards	1,067,888	—	5	—	—	—	—	—	5
Recognition of stock-based compensation	—	—	8	—	13	—	—	—	21
Repurchase and cancellation of stock awards	(304,209)	—	—	—	—	(6)	—	—	(6)
Stock options exercised	1,364,341	—	13	—	—	—	—	—	13
Excess tax benefit related to stock-based compensation	—	—	1	—	—	—	—	—	1
Accrued and unpaid dividends	—	—	—	—	—	(2)	—	—	(2)
Dividends declared on common stock	—	—	—	—	—	(120)	—	—	(120)
Balance, December 31, 2013	240,401,442	2	3,305	(50)	(13)	(687)	(577)	149	2,129
Net income	—	—	—	—	—	323	—	22	345
Other comprehensive loss	—	—	—	—	—	—	(476)	(15)	(491)
Issuance of nonvested stock awards	—	—	15	—	(15)	—	—	—	—
Vesting of stock awards	1,018,050	—	7	—	—	—	—	—	7
Recognition of stock-based compensation	—	—	10	—	14	—	—	—	24
Repurchase and cancellation of stock awards	(302,200)	—	—	—	—	(7)	—	—	(7)
Stock options exercised	2,299,687	1	47	—	—	—	—	—	48
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(4)	(4)
Excess tax benefit related to stock-based compensation	—	—	1	—	—	—	—	—	1
Accrued and unpaid dividends	—	—	—	—	—	(1)	—	—	(1)
Cash received for a noncontrolling interest of a subsidiary	—	—	—	—	—	—	—	5	5
Acquisition of a business	—	—	—	—	—	—	—	16	16
Dividends declared on common stock	—	—	—	—	—	(121)	—	—	(121)
Balance, December 31, 2014	243,416,979	$ 3	$3,385	$(50)	$(14)	$(493)	$(1,053)	$173	$1,951

See accompanying notes to consolidated financial statements.

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

	Year ended December 31, 2014	2013	2012
Operating Activities:			
Net income	$ 345	$ 149	$ 373
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of investment in unconsolidated affiliates	(6)	(8)	(7)
Depreciation and amortization	445	448	432
Provision for losses on accounts receivable	—	2	4
Loss on disposal of businesses/assets, net	4	5	—
Loss on early extinguishment of debt	28	51	80
Noncash interest expense	11	11	33
Noncash restructuring and impairment charges	37	13	15
Deferred income taxes	(51)	10	(38)
Noncash loss on foreign currency transactions	15	31	11
Stock-based compensation	28	29	27
Other, net	(2)	—	—
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts and notes receivable	2	(11)	—
Inventories	(20)	77	(248)
Prepaid expenses	(2)	(11)	(3)
Other current assets	(44)	23	24
Other noncurrent assets	(44)	(113)	103
Accounts payable	86	(12)	146
Accrued liabilities	11	(39)	23
Other noncurrent liabilities	(83)	53	(201)
Net cash provided by operating activities	760	708	774
Investing Activities:			
Capital expenditures	(601)	(471)	(412)
Cash received from unconsolidated affiliates	51	71	82
Investment in unconsolidated affiliates	(108)	(104)	(127)
Acquisition of businesses, net of cash acquired	(960)	(66)	(18)
Proceeds from sale of businesses/assets	15	2	6
Other, net	(3)	2	(2)
Net cash used in investing activities	(1,606)	(566)	(471)

(continued)

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In Millions)

	Year ended December 31,		
	2014	2013	2012
Financing Activities:			
Net repayments under revolving loan facilities	$ (1)	$ (4)	$ (15)
Net (repayments) borrowings on overdraft facilities	(5)	(9)	2
Repayments of short-term debt	(8)	(18)	(53)
Borrowings on short-term debt	15	15	—
Repayments of long-term debt	(418)	(840)	(694)
Proceeds from issuance of long-term debt	1,792	979	405
Repayments of notes payable	(34)	(40)	(37)
Borrowings on notes payable	33	35	34
Debt issuance costs paid	(67)	(11)	(11)
Call premiums related to early extinguishment of debt	(24)	(4)	(2)
Contingent consideration paid for acquisition	(6)	—	—
Dividends paid to common stockholders	(121)	(120)	(96)
Repurchase and cancellation of stock awards	(7)	(6)	(7)
Proceeds from issuance of common stock	47	13	3
Excess tax benefit related to stock-based compensation	1	1	4
Other, net	—	3	(6)
Net cash provided by (used in) financing activities	1,197	(6)	(473)
Effect of exchange rate changes on cash	(11)	(3)	3
Increase (decrease) in cash and cash equivalents	340	133	(167)
Cash and cash equivalents at beginning of period	520	387	554
Cash and cash equivalents at end of period	$ 860	$ 520	$ 387
Supplemental cash flow information:			
Cash paid for interest	$ 208	$ 187	$ 209
Cash paid for income taxes	165	78	224

During 2014, 2013 and 2012, the amount of capital expenditures in accounts payable (decreased) increased by $(2) million, $(16) million and $31 million, respectively.

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Definitions

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

In this report, we may use, without definition, the common names of competitors or other industry participants. We may also use the common names or abbreviations for certain chemicals or products. Each capitalized term used without definition in this report has the meaning specified in the Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the Securities and Exchange Commission on February 18, 2015.

Description of Business

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

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

Company

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Asset Retirement Obligations

We accrue for asset retirement obligations, which consist primarily of landfill capping, closure and post-closure costs and asbestos abatement costs, in the period in which the obligations are incurred. Asset retirement obligations are accrued at estimated fair value. When the liability is initially recorded, we capitalize the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its estimated settlement value and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we will recognize a gain or loss for any difference between the settlement amount and the liability recorded. Asset retirement obligations were $26 million and $29 million at December 31, 2014 and 2013, respectively.

Carrying Value of Long-Lived Assets

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

Cash and Cash Equivalents

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

Cost of Goods Sold

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

Derivatives and Hedging Activities

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Environmental Expenditures

Environmental related restoration and remediation costs are recorded as liabilities when site restoration and environmental remediation and clean-up obligations are either known or considered probable and the related costs can be reasonably estimated. Other environmental expenditures that are principally maintenance or preventative in nature are recorded when expended and incurred and are expensed or capitalized as appropriate. See "Note 19. Environmental, Health and Safety Matters."

Foreign Currency Translation

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

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

Foreign currency transaction gains and losses are recorded in other operating (income) expense in our consolidated statements of operations and were net losses of $15 million, $11 million and $4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Income Taxes

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Intangible Assets and Goodwill

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

Patents and technology	5 - 30 years
Trademarks	13 - 30 years
Licenses and other agreements	5 - 15 years
Other intangibles	5 - 15 years

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is not subject to any method of amortization, but is tested for impairment annually (at the beginning of the third quarter) and when events and circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. When the fair value is less than the carrying value of the related reporting unit, we are required to reduce the amount of goodwill through a charge to earnings. Fair value is estimated using the market approach, as well as the income approach based on discounted cash flow projections. Goodwill has been assigned to reporting units for purposes of impairment testing. The net change to goodwill in response to changes in foreign currency exchange rates during 2014 was $9 million.

Inventories

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Legal Costs

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

Net Income Per Share Attributable to Huntsman Corporation

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

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

	Year Ended December 31,		
	2014	2013	2012
Numerator:			
Basic and diluted income from continuing operations:			
Income from continuing operations attributable to Huntsman Corporation	$ 331	$ 133	$ 368
Basic and diluted net income:			
Net income attributable to Huntsman Corporation	$ 323	$ 128	$ 363
Shares (denominator):			
Weighted average shares outstanding	242.1	239.7	237.6
Dilutive securities:			
Stock-based awards	3.9	2.7	3.0
Total weighted average shares outstanding, including dilutive shares	246.0	242.4	240.6

Additional stock-based awards of 1.0 million, 7.3 million and 7.8 million weighted average equivalent shares of stock were outstanding during the years ended December 31, 2014, 2013 and 2012, respectively. However, these stock-based awards were not included in the computation of diluted earnings per share for the respective periods mentioned because the effect would be anti-dilutive.

Other Noncurrent Assets

Other noncurrent assets consist primarily of spare parts, deferred debt issuance costs, the overfunded portion related to defined benefit plans for employees and capitalized turnaround costs. Debt issuance costs are amortized using the interest method over the term of the related debt.

Principles of Consolidation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment

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

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

Interest expense capitalized as part of plant and equipment was \$16 million, \$7 million and \$4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

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

Revenue Recognition

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

Revenue arrangements that contain multiple deliverables, which relate primarily to licensing of technology, are evaluated to determine whether the arrangements should be divided into separate units of accounting and how the arrangement consideration should be measured and allocated among the separate units of accounting.

Securitization of Accounts Receivable

Under our A/R Programs, we grant an undivided interest in certain of our trade receivables to the U.S. SPE and the EU SPE. This undivided interest serves as security for the issuance of debt. The A/R Programs provide for financing in both U.S. dollars and euros. The amounts outstanding under our A/R Programs are accounted for as secured borrowings. See "Note 13. Debt—Direct and Subsidiary Debt—A/R Programs."

Stock-Based Compensation

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which the employee is required to provide services in exchange for the award. See "Note 21. Stock-Based Compensation Plan."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

We have evaluated material subsequent events through the date these consolidated financial statements were issued.

Use of Estimates

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

Recently Issued Accounting Pronouncements

Accounting Pronouncements Adopted During 2014

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-04, *Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date*, requiring entities to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date, as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments in this ASU should be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements that exist at the beginning of an entity's fiscal year of adoption. We adopted the amendments in this ASU effective January 1, 2014, and the initial adoption of the amendments in this ASU did not have any impact on our consolidated financial statements.

In March 2013, the FASB issued ASU No. 2013-05, *Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity*, resolving diversity in practice and clarifying the applicable guidance for the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or business within a foreign entity. We adopted the amendments in this ASU effective January 1, 2014, and the initial adoption of the amendments in this ASU did not have any impact on our consolidated financial statements.

In July 2013, the FASB issued ASU No. 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*, providing guidance on the presentation of unrecognized tax benefits in the financial statements as either a reduction to a deferred tax asset or as a liability to better reflect the manner in which an entity would settle at the reporting date any additional income taxes that would result from the disallowance of a tax position when net operating loss carryforwards ("NOLs"), similar tax losses or tax credit carryforwards exist. The amendments in this ASU do not require new recurring disclosures. The amendments in this ASU are effective for fiscal years, and interim periods within those years,

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

beginning after December 15, 2013. We adopted the amendments in this ASU effective January 1, 2014, and the initial adoption of the amendments in this ASU did not have any impact on our consolidated financial statements.

In November 2014, the FASB issued ASU No. 2014-17, *Business Combinations (Topic 805): Pushdown Accounting*, providing guidance on whether and at what threshold an acquired entity that is a business or nonprofit activity can apply pushdown accounting in its separate financial statements. The amendments in this ASU provide an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. An acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs or otherwise in a subsequent reporting period to the acquired entity's most recent change-in-control event. The amendments in this ASU were effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event. We adopted the amendments in this ASU effective November 18, 2014, and the initial adoption of the amendments in this ASU did not have any impact on our consolidated financial statements.

Accounting Pronouncements Pending Adoption in Future Periods

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

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, outlining a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers and supersedes most current revenue recognition guidance. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The amendments in this ASU should be applied retrospectively, and early application is not permitted. We are currently evaluating the impact of the adoption of the amendments in this ASU on our consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern,* providing guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

disclosures. The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early adoption is permitted. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In January 2015, the FASB issued ASU No. 2015-01, *Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*, eliminating from US GAAP the concept of extraordinary items. Reporting entities will no longer have to assess whether a particular event or transaction event is extraordinary. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively or may also apply them retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

3. BUSINESS COMBINATIONS AND DISPOSITIONS

Rockwood Acquisition

On October 1, 2014, we completed the Rockwood Acquisition. We paid $1.04 billion in cash, subject to certain purchase price adjustments, and assumed certain unfunded pension liabilities in connection with the Rockwood Acquisition. The acquisition was financed using a bank term loan. The majority of the acquired businesses have been integrated into our Pigments and Additives segment. Transaction costs charged to expense related to this acquisition were $24 million and $8 million for the years ended December 31, 2014 and 2013, respectively, and were recorded in selling, general and administrative expenses in our consolidated statements of operations.

The following businesses were acquired from Rockwood:

- titanium dioxide, a white pigment derived from titanium bearing ores with strong specialty business in fibers, inks, pharmaceuticals, food and cosmetics;
- functional additives made from barium and zinc based inorganics used to make colors more brilliant, primarily in plastics, coatings, films, food, cosmetics, pharmaceuticals and paper;
- color pigments made from synthetic iron-oxide and other non-TiO_2 inorganic pigments used by manufacturers of coatings and colorants;
- timber treatment wood protection chemicals used primarily in residential and commercial applications;
- water treatment products used to improve water purity in industrial, commercial and municipal applications; and
- specialty automotive molded components.

In connection with securing certain regulatory approvals required to complete the Rockwood Acquisition, we sold our TiO_2 TR52 product line used in printing inks to Henan in December 2014. The sale did not include any manufacturing assets but does include an agreement to supply TR52 product to Henan during a transitional period.

3. BUSINESS COMBINATIONS AND DISPOSITIONS (Continued)

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

Cash paid for Rockwood Acquisition	$1,038
Expected purchase price adjustment receivable	(25)
Expected net acquisition cost	$1,013
Fair value of assets acquired and liabilities assumed:	
Cash	$ 78
Accounts receivable, net	220
Inventories	400
Prepaid expenses and other current assets	46
Property, plant and equipment	591
Intangible assets	33
Deferred income taxes, non-current	126
Other assets	9
Accounts payable	(146)
Accrued expenses and other current liabilities	(80)
Long-term debt, non-current	(3)
Pension and related liabilities	(233)
Deferred income taxes, non-current	(10)
Other liabilities	(18)
Total fair value of net assets acquired	$1,013

The acquisition cost allocation is preliminary pending final determination of the fair value of assets acquired and liabilities assumed, including final valuation of property, plant and equipment, intangible assets, asset retirement obligations, and environmental and other legal reserves, and finalizing the expected purchase price adjustment receivable. None of the fair value of this acquisition was allocated to goodwill. It is possible that changes to this allocation could occur. The acquired businesses had revenues and net loss of $330 million and $2 million, respectively, for the period from the date of acquisition to December 31, 2014. If the Rockwood Acquisition were to have occurred on January 1,

3. BUSINESS COMBINATIONS AND DISPOSITIONS (Continued)

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

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

Oxid Acquisition

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

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

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

3. BUSINESS COMBINATIONS AND DISPOSITIONS (Continued)

Intangible assets acquired consist primarily of developed technology and customer relationships, both of which will be amortized over 15 years. If the Oxid Acquisition were to have occurred on January 1, 2012, the following estimated pro forma revenues and net income attributable to Huntsman Corporation would have been reported (dollars in millions, except per share amounts):

	Pro Forma Year ended December 31, (Unaudited)	
	2013	2012
Revenues	$11,142	$11,269
Net income attributable to Huntsman Corporation	135	369
Income per share:		
Basic	$ 0.56	$ 1.55
Diluted	0.56	1.53

Textile Effects Acquisition

On June 30, 2006, we acquired Ciba's textile effects business and accounted for the Textile Effects Acquisition using the purchase method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed and determined the excess of fair value of net assets over cost. Because the fair value of the acquired assets and liabilities assumed exceeded the purchase price, the value of the long-lived assets acquired was reduced to zero. Accordingly, no basis was assigned to property, plant and equipment or any other non-current nonfinancial assets and the remaining excess was recorded as an extraordinary gain. During 2012, we recorded an additional extraordinary gain on the acquisition of $2 million, related to settlement of contingent purchase price consideration, the reversal of accruals for certain restructuring and employee termination costs recorded in connection with the Textile Effects Acquisition and a reimbursement by Ciba of certain costs pursuant to the acquisition agreements.

4. INVENTORIES

Inventories consisted of the following (dollars in millions):

	December 31, 2014	December 31, 2013
Raw materials and supplies	$ 508	$ 433
Work in progress	96	92
Finished goods	1,494	1,290
Total	2,098	1,815
LIFO reserves	(73)	(74)
Net	$2,025	$1,741

For December 31, 2014 and 2013, approximately 9% and 11%, respectively, of inventories were recorded using the LIFO cost method.

5. PROPERTY, PLANT AND EQUIPMENT

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

	December 31, 2014	December 31, 2013
Land	$ 227	$ 159
Buildings	799	730
Plant and equipment	6,889	6,589
Construction in progress	869	613
Total	8,784	8,091
Less accumulated depreciation	(4,361)	(4,267)
Net	$ 4,423	$ 3,824

Depreciation expense for 2014, 2013 and 2012 was $413 million, $415 million and $399 million, respectively, of which nil, $2 million and $5 million was related to discontinued operations in 2014, 2013 and 2012, respectively.

6. INVESTMENT IN UNCONSOLIDATED AFFILIATES

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

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

	December 31, 2014	December 31, 2013
Equity Method:		
Louisiana Pigment Company, L.P. (50%)	$ 91	$104
BASF Huntsman Shanghai Isocyanate Investment BV (50%)(1)	100	87
Nanjing Jinling Huntsman New Material Co., Ltd. (49%)	122	62
Jurong Ningwu New Materials Development Co., Ltd. (30%)	16	15
Nippon Aqua Co., Ltd. (15)%	12	8
Others	—	1
Total equity method investments	341	277
Cost Method:		
International Diol Company (4%)	5	5
White Mountain Titanium Corporation (3%)	3	3
Others	1	—
Total investments	$350	$285

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

6. INVESTMENT IN UNCONSOLIDATED AFFILIATES (Continued)

On November 13, 2012, we entered into an agreement to form a joint venture with Sinopec (Nanjing Jingling). The joint venture involves the construction and operation of a PO/MTBE facility in China. Under the joint venture agreement, we hold a 49% interest in the joint venture and Sinopec holds a 51% interest. Our total equity investment is anticipated to be approximately $90 million, net of reimbursements, and we expect to receive approximately $50 million of license fees from the joint venture. The timing of equity contributions and license fee payments depends on various factors, but the majority are expected to be made over the course of the construction period of the plant (expected to be completed in the second half of 2016). At the end of 2014, cumulative capital contributions were approximately $85 million, net of license fees from the joint venture.

7. VARIABLE INTEREST ENTITIES

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

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

7. VARIABLE INTEREST ENTITIES (Continued)

Creditors of these entities have no recourse to our general credit. See "Note 13. Debt—Direct and Subsidiary Debt." As the primary beneficiary of these variable interest entities at December 31, 2014, the joint ventures' assets, liabilities and results of operations are included in our consolidated financial statements.

The following table summarizes the carrying amount of Rubicon LLC, Pacific Iron Products Sdn Bhd, Arabian Amines Company and Sasol-Huntsman's assets and liabilities included in our consolidated balance sheets, before intercompany eliminations, as of December 31, 2014 and 2013 (dollars in millions):

	December 31, 2014	December 31, 2013
Current assets	$176	$147
Property, plant and equipment, net	335	369
Other noncurrent assets	70	76
Deferred income taxes	50	28
Intangible assets	15	17
Goodwill	14	16
Total assets	$660	$653
Current liabilities	$348	$330
Long-term debt	42	72
Deferred income taxes	9	9
Other noncurrent liabilities	97	45
Total liabilities	$496	$456

The following table summarizes the fair value of Viance's assets and liabilities as of October 1, 2014 recorded upon initial consolidation in our consolidated balance sheet and the carrying amounts of such assets and liabilities as of December 31, 2014, before intercompany eliminations (dollars in millions):

	December 31, 2014	October 1, 2014
Current assets	$10	$15
Property, plant and equipment, net	5	2
Other noncurrent assets	—	1
Intangible assets	24	27
Total assets	$39	$45
Total liabilities	$ 8	$13

Viance had revenues and net income of $21 million and $2 million, respectively, for the period from the date of acquisition to December 31, 2014. For more information regarding the Rockwood Acquisition, see "Note 3. Business Combinations and Dispositions—Rockwood Acquisition."

8. INTANGIBLE ASSETS

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

	December 31, 2014			December 31, 2013		
	Carrying Amount	Accumulated Amortization	Net	Carrying Amount	Accumulated Amortization	Net
Patents, trademarks and technology	$371	$328	$43	$384	$339	$45
Licenses and other agreements	37	19	18	52	19	33
Non-compete agreements	4	2	2	4	2	2
Other intangibles	87	55	32	62	55	7
Total	$499	$404	$95	$502	$415	$87

Amortization expense was $19 million, $21 million and $23 million for the years ended December 31, 2014, 2013 and 2012, respectively.

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

Year ending December 31,	
2015	$ 9
2016	10
2017	10
2018	10
2019	9

9. OTHER NONCURRENT ASSETS

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

	December 31,	
	2014	2013
Capitalized turnaround costs	$191	$192
Spare parts inventory	96	100
Debt issuance costs	83	32
Deposits	43	41
Catalyst assets	28	26
Pension assets	8	20
Other	89	48
Total	$538	$459

Amortization expense of catalyst assets for the years ended December 31, 2014, 2013 and 2012 was $13 million, $12 million and $10 million, respectively.

10. ACCRUED LIABILITIES

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

	December 31,	
	2014	2013
Payroll and related costs	$204	$172
Volume and rebate accruals	79	95
Restructuring and plant closing costs	89	55
Taxes other than income taxes	65	79
Income taxes	35	61
Interest	32	35
Pension liabilities	13	12
Self-insured casualty loss reserves	12	12
Other postretirement benefits	9	9
Environmental accruals	7	5
Legal reserve	6	3
Deferred revenue	5	11
Asset retirement obligations	—	1
Other miscellaneous accruals	183	176
Total	$739	$726

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

As of December 31, 2014, 2013 and 2012, accrued restructuring, impairment and plant closing costs by type of cost and initiative consisted of the following (dollars in millions):

	Workforce reductions(1)	Demolition and decommissioning	Non-cancelable lease costs	Other restructuring costs	Total(2)
Accrued liabilities as of January 1, 2012	$ 73	$ —	$17	$ 2	$ 92
2012 charges for 2011 and prior initiatives	9	5	—	10	24
2012 charges for 2012 initiatives	64	—	—	5	69
Reversal of reserves no longer required	(15)	—	—	(1)	(16)
2012 payments for 2011 and prior initiatives	(31)	(6)	(2)	(11)	(50)
2012 payments for 2012 initiatives	(12)	—	—	(6)	(18)
Foreign currency effect on liability balance	2	1	—	1	4
Accrued liabilities as of December 31, 2012	90	—	15	—	105
2013 charges for 2012 and prior initiatives	32	16	53	20	121
2013 charges for 2013 initiatives	28	—	—	8	36
Reversal of reserves no longer required	(22)	—	(4)	—	(26)
2013 payments for 2012 and prior initiatives	(66)	(16)	(3)	(19)	(104)
2013 payments for 2013 initiatives	(10)	—	—	(8)	(18)
Net activity of discontinued operations	—	—	(3)	—	(3)
Foreign currency effect on liability balance	—	—	2	—	2
Accrued liabilities as of December 31, 2013	52	—	60	1	113
Pigments and Additives opening balance sheet liabilities	1	—	—	—	1
2014 charges for 2013 and prior initiatives	37	7	4	17	65
2014 charges for 2014 initiatives	64	—	—	—	64
Reversal of reserves no longer required	(4)	—	—	(1)	(5)
2014 payments for 2013 and prior initiatives	(58)	(7)	(8)	(13)	(86)
2014 payments for 2014 initiatives	(1)	—	—	(1)	(2)
Net activity of discontinued operations	—	—	(2)	—	(2)
Foreign currency effect on liability balance	(4)	—	(6)	—	(10)
Accrued liabilities as of December 31, 2014	$ 87	$ —	$48	$ 3	$ 138

(1) The total workforce reduction reserves of $87 million relate to the termination of 1,572 positions, of which 1,418 positions had not been terminated as of December 31, 2014.

(2) Accrued liabilities remaining at December 31, 2014 and 2013 by year of initiatives were as follows (dollars in millions):

	December 31, 2014	December 31, 2013
2012 initiatives and prior	$ 63	$ 95
2013 initiatives	12	18
2014 initiatives	63	—
Total	$138	$113

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

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

	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Pigments and Additives	Discontinued Operations	Corporate & Other	Total
Accrued liabilities as of January 1, 2012	—	1	12	69	3	6	1	92
2012 charges for 2011 and prior initiatives	—	1	4	14	4	—	1	24
2012 charges for 2012 initiatives	38	—	30	—	—	—	1	69
Reversal of reserves no longer required	—	—	—	(16)	—	—	—	(16)
2012 payments for 2011 and prior initiatives	—	(2)	(15)	(27)	(5)	—	(1)	(50)
2012 payments for 2012 initiatives	(12)	—	(6)	—	—	—	—	(18)
Foreign currency effect on liability balance	1	—	2	2	(1)	—	—	4
Accrued liabilities as of December 31, 2012	27	—	27	42	1	6	2	105
2013 charges for 2012 and prior initiatives	5	—	38	73	4	—	1	121
2013 charges for 2013 initiatives	—	18	—	1	—	—	17	36
Reversal of reserves no longer required	(9)	—	(8)	(9)	—	—	—	(26)
2013 payments for 2012 and prior initiatives	(14)	—	(45)	(41)	(3)	—	(1)	(104)
2013 payments for 2013 initiatives	—	(7)	—	—	(1)	—	(10)	(18)
Net activity of discontinued operations	—	—	—	—	—	(3)	—	(3)
Foreign currency effect on liability balance	—	(1)	—	2	1	—	—	2
Accrued liabilities as of December 31, 2013	9	10	12	68	2	3	9	113
Pigments and Additives opening balance sheet liabilities	—	—	—	—	1	—	—	1
2014 charges for 2013 and prior initiatives	2	23	10	13	3	—	14	65
2014 charges for 2014 initiatives	—	—	1	6	57	—	—	64
Reversal of reserves no longer required	(1)	—	(2)	(1)	—	—	(1)	(5)
2014 payments for 2013 and prior initiatives	(3)	(22)	(14)	(25)	(4)	—	(18)	(86)
2014 payments for 2014 initiatives	—	—	(1)	(1)	—	—	—	(2)
Net activity of discontinued operations	—	—	—	—	—	(2)	—	(2)
Foreign currency effect on liability balance	(1)	(2)	(1)	(6)	—	—	—	(10)
Accrued liabilities as of December 31, 2014	$ 6	$ 9	$ 5	$54	$59	$ 1	$ 4	$138
Current portion of restructuring reserves	$ 3	$ 9	$ 2	$11	$59	$ 1	$ 4	$ 89
Long-term portion of restructuring reserve	3	—	3	43	—	—	—	49

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

Details with respect to cash and noncash restructuring charges for the years ended December 31, 2014, 2013 and 2012 by initiative are provided below (dollars in millions):

Cash charges:	
2014 charges for 2013 and prior initiatives	65
2014 charges for 2014 initiatives	64
Reversal of reserves no longer required	(5)
Pension-related charges	2
Non-cash charges	32
Total 2014 Restructuring, Impairment and Plant Closing Costs	$158
Cash charges:	
2013 charges for 2012 and prior initiatives	$121
2013 charges for 2013 initiatives	36
Reversal of reserves no longer required	(26)
Pension-related charges	7
Non-cash charges	13
Total 2013 Restructuring, Impairment and Plant Closing Costs	$151
Cash charges:	
2012 charges for 2011 and prior initiatives	$ 24
2012 charges for 2012 initiatives	69
Reversal of reserves no longer required	(16)
Non-cash charges	15
Total 2012 Restructuring, Impairment and Plant Closing Costs	$ 92

2014 Restructuring Activities

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

During 2013, our Performance Products segment initiated a restructuring program to refocus its surfactants business in Europe. In connection with this program, in 2014 we completed the sale of our European commodity surfactants business, including the ethoxylation facility in Lavera, France to Wilmar. In addition, Wilmar has entered into a multi-year arrangement to purchase certain sulfated surfactant products from our facilities in St. Mihiel, France and Castiglione delle Stiviere, Italy. Additionally, in 2014 we ceased production at our Patrica, Italy surfactants facility. During 2014, we recorded charges of $23 million primarily related to workforce reductions. We expect to complete this program by the end of 2015.

During 2014, our Advanced Materials segment recorded charges of $11 million primarily related to workforce reductions with our global transformational change program designed to improve the segment's manufacturing efficiencies, enhance its commercial excellence and improve its long-term global competitiveness. We expect to incur charges related to this program through the second quarter of 2015.

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

During 2011, we announced plans to implement a significant restructuring of our Textile Effects segment, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the Textile Effects segment's long-term global competitiveness. In connection with this program, during 2014, our Textile Effects segment recorded charges of $19 million, including a $9 million noncash charge for a pension settlement loss. We expect to incur charges related to this program through 2015. In June 2014, we announced plans for the closure of our Qingdao, China plant to be completed by December 2015. During 2014, we recorded charges of $6 million primarily related to workforce reductions related to this initiative. We expect to incur charges related to this program through the end of 2016.

On December 1, 2014, we announced that we are taking significant action to improve the global competitiveness of our Pigments and Additives segment. As part of a comprehensive restructuring program, we plan to reduce our workforce by approximately 900 positions. In connection with this restructuring program, we recorded restructuring expense of $57 million in the fourth quarter of 2014 related primarily to workforce reductions. We expect to record additional restructuring expense in 2015 once negotiations of employee termination benefits with European works councils are completed.

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

During 2014, our Corporate and other segment recorded charges of $13 million primarily related to the reorganization of our global information technology organization. We expect to incur charges related to this program through the end of 2015.

2013 RESTRUCTURING ACTIVITIES

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

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

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

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

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

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

2012 Restructuring Activities

During 2012, our Polyurethanes segment implemented a restructuring program to reduce annualized fixed costs. In connection with this program, we recorded restructuring expenses of $38 million during 2012 primarily for workforce reductions.

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

During 2011, our Textile Effects segment began implementing a significant restructuring program, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the segment's long-term global competitiveness. In connection with this plan, during 2012, we recorded cash charges of $10 million, an $11 million noncash charge primarily for pension settlements and reversed charges of $7 million. Additionally, we reversed charges of $9 million for other initiatives.

12. OTHER NONCURRENT LIABILITIES

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

	December 31,	
	2014	2013
Pension liabilities	$ 965	$546
Other postretirement benefits	134	101
Environmental accruals	53	22
Restructuring and plant closing costs	49	58
Employee benefit accrual	39	38
Asset retirement obligations	26	28
Legal reserve	11	11
Other	170	144
Total	$1,447	$948

13. DEBT

Outstanding debt of consolidated entities consisted of the following (dollars in millions):

	December 31, 2014	December 31, 2013
Senior Credit Facilities:		
Term loans	$2,528	$1,351
Amounts outstanding under A/R programs	229	248
Senior notes	1,596	1,061
Senior subordinated notes	531	891
Variable interest entities	207	247
Other	109	112
Total debt—excluding debt to affiliates	$5,200	$3,910
Total current portion of debt	$ 267	$ 277
Long-term portion	4,933	3,633
Total debt—excluding debt to affiliates	$5,200	$3,910
Total debt—excluding debt to affiliates	$5,200	$3,910
Notes payable to affiliates-noncurrent	6	6
Total debt	$5,206	$3,916

DIRECT AND SUBSIDIARY DEBT

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

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

13. DEBT (Continued)

Senior Credit Facilities

As of December 31, 2014, our Senior Credit Facilities consisted of our Revolving Facility, our Extended Term Loan B, our Extended Term Loan B—Series 2, our 2014 New Term Loan, and Term Loan C as follows (dollars in millions):

Facility	Committed Amount	Principal Outstanding	Carrying Value	Interest Rate(3)	Maturity
Revolving Facility	$625	$ —(1)	$ —(1)	USD LIBOR plus 2.50%	2017
Extended Term Loan B	NA	952	952	USD LIBOR plus 2.50%	2017
Extended Term Loan B—Series 2	NA	339	339	USD LIBOR plus 2.75%	2017
2014 New Term Loan	NA	1,200	1,188	USD LIBOR plus 3.00%(2)	2021
Term Loan C	NA	50	49	USD LIBOR plus 2.25%	2016

(1) We had no borrowings outstanding under our Revolving Facility; we had approximately $16 million (U.S. dollar equivalents) of letters of credit and bank guarantees issued and outstanding under our Revolving Facility.

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

(3) The applicable interest rate of the Senior Credit Facilities is subject to certain secured leverage ratio thresholds. As of December 31, 2014, the weighted average interest rate on our outstanding balances under the Senior Credit Facilities was approximately 3%.

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

Amendment to the Credit Agreement

On October 15, 2013, Huntsman International entered into a tenth amendment to the agreement governing the Credit Agreement. The amendment, among other things, permitted us to incur a senior secured term loan facility in an aggregate principal amount of $1.2 billion, the 2014 New Term Loan, and to increase our Revolving Facility. In August 2014, we entered into the eleventh and twelfth amendments, which modified the Credit Agreement to initially fund the 2014 New Term Loan into escrow and completed the increase of our Revolving Facility by $200 million.

On October 1, 2014, the 2014 New Term Loan was used to fund the Rockwood Acquisition. See "Note 3. Business Combinations and Dispositions—Rockwood Acquisition." The 2014 New Term Loan matures on October 1, 2021 and will amortize in aggregate annual amounts equal to 1% of the original principal amount of the 2014 New Term Loan, payable quarterly commencing March 31, 2015. The 2014 New Term Loan bears interest at an interest rate margin of LIBOR plus 3.00% (subject to a 0.75% floor). The 2014 New Term Loan was recorded at a carrying value of $1,188 million as of October 1, 2014.

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

13. DEBT (Continued)

A/R Programs

Our A/R Programs are structured so that we grant a participating undivided interest in certain of our trade receivables to the U.S. SPE and the EU SPE. We retain the servicing rights and a retained interest in the securitized receivables. Information regarding our A/R Programs as of December 31, 2014 was as follows (monetary amounts in millions):

Facility	Maturity	Maximum Funding Availability(1)	Amount Outstanding	Interest Rate(2)(3)
U.S. A/R Program	April 2016	$250	$90(4)	Applicable rate plus 1.10%
EU A/R Program	April 2016	€225 (approximately $275)	€114 (approximately $139)	Applicable rate plus 1.35%

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

(2) Each interest rate is defined in the applicable agreements. In addition, the U.S. SPE and the EU SPE are obligated to pay unused commitment fees to the lenders based on the amount of each lender's commitment.

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

(4) As of December 31, 2014, we had approximately $7 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

As of December 31, 2014 and 2013, $472 million and $521 million, respectively, of accounts receivable were pledged as collateral under our A/R Programs.

Notes

As of December 31, 2014, we had outstanding the following notes (monetary amounts in millions):

Notes	Maturity	Interest Rate	Amount Outstanding
2020 Senior Notes	November 2020	4.875%	$650 ($647 carrying value)
2021 Senior Notes	April 2021	5.125%	€445 (€449 carrying value ($549))
2022 Senior Notes	November 2022	5.125%	$400
2021 Senior Subordinated Notes	March 2021	8.625%	$522 ($531 carrying value)

On November 13, 2014, Huntsman International issued $400 million aggregate principal amount of 2022 Senior Notes. We applied the net proceeds to redeem in full $350 million of its 2020 Senior Subordinated Notes, pay associated accrued interest and for general corporate purposes.

The 2022 Senior Notes bear interest at 5.125% per year, payable semi-annually on November 15 and May 15, and are due on November 15, 2022. We may redeem the 2022 Senior Notes in whole or in

13. DEBT (Continued)

part at any time prior to August 15, 2022 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest.

On June 2, 2014, pursuant to an indenture entered into on December 23, 2013, Huntsman International issued €145 million (approximately $197 million) aggregate principal amount of additional 2021 Senior Notes. The additional notes are recorded at carrying value €149 million (approximately $182 million) as of December 31, 2014.

The 2021 Senior Notes bear interest at 5.125% per year, payable semi-annually on April 15 and October 15, and are due on April 15, 2021. We may redeem the 2021 Senior Notes in whole or in part at any time prior to January 15, 2021 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest.

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

Redemption of Notes and Loss on Early Extinguishment of Debt

During the years ended December 31, 2014 and 2013, we redeemed or repurchased the following notes (dollars in millions):

Date of Redemption	Notes	Principal Amount of Notes Redeemed	Amount Paid (Excluding Accrued Interest)	Loss on Early Extinguishment of Debt
December 2014	2021 Senior Subordinated Notes	$ 8	$ 9	$—
November 28, 2014	2020 Senior Subordinated Notes	350	374	28
March 4, 2013	2016 Senior Notes	200	200	34

Variable Interest Entity Debt

As of December 31, 2014, Arabian Amines Company had $158 million outstanding under its loan commitments and debt financing arrangements. Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with payment and other obligations under these loan commitments. We do not guarantee these loan commitments and Arabian Amines Company is not a guarantor of any of our other debt obligations, and the noncompliance with these financial covenants does not affect any of our other debt obligations. We are currently in discussions with the lenders under these loan commitments and expect to resolve the noncompliance. As of December 31, 2014, the

13. DEBT (Continued)

amounts outstanding under these loan commitments were classified as current on the accompanying consolidated balance sheets.

As of December 31, 2014, Sasol-Huntsman, our consolidated 50%-owned venture has €40 million (approximately $49 million) outstanding under the term loan facility. The facility will be repaid over semiannual installments with the final repayment scheduled for December 2018. Obligations under the facility agreement are secured by, among other things, first priority right on the property, plant and equipment of Sasol-Huntsman.

COMPLIANCE WITH COVENANTS

We believe that we are in compliance with the covenants contained in the agreements governing our material debt instruments, including our Senior Credit Facilities, our A/R Programs and our notes. However, Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with certain financial covenants contained under its loan commitments. See "—Variable Interest Entity Debt" above.

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

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

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

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

13. DEBT (Continued)

MATURITIES

The scheduled maturities of our debt (excluding debt to affiliates) by year as of December 31, 2014 are as follows (dollars in millions):

Year ending December 31	
2015	$ 267
2016	322
2017	1,293
2018	25
2019	14
Thereafter	3,279
	$5,200

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

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

INTEREST RATE RISKS

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

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

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

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

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

December 31, 2013				
Notional Value	Effective Date	Maturity	Fixed Rate	Fair Value
$50	December 2009	December 2014	2.6%	$1 current liability
50	January 2010	January 2015	2.8%	1 current liability
50	December 2014	April 2017	2.5%	1 noncurrent liability
50	January 2015	April 2017	2.5%	2 noncurrent liability

In 2009, Sasol-Huntsman, our consolidated 50% owned joint venture, entered into derivative transactions to hedge the variable interest rate associated with its local credit facility. These derivative rate hedges include a floating to fixed interest rate contract providing Sasol-Huntsman with EURIBOR interest payments for a fixed payment of 3.62% and a cap for future periods with a strike price of 3.62%. As of December 31, 2014, the interest rate contracts expired and we have only the remaining interest cap for future periods until December 2018. In connection with the consolidation of Sasol-Huntsman as of April 1, 2011, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the interest rate caps as of December 31, 2014 was €22 million (approximately $27 million) and the derivative transactions do not qualify for hedge accounting. As of December 31, 2014 and 2013, the fair value of this hedge was nil and €1 million (approximately $1 million), respectively, and was recorded in other noncurrent liabilities on the accompanying consolidated balance sheets. For 2014 and 2013, we recorded a reduction of interest expense of €1 million (approximately $1 million) and €1 million (approximately $2 million), respectively, due to changes in the fair value of the swap.

Beginning in 2009, Arabian Amines Company entered into a 12-year floating to fixed interest rate contract providing for a receipt of LIBOR interest payments for a fixed payment of 5.02%. In connection with the consolidation of Arabian Amines Company as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the swap as of December 31, 2014 was $28 million, and the interest rate contract is not designated as a cash flow hedge. As of December 31, 2014 and 2013, the fair value of the swap was $3 million and $4 million, respectively, and was recorded as other current liabilities on our consolidated balance sheets. For 2014 and 2013, we recorded a reduction of interest expense of $1 million and $2 million, respectively, due to changes in fair value of the swap. As of December 31, 2014 Arabian Amines Company was not in compliance with certain financial covenants contained in its loan commitments. For more information, see "Note 13. Debt—Direct and Subsidiary Debt—Variable Interest Entity Debt."

For the years ended December 31, 2014 and 2013, the changes in accumulated other comprehensive gain (loss) associated with these cash flow hedging activities were approximately $2 million and $(3) million, respectively.

During 2015, accumulated other comprehensive loss of nil is expected to be reclassified to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Foreign Exchange Rate Risk

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2014 and 2013, we had approximately $179 million and $193 million notional amount (in U.S. dollar equivalents) outstanding, respectively, in foreign currency contracts with a term of approximately one month.

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

In conjunction with the issuance of our 2020 Senior Subordinated Notes, we entered into cross-currency interest rate contracts with three counterparties. On March 17, 2010, we made payments of $350 million to these counterparties and received €255 million from these counterparties, and on maturity (March 15, 2015) we are required to pay €255 million to these counterparties and will receive $350 million from these counterparties. On March 15 and September 15 of each year, we will receive U.S. dollar interest payments of approximately $15 million (equivalent to an annual rate of 8.625%) and make interest payments of approximately €11 million (equivalent to an annual rate of approximately 8.41%). This swap is designated as a hedge of net investment for financial reporting purposes. As of December 31, 2014 and 2013, the fair value of this swap was $43 million and $2 million, respectively, and was recorded in current assets. On February 11, 2015, we terminated $200 million notional amounts of these cross-currency interest rate contracts and received a $37 million payment from the counterparty.

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

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

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

We review our non-U.S. dollar denominated debt and derivative instruments to determine the appropriate amounts designated as hedges. As of December 31, 2014, we have designated approximately €655 million (approximately $800 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2014, 2013 and 2012, the amount of gain (loss) recognized on the hedge of our net investment was $97 million, $(22) million and $(11) million, respectively, and was recorded in other comprehensive (loss) income. As of December 31, 2014, we had approximately €1,516 million (approximately $1,851 million) in net euro assets.

Commodity Prices Risk

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

15. FAIR VALUE

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

	December 31,			
	2014		2013	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Non-qualified employee benefit plan investments	$ 22	$ 22	$ 21	$ 21
Cross-currency interest rate contacts	48	48	2	2
Interest rate contracts	(7)	(7)	(10)	(10)
Long-term debt (including current portion)	(5,200)	(5,210)	(3,910)	(4,010)

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

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2014 and 2013. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since December 31, 2014, and current estimates of fair value may differ significantly from the amounts presented herein.

15. FAIR VALUE (Continued)

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

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

Description	December 31, 2013	Fair Value Amounts Using: Quoted prices in active markets for identical assets (Level 1)(3)	Significant other observable inputs (Level 2)(3)	Significant unobservable inputs (Level 3)
Assets:				
Available-for sale equity securities:				
Equity mutual funds	$ 21	$21	$ —	$—
Derivatives:				
Cross-currency interest rate contracts(1)	2	—	2	—
Total assets	$ 23	$21	$ 2	$—
Liabilities:				
Derivatives:				
Interest rate contracts(2)	$(10)	$—	$(10)	$—

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

In November 2014, we entered into two five year cross-currency interest rate contracts and one eight year cross-currency interest rate contract. These instruments have been categorized by us as Level 3 within the fair value hierarchy due to unobservable inputs associated with the credit valuation adjustment, which we deemed to be significant inputs to the overall measurement of fair value at inception.

(2) The income approach is used to calculate the fair value of these instruments. Fair value represents the present value of estimated future cash flows, calculated using relevant interest rates and yield

15. FAIR VALUE (Continued)

curves at stated intervals. There were no material changes to the valuation methods or assumptions used to determine the fair value during the current period.

(3) There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2014 and 2013.

The following table shows a reconciliation of beginning and ending balances for the year ended December 31, 2014 for instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (dollars in millions). During the year ended December 31, 2013, there were no instruments categorized as Level 3 within the fair value hierarchy.

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

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

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

We also have assets that under certain conditions are subject to measurement at fair value on a non-recurring basis. These assets include property, plant and equipment and those associated with acquired businesses, including goodwill and intangible assets. For these assets, measurement at fair value in periods subsequent to their initial recognition is applicable if one or more is determined to be impaired. During 2014 and 2013, we recorded charges of $26 million and nil, respectively, for the impairment of long-lived assets.

16. EMPLOYEE BENEFIT PLANS

Defined Benefit and Other Postretirement Benefit Plans

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

During 2013, we amended the Plan which enabled us to transfer some benefit amounts out of the Huntsman Supplemental Executive Retirement Plan (the "SERP") to the Plan as permitted by the IRS rules. There was no impact to the overall projected benefit obligation to the Company as a result of this amendment.

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

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

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

During 2013, we amended certain of our postretirement benefit plans to discontinue subsidizing the cost of health care coverage for retirees who are eligible for Medicare. As a result of this amendment, our projected benefit obligation decreased by $22 million with an offset to other comprehensive income (loss) during the year ended December 31, 2013.

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act. On March 30, 2010, President Obama signed into law a reconciliation measure, the Health Care and Education Reconciliation Act of 2010. The passage of this legislation has resulted in comprehensive reform of health care in the U.S. We do not believe that this will have a significant impact on our financial position.

Beginning July 1, 2014, the Huntsman Defined Benefit Pension Plan was closed to new non-union entrants. New, non-union entrants will be provided with a defined contribution plan with a non-discretionary employer contribution and a company match.

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

16. EMPLOYEE BENEFIT PLANS (Continued)

The following table sets forth the funded status of the plans and the amounts recognized in our consolidated balance sheets at December 31, 2014 and 2013 (dollars in millions):

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2014		2013		2014		2013	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Change in benefit obligation								
Benefit obligation at beginning of year	$ 877	$2,859	$ 958	$2,755	$ 105	$ 5	$ 136	$ 7
Service cost	27	32	31	38	3	—	4	—
Interest cost	45	102	40	90	5	—	5	—
Participant contributions	—	7	—	9	3	—	5	—
Plan amendments	—	(6)	—	1	—	—	(22)	—
Acquisitions/divestitures	9	333	—	—	3	—	—	—
Foreign currency exchange rate changes	—	(294)	—	92	—	—	—	(1)
Curtailments	—	(1)	—	(5)	—	—	—	—
Special termination benefits	—	3	—	9	—	—	—	—
Actuarial loss (gain)	129	458	(100)	39	30	1	(9)	—
Benefits paid	(86)	(176)	(52)	(169)	(12)	—	(14)	(1)
Benefit obligation at end of year	$1,001	$3,317	$ 877	$2,859	$ 137	$ 6	$ 105	$ 5
Change in plan assets								
Fair value of plan assets at beginning of year	$ 755	$2,443	$ 636	$2,237	$ —	$—	$ —	$—
Actual return on plan assets	41	337	99	198	—	—	—	—
Foreign currency exchange rate changes	—	(235)	—	79	—	—	—	—
Participant contributions	—	7	—	9	3	—	5	—
Acquisitions/divestitures	6	106	—	—	—	—	—	—
Company contributions	45	105	72	89	9	—	9	1
Benefits paid	(86)	(176)	(52)	(169)	(12)	—	(14)	(1)
Fair value of plan assets at end of year	$ 761	$2,587	$ 755	$2,443	$ —	$—	$ —	$—
Funded status								
Fair value of plan assets	$ 761	$2,587	$ 755	$2,443	$ —	$—	$ —	$—
Benefit obligation	1,001	3,317	877	2,859	137	6	105	5
Accrued benefit cost	$ (240)	$ (730)	$(122)	$ (416)	$(137)	$ (6)	$(105)	$(5)
Amounts recognized in balance sheet:								
Noncurrent asset	$ —	$ 8	$ —	$ 20	$ —	$—	$ —	$—
Current liability	(6)	(7)	(6)	(6)	(9)	—	(9)	—
Noncurrent liability	(234)	(731)	(116)	(430)	(128)	(6)	(96)	(5)
	$ (240)	$ (730)	$(122)	$ (416)	$(137)	$ (6)	$(105)	$(5)

16. EMPLOYEE BENEFIT PLANS (Continued)

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2014		2013		2014		2013	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Amounts recognized in accumulated other comprehensive loss:								
Net actuarial loss	$390	$916	$264	$705	$ 50	$ 1	$ 21	$—
Prior service cost	(29)	(2)	(35)	5	(23)	—	(27)	—
	$361	$914	$229	$710	$ 27	$ 1	$ (6)	$—

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

	Defined Benefit Plans		Other Postretirement Benefit Plans	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Actuarial loss	$31	$45	$ 3	$—
Prior service cost	(6)	—	(3)	—
Total	$25	$45	$—	$—

Components of net periodic benefit costs for the years ended December 31, 2014, 2013 and 2012 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2014	2013	2012	2014	2013	2012
Service cost	$ 27	$ 31	$ 26	$ 32	$ 38	$ 32
Interest cost	45	40	42	102	90	102
Expected return on plan assets	(56)	(50)	(48)	(138)	(124)	(133)
Amortization of prior service cost	(6)	(7)	(6)	—	1	(1)
Amortization of actuarial loss	19	35	21	34	43	23
Settlement loss	—	—	—	13	12	13
Special termination benefits	—	—	—	3	9	—
Net periodic benefit cost	$ 29	$ 49	$ 35	$ 46	$ 69	$ 36

16. EMPLOYEE BENEFIT PLANS (Continued)

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2014	2013	2012	2014	2013	2012
Service cost	$ 3	$ 4	$ 4	$—	$—	$—
Interest cost	5	5	7	—	—	1
Amortization of prior service cost	(4)	(2)	(3)	—	—	—
Amortization of actuarial loss	1	2	2	—	—	—
Net periodic benefit cost	$ 5	$ 9	$10	$—	$—	$ 1

The amounts recognized in net periodic benefit cost and other comprehensive income (loss) as of December 31, 2014, 2013 and 2012 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2014	2013	2012	2014	2013	2012
Current year actuarial loss (gain)	$144	$(149)	$103	$257	$(40)	$272
Amortization of actuarial loss	(19)	(35)	(21)	(34)	(43)	(23)
Current year prior service (credits) cost	—	—	(26)	(6)	1	—
Amortization of prior service cost (credits)	6	7	6	—	(1)	1
Settlements	—	—	—	(13)	(12)	(13)
Total recognized in other comprehensive loss (income)	131	(177)	62	204	(95)	237
Net periodic benefit cost	29	49	35	46	69	36
Total recognized in net periodic benefit cost and other comprehensive (loss) income	$160	$(128)	$ 97	$250	$(26)	$273

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2014	2013	2012	2014	2013	2012
Current year actuarial loss (gain)	$30	$ (8)	$ 9	$ 1	$(1)	$—
Amortization of actuarial loss	(1)	(2)	(2)	—	—	—
Current year prior service credit	—	(22)	—	—	—	—
Amortization of prior service cost	4	2	3	—	—	—
Total recognized in other comprehensive loss (income)	33	(30)	10	1	(1)	—
Net periodic benefit cost	5	9	10	—	—	1
Total recognized in net periodic benefit cost and other comprehensive (loss) income	$38	$(21)	$20	$ 1	$(1)	$ 1

16. EMPLOYEE BENEFIT PLANS (Continued)

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

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2014	2013	2012	2014	2013	2012
Projected benefit obligation						
Discount rate	4.25%	5.13%	4.18%	2.48%	3.62%	3.38%
Rate of compensation increase	4.16%	4.17%	4.19%	3.23%	3.37%	3.34%
Net periodic pension cost						
Discount rate	5.13%	4.18%	5.30%	3.62%	3.38%	4.39%
Rate of compensation increase	4.17%	4.19%	3.88%	3.37%	3.34%	3.44%
Expected return on plan assets	7.75%	7.75%	8.00%	5.82%	5.75%	6.52%

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2014	2013	2012	2014	2013	2012
Projected benefit obligation						
Discount rate	4.17%	4.79%	3.89%	6.44%	6.49%	5.79%
Net periodic pension cost						
Discount rate	4.79%	3.89%	5.09%	6.49%	5.79%	6.09%

At December 31, 2014 and 2013, the health care trend rate used to measure the expected increase in the cost of benefits was assumed to be 6.5% and 7.0%, respectively, decreasing to 5% after 2018. Assumed health care cost trend rates can have a significant effect on the amounts reported for the postretirement benefit plans. A one-percent point change in assumed health care cost trend rates would have the following effects (dollars in millions):

	Increase	Decrease
Asset category		
Effect on total of service and interest cost	$1	$(1)
Effect on postretirement benefit obligation	7	(5)

The projected benefit obligation and fair value of plan assets for the defined benefit plans with projected benefit obligations in excess of plan assets as of December 31, 2014 and 2013 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2014	2013	2014	2013
Projected benefit obligation in excess of plan assets				
Projected benefit obligation	$1,002	$871	$2,945	$2,234
Fair value of plan assets	761	749	2,206	1,797

16. EMPLOYEE BENEFIT PLANS (Continued)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the defined benefit plans with an accumulated benefit obligation in excess of plan assets as of December 31, 2014 and 2013 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2014	2013	2014	2013
Accumulated benefit obligation in excess of plan assets				
Projected benefit obligation	$1,002	$871	$2,253	$1,868
Accumulated benefit obligation	980	853	2,108	1,732
Fair value of plan assets	761	749	1,554	1,451

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

	U.S. Plans		Non-U.S. Plans	
	Defined Benefit Plans	Other Postretirement Benefit Plans	Defined Benefit Plans	Other Postretirement Benefit Plans
2015 expected employer contributions				
To plan trusts	$ 17	$ 9	$ 75	$—
Expected benefit payments				
2015	63	10	140	—
2016	67	10	119	—
2017	60	10	121	—
2018	61	10	126	—
2019	64	10	130	—
2020 - 2024	342	45	698	2

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

Our pension plan assets are managed by outside investment managers. The investment managers value our plan assets using quoted market prices, other observable inputs or unobservable inputs. For certain assets, the investment managers obtain third-party appraisals at least annually, which use valuation techniques and inputs specific to the applicable property, market, or geographic location. During 2014, there were no transfers in or out of Level 3 assets.

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

16. EMPLOYEE BENEFIT PLANS (Continued)

The fair value of plan assets for the pension plans was $3.3 billion and $3.2 billion at December 31, 2014 and 2013, respectively. The following plan assets are measured at fair value on a recurring basis (dollars in millions):

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

		Fair Value Amounts Using		
Asset category	December 31, 2013	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. pension plans:				
Equities	$ 428	$ 245	$ 183	$—
Fixed income	208	88	120	—
Real estate/other	92	45	—	47
Cash	27	27	—	—
Total U.S. pension plan assets	$ 755	$ 405	$ 303	$47
Non-U.S. pension plans:				
Equities	$1,053	$ 580	$ 473	$—
Fixed income	908	668	240	—
Real estate/other	400	30	341	29
Cash	82	80	2	—
Total Non-U.S. pension plan assets	$2,443	$1,358	$1,056	$29

16. EMPLOYEE BENEFIT PLANS (Continued)

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

Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3)	Real Estate/Other Year ended December 31, 2014	Year ended December 31, 2013
Balance at beginning of period	$76	$68
Return on pension plan assets	5	6
Purchases, sales and settlements	6	2
Transfers (out of) into Level 3	—	—
Acquisition date fair value of pension plan assets acquired	9	—
Balance at end of period	$96	$76

Based upon historical returns, the expectations of our investment committee and outside advisors, the expected long-term rate of return on the pension assets is estimated to be between 5.75% and 8.00%. The asset allocation for our pension plans at December 31, 2014 and 2013 and the target allocation for 2015, by asset category are as follows:

Asset category	Target Allocation 2015	Allocation at December 31, 2014	Allocation at December 31, 2013
U.S. pension plans:			
Equities	54%	60%	57%
Fixed income	33%	28%	27%
Real estate/other	13%	11%	12%
Cash	—	1%	4%
Total U.S. pension plans	100%	100%	100%
Non-U.S. pension plans:			
Equities	37%	36%	38%
Fixed income	46%	47%	40%
Real estate/other	11%	15%	11%
Cash	6%	2%	11%
Total non-U.S. pension plans	100%	100%	100%

Equity securities in our pension plans did not include any equity securities of our Company or our affiliates at the end of 2014.

DEFINED CONTRIBUTION PLANS—U.S.

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

16. EMPLOYEE BENEFIT PLANS (Continued)

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

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

Our total combined expense for the above defined contribution plans for each of the years ended December 31, 2014, 2013 and 2012 was $15 million, $14 million and $14 million, respectively.

Defined Contribution Plans—Non-U.S.

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

Our total combined expense for these defined contribution plans for the years ended December 31, 2014, 2013 and 2012 was $14 million each, primarily related to the Huntsman UK Pension Plan.

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

Supplemental Salary Deferral Plan and Supplemental Executive Retirement Plan

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

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

Assets of these plans are included in other noncurrent assets and as of December 31, 2014 and 2013 were $24 million and $21 million, respectively. During each of the years ended December 31, 2014, 2013 and 2012, we expensed a total of $1 million as contributions to the Huntsman SSP and the SERP.

16. EMPLOYEE BENEFIT PLANS (Continued)

Stock-based Incentive Plan

In connection with the initial public offering of common and preferred stock on February 16, 2005, we adopted the Huntsman Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan permits the grant of non-qualified stock options, incentive stock options, stock appreciation rights, nonvested stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. As of December 31, 2014 we are authorized to grant up to 37.2 million shares under the Stock Incentive Plan. See "Note 21. Stock-Based Compensation Plan."

International Plans

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

17. INCOME TAXES

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

	Year ended December 31,		
	2014	2013	2012
Income tax expense (benefit):			
U.S.			
Current	$ 55	$ 75	$156
Deferred	(4)	79	17
Non-U.S.			
Current	48	42	51
Deferred	(48)	(71)	(55)
Total	$ 51	$125	$169

17. INCOME TAXES (Continued)

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

	Year ended December 31,		
	2014	2013	2012
Income from continuing operations before income taxes	$404	$279	$547
Expected tax expense at U.S. statutory rate of 35%	$142	$ 98	$192
Change resulting from:			
State tax expense net of federal benefit	10	11	15
Non-U.S. tax rate differentials	(7)	10	1
Effects of non-U.S. operations	3	1	(2)
U.S. domestic manufacturing deduction	(14)	(14)	(16)
Currency exchange gains and losses	(7)	14	11
Effect of tax holidays	—	—	(12)
U.S. foreign tax credits, net of associated income and taxes	(2)	(86)	(21)
Tax benefit of losses with valuation allowances as a result of other comprehensive income	(7)	(22)	—
Tax authority audits and dispute resolutions	3	9	5
Change in valuation allowance	(76)	100	(11)
Other, net	6	4	7
Total income tax expense	$ 51	$125	$169

During 2012, we amended certain prior year U.S. federal income tax filings and claimed $31 million of additional U.S. foreign tax credits. Due to uncertainty regarding our ability to utilize these credits before they were to expire in 2015, we established a partial valuation allowance of $21 million against the incremental deferred tax asset.

During 2013, we repatriated a significant amount of foreign earnings to the U.S., which included bringing onshore certain U.S. foreign tax credits. The foreign tax credits brought onshore significantly exceeded the amount needed to offset the cash tax impact of the dividend. A full valuation allowance was placed on the remaining foreign tax credits since it was more likely than not that the credits would expire unused due to a shortage of foreign source income for income tax purposes. In early 2014, the amount of foreign tax credits brought onshore was adjusted downward by $10 million, to $104 million, which was fully offset by a valuation allowance.

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

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

17. INCOME TAXES (Continued)

jurisdiction. The benefit in 2014 was largely attributable to the U.K and the benefit in 2013 was largely attributable to Switzerland. In both years, foreign currency gains and changes in pension related items resulted in income in other comprehensive income where we have a full valuation allowance against the net deferred tax asset. An offsetting income tax expense was recognized in accumulated other comprehensive loss.

We operate in over 40 non-U.S. tax jurisdictions with no specific country earning a predominant amount of our off-shore earnings. The vast majority of these countries have income tax rates that are lower than the U.S. statutory rate. The average statutory rate for countries with pre-tax losses was greater than the average statutory rate for countries with pre-tax income, resulting in a net benefit as compared to the U.S. statutory rate. For the year ended December 31, 2014, the tax rate differential resulted in lower tax expense of $7 million, reflected in the reconciliation above.

In certain non-U.S. tax jurisdictions, our U.S. GAAP functional currency is different than the local tax currency. As a result, foreign exchange will always result in an impact to tax expense. For 2014, this resulted in a $7 million tax benefit, as reflected in the reconciliation above.

During 2012, we were granted a tax holiday for the period from January 1, 2012 through December 31, 2016 with respect to certain income from Pigments products manufactured in Malaysia. We are required to make certain investments in order to enjoy the benefits of the tax holiday and we intend to make these investments.

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

	Year ended December 31,		
	2014	2013	2012
U.S.	$435	$ 419	$482
Non-U.S.	(31)	(140)	65
Total	$404	$ 279	$547

17. INCOME TAXES (Continued)

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

	December 31, 2014	December 31, 2013
Deferred income tax assets:		
Net operating loss carryforwards	$ 875	$ 853
Pension and other employee compensation	313	197
Property, plant and equipment	109	72
Intangible assets	46	22
Foreign tax credits	17	114
Other, net	100	106
Total	$1,460	$1,364
Deferred income tax liabilities:		
Property, plant and equipment	$ (540)	$ (543)
Pension and other employee compensation	(2)	(6)
Other, net	(103)	(61)
Total	$ (645)	$ (610)
Net deferred tax asset before valuation allowance	$ 815	$ 754
Valuation allowance—net operating losses and other	(702)	(700)
Valuation allowance—foreign tax credits	—	(114)
Net deferred tax asset	$ 113	$ (60)
Current deferred tax asset	$ 62	$ 53
Current deferred tax liability	(51)	(43)
Non-current deferred tax asset	435	243
Non-current deferred tax liability	(333)	(313)
Net deferred tax asset	$ 113	$ (60)

We have gross NOLs of $3,411 million in various non-U.S. jurisdictions. While the majority of the non-U.S. NOLs have no expiration date, $1,174 million have a limited life (of which $910 million are subject to a valuation allowance) and $124 million are scheduled to expire in 2015 (all of which are subject to a valuation allowance). We had $14 million of gross NOLs expire unused in 2014 (all of which were subject to a valuation allowance).

Included in the $3,411 million of gross non-U.S. NOLs is $877 million attributable to our Luxembourg entities. As of December 31, 2014, there is a valuation allowance of $209 million against these net tax-effected NOLs of $255 million. Due to the uncertainty surrounding the realization of the benefits of these losses, we have reduced the related deferred tax asset with a valuation allowance.

We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed each period on a tax jurisdiction by jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses

17. INCOME TAXES (Continued)

and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective evidence such as our projections for the future. Our judgments regarding valuation allowances are also influenced by the costs and risks associated with any tax planning idea.

During 2014, we released valuation allowances of $111 million and established valuation allowances of $3 million. In the U.S. we released $94 million of valuation allowance on U.S. foreign tax credits as a result of making certain tax elections and filing amended U.S. tax returns and in Luxembourg we released a valuation allowance on $6 million of certain net deferred tax assets as a result of significant changes in estimated future taxable income resulting from increased intercompany receivables and, therefore, increased interest income in Luxembourg, our primary treasury center outside of the U.S. We established a valuation allowance of $3 million on certain net deferred tax assets in India as a result of closing operations in one legal entity which will more likely than not result in the loss of its net operating losses.

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

During 2012, we released valuation allowances of $24 million on a portion of our net deferred tax assets in China, in certain U.S. states and in Luxembourg, and we established valuation allowances of $23 million on certain net deferred tax assets in the U.S., India and Indonesia. Primarily as a result of a cumulative history of operating profits, we released the above noted valuation allowances in China and certain U.S. state tax jurisdictions. A partial valuation allowance release was recognized in Luxembourg for $12 million as a result of significant changes in estimated future taxable income resulting from increased intercompany debt and, therefore, increased interest income in Luxembourg.

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

17. INCOME TAXES (Continued)

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

	2014	2013	2012
Valuation allowance as of January 1	$814	$ 736	$756
Valuation allowance as of December 31	702	814	736
Net decrease	112	(78)	20
Foreign currency movements	(49)	16	7
(Decrease) increase to deferred tax assets with no impact on operating tax expense, including an offsetting (decrease) increase to valuation allowances	13	(38)	(16)
Change in valuation allowance per rate reconciliation	$ 76	$(100)	$ 11
Components of change in valuation allowance affecting tax expense:			
Pre-tax losses in jurisdictions with valuation allowances resulting in no tax expense or benefit	$(32)	$ (21)	$ 10
Releases of valuation allowances in various jurisdictions	111	16	24
Establishments of valuation allowances in various jurisdictions	(3)	(95)	(23)
Change in valuation allowance per rate reconciliation	$ 76	$(100)	$ 11

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

	2014	2013
Unrecognized tax benefits as of January 1	$ 96	$57
Gross increases and decreases—tax positions taken during a prior period	(18)	39
Gross increases and decreases—tax positions taken during the current period	1	11
Decreases related to settlements of amounts due to tax authorities	(5)	(3)
Reductions resulting from the lapse of statutes of limitation	(2)	(7)
Foreign currency movements	(4)	(1)
Unrecognized tax benefits as of December 31	$ 68	$96

As of December 31, 2014 and 2013, the amount of unrecognized tax benefits which, if recognized, would affect the effective tax rate is $36 million and $78 million, respectively.

During 2014, 2013, and 2012, for unrecognized tax benefits that impact tax expense, we recorded a net increase in unrecognized tax benefits with a corresponding income tax expense of $3 million, $9 million and $5 million, for each period. Additional decreases in unrecognized tax benefits were offset by cash settlements or by a decrease in net deferred tax assets and, therefore, did not affect income tax expense.

17. INCOME TAXES (Continued)

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

	Year ended December 31,		
	2014	2013	2012
Interest expense included in tax expense	$ 2	$ 2	$(1)
Penalties expense included in tax expense	—	(1)	—

	December 31,	
	2014	2013
Accrued liability for interest	$14	$13
Accrued liability for penalties	—	—

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

Tax Jurisdiction	Open Tax Years
China	2004 and later
France	2002 and later
India	2004 and later
Italy	2010 and later
Malaysia	2003 and later
Switzerland	2008 and later
The Netherlands	2009 and later
United Kingdom	2012 and later
United States federal (except for foreign tax credits)	2009 and later

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

We estimate that it is reasonably possible that certain of our non-U.S. unrecognized tax benefits could change within 12 months of the reporting date with a resulting decrease in the unrecognized tax benefits within a reasonably possible range of nil to $25 million. For the 12-month period from the reporting date, we would expect that a substantial portion of the decrease in our unrecognized tax benefits would result in a corresponding benefit to our income tax expense.

During 2014, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, China, France and Spain. During 2013, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, China, France and Italy. During 2012, we concluded and effectively settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, Hong Kong, Thailand and Japan.

17. INCOME TAXES (Continued)

For non-U.S. entities that were not treated as branches for U.S. tax purposes, we do not provide for income taxes on the undistributed earnings of these subsidiaries that are reinvested and, in the opinion of management, will continue to be reinvested indefinitely. We have material intercompany debt obligations owed by our non-U.S. subsidiaries to the U.S. We do not intend to repatriate earnings to the U.S. via dividend based on estimates of future domestic cash generation and our ability to return cash to the U.S. through payments of intercompany debt owned by our non-U.S. subsidiaries to the U.S. To the extent that cash is required in the U.S., rather than repatriate earnings to the U.S. via dividends, we will repay certain of our intercompany debt. If any earnings were repatriated via dividend, we may need to accrue and pay taxes on the distributions.

As discussed, we made a distribution of a portion of our earnings in 2013 when the amount of foreign tax credits associated with the distribution was greater than the amount of tax otherwise due. The undistributed earnings of foreign subsidiaries with positive earnings that are deemed to be permanently invested were approximately $307 million at December 31, 2014. It is not practicable to determine the unrecognized deferred tax liability on those earnings because of the significant assumptions necessary to compute the tax.

18. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

We have various purchase commitments extending through 2027 for materials, supplies and services entered into in the ordinary course of business. Included in the purchase commitments table below are contracts which require minimum volume purchases that extend beyond one year or are renewable annually and have been renewed for 2014. Certain contracts allow for changes in minimum required purchase volumes in the event of a temporary or permanent shutdown of a facility. To the extent the contract requires a minimum notice period, such notice period has been included in the table below. The contractual purchase prices for substantially all of these contracts are variable based upon market prices, subject to annual negotiations. We have estimated our contractual obligations by using the terms of our current pricing for each contract. We also have a limited number of contracts which require a minimum payment even if no volume is purchased. We believe that all of our purchase obligations will be utilized in our normal operations. For the years ended December 31, 2014, 2013 and 2012, we made minimum payments of nil, $7 million and nil, respectively, under such take or pay contracts without taking the product.

Total purchase commitments as of December 31, 2014 are as follows (dollars in millions):

Year ending December 31,	
2015	$1,365
2016	474
2017	205
2018	123
2019	58
Thereafter	190
	$2,415

18. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases

We lease certain railcars, aircraft, equipment and facilities under long-term lease agreements. The total expense recorded under operating lease agreements in our consolidated statements of operations is approximately $97 million, $80 million and $79 million for 2014, 2013 and 2012, respectively, net of sublease rentals of approximately $3 million, $4 million and $4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Future minimum lease payments under operating leases as of December 31, 2014 are as follows (dollars in millions):

Year ending December 31,	
2015	$ 94
2016	83
2017	75
2018	71
2019	59
Thereafter	152
	$534

Future minimum lease payments have not been reduced by minimum sublease rentals of $16 million due in the future under noncancelable subleases.

Legal Matters

Antitrust Matters

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

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

18. COMMITMENTS AND CONTINGENCIES (Continued)

We were also named as a defendant in a class action civil antitrust suit filed on March 15, 2013 in the U.S. District Court for the Northern District of California by the purchasers of products made from titanium dioxide (the "Indirect Purchasers") making essentially the same allegations as did the Direct Purchasers. On October 14, 2014, Plaintiffs filed their Second Amended Class Action Complaint narrowing the class of plaintiffs to those merchants and consumers of architectural coatings containing titanium dioxide. Plaintiffs have raised state antitrust claims under the laws of 16 states, consumer protection claims under the laws of 10 states, as well as unjust enrichment claims under the laws of 20 states. The Opt-Out Litigation and Indirect Purchasers plaintiffs seek to recover injunctive relief, treble damages or the maximum damages allowed by state law, costs of suit and attorneys' fees. We are not aware of any illegal conduct by us or any of our employees. Nevertheless, we have incurred costs relating to these claims and could incur additional costs in amounts which in the aggregate could be material to us. Because of the overall complexity of these cases, we are unable to reasonably estimate any possible loss or range of loss associated with these claims and we have made no accruals with respect to these claims.

Product Delivery Claim

We have been notified by a customer of potential claims related to our alleged delivery of a different product than the one the customer had ordered. Our customer claims that it was unaware that the different product had been delivered until after that product had been used to manufacture materials which were subsequently sold. Originally, the customer stated that it had been notified of claims by its customers of up to an aggregate of €153 million (approximately $187 million) relating to this matter and claimed that we may be responsible for all or a portion of these potential claims. Our customer has since resolved some of these claims and the aggregate amount of the current claims is now approximately €113 million (approximately $138 million). Based on the facts currently available, we believe that we are insured for any liability we may ultimately have in excess of $10 million. However, no assurance can be given regarding our ultimate liability or costs. We believe our range of possible loss in this matter is between €0 and €113 million (approximately $138 million), and we have made no accrual with respect to this matter.

Indemnification Matters

On July 3, 2012, Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC, demanded that we indemnify them for claims brought against them by certain MatlinPatterson entities that were formerly our stockholders ("MatlinPatterson") in litigation filed by MatlinPatterson on June 19, 2012 in the 9th District Court in Montgomery County, Texas (the "Texas Litigation"). The Banks assert that they are entitled to indemnification pursuant to the Agreement of Compromise and Settlement between the Banks and our Company, dated June 22, 2009, wherein the Banks and our Company settled claims that we filed relating to the failed acquisition by and merger with Hexion. MatlinPatterson claims that the Banks knowingly made materially false representations about the nature of the financing for the acquisition of our Company by Hexion and that they suffered substantial loss in value to their 19 million shares of our common stock as a result thereof. MatlinPatterson is asserting statutory fraud, common law fraud and aiding and abetting statutory fraud and are seeking actual damages, exemplary damages, costs and attorney's fees and pre-judgment and post-judgment interest. On December 21, 2012, the court dismissed the Texas Litigation, a decision which was affirmed by the Ninth Court of Appeals of Texas on May 15, 2014. A subsequent motion for rehearing by

18. COMMITMENTS AND CONTINGENCIES (Continued)

MatlinPatterson was denied by the same appellate court on June 12, 2014. A petition for discretionary review in the Texas Supreme Court was filed on July 28, 2014 and is currently pending.

On July 14, 2014, the Banks demanded that we indemnify them for additional claims brought against them by certain other former Company stockholders in litigation filed June 14, 2014 in the United States District Court for the Eastern District of Wisconsin (the "Wisconsin Litigation"). The stockholders in the Wisconsin Litigation have made essentially the same allegations as MatlinPatterson made in the Texas Litigation and, additionally, have named Apollo Global Management LLC and Apollo Management Holdings, L.P. as defendants. Stockholder plaintiffs in the Wisconsin Litigation assert claims for misrepresentation and conspiracy to defraud. On December 23, 2014, the Banks filed motions to dismiss the Wisconsin Litigation on the same grounds asserted in the Texas Litigation. The court has not ruled on these motions. We denied the Banks' indemnification demand for both the Texas Litigation and the Wisconsin Litigation.

Other Proceedings

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

19. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

General

We are subject to extensive federal, state, local and international laws, regulations, rules and ordinances relating to safety, pollution, protection of the environment, product management and distribution, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. In the ordinary course of business, we are subject to frequent environmental inspections and monitoring and occasional investigations by governmental enforcement authorities. In addition, our production facilities require operating permits that are subject to renewal, modification and, in certain circumstances, revocation. Actual or alleged violations of safety laws, environmental laws or permit requirements could result in restrictions or prohibitions on plant operations or product distribution, substantial civil or criminal sanctions, as well as, under some environmental laws, the assessment of strict liability and/or joint and several liability. Moreover, changes in environmental regulations could inhibit or interrupt our operations, or require us to modify our facilities or operations. Accordingly, environmental or regulatory matters may cause us to incur significant unanticipated losses, costs or liabilities.

Environmental, Health and Safety Systems

We are committed to achieving and maintaining compliance with all applicable EHS legal requirements, and we have developed policies and management systems that are intended to identify the multitude of EHS legal requirements applicable to our operations, enhance compliance with applicable legal requirements, improve the safety of our employees, contractors, community neighbors and customers and minimize the production and emission of wastes and other pollutants. Although EHS legal requirements are constantly changing and are frequently difficult to comply with, these EHS

19. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)

management systems are designed to assist us in our compliance goals while also fostering efficiency and improvement and reducing overall risk to us.

EHS Capital Expenditures

We may incur future costs for capital improvements and general compliance under EHS laws, including costs to acquire, maintain and repair pollution control equipment. For the years ended December 31, 2014, 2013 and 2012, our capital expenditures for EHS matters totaled \$125 million, \$92 million, and \$105 million, respectively. Because capital expenditures for these matters are subject to evolving regulatory requirements and depend, in part, on the timing, promulgation and enforcement of specific requirements, our capital expenditures for EHS matters have varied significantly from year to year and we cannot provide assurance that our recent expenditures are indicative of future amounts we may spend related to EHS and other applicable laws.

We have incurred, and we may in the future incur, liability to investigate and clean up waste or contamination at our current or former facilities or facilities operated by third parties at which we may have disposed of waste or other materials. Similarly, we may incur costs for the cleanup of waste that was disposed of prior to the purchase of our businesses. Under some circumstances, the scope of our liability may extend to damages to natural resources.

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

One of these sites, the North Maybe Canyon Mine site, involves a former phosphorous mine near Soda Springs, Idaho, which is believed to have been operated by several companies, including a predecessor company to us. In 2004, the U.S. Forest Service notified us that we are a CERCLA PRP for contamination originating from the site. In February 2010, we and Wells Cargo (another PRP) agreed to conduct a Remedial Investigation/Feasibility Study of a portion of the site and are currently engaged in that process. At this time, we are unable to reasonably estimate our potential liabilities at this site.

Another of these sites, the Star Lake Canal site in Port Neches, TX, involves a discharge point for manufacturing facilities owned by us and several other local chemical manufacturers. The EPA issued a draft Consent Decree related to cleanup at this site to us and a prior owner in September 2014. The prior owner has an indemnification obligation and has accepted defense of this matter. As of December 31, 2014, we had an accrued liability of approximately \$18 million relating to this matter and a corresponding receivable of approximately \$18 million relating to our indemnity protection.

In addition, under RCRA in the U.S. and similar state laws, we may be required to remediate contamination originating from our properties as a condition to our hazardous waste permit. Some of

19. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)

our manufacturing sites have an extended history of industrial chemical manufacturing and use, including on-site waste disposal. We are aware of soil, groundwater or surface contamination from past operations at some of our sites, and we may find contamination at other sites in the future. For example, our Port Neches, Texas, and Geismar, Louisiana, facilities are the subject of ongoing remediation requirements imposed under RCRA. Similar laws exist in a number of locations in which we currently operate, or previously operated, manufacturing facilities, such as Australia, India, France, Hungary and Italy.

By letter dated March 7, 2006, our former Base Chemicals and Polymers facility in West Footscray, Australia was issued a cleanup notice by EPA Victoria due to concerns about soil and groundwater contamination emanating from the site. On August 23, 2010, EPA Victoria revoked a second cleanup notice and issued a revised notice that included a requirement for financial assurance for the remediation. As of December 31, 2014, we had an accrued liability of approximately $19 million related to estimated environmental remediation costs at this site. We can provide no assurance that the authority will not seek to institute additional requirements for the site or that additional costs will not be required for the cleanup.

In many cases, our potential liability arising from historical contamination is based on operations and other events occurring prior to our ownership of a business or specific facility. In these situations, we frequently obtained an indemnity agreement from the prior owner addressing remediation liabilities arising from pre-closing conditions. We have successfully exercised our rights under these contractual covenants for a number of sites and, where applicable, mitigated our ultimate remediation liability. We cannot assure you, however, that the liabilities for all such matters subject to indemnity will be honored by the prior owner or that our existing indemnities will be sufficient to cover our liabilities for such matters.

Based on available information and the indemnification rights we believe are likely to be available, we believe that the costs to investigate and remediate known contamination will not have a material effect on our financial statements. However, if such indemnities are not honored or do not fully cover the costs of investigation and remediation or we are required to contribute to such costs, then such expenditures may have a material effect on our financial statements. At the current time, we are unable to estimate the total cost, exclusive of indemnification benefits, to remediate any of the known contamination sites.

ENVIRONMENTAL RESERVES

We have accrued liabilities relating to anticipated environmental cleanup obligations, site reclamation and closure costs and known penalties. Liabilities are recorded when potential liabilities are either known or considered probable and can be reasonably estimated. Our liability estimates are calculated using present value techniques as appropriate and are based upon requirements placed upon us by regulators, available facts, existing technology and past experience. The environmental liabilities do not include amounts recorded as asset retirement obligations. We had accrued $60 million and $27 million for environmental liabilities as of December 31, 2014 and 2013, respectively. Of these amounts, $7 million and $5 million were classified as accrued liabilities in our consolidated balance sheets as of December 31, 2014 and 2013, respectively, and $53 million and $22 million were classified as other noncurrent liabilities in our consolidated balance sheets as of December 31, 2014 and 2013, respectively. In certain cases, our remediation liabilities may be payable over periods of up to 30 years.

19. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)

We may incur losses for environmental remediation in excess of the amounts accrued; however, we are not able to estimate the amount or range of such potential excess.

On October 1, 2014, the Company completed the Rockwood Acquisition. The properties involved in the transaction are located primarily in China, Finland, Germany, Italy, the United Kingdom and the U.S., and include both owned and leased sites. The existence of soil and groundwater contamination from historical industrial operations is known to exist at some of these new properties. As of December 31, 2014, these newly acquired businesses had accrued $17 million for environmental liabilities (including remediations, investigations, groundwater monitoring, and reclamation obligations associated with landfill operations). Of this amount, $3 million was classified as accrued liabilities and $14 million was classified as other noncurrent liabilities. In certain cases, these remediation liabilities may be payable over periods of up to 30 years. The Company is currently evaluating these new reserve amounts in relation to similar reserves recorded by the Company in the past, as well as within the context of the terms of the acquisition agreements. Pursuant to the agreements related to the Rockwood Acquisition, Rockwood has agreed to indemnify us for certain environmental matters.

REGULATORY DEVELOPMENTS

The European Union regulatory framework for chemicals, called "REACH," became effective in 2007 and is designed to be phased in gradually over 11 years. As a REACH-regulated company that manufactures in or imports more than one metric ton per year of a chemical substance into the European Economic Area, we were required to pre-register with the European Chemicals Agency such chemical substances and isolated intermediates to take advantage of the 11 year phase-in period. To meet our compliance obligations, a cross-business REACH team was established, through which we were able to fulfill all required pre-registrations, our first phase registrations by the November 30, 2010 deadline and our second phase registrations by the May 31, 2013 deadline. While we continue our registration efforts to meet the next registration deadline of May 31, 2018, our REACH implementation team is now strategically focused on the evaluation and authorization phases of the REACH process, directing its efforts to address "Substances of Very High Concern" and evaluating potential business implications. Where warranted, evaluation of substitute chemicals will be an important element of our ongoing manufacturing sustainability efforts. As a chemical manufacturer with global operations, we are also actively monitoring and addressing analogous regulatory regimes being considered or implemented outside of the European Union, such as in Korea and Taiwan.

Although the total long-term cost for REACH compliance is unknown at this time, we spent approximately $5 million, $4 million and $8 million in 2014, 2013 and 2012, respectively, to meet the initial REACH requirements. We cannot provide assurance that these recent expenditures are indicative of future amounts that we may be required to spend for REACH compliance.

GREENHOUSE GAS REGULATION

Globally, our operations are increasingly subject to regulations that seek to reduce emissions of GHG, such as carbon dioxide and methane, which may be contributing to changes in the earth's climate. At the Durban negotiations of the Conference of the Parties to the Kyoto Protocol in 2012, a limited group of nations, including the European Union, agreed to a second commitment period for the Kyoto Protocol, an international treaty that provides for reductions in GHG emissions. More significantly, the European Union GHG Emissions Trading System, established pursuant to the Kyoto

19. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)

Protocol to reduce GHG emissions in the European Union, continues in its third phase. The European Union parliament continues with a process to formalized "backloading"—the withholding of GHG allowances to prop up carbon prices. In addition, the European Union has recently announced its intentions to cut GHG emissions to 40% below 1990 levels by 2040 and impose a 27% renewable energy requirement at the European Union level. In the U.S., California has commenced the first compliance period of its cap-and-trade program. In June 2013, China implemented its first pilot carbon emissions exchange in Shenzhen, China. Pilot carbon emissions schemes have also begun in Beijing, Shanghai, Guangdong, and Tianjin. Further expansion of China's regional cap-and-trade is planned, and ultimately it is expected that these regional systems will form the backbone of a national cap-and-trade program. As these programs have not been fully implemented and have experienced significant price volatility on low early trading volumes, we are unable at this time to determine their impact on our operations.

Federal climate change legislation in the U.S. appears unlikely in the near-term. As a result, domestic efforts to curb GHG emissions will continue to be led by the EPA's GHG regulations and the efforts of states. To the extent that our domestic operations are subject to the EPA's GHG regulations, we may face increased capital and operating costs associated with new or expanded facilities. Significant expansions of our existing facilities or construction of new facilities may be subject to the CAA's Prevention of Significant Deterioration requirements under the EPA's GHG "Tailoring Rule." Some of our facilities are also subject to the EPA's Mandatory Reporting of Greenhouse Gases rule, and any further regulation may increase our operational costs.

Under a consent decree with states and environmental groups, the EPA is due to propose new source performance standards for GHG emissions from refineries. These standards could significantly increase the costs of constructing or adding capacity to refineries and may ultimately increase the costs or decrease the supply of refined products. Either of these events could have an adverse effect on our business.

We are already managing and reporting GHG emissions, to varying degrees, as required by law for our sites in locations subject to Kyoto Protocol obligations and/or European Union emissions trading scheme requirements. Although these sites are subject to existing GHG legislation, few have experienced or anticipate significant cost increases as a result of these programs, although it is possible that GHG emission restrictions may increase over time. Potential consequences of such restrictions include capital requirements to modify assets to meet GHG emission restrictions and/or increases in energy costs above the level of general inflation, as well as direct compliance costs. Currently, however, it is not possible to estimate the likely financial impact of potential future regulation on any of our sites.

Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events. If any of those effects were to occur, they could have an adverse effect on our assets and operations.

20. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY

Dividends on Common Stock

During the quarters ended December 31, 2014 and September 30, 2014, we paid cash dividends of $30 million and $31 million, respectively, or $0.125 per share, to common stockholders, and during each of the quarters ended June 30, 2014 and March 31, 2014, we paid cash dividends of $30 million, or $0.125 per share, to common stockholders for a total of $121 million of cash dividends paid during 2014. During each quarter of 2013, we paid cash dividends of $30 million, or $0.125 per share, to common stockholders for a total of $120 million of cash dividends paid during 2013.

21. STOCK-BASED COMPENSATION PLAN

Under the Stock Incentive Plan, a plan approved by stockholders, we may grant non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. The terms of the grants are fixed at the grant date. As of December 31, 2014 we were authorized to grant up to 37.2 million shares under the Stock Incentive Plan. As of December 31, 2014, we had 9 million shares remaining under the Stock Incentive Plan available for grant. Option awards have a maximum contractual term of 10 years and generally must have an exercise price at least equal to the market price of our common stock on the date the option award is granted. Stock-based awards generally vest over a three-year period.

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

	Year ended December 31,		
	2014	2013	2012
Compensation cost	$28	$29	$27

The total income tax benefit recognized in the statement of operations for stock-based compensation arrangements was $6 million, $7 million and $6 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Stock Options

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

21. STOCK-BASED COMPENSATION PLAN (Continued)

of grant. The assumptions noted below represent the weighted averages of the assumptions utilized for all stock options granted during the year.

	Year ended December 31,		
	2014	2013	2012
Dividend yield	2.4%	2.8%	3.0%
Expected volatility	60.3%	62.5%	65.3%
Risk-free interest rate	1.7%	1.0%	1.3%
Expected life of stock options granted during the period	5.7 years	5.6 years	6.6 years

A summary of stock option activity under the Stock Incentive Plan as of December 31, 2014 and changes during the year then ended is presented below:

Option Awards	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
	(in thousands)		(years)	(in millions)
Outstanding at January 1, 2014	10,019	$15.39		
Granted	1,116	21.22		
Exercised	(2,300)	20.25		
Forfeited	(54)	17.51		
Outstanding at December 31, 2014	8,781	14.84	5.2	$70
Exercisable at December 31, 2014	6,451	13.47	4.1	60

The weighted-average grant-date fair value of stock options granted during 2014, 2013 and 2012 was $9.63, $7.93 and $6.36 per option, respectively. As of December 31, 2014, there was $11 million of total unrecognized compensation cost related to nonvested stock option arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.7 years.

During the years ended December 31, 2014, 2013 and 2012, the total intrinsic value of stock options exercised was $14 million, $14 million and $10 million, respectively.

21. STOCK-BASED COMPENSATION PLAN (Continued)

NONVESTED SHARES

Nonvested shares granted under the Stock Incentive Plan consist of restricted stock, which is accounted for as an equity award, and phantom stock, which is accounted for as a liability award because it can be settled in either stock or cash. A summary of the status of our nonvested shares as of December 31, 2014 and changes during the year then ended is presented below:

	Equity Awards		Liability Awards	
	Shares	Weighted Average Grant-Date Fair Value	Shares	Weighted Average Grant-Date Fair Value
	(in thousands)		(in thousands)	
Nonvested at January 1, 2014	1,830	$15.31	574	$16.03
Granted	754	21.22	237	21.22
Vested	(735)(1)	16.16	(284)	15.98
Forfeited	(28)	18.29	(35)	17.00
Nonvested at December 31, 2014	1,821	17.37	492	18.50

(1) As of December 31, 2014, a total of 388,299 restricted stock units were vested but not yet issued, of which 44,534 vested during 2014. These shares have not been reflected as vested shares in this table because, in accordance with the restricted stock unit agreements, shares of common stock are not issued for vested restricted stock units until termination of employment.

As of December 31, 2014, there was $22 million of total unrecognized compensation cost related to nonvested share compensation arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.7 years. The value of share awards that vested during the years ended December 31, 2014, 2013 and 2012 was $19 million, $18 million and $21 million, respectively.

22. OTHER COMPREHENSIVE (LOSS) INCOME

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

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments, net of tax(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2014	$ 246	$ (851)	$12	$ 8	$ (585)	$ 8	$ (577)
Other comprehensive (loss) income before reclassifications	(221)	(223)	(2)	3	(443)	15	(428)
Amounts reclassified from accumulated other comprehensive loss(c)	—	(48)	—	—	(48)	—	(48)
Net current-period other comprehensive (loss) income	(221)	(271)	(2)	3	(491)	15	(476)
Ending balance, December 31, 2014	$ 25	$(1,122)	$10	$11	$(1,076)	$23	$(1,053)

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

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

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

22. OTHER COMPREHENSIVE (LOSS) INCOME (Continued)

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments, net of tax(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2013	$269	$(1,036)	$ 7	$3	$(757)	$13	$(744)
Other comprehensive (loss) income before reclassifications	(23)	246	5	5	233	(5)	228
Amounts reclassified from accumulated other comprehensive loss(c)	—	(61)	—	—	(61)	—	(61)
Net current-period other comprehensive (loss) income	(23)	185	5	5	172	(5)	167
Ending balance, December 31, 2013	$246	$ (851)	$12	$8	$(585)	$ 8	$(577)

(a) Amounts are net of tax of $13 and $20 as of December 31, 2013 and January 1, 2013, respectively.

(b) Amounts are net of tax of $83 and $197 as of December 31, 2013 and January 1, 2013, respectively.

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

Details about Accumulated Other Comprehensive Loss Components(a):	Year ended December 31, 2014 — Amount reclassified from accumulated other comprehensive loss	Year ended December 31, 2013 — Amount reclassified from accumulated other comprehensive loss	Year ended December 31, 2012 — Amount reclassified from accumulated other comprehensive loss	Affected line item in the statement where net income is presented
Amortization of pension and other postretirement benefits:				
Prior service credit	$ 9	$ 8	$ 10	(b)
Actuarial loss	(55)	(80)	(46)	(b)(c)
Settlement loss	(13)	(12)	(13)	(b)
	(59)	(84)	(49)	Total before tax
	11	23	7	Income tax expense
Total reclassifications for the period	$(48)	$(61)	$(42)	Net of tax

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

(b) These accumulated other comprehensive loss components are included in the computation of net periodic pension costs. See "Note 16. Employee Benefit Plans."

(c) Amounts contain approximately $4 million, $6 million and $4 million of actuarial losses related to discontinued operations for the years ended December 31, 2014, 2013 and 2012, respectively.

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

23. RELATED PARTY TRANSACTIONS

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

	Year ended December 31,		
	2014	2013	2012
Sales to:			
Unconsolidated affiliates	$261	$232	$223
Inventory purchases from:			
Unconsolidated affiliates	614	597	565

Our subsidiary Airstar Corporation ("Airstar") subleases a Gulfstream IV-SP Aircraft (the "Aircraft") from Jstar Corporation ("Jstar"), a corporation wholly owned by Jon M. Huntsman pursuant to a lease arrangement that expires in 2021. Jon M. Huntsman is the Executive Chairman and the father of our Chief Executive Officer, Peter R. Huntsman, and our director, Jon M. Huntsman, Jr. Under this arrangement, monthly sublease payments from Airstar to Jstar are approximately $115,000, and an aggregate of $10 million is payable through the end of the remaining seven year lease term. These monthly sublease payments are equal to the financing costs paid by Jstar to a leasing company and the arrangement does not result in a financial benefit to Jstar.

We occupy and use a portion of an office building owned by the Huntsman Foundation, a private charitable foundation established by Jon M. and Karen H. Huntsman to further the charitable interests of the Huntsman family, under a lease pursuant to which we make annual lease payments of approximately $2 million. During each of the years ended 2014, 2013 and 2012, we made payments of approximately $2 million to the Huntsman Foundation under the lease. The lease expires on December 31, 2018, subject to a five-year extension, at our option.

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

24. OPERATING SEGMENT INFORMATION

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

24. OPERATING SEGMENT INFORMATION (Continued)

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

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

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

	Year ended December 31,		
	2014	2013	2012
Revenues:			
Polyurethanes	$ 5,032	$ 4,964	$ 4,894
Performance Products	3,072	3,019	3,065
Advanced Materials	1,248	1,267	1,325
Textile Effects	896	811	752
Pigments and Additives	1,549	1,269	1,436
Eliminations	(219)	(251)	(285)
Total	$11,578	$11,079	$11,187
Segment EBITDA(1):			
Polyurethanes	$ 669	$ 696	$ 726
Performance Products	440	372	360
Advanced Materials	182	86	54
Textile Effects	28	(78)	(49)
Pigments and Additives	(59)	79	352
Corporate and other(2)	(228)	(261)	(251)
Subtotal	1,032	894	1,192
Discontinued Operations(3)	(10)	(5)	(5)
Total	1,022	889	1,187
Interest expense	(205)	(190)	(226)
Income tax expense—continuing operations	(51)	(125)	(169)
Income tax benefit—discontinued operations	2	2	3
Depreciation and amortization	(445)	(448)	(432)
Net income attributable to Huntsman Corporation	$ 323	$ 128	$ 363

24. OPERATING SEGMENT INFORMATION (Continued)

	Year ended December 31,		
	2014	2013	2012
Depreciation and Amortization:			
Polyurethanes	$ 131	$ 156	$ 152
Performance Products	138	121	113
Advanced Materials	42	38	31
Textile Effects	16	17	23
Pigments and Additives	78	73	69
Corporate and other(2)	40	41	39
Subtotal	445	446	427
Discontinued Operations	—	2	5
Total	$ 445	$ 448	$ 432
Capital Expenditures:			
Polyurethanes	$ 174	$ 132	$ 107
Performance Products	181	115	117
Advanced Materials	46	73	41
Textile Effects	38	31	27
Pigments and Additives	136	98	98
Corporate and other	26	22	22
Total	$ 601	$ 471	$ 412

	December 31,		
	2014	2013	2012
Total Assets:			
Polyurethanes	$ 2,859	$ 2,839	$ 2,733
Performance Products	2,326	2,320	2,242
Advanced Materials	828	918	909
Textile Effects	574	653	630
Pigments and Additives	2,640	1,469	1,536
Corporate and other	1,775	989	834
Total	$11,002	$ 9,188	$ 8,884

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

(2) Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, LIFO inventory valuation reserve adjustments, loss on early extinguishment of debt, expenses associated with the Terminated Merger and related litigation, unallocated restructuring, impairment and plant closing costs and non-operating income and expense.

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

24. OPERATING SEGMENT INFORMATION (Continued)

periods presented. The EBITDA of our former polymers, base chemicals and Australian styrenics businesses are included in discontinued operations for all periods presented.

	Year ended December 31,		
	2014	2013	2012
By Geographic Area			
Revenues(1):			
United States	$ 6,116	$ 3,319	$ 3,347
China	1,626	1,081	1,040
Mexico	960	853	954
Germany	921	586	600
Italy	522	437	465
Other nations	1,433	4,803	4,781
Total	$11,578	$11,079	$11,187

	December 31,		
	2014	2013	2012
Long-lived assets(2):			
United States	$1,748	$1,422	$1,387
Germany	381	200	201
The Netherlands	314	356	351
United Kingdom	311	312	314
China	221	202	169
Italy	211	197	164
Saudi Arabia	207	220	231
France	170	162	154
Switzerland	132	154	163
Spain	112	138	147
Other nations	616	461	464
Total	$4,423	$3,824	$3,745

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

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

25. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA

A summary of selected unaudited quarterly financial data for the years ended December 31, 2014 and 2013 is as follows (dollars in millions, except per share amounts):

	Three months ended			
	March 31, 2014	June 30, 2014	September 30, 2014(1)	December 31, 2014
Revenues	$2,755	$2,988	$2,884	$2,951
Gross profit	450	505	515	449
Restructuring, impairment and plant closing costs	39	13	39	67
Income (loss) from continuing operations	69	124	194	(34)
Net income (loss)	62	124	194	(35)
Net income (loss) attributable to Huntsman Corporation	54	119	188	(38)
Basic income per share(2):				
Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders	0.25	0.49	0.77	(0.16)
Net income (loss) attributable to Huntsman Corporation common stockholders	0.22	0.49	0.77	(0.16)
Diluted income (loss) per share(2):				
Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders	0.25	0.48	0.76	(0.16)
Net income (loss) attributable to Huntsman Corporation common stockholders	0.22	0.48	0.76	(0.16)

25. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Continued)

	Three months ended			
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
Revenues	$2,702	$2,830	$2,842	$2,705
Gross profit	349	451	507	446
Restructuring, impairment and plant closing costs	44	29	37	41
(Loss) income from continuing operations	(15)	54	72	43
Net (loss) income	(17)	54	70	42
Net (loss) income attributable to Huntsman Corporation	(24)	47	64	41
Basic income (loss) per share(2):				
(Loss) income from continuing operations attributable to Huntsman Corporation common stockholders	(0.09)	0.20	0.28	0.17
Net (loss) income attributable to Huntsman Corporation common stockholders	(0.10)	0.20	0.27	0.17
Diluted (loss) income per share(2):				
(Loss) income from continuing operations attributable to Huntsman Corporation common stockholders	(0.09)	0.19	0.27	0.17
Net (loss) income attributable to Huntsman Corporation common stockholders	(0.10)	0.19	0.26	0.17

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

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

* * * * * *

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

Market Information and Holders

Our common stock is listed on the New York Stock Exchange under the symbol "HUN." As of February 9, 2015, there were approximately 194 stockholders of record and the closing price of our common stock on the New York Stock Exchange was $23.62 per share.

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

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

Period	High	Low
2013		
First Quarter	$19.51	$16.16
Second Quarter	20.14	16.02
Third Quarter	21.11	16.18
Fourth Quarter	24.74	20.53

Dividends

During the quarters ended December 31, 2014 and September 30, 2014, we paid cash dividends of $30 million and $31 million, respectively, or $0.125 per share, to common stockholders, and during each of the quarters ended June 30, 2014 and March 31, 2014, we paid cash dividends of $30 million, or $0.125 per share, to common stockholders for a total of $121 million of cash dividends paid during 2014. During each quarter of 2013, we paid cash dividends of $30 million, or $0.125 per share, to common stockholders for a total of $120 million of cash dividends paid during 2013. The payment of dividends is a business decision made by our Board of Directors from time to time based on our earnings, financial position and prospects, and such other considerations as our Board of Directors considers relevant. Accordingly, while management currently expects that the Company will continue to pay the quarterly cash dividend, its dividend practice may change at any time.

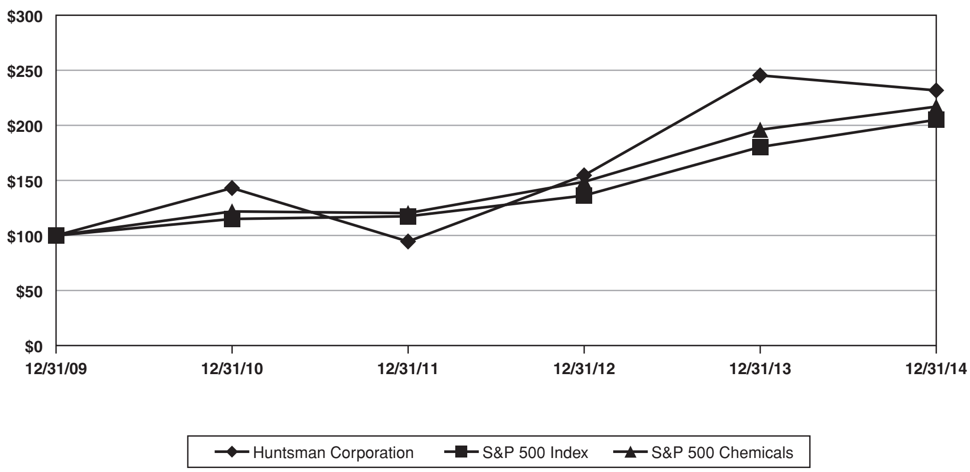
Purchases of Equity Securities by the Company

The following table provides information with respect to shares of our common stock that we repurchased and shares of restricted stock granted under our stock incentive plan that we withheld upon vesting to satisfy our tax withholding obligations during the three months ended December 31, 2014.

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs
October	4,155	$21.26	—	—
November	—	—	—	—
December	—	—	—	—
Total	4,155	$21.26	—	

Stock Performance Graph

Comparison of Cumulative Five Year Total Return



Total Return To Shareholders
(Includes reinvestment of dividends)

	ANNUAL RETURN PERCENTAGE Years Ending				
Company / Index	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Huntsman Corporation	43.15	−33.90	63.47	58.69	−5.55
S&P 500 Index	15.06	2.11	16.00	32.39	13.69
S&P 500 Chemicals	21.90	−1.26	23.61	31.80	10.70

	Base Period	INDEXED RETURNS Years Ending				
Company / Index	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Huntsman Corporation	**100**	143.15	94.62	154.68	245.45	231.84
S&P 500 Index	**100**	115.06	117.49	136.30	180.44	205.14
S&P 500 Chemicals	**100**	121.90	120.37	148.78	196.10	217.09

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CORPORATE INFORMATION

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP

STOCKHOLDER INQUIRIES

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

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500 Huntsman Way
Salt Lake City, Utah 84108
Tel.: +1-801-584-5959
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Website:
www.computershare.com/investor

STOCK LISTING

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

HUN
LISTED
NYSE

ANNUAL MEETING

The 2015 annual meeting of stockholders will take place on Thursday, May 7, 2015 at 8:30 a.m., local time, at the following location:
The Woodlands Waterway Marriott
Hotel and Convention Center
1601 Lake Robbins Drive
The Woodlands, Texas 77380
Tel.: +1-281-367-9797

WEBSITE

www.huntsman.com

FORWARD-LOOKING STATEMENTS

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

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