2017 ANNUAL REPORT

HUNTSMAN

Enriching lives through innovation

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WE ARE GROWING OUR DOWNSTREAM DIFFERENTIATED BUSINESSES.

Huntsman Corporation is a publicly traded global manufacturer and marketer of specialty and 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.

2017 MILESTONES

We completed the separation of our Pigments & Additives business through an initial public offering of Venator Materials PLC in August 2017, raising $1.2 billion of net proceeds, including the repayment of inter-company debt. We also completed a follow-on offering of an additional $0.5 billion in December 2017, and as of this writing we hold 53% of Venator still to be monetized.

We generated $594 million of free cash flow in 2017.

We increased our adjusted EBITDA by 26% year over year.

We transformed our balance sheet to investment grade metrics as we paid down ~$2.1 billion of debt and achieved a net debt ratio of 1.4x.

We witnessed significant value creation with a total shareholder return of 78%.

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 a wide variety of chemical products that provide useful properties—such as cleaning, dispersing, emulsifying and curing—in everyday items people want and need. Our product categories of amines, surfactants, maleic anhydride and glycols are used in agrochemicals, detergents and soaps, oil and gas production, gas treating, coatings, composites, urethane catalysts and epoxy curing.

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 and digital inks that enhance color and improve performance such as wrinkle resistance, longer lasting fabrics, faster drying properties and the ability to repel water and stains in apparel, home and technical textiles.

Peter Huntsman
Chairman, President and Chief Executive Officer

DEAR FELLOW SHAREHOLDERS

In my letter to shareholders last year, I closed with the promise that 2017 would be an exciting, critical and transformative year for Huntsman. Indeed, it was.

We successfully separated our Pigments and Additives business, now called Venator, through an initial public offering (IPO), enabling us to close 2017 with the strongest balance sheet in our history.

Proceeds from the August IPO, combined with our secondary offering in December, generated approximately $1.7 billion in net proceeds. Those proceeds, combined with our free cash flow generation, enabled us to pay down debt of about $2.1 billion. This reduction in leverage enabled us to close 2017 with the strongest balance sheet in our history, well within what I would consider to be investment grade metrics.

We saw robust and steady earnings growth and generated cash flow well above expectations.

A year ago, I told you to expect in excess of $350 million in free cash flow generation in 2017, including contributions from our Pigments and Additives business. In fact, we generated $594 million in adjusted free cash flow excluding Pigments and Additives. This free cash flow, along with the proceeds from Venator, has reduced our ratio of net debt to adjusted EBITDA from 3.3x at the end of 2016 to 1.4x at the end of 2017. I think it is important to note that since the beginning of 2016, when we publicly committed to improving our free cash flow and reducing our leverage, we have generated about $1.3 billion in free cash flow and paid down over $2.6 billion in debt.

We agreed to terminate the planned merger of equals with Clariant, yet still delivered total shareholder return of 78%, outpacing the S&P 500's 22% return over the same period.

In May, when we announced our intention to enter into a merger of equals with Clariant, we envisioned many potential opportunities to provide greater shareholder value. However, by October, it became unlikely that Clariant would be able to garner required shareholder approval. We agreed to abandon the merger, confident in Huntsman's ability to deliver extraordinary shareholder value independently.

I believe that the future for Huntsman has never been brighter and I have never been more excited about our future as we head into 2018.

With the separation of the Pigments and Additives business and continued focus on growth of our differentiated businesses, our portfolio is far less cyclical and better positioned to generate more consistent earnings growth and free cash flow.

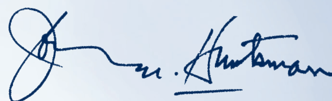
Cash flow generation will remain a strategic priority for Huntsman. We expect that we will continue to generate substantial annual free cash flow in the range of $400 million to $600 million per year in 2018 and 2019.

In summary, our free cash flow generation, balance sheet strength and the eventual proceeds from the monetization of our remaining 53% ownership in Venator puts Huntsman in a position to consider many different avenues to create further shareholder value over the coming years.

Peter R. Huntsman
Chairman, President and Chief Executive Officer

Jon Huntsman
Founder and Chairman Emeritus

SPECIAL NOTE TO SHAREHOLDERS



It has been an honor to serve as Executive Chairman of the company I founded 48 years ago. Huntsman Corporation has grown from a small polystyrene plastics packaging company into a global leader in a variety of different chemical markets, with facilities located in approximately 30 countries, generating more than $8 billion in annual sales.

2017 was an outstanding year for Huntsman Corporation as we transformed ourselves into a company with little debt, a robust balance sheet and a portfolio of businesses comprised primarily of differentiated and specialty businesses. Huntsman also exited the year with the strongest balance sheet in its history. It was a great accomplishment to be able to separate our highly cyclical Pigments and Additives business (with additional revenues exceeding $2 billion) into a publicly traded global leader in titanium dioxide, Venator, through an initial public offering last August. The proceeds from this IPO and subsequent follow on offerings did and will further strengthen our company.

Huntsman Corporation is now entering a new chapter in its history as we are financially stronger than ever, growing our differentiated and specialty businesses, and generating considerable amounts of cash. These are exciting times for the company and there are many more great years to come.

To that end, I believed that the time was right to step down as Executive Chairman at the end of this past year and turn the role of Chairman over to our President and CEO, Peter Huntsman. I have total confidence that Peter will continue to lead the company in a positive growth mode while delivering continuous long-term shareholder value. It has been a privilege to serve as Chairman for almost half a century, and I want to thank the associates, customers, shareholders and our family for their support over the years and for making a dream come true.

Jon M. Huntsman
Founder and Chairman Emeritus

A few weeks after the writing of this letter, Jon M. Huntsman passed away on February 2, 2018.

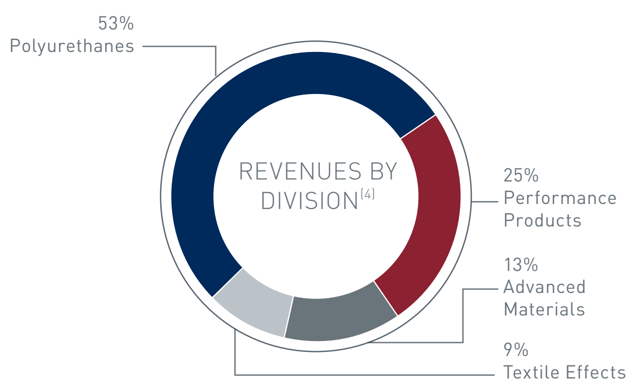
"His passion was building a great company from assets and people that others had seen less value in than he. He leaves behind a great company, but even more so, a legacy of optimism, ethical behavior and philanthropy that will serve as his greatest accomplishments."—*Peter R. Huntsman*

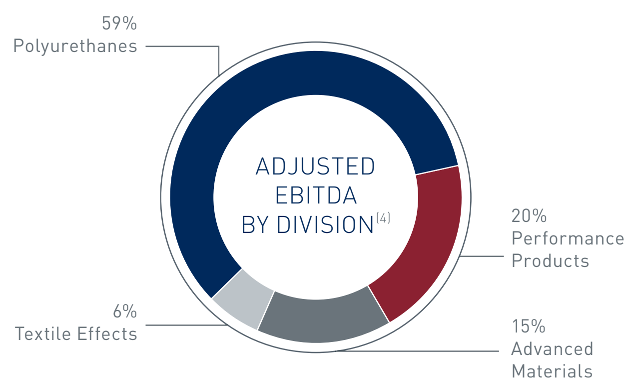
FINANCIAL HIGHLIGHTS

2017 AT-A-GLANCE

	Year Ended December 31,		
$ in millions	**2017**	2016	2015
Revenues	**$ 8,358**	$7,518	$8,139
Gross profit	**$ 1,812**	$1,526	$1,734
Interest expense, net	**$ 165**	$ 203	$ 205
Net income	**$ 741**	$ 357	$ 126
Adjusted net income[1]	**$ 604**	$ 352	$ 549
Adjusted diluted income per share[1]	**$ 2.48**	$ 1.47	$ 2.24
Adjusted EBITDA[1]	**$ 1,259**	$ 997	$1,160
Free cash flow[1]	**$ 594**	$ 656	$ 205
Capital expenditures[2]	**$ 279**	$ 286	$ 446

	December 31,		
$ in millions	**2017**	2016	2015
Total assets	**$10,244**	$9,189	$9,820
Net debt[3]	**$ 1,817**	$3,776	$4,521





Note: The former Pigments & Additives business, now known as Venator, is treated as discontinued operations in all periods shown.
(1) For a reconciliation see pages [10–11] of the Selected Financial Data section.
(2) Net of reimbursements of $3 million, $32 million and $15 million in 2017, 2016 and 2015, respectively.
(3) Net debt calculated as total debt excluding affiliates less cash.
(4) Division allocation before Corporate and other unallocated items.

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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, 2017, which was filed with the Securities and Exchange Commission on February 23, 2018.

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,				
	2017	2016	2015	2014	2013
	(in millions, except per share amounts)				
Statements of Operations Data:					
Revenues	$ 8,358	$ 7,518	$ 8,139	$ 10,029	$ 9,810
Gross profit	1,812	1,526	1,734	1,853	1,660
Restructuring, impairment and plant closing costs	20	47	83	98	147
Operating income	851	675	717	772	508
Income from continuing operations	583	365	428	485	169
Income (loss) from discontinued operations, net of tax(a)	158	(8)	(302)	(140)	(20)
Net income	741	357	126	345	149
Net income attributable to noncontrolling interests	(105)	(31)	(33)	(22)	(21)
Net income attributable to Huntsman Corporation	636	326	93	323	128
Basic income (loss) per common share:					
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 2.01	$ 1.41	$ 1.63	$ 1.91	$ 0.62
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(a)	0.66	(0.03)	(1.25)	(0.58)	(0.09)
Net income attributable to Huntsman Corporation common stockholders	$ 2.67	$ 1.38	$ 0.38	$ 1.33	$ 0.53
Diluted income (loss) per common share:					
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.96	$ 1.39	$ 1.61	$ 1.88	$ 0.61
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(a)	0.65	(0.03)	(1.23)	(0.57)	(0.08)
Net income attributable to Huntsman Corporation common stockholders	$ 2.61	$ 1.36	$ 0.38	$ 1.31	$ 0.53
Other Data:					
Depreciation and amortization	$ 319	$ 318	$ 298	$ 358	$ 366
Capital expenditures	282	318	461	465	372
Dividends per share	0.50	0.50	0.50	0.50	0.50
Balance Sheet Data (at period end):					
Total assets	$ 10,244	$ 9,189	$ 9,820	$ 10,923	$ 9,159
Total debt	2,298	4,173	4,770	5,104	3,877
Total liabilities	6,873	7,722	8,191	8,972	7,030

(a) Income (loss) from discontinued operations represents the operating results of our former Titanium Dioxide and Performance Additives business (the "P&A Business") as well as our former Australian styrenics business, our former U.S. base chemicals business and our former North American polymers business. The U.S. base chemicals business was sold on November 5, 2007 and the North American polymers business was sold on August 1, 2007.

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

RECENT DEVELOPMENTS

Separation of the P&A Business

In August 2017, we separated the P&A Business and conducted an initial public offering ("IPO") of ordinary shares of Venator Materials PLC ("Venator"), formerly a wholly-owned subsidiary of Huntsman (the "Separation"). Additionally, in December 2017, we conducted a secondary offering of Venator ordinary shares. All of such ordinary shares were sold by Huntsman, and Venator did not receive any proceeds from the offerings. Venator's ordinary shares began trading on The New York Stock Exchange under the symbol "VNTR" on August 3, 2017. As of December 31, 2017, Huntsman retained approximately 55% ownership in Venator. On January 3, 2018, the underwriters purchased an additional 1,948,955 Venator ordinary shares pursuant to their over-allotment option, which reduced Huntsman's ownership interest in Venator to approximately 53%. Beginning in the third quarter of 2017, we reported the results of operations of the P&A Business as discontinued operations. For more information, see "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business" to our consolidated financial statements.

Prepayment of Debt

In August 2017, we made early prepayments of $1,207 million on our senior credit facilities ("Senior Credit Facilities"), of which $106 million was paid on our extended term loan B facility due 2015 (" 2015 Extended Term Loan B"), $347 million was paid on our term loan B facility due 2021 ("2021 Term Loan B"), and $754 million was paid on our term loan B facility due 2023 ("2023 Term Loan B"). The funds used to pay down the debt included $732 million received from Venator ($750 million of debt raised by Venator, net of $18 million of debt issuance costs), upon its payment of intercompany debt obligations owed to Huntsman, and $475 million from proceeds of the Venator IPO. In connection with the $1,207 million prepayments of our term loans, we recognized a loss on early extinguishment of debt of $34 million. Additionally, in December 2017, we repaid in full the remaining $511 million on our 2023 Term Loan B using the funds raised from the secondary offering and existing cash and recognized a loss on early extinguishment of debt of $15 million. See "Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities" to our consolidated financial statements.

With available free cash flow, the net proceeds from the sale of our investment in the P&A Business and cash from the repayment of related intercompany indebtedness as described above, we repaid $2.1 billion of debt during the full year 2017 and believe we achieved investment grade-type leverage metrics at year end. See "Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities" to our consolidated financial statements.

Termination of Huntsman and Clariant Merger Agreement

As previously disclosed, on May 21, 2017, Huntsman and Clariant Ltd ("Clariant") entered into a merger agreement. On October 26, 2017, Huntsman and Clariant entered into a termination agreement pursuant to which the parties mutually terminated the merger agreement. No fees are payable under the terms of the termination agreement at this time. Huntsman and Clariant also agreed to release each other from claims and liabilities arising out of or related to the merger agreement or the transactions contemplated thereby. Pursuant to the termination agreement, each party agreed to bear its own costs, fees and expenses in connection with the merger agreement and the transaction costs contemplated thereby, except for specified joint filing fees and related expenses as set forth in the merger agreement. During the years ended December 31, 2017, 2016 and 2015, we incurred merger-related costs of $28 million, nil and nil, respectively.

U.S. Tax Reform Act

On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the "U.S. Tax Reform Act") was signed into law. The U.S. Tax Reform Act significantly revised the U.S. corporate income tax regime by, among other things, lowering the U.S. corporate tax rate from 35% to 21%, effective January 1, 2018, repealing the deduction for domestic production activities and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

As a result of the U.S. Tax Reform Act, the Company recorded a provisional tax benefit of $137 million due to a remeasurement of deferred tax assets and liabilities and a provisional tax expense of $85 million due to the transition

tax on deemed repatriation of deferred foreign income. Absent the Venator offering and certain tax related restructuring transactions, our provisional transition tax liability on deemed repatriation of deferred foreign income would have been $12 million.

Share Repurchase Program

On February 7, 2018, our Board of Directors authorized our Company to repurchase up to $400 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. Repurchases may be made through the open market or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost.

OUTLOOK

We expect the following factors to impact our operating segments:

Polyurethanes:

- Solid MDI demand and margins
- 2018 to benefit from new China projects coming on-line
- Growth in downstream differentiated systems
- Favorable margins due to supply constraints expected to soften
- MTBE margins remain depressed, but first quarter of 2018 improving year over year

Performance Products:

- Recovery continues in 2018
- EBITDA growth in amines and surfactants
- Higher year-over-year sales volumes
- Lower EBITDA margins in our upstream intermediates businesses
- Planned Port Neches maintenance with estimated $15 million EBITDA impact in second quarter of 2018

Advanced Materials:

- Expected solid growth in 2018
- Growth in specialty volumes
- Pricing initiatives implemented to help offset higher raw material costs
- Wind market remains challenging

Textile Effects:

- Sustainable solutions driving two times GDP volume growth
- Solid EBITDA growth in 2018

In 2018, we expect to spend approximately $325 million on capital expenditures.

In 2017, our adjusted effective tax rate was 20%. We expect our long term adjusted effective tax rate will be approximately 23% to 25%, reflecting impacts of approximately 4% for the reduction in the U.S. corporate tax rate, offset by approximately 2% after potentially releasing valuation allowances in Switzerland and the U.K., which we believe may be necessary late this year as described below. We believe our 2018 adjusted effective tax rate will range between 21% and 23%, prior to the tax impact of any potential release of valuation allowances in Switzerland and the U.K. Based upon the separation of our P&A Business from our U.K. combined group and the trend in profitability in our

Polyurethanes business in the U.K., we anticipate that by mid to late 2018 our cumulative profitability will result in a release of valuation allowances on certain net deferred tax assets in the U.K. Because there will be limitations on utilization of net operating losses ("NOLs"), we currently estimate a partial valuation allowance release of approximately $20 million during 2018. In addition, based upon the positive trend in profitability in our Advanced Materials and Textile Effects businesses in Switzerland, we anticipate that by mid to late 2018 our cumulative profitability will result in a release of valuation allowances on certain net deferred tax assets in Switzerland. Given Switzerland's limited 7 year carryover of net operating losses, we expect that some of our losses will expire unused. Therefore, we currently estimate a partial release of valuation allowance of approximately $100 million during 2018. For further information, see "Note 17. Income Taxes" to our consolidated financial statements.

RESULTS OF OPERATIONS

The following tables set forth our consolidated results of operations for the years ended December 31, 2017, 2016 and 2015 (dollars in millions, except per share amounts).

	Year ended December 31,			Percent Change	
	2017	2016	2015	2017 vs 2016	2016 vs 2015
Revenues	$ 8,358	$ 7,518	$ 8,139	11%	(8)%
Cost of goods sold	6,546	5,992	6,405	9%	(6)%
Gross profit	1,812	1,526	1,734	19%	(12)%
Operating expenses	936	905	934	3%	(3)%
Restructuring, impairment and plant closing costs	20	47	83	(57)%	(43)%
Merger costs	28	—	—	NM	—
Other operating (income) expense, net	(23)	(101)	—	(77)%	NM
Operating income	851	675	717	26%	(6)%
Interest expense	(165)	(203)	(205)	(19)%	(1)%
Equity in income of investment in unconsolidated affiliates	13	5	6	160%	(17)%
Loss on early extinguishment of debt	(54)	(3)	(31)	NM	(90)%
Other income, net	2	—	1	NM	(100)%
Income from continuing operations before income taxes	647	474	488	36%	(3)%
Income tax expense	(64)	(109)	(60)	(41)%	82%
Income from continuing operations	583	365	428	60%	(15)%
Income (loss) from discontinued operations, net of tax	158	(8)	(302)	NM	(97)%
Net income	741	357	126	108%	183%
Reconciliation of net income to adjusted EBITDA:					
Net income attributable to noncontrolling interests	(105)	(31)	(33)	239%	(6)%
Interest expense from continuing operations	165	203	205	(19)%	(1)%
Interest expense (income) from discontinued operations	19	(1)	—	NM	NM
Income tax expense from continuing operations	64	109	60	(41)%	82%
Income tax expense (benefit) from discontinued operations	67	(24)	(16)	NM	50%
Depreciation and amortization of continuing operations	319	318	298	—	7%
Depreciation and amortization of discontinued operations	68	114	101	(40)%	13%
Other adjustments:					
Business acquisition and integration expenses	19	12	9		
Merger costs	28	—	—		
EBITDA from discontinued operations	(312)	(81)	217		
Minority interest of discontinued operations	49	11	7		
Loss on early extinguishment of debt	54	3	31		
Certain legal settlements and related (income) expenses	(11)	1	1		
(Gain) loss on sale of assets	(9)	(97)	1		
Amortization of pension and postretirement actuarial losses	73	55	66		
Plant incident remediation costs	16	—	—		
U.S. Tax Reform Act impact on minority interest	(6)	—	—		
Restructuring, impairment and plant closing and transition costs(4)	20	48	87		
Adjusted EBITDA(1)	$ 1,259	$ 997	$ 1,160	26%	(14)%
Net cash provided by operating activities from continuing operations	$ 842	$ 974	$ 614	(14)%	59%
Net cash used in investing activities from continuing operations	(265)	(119)	(404)	123%	(71)%
Net cash used in financing activities	(519)	(723)	(562)	(28)%	29%
Capital expenditures from continuing operations	(282)	(318)	(461)	(11)%	(31)%

	Year ended December 31, 2017			Year ended December 31, 2016			Year ended December 31, 2015		
	Gross	Tax and other(3)	Net	Gross	Tax and other(3)	Net	Gross	Tax and other(3)	Net
Reconciliation of net income to adjusted net income									
Net income			$ 741			$ 357			$ 126
Net income attributable to noncontrolling interests			(105)			(31)			(33)
Business acquisition and integration expenses	$ 19	$ (5)	14	$ 12	$ (3)	9	$ 9	$ (2)	7
Merger costs	28	(10)	18	—	—	—	—	—	—
(Income) loss from discontinued operations(7)	(312)	154	(158)	(81)	89	8	217	85	302
Minority interest of discontinued operations	49	—	49	11	—	11	7	—	7
Loss on early extinguishment of debt	54	(19)	35	3	(1)	2	31	(11)	20
Certain legal settlements and related (income) expenses	(11)	4	(7)	1	—	1	1	—	1
(Gain) loss on sale of assets	(9)	—	(9)	(97)	13	(84)	1	—	1
Amortization of pension and postretirement actuarial losses	73	(16)	57	55	(12)	43	66	(18)	48
Plant incident remediation costs	16	(6)	10	—	—	—	—	—	—
U.S. Tax Reform Act impact on income tax expense	—	(52)	(52)	—	—	—	—	—	—
U.S. Tax Reform Act impact on minority interest	(6)	—	(6)	—	—	—	—	—	—
Restructuring, impairment and plant closing and transition costs(4)	20	(3)	17	48	(12)	36	87	(17)	70
Adjusted net income(2)			$ 604			$ 352			$ 549
Weighted average shares-basic			238.4			236.3			242.8
Weighted average shares-diluted			243.9			239.6			245.4
Basic net income attributable to Huntsman Corporation per share:									
Income from continuing operations			$ 2.01			$ 1.41			$ 1.63
Income (loss) from discontinued operations			0.66			(0.03)			(1.25)
Net income			$ 2.67			$ 1.38			$ 0.38
Diluted net income attributable to Huntsman Corporation per share:									
Income from continuing operations			$ 1.96			$ 1.39			$ 1.61
Income (loss) from discontinued operations			0.65			(0.03)			(1.23)
Net income			$ 2.61			$ 1.36			$ 0.38
Other non-GAAP measures:									
Adjusted net income per share(2):									
Basic			$ 2.53			$ 1.49			$ 2.26
Diluted			2.48			1.47			2.24
Capital expenditures, net of reimbursements(5)			$ (279)			$ (286)			$ (446)
Net cash provided by operating activities from continuing operations			$ 842			$ 974			$ 614
Capital expenditures			(282)			(318)			(461)
All other investing activities from continuing operations, excluding acquisitions and disposition activities			6			—			52
Non-recurring merger costs			28			—			—
Free cash flow(6)			$ 594			$ 656			$ 205

NM—Not meaningful

(1) Our management uses adjusted EBITDA to assess financial performance. Adjusted EBITDA is defined as net income of Huntsman Corporation before interest, income tax, depreciation and amortization, net income attributable to noncontrolling interests and certain Corporate and other items, as well as eliminating the following adjustments: (a) business acquisition and integration expenses; (b) merger costs; (c) EBITDA from discontinued operations; (d) minority interest of discontinued operations; (e) loss on early extinguishment of debt; (f) certain legal settlements and related (income) expenses; (g) (gain) loss on sale of assets; (h) amortization of pension and postretirement actuarial losses; (i) plant incident remediation costs; (j) U.S. Tax Reform Act impact on minority interest; and (k) restructuring, impairment and plant closing and transition costs. We believe that net income of Huntsman Corporation is the performance measure calculated and presented in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP") that is most directly comparable to adjusted EBITDA.

    We believe adjusted EBITDA is useful to investors in assessing the businesses' ongoing financial performance and provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the businesses' operational profitability and that may obscure underlying business results and trends. However, this measure should not be considered in isolation or viewed as a substitute for net income of Huntsman Corporation or other measures of performance determined in accordance with U.S. GAAP. Moreover, adjusted EBITDA as used herein is not necessarily comparable to other similarly titled measures of other companies due to potential inconsistencies in the methods of calculation. Our management believes this measure is useful to compare general operating performance from period to period and to make certain related management decisions. Adjusted EBITDA is also used by securities analysts, lenders and others in their evaluation of different companies because it excludes 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 adjusted EBITDA in the evaluation of our Company as compared to net income of 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 adjusted EBITDA by using this measure to supplement U.S. GAAP results to provide a more complete understanding of the factors and trends affecting the business rather than U.S. 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) business acquisition and integration expenses; (b) merger costs; (c) (gain) loss from discontinued operations; (d) minority interest of discontinued operations; (e) loss on early extinguishment of debt; (f) certain legal settlements and related (income) expenses; (g) (gain) loss on sale of assets; (h) amortization of pension and postretirement actuarial losses; (i) plant incident remediation costs; (j) U.S. Tax Reform Act impact on income tax expense; (k) U.S. Tax Reform Act impact on minority interest; and (l) restructuring, impairment and plant closing and transition costs. Basic adjusted net income per share excludes dilution and is computed by dividing adjusted net income by the weighted average number of shares outstanding during the period. Adjusted diluted net 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 net income per share amounts are presented solely as supplemental information.

(3) 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 U.S. GAAP.

(4) Includes costs associated with transition activities relating to the migration of our information system data centers and the transition of our Textile Effects segment's production from Basel, Switzerland to a tolling facility. These transition costs were included in either selling, general and administrative expenses or cost of sales on our consolidated statements of operations.

(5) Capital expenditures, net of reimbursements, represent cash paid for capital expenditures less payments received as reimbursements from customers and joint venture partners. During 2017, 2016 and 2015, capital expenditures of $282 million, $318 million and $461 million, respectively, were reimbursed in part by $3 million, $32 million and $15 million, respectively.

(6) Management internally uses a free cash flow measure: (a) to evaluate the Company's liquidity, (b) to evaluate strategic investments, (c) to plan stock buyback and dividend levels, and (d) to evaluate the Company's ability to incur and service debt. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures. The Company defines free cash flow as cash flows provided by operating activities and used in investing activities, excluding acquisition and disposition activities. Free cash flow is typically derived directly from the Company's consolidated statement of cash flows; however, it may be adjusted for items that affect comparability between periods.

(7) In addition to income tax impacts, this adjusting item is also impacted by depreciation and amortization expense and interest expense.

Year Ended December 31, 2017 Compared with Year Ended December 31, 2016

As discussed in "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business" to our consolidated financial statements, the results from continuing operations for all periods presented exclude the results of the P&A Business and the results of our former polymers, base chemicals and Australian styrenics business. The increase of $310 million in net income attributable to Huntsman Corporation was the result of the following items:

- Revenues for the year ended December 31, 2017 increased by $840 million, or 11%, as compared with the 2016 period. The increase was primarily due to higher average selling prices in all our segments, except for our Textile Effects segment, and higher sales volumes in our Textile Effects segment. See "—Segment Analysis" below.

- Our gross profit for the year ended December 31, 2017 increased by $286 million, or 19%, as compared with the 2016 period. The increase resulted from higher gross margins in our Polyurethanes and Textile Effects segments. See "—Segment Analysis" below.

- Our operating expenses for the year ended December 31, 2017 increased by $31 million, or 3%, as compared with the 2016 period, primarily related to an increase in selling, general and administrative expenses in 2017.

- Restructuring, impairment and plant closing costs for the year ended December 31, 2017 decreased to $20 million from $47 million in the 2016 period. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

- Merger costs for the year ended December 31, 2017 were $28 million as compared to nil in the 2016 period. During 2017, we incurred $28 million in merger-related costs in connection with the terminated merger between Huntsman and Clariant. For more information concerning the merger activities, see "Note 1. General—Recent Developments—Termination of Huntsman and Clariant Merger Agreement" to our consolidated financial statements.

- Other operating income, net for the year ended December 31, 2017 decreased by $78 million, or 77%, as compared with the 2016 period, primarily related to a gain on the sale of our European surfactants business in the fourth quarter of 2016. For more information concerning the sale of our European surfactants business, see "Note 3. Discontinued Operations and Business Dispositions—Sale of European Surfactants Manufacturing Facilities" to our consolidated financial statements.
- Our interest expense for the year ended December 31, 2017 decreased by $38 million, or 19%, as compared with the 2016 period, primarily related to the early repayments in 2017 on our 2015 Extended Term Loan B, our 2021 Term Loan B and our 2023 Term Loan B. We no longer have any senior secured term loans outstanding under our Senior Credit Facilities. For more information, see "Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities" to our consolidated financial statements.
- Loss on early extinguishment of debt for the year ended December 31, 2017 increased to $54 million from $3 million in the 2016 period. During 2017, we recorded a loss on early extinguishment of debt of $49 million related to the early repayments on our 2015 Extended Term Loan B, our 2021 Term Loan B and our 2023 Term Loan B.
- Our income tax expense for the year ended December 31, 2017 decreased to $64 million from $109 million in the 2016 period, primarily due to the impact of the U.S. Tax Reform Act, which resulted in a net $52 million benefit—$137 million benefit is related to the corporate rate reduction, net of $85 million expense related to transition tax. 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.
- Beginning in the third quarter of 2017, we reported the results of operations of the P&A Business as discontinued operations. See "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business" to our consolidated financial statements. In addition to the P&A Business, the results of operations of our former polymers, base chemicals and Australian businesses are reported as discontinued operations for all periods presented. Our income from discontinued operations, net of tax for the year ended December 31, 2017 increased to $158 million from a loss of $8 million in the 2016 period. The increase was primarily due to Venator's improved margins primarly as a result from higher average selling prices and higher sales volumes in titanium dioxide, offset in part by higher business separation expenses.

Segment Analysis

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

	Year ended December 31, 2017	Year ended December 31, 2016	Percent Change Favorable (Unfavorable)
Revenues			
Polyurethanes	$ 4,399	$ 3,667	20%
Performance Products	2,109	2,126	(1)%
Advanced Materials	1,040	1,020	2%
Textile Effects	776	751	3%
Corporate and eliminations	34	(46)	NM
Total	$ 8,358	$ 7,518	11%
Segment adjusted EBITDA(1)			
Polyurethanes	$ 850	$ 569	49%
Performance Products	296	316	(6)%
Advanced Materials	219	223	(2)%
Textile Effects	83	73	14%
Corporate and other	(189)	(184)	(3)%
Total	$ 1,259	$ 997	26%

NM—Not meaningful

(1) For more information, including reconciliation of segment adjusted EBITDA to net income of Huntsman Corporation, see “Note 24. Operating Segment Information” to our consolidated financial statements.

	Year ended December 31, 2017 vs 2016			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(2)
Period-Over-Period Increase (Decrease)				
Polyurethanes.	18%	1%	3%	(2)%
Performance Products	7%	—	3%	(11)%
Advanced Materials	1%	1%	—	—
Textile Effects	(2)%	—	(2)%	7%
Total Company	12%	—	4%	(5)%

	Fourth Quarter 2017 vs Third Quarter 2017			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(2)
Period-Over-Period Increase (Decrease)				
Polyurethanes	5%	—	1%	(3)%
Performance Products	—	—	3%	—
Advanced Materials	2%	—	(1)%	(3)%
Textile Effects	—	—	—	(2)%
Total Company	3%	—	2%	(3)%

(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 2017 compared to 2016 was primarily due to higher average selling prices, partially offset by lower MTBE sales volumes. MDI average selling prices increased in response to higher raw material costs and continued strong market conditions. MTBE average selling prices increased primarily as a result of higher pricing for high octane gasoline. MDI sales volumes increased due to increased demand across most major markets. MTBE sales volumes decreased due to the impact of maintenance and hurricane related production outages during the second and third quarters of 2017. The increase in segment adjusted EBITDA was primarily due to higher MDI margins, partially offset by lower MTBE margins.

Performance Products

The decrease in revenues in our Performance Products segment for 2017 compared to 2016 was due to lower sales volumes principally because of the sale of the European surfactants business to Innospec Inc. on December 30, 2016, partially offset by higher sales volumes in our remaining businesses as well as higher average selling prices. Average selling prices increased primarily in response to higher raw material costs and favorable product mix effect partially from the sale of the European surfactants business. The decrease in segment adjusted EBITDA was primarily due to the sale of the European surfactants business to Innospec Inc. in 2016 and weather related outages offset by higher sales volumes in our remaining businesses and lower fixed costs.

Advanced Materials

The increase in revenues in our Advanced Materials segment for 2017 compared to 2016 was primarily due to higher average selling prices. Average selling prices increased in response to higher raw material costs. Sales volumes remained relatively unchanged as growth in our higher value specialty markets was offset by reduced volumes as we

withdrew from certain low margin businesses. The decrease in segment adjusted EBITDA was due to lower margins resulting from higher raw material costs and higher fixed costs.

Textile Effects

The increase in revenues in our Textile Effects segment for 2017 compared to 2016 was due to higher sales volumes, partially offset by lower average selling prices. Sales volumes increased in both textile chemicals and dyes, particularly in our Asia region. Average selling prices decreased primarily due to competitive market conditions. The increase in segment adjusted EBITDA was primarily due to higher sales volumes and lower selling, general and administrative costs.

Corporate and other

Corporate and other includes unallocated corporate overhead, unallocated foreign currency 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 2017, adjusted EBITDA from Corporate and other decreased by $5 million to a loss of $189 million from a loss of $184 million for 2016. The decrease in adjusted EBITDA from Corporate and other resulted primarily from an increase in unallocated corporate overhead and an increase in losses from benzene sales, partially offset by a decrease in LIFO inventory valuation expense.

Year Ended December 31, 2016 Compared with Year Ended December 31, 2015

As discussed in "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business" to our consolidated financial statements, the results from continuing operations for all periods presented exclude the results of the P&A Business and the results of our former polymers, base chemicals and Australian styrenics business. The increase of $233 million in net income attributable to Huntsman Corporation was the result of the following items:

- Revenues for the year ended December 31, 2016 decreased by $621 million, or 8%, as compared with the 2015 period. The decrease was due principally to lower average selling prices in all our segments and lower sales volumes in our Performance Products and Advanced Materials segments. See "—Segment Analysis" below.
- Our gross profit for the year ended December 31, 2016 decreased by $208 million, or 12%, as compared with the 2015 period. The decrease resulted from lower gross margins in our Polyurethanes, Performance Products and Advanced Materials segments. See "—Segment Analysis" below.
- Our operating expenses decreased by $29 million, or 3%, for the year ended December 31, 2016 as compared with the 2015 period, primarily related to a decrease in selling, general and administrative expenses in 2016.
- Restructuring, impairment and plant closing costs for the year ended December 31, 2016 decreased to $47 million from $83 million in the 2015 period. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.
- Our other operating income, net increased by $101 million for the year ended December 31, 2016 as compared with the 2015 period, primarily related to a gain on the sale of our European surfactants business in the fourth quarter of 2016. For more information concerning the sale of our European surfactants business, see "Note 3. Business Combinations and Dispositions—Sale of European Surfactants Manufacturing Facilities" to our consolidated financial statements.
- Loss on early extinguishment of debt for the year ended December 31, 2016 decreased to $3 million from $31 million in the 2015 period. During 2016, we recorded a loss on early extinguishment of debt of $3 million primarily related to the repayment of our term loan B facilities due 2017 and our term loan C facility due 2016 ("Term Loan C") as well as voluntary repayments on our 2015 Extended Term Loan B. During 2015, we recorded a loss on early extinguishment of debt of $30 million primarily related to the redemption of our 8.625% senior subordinated notes due 2021 ("2021 Senior Subordinated Notes").

- Our income tax expense for the year ended December 31, 2016 increased to $109 million from $60 million in 2015 period. 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.
- Beginning in the third quarter of 2017, we reported the results of operations of the P&A Business as discontinued operations. See “Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business” to our consolidated financial statements. In addition to the P&A Business, the results of operations of our former polymers, base chemicals and Australian businesses are reported as discontinued operations for all periods presented. Our loss from discontinued operations, net of tax for the year ended December 31, 2016 decreased to $8 million from a loss of $302 million in the 2015 period. The decrease was primarily due to Venator’s improved margins resulting from restructuring savings.

Segment Analysis

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

	Year ended December 31,		Percent Change Favorable
	2016	2015	(Unfavorable)
Revenues			
Polyurethanes	$ 3,667	$ 3,811	(4)%
Performance Products	2,126	2,501	(15)%
Advanced Materials	1,020	1,103	(8)%
Textile Effects	751	804	(7)%
Corporate and eliminations	(46)	(80)	NM
Total	$ 7,518	$ 8,139	(8)%
Segment adjusted EBITDA(1)			
Polyurethanes	$ 569	$ 573	(1)%
Performance Products	316	460	(31)%
Advanced Materials	223	220	1%
Textile Effects	73	63	16%
Corporate and other	(184)	(156)	(18)%
Total	$ 997	$ 1,160	(14)%

NM—Not meaningful

(1) For more information, including reconciliation of segment adjusted EBITDA to net income of Huntsman Corporation, see “Note 24. Operating Segment Information” to our consolidated financial statements.

	Year ended December 31, 2016 vs 2015			
	Average Selling Price(1)			
	Local Currency	Foreign Currency Translation Impact	Mix & Other	Sales Volumes(2)
Period-Over-Period Increase (Decrease)				
Polyurethanes	(9)%	(1)%	(5)%	11%
Performance Products	(8)%	(1)%	(4)%	(2)%
Advanced Materials	(2)%	(2)%	3%	(7)%
Textile Effects	(6)%	(3)%	(1)%	3%
Total Company	(7)%	(1)%	(3)%	5%

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

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

Polyurethanes

The decrease in revenues in our Polyurethanes segment for 2016 compared to 2015 was primarily due to lower average selling prices, partially offset by higher sales volumes. MDI average selling prices decreased in response to lower raw material costs. MTBE average selling prices decreased primarily as a result of lower pricing for high octane gasoline. MDI sales volumes increased due to higher demand in the Americas and European regions. PO/MTBE sales volumes increased primarily due to the impact of the prior year planned maintenance outage. The decrease in segment adjusted EBITDA was primarily due to lower MTBE margins, partially offset by higher MDI margins and sales volumes and the prior year planned PO/MTBE maintenance outage of approximately $90 million.

Performance Products

The decrease in revenues in our Performance Products segment for 2016 compared to 2015 was primarily due to lower average selling prices and lower sales volumes. Average selling prices decreased primarily in response to lower raw material costs and competitive market conditions. Sales volumes decreased primarily due to competitive market conditions, softer demand in China and oilfield applications as well as the impact of weather related and other production outages. The decrease in segment adjusted EBITDA was primarily due to lower sales volumes, lower margins in our amines, maleic anhydride and upstream intermediates businesses as well as the impact of weather related and other production outages estimated at approximately $15 million.

Advanced Materials

The decrease in revenues in our Advanced Materials segment for 2016 compared to 2015 was due to lower sales volumes and lower average selling prices. Sales volumes decreased primarily in the Americas region, due to competitive pressure and soft demand. Average selling prices decreased in our Asia Pacific and European regions primarily due to price concessions in our electrical, electronic and wind markets and the foreign currency exchange impact of a stronger U.S. dollar against major international currencies. The increase in segment adjusted EBITDA was primarily due to lower fixed costs, partially offset by lower margins as savings from lower raw material costs were offset by lower sales volumes and lower selling prices.

Textile Effects

The decrease in revenues in our Textile Effects segment for 2016 compared to 2015 was due to lower average selling prices, partially offset by higher sales volumes. Average selling prices decreased primarily due to lower raw material costs and the foreign currency exchange impact of a stronger U.S. dollar against major international currencies. Sales volumes increased in key target countries, mainly in South Asia. The increase in segment adjusted EBITDA was primarily due to higher margins from lower raw material costs and lower selling, general and administrative costs.

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 2016, adjusted EBITDA from Corporate and other decreased by $28 million to a loss of $184 million from a loss of $156 million for the same period in 2015. The decrease in adjusted EBITDA from Corporate and other resulted primarily from an increase in LIFO inventory valuation expense, partially offset by an increase in gains from benzene sales.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows for Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

Net cash provided by operating activities from continuing operations for 2017 and 2016 was $842 million and $974 million, respectively. The decrease in net cash provided by operating activities during 2017 compared with 2016 was primarily attributable to an unfavorable variance of $424 million in operating assets and liabilities in 2017, offset in part by increased operating income as described in "—Results of Operations" above.

Net cash used in investing activities from continuing operations for 2017 and 2016 was $265 million and $119 million, respectively. During 2017 and 2016, we paid $282 million and $318 million, respectively, for capital expenditures. We paid $14 million and nil for the acquisition of a business during the year ended December 31, 2017 and 2016, respectively. During 2017 and 2016 we received proceeds from the sale of businesses and assets of $25 million and $199 million, respectively, including proceeds of $199 million from the sale of our European surfactants business during 2016. For further information, see "Note 3. Discontinued Operations and Business Dispositions—Sale of European Surfactants Manufacturing Facilities" to our consolidated financial statements. During the year ended December 31, 2017 and 2016, we received $7 million and nil, respectively, from the termination of cross-currency interest rate contracts.

Net cash used in financing activities for 2017 and 2016 was $519 million and $723 million, respectively. The decrease in net cash used in financing activities was primarily due to proceeds from the IPO and secondary offering of the P&A Business, offset in part by an increase in net repayments of our revolving loan facility and net repayments of long-term debt during 2017 as compared with 2016.

Free cash flow from continuing operations for 2017 and 2016 were cash proceeds of $594 million and $656 million, respectively. The decrease in free cash flow was attributable to the changes in cash flows from operating and investing activities, excluding merger and acquisition activities.

Cash Flows for Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

Net cash provided by operating activities from continuing operations for 2016 and 2015 was $974 million and $614 million, respectively. The increase in net cash provided by operating activities during 2016 compared with 2015 was primarily attributable to higher net income for 2015 as described in "—Results of Operations" above and a $522 million favorable variance in operating assets and liabilities for 2016 as compared with 2015.

Net cash used in investing activities from continuing operations for 2016 and 2015 was $119 million and $404 million, respectively. During 2016 and 2015, we paid $318 million and $461 million, respectively, for capital expenditures. During 2016 and 2015 we received proceeds from the sale of businesses and assets of $199 million and $1 million, respectively, including proceeds of $199 million from the sale of our European surfactants business during 2016. For further information, see "Note 3. Discontinued Operations and Business Dispositions—Sale of European Surfactants Manufacturing Facilities" to our consolidated financial statements. During 2016 and 2015, we made investments in our BASF Huntsman Shanghai Isocyanate Investment B.V. joint venture of nil and $12 million, respectively. During 2016 and 2015, we received nil and $66 million, respectively, from the termination of cross-currency interest rate contracts.

Net cash used in financing activities for 2016 and 2015 was $723 million and $562 million, respectively. The increase in net cash used in financing activities was primarily due to an increase in repayments of long-term debt, partially offset by an increase in proceeds from the issuance of long-term debt during the 2016 period as compared to the 2015 period. On April 1, 2016, we entered into our 2016 term loan B facility due 2023 ("2016 Term Loan B") in an aggregate principal amount of $550 million. Additionally, on April 1, 2016, we used the net proceeds of the 2016 Term Loan B to repay in full our extended term loan B due 2017, extended term loan B—series 2 due 2017 and our Term Loan C. On both July 22, 2016 and September 30, 2016, we prepaid $100 million of our 2015 Extended Term Loan B. On December 30, 2016, we made an early repayment of $260 million on our 2015 Extended Term Loan B using proceeds from the sale of our European surfactants business and existing cash. On March 31, 2015, we issued €300 million (approximately $326 million) aggregate principal amount of our 4.25% senior notes due April 1, 2025 ("2025 Senior Notes"). On April 17, 2015, we used the net proceeds of this offering to redeem $289 million ($294 million carrying value) of our 2021 Senior Subordinated Notes and redeemed the remaining $195 million ($198 million carrying value) of our 2021 Senior Subordinated Notes during the third quarter of 2015. During 2015, we repurchased $100 million of our common stock.

Free cash flow from continuing operations for 2016 and 2015 were cash proceeds of $656 million and $205 million, respectively. The increase in free cash flow was attributable to the changes in cash flows from operating and investing activities, excluding merger and acquisition activities.

Changes in Financial Condition

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

	December 31, 2017	December 31, 2016	Increase (Decrease)	Percent Change
Cash and cash equivalents	$ 470	$ 385	$ 85	22%
Restricted cash	11	11	—	—
Accounts and notes receivable, net	1,283	1,183	100	8%
Inventories	1,073	918	155	17%
Prepaid expenses	60	49	11	22%
Other current assets	202	232	(30)	(13)%
Current assets held for sale(1)	2,880	777	2,103	271%
Total current assets	5,979	3,555	2,424	68%
Accounts payable	964	790	174	22%
Accrued liabilities	569	471	98	21%
Current portion of debt	40	50	(10)	(20)%
Current liabilities held for sale(1)	1,692	467	1,225	262%
Total current liabilities	3,265	1,778	1,487	84%
Working capital	$ 2,714	$ 1,777	$ 937	53%

(1) The assets and liabilities held for sale are classified as current as of December 31, 2017 because it is probable that the sale of our remaining ownership interest in Venator ordinary shares will occur and proceeds will be collected within one year.

Our working capital increased by $937 million as a result of the net impact of the following significant changes:

- The increase in cash and cash equivalents of $85 million resulted from the matters identified on our consolidated statements of cash flows.
- Accounts and notes receivable increased by $100 million mainly due to higher revenues in the three months ended December 31, 2017 compared to the three months ended December 31, 2016.
- Inventories increased by $155 million primarily due to higher inventory volumes and higher raw material costs.
- Accounts payable increased by $174 million primarily due to higher purchases consistent with the higher inventory balances.
- Accrued liabilities increased by $98 million primarily due to an increase in income taxes payable, accrued taxes other than income and accrued payroll.

DIRECT AND SUBSIDIARY DEBT

See “Note 13. Debt—Direct and Subsidiary Debt” to our consolidated financial statements.

Debt Issuance Costs

See “Note 13. Debt—Direct and Subsidiary Debt—Debt Issuance Costs” to our consolidated financial statements.

Senior Credit Facilities

See “Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities” to our consolidated financial statements.

Seventeenth Amendment to Credit Agreement

See "Note 13. Debt—Direct and Subsidiary Debt—Seventeenth Amendment to Credit Agreement" to our consolidated financial statements.

A/R Programs

See "Note 13. Debt—Direct and Subsidiary Debt—A/R Programs" to our consolidated financial statements.

Notes

See "Note 13. Debt—Direct and Subsidiary Debt—Notes" to our consolidated financial statements.

Redemption of Notes and 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.

Variable Interest Entity Debt

See "Note 13. Debt—Direct and Subsidiary Debt—Variable Interest Entity Debt" to our consolidated financial statements.

Other Debt

See "Note 13. Debt—Direct and Subsidiary Debt—Other Debt" to our consolidated financial statements.

COMPLIANCE WITH COVENANTS

See "Note 13. Debt—Direct and Subsidiary Debt—Compliance with Covenants" to our consolidated financial statements.

MATURITIES

See "Note 13. Debt—Direct and Subsidiary Debt—Maturities" to our consolidated financial statements.

SHORT-TERM AND LONG-TERM LIQUIDITY

We depend upon our cash, Senior Credit Facilities, U.S. accounts receivable securitization program ("U.S. A/R Program"), European accounts receivable securitization program ("EU A/R Program" and collectively with the U.S. A/R Program, "A/R Programs") and other debt instruments to provide liquidity for our operations and working capital needs. As of December 31, 2017, we had $1,247 million of combined cash and unused borrowing capacity, consisting of $481 million in cash and restricted cash, $641 million in availability under our revolving facility ("Revolving Facility"), and $125 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, increased by approximately $133 million for 2017, as reflected in our consolidated statements of cash flows. We expect volatility in our working capital components to continue.
- During 2018, we expect to spend approximately $325 million on capital expenditures. Our future expenditures include certain environmental, health and safety ("EHS") maintenance and upgrades, periodic maintenance and repairs applicable to major units of manufacturing facilities and cost reduction and expansion projects. We expect to fund this spending with cash provided by operations.
- During 2017, we made contributions to our pension and postretirement benefit plans related to continuing operations of $103 million. During 2018, we expect to contribute approximately $96 million to these plans.
- We are involved in a number of cost reduction programs for which we have established restructuring accruals. As of December 31, 2017, we had $53 million of accrued restructuring costs from continuing

operations, of which $15 million is classified as current. For further discussion of these plans and the costs involved, see “Note 11. Restructuring, Impairment and Plant Closing Costs” to our consolidated financial statements.

- 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. Historically, our Board of Directors has declared quarterly cash dividends of $0.125 per share of common stock. On February 7, 2018, the Board of Directors approved an increase to the quarterly cash dividend to $0.1625 per share of common stock beginning with the March 30, 2018 quarterly dividend. While management currently expects that the Company will continue to pay the quarterly cash dividend, its dividend practice may change at any time.
- On February 7, 2018, our Board of Directors authorized our Company to repurchase up to $400 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. Repurchases may be made through the open market or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost.
- On October 27, 2017, we announced the mutual termination of the merger agreement with Clariant. For the the year ended December 31, 2017, we incurred $28 million of merger related costs. For more information regarding the merger, see “Note 1. General—Recent Developments—Termination of Huntsman and Clariant Merger Agreement” to our consolidated financial statements.
- During 2017, we received a cash benefit of approximately $90 million related to overpayments of prior year tax payments.
- In August 2017, we separated the P&A Business and conducted an IPO of ordinary shares of Venator, formerly a wholly-owned subsidiary of Huntsman. Additionally, in December 2017, we conducted a secondary offering of Venator ordinary shares. All of such ordinary shares were sold by Huntsman and Venator did not receive any proceeds from the offerings. In connection with these offerings, we received net proceeds of $954 million. For more information, see “Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business” to our consolidated financial statements. In addition, in connection with the separation and IPO of Venator, we received net proceeds of $732 million from Venator in connection with their debt offering and repayment of intercompany debt obligations to Huntsman. See “Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities” to our consolidated financial statements.

  With available free cash flow, the net proceeds from the sale of our investment in the P&A business and cash from the repayment of related intercompany indebtedness as described above, we repaid $2.1 billion of debt during the full year 2017 and believe we achieved investment grade-type leverage metrics at year end. See “Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities” to our consolidated financial statements. We seek to achieve investment grade ratings on our debt from the rating agencies, although we cannot provide any assurances of such status.
- As of December 31, 2017, we retained approximately 55% ownership in Venator. On January 3, 2018, the underwriters purchased an additional 1,948,955 Venator ordinary shares pursuant to their over-allotment option, which reduced our ownership interest in Venator to approximately 53%. We are planning to monetize our remaining investment in Venator and expect to use the net proceeds to return value to stockholders and for other corporate purposes.

As of December 31, 2017, we had $40 million classified as current portion of debt, including debt at our variable interest entities of $21 million, and certain other short-term facilities and scheduled amortization payments totaling $19 million. Although we cannot provide assurances, we intend to renew, repay or extend the majority of these short-term facilities in the next twelve months.

As of December 31, 2017, we had approximately $402 million of cash and cash equivalents, including restricted cash, held by our foreign subsidiaries, including our variable interest entities. Additionally, we have 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, and the repatriation of cash as a dividend or repayment of intercompany debt would generally not be subject to U.S. taxation as a result of the U.S. Tax Reform Act, but may potentially be subject to limited foreign taxes. Cash held by certain foreign subsidiaries, including our variable interest entities, may be subject to changing monetary policies of governments and legal restrictions, including those arising from the interests of our partners, which could limit the amounts available for repatriation.

Venator is commissioning a new production facility in Augusta, Georgia for the synthesis of iron oxide pigments, which was purchased from Rockwood. During commissioning, the facility has experienced delays producing products at the expected specifications and quantities, raising questions regarding the capabilities of the Augusta technology. Based on the facility's performance during the commissioning process, it was concluded that production capacity at Venator's Augusta facility will be substantially lower than originally anticipated. On February 6, 2017, Huntsman filed a lawsuit against Rockwood, Albemarle Corporation (as Rockwood's successor) and certain former Rockwood executives to recover damage for fraud and breach of contract involving the Augusta technology. Venator is not party to the suit.

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, 2017 are summarized below (dollars in millions):

	2018	2019 - 2020	2021 - 2022	After 2022	Total
Long-term debt, including current portion	$ 40	$ 892	$ 969	$ 397	$ 2,298
Interest(1)	107	205	78	21	411
Operating leases(2)	74	127	103	134	438
Purchase commitments(3)	1,299	1,986	994	2,087	6,366
Total(4)(5)	$ 1,520	$ 3,210	$ 2,144	$ 2,639	$ 9,513

(1) Interest calculated using interest rates as of December 31, 2017 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 $2 million due in the future under noncancelable subleases.

(3) We have various purchase commitments extending through 2039 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 2017. 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, 2017, 2016 and 2015, we made minimum payments of nil, $1 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 related to continuing operations are as follows (dollars in millions):

	2018	2019 - 2020	2021 -2022	5-Year Average Annual
Pension plans	$ 89	$ 161	$ 163	$ 71
Other postretirement obligations	7	13	13	6

(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.

RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

For a discussion of restructuring plans and the costs involved, 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

We are subject to extensive environmental regulations, which may impose significant additional costs on our operations in the future. While we do not expect any of these enactments or proposals to have a material adverse effect on us in the near term, we cannot predict the longer-term effect of any of these regulations or proposals on our future financial condition. 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:

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, 2017, we had total valuation allowances of $424 million. See "Note 17. Income Taxes" to our consolidated financial statements for more information regarding our valuation allowances.

On December 22, 2017, the U.S. Tax Reform Act was signed into law. The U.S. Tax Reform Act significantly revised the U.S. corporate income tax regime by, among other things, lowering the U.S. corporate tax rate from 35% to 21%, effective January 1, 2018, repealing the deduction for domestic production activities and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

As a result of the U.S. Tax Reform Act, the Company recorded a provisional tax benefit of $137 million due to a remeasurement of deferred U.S. tax assets and liabilities and a provisional tax expense of $85 million due to the transition tax on deemed repatriation of deferred foreign income. Absent the Venator offering and certain tax related restructuring transactions, our provisional transition tax liability on deemed repatriation of deferred foreign income would have been $12 million.

Both the tax benefit and the tax charge represent provisional amounts and our current best estimates. Any adjustments recorded to the provisional amounts through calendar year 2018 will be included in income as an adjustment to tax expense in the period of the adjustment. The provisional amounts incorporate assumptions made based upon available information and our current interpretation of the U.S. Tax Reform Act and may change as we receive additional implementation guidance and as we further refine our calculations with additional information.

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. We have not determined the need for, or change in, any unrecognized tax positions due to the U.S. Tax Reform Act. For further information concerning taxes, see "Note 17. Income Taxes" 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. and Canada. 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	$ (10)	$ (470)
—1% decrease	12	557
Expected long-term rates of return on plan assets		
—1% increase	(23)	—
—1% decrease	23	—
Rate of compensation increase		
—1% increase	8	98
—1% decrease	(8)	(93)

(1) Estimated increase (decrease) on 2017 net periodic benefit cost

(2) Estimated increase (decrease) on December 31, 2017 pension and postretirement liabilities and accumulated other comprehensive loss

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.

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. 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.

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. Approximately 59% 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, discount rates operating results, earnings projections and anticipated future cash flows.

We tested goodwill for impairment at the beginning of the third quarter of 2017 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 all reporting units by a significant margin.

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, 2017, 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 2017 would have been approximately $35 million less or $41 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.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks, such as changes in interest rates, foreign exchange rates and commodity prices. 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 were designated as cash flow hedges and the effective portion of the changes in the fair value of the swaps were recorded in other comprehensive income (loss). These swaps expired in April 2017.

Beginning in 2009, Arabian Amines Company ("AAC") 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 AAC as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities" to our consolidated financial statements. The notional amount of the swap as of December 31, 2017 was $14 million, and the interest rate contract is not designated as a cash flow hedge. As of both December 31, 2017 and 2016, the fair value of the swap was $1 million, and was recorded as other noncurrent liabilities on our consolidated balance sheets. For 2017 and 2016, we recorded a reduction of interest expense of nil each due to changes in fair value of the swap.

During 2017, accumulated other comprehensive loss of nil was 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, 2017 and 2016, we had approximately $93 million and $176 million, respectively, notional amount (in U.S. dollar equivalents) outstanding in foreign currency contracts with a term of approximately one month, of which nil and $88 million, respectively, were on behalf of our former P&A Business.

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 was designated as a hedge of net investment for financial reporting purposes. In August 2017, we terminated these cross-currency interest rate contracts and received $7 million from the counterparties.

In March 2010, we entered into three five year cross-currency interest rate contracts to swap an aggregate notional $350 million for an aggregate notional €255 million. This swap was designated as a hedge of net investment for

financial reporting purposes. During the three months ended March 31, 2015, we terminated these cross-currency interest rate contracts and received $66 million in payments from the counterparties.

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 income (loss). 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, 2017, for our continuing operations, we have designated approximately €470 million (approximately $559 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2017, 2016 and 2015, for our continuing operations, the amounts recognized on the hedge of our net investment was a loss of $96 million, and gains of $27 million and $68 million, respectively, and were recorded in other comprehensive income (loss).

COMMODITY PRICES RISK

Inherent in our business is exposure to price changes for several commodities. However, 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, 2017. Based on this evaluation, our chief executive officer and chief financial officer have concluded that, as of December 31, 2017, 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, 2017 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 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.

Our management assessed the effectiveness of our internal control over financial reporting and concluded that, as of December 31, 2017, 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Huntsman Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2017, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2017 of the Company and our report dated February 23, 2018, expressed an unqualified opinion on those financial statements.

Basis for Opinion

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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 23, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Huntsman Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2017 and 2016, 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, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, 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) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2018, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 23, 2018
We have served as the Company's auditor since 1984.

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

	December 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents(a)	$ 470	$ 385
Restricted cash(a)	11	11
Accounts and notes receivable (net of allowance for doubtful accounts of $25 and $23, respectively), ($334 and $328 pledged as collateral, respectively)(a)	1,256	1,168
Accounts receivable from affiliates	27	15
Inventories(a)	1,073	918
Prepaid expenses	60	49
Other current assets(a)	202	232
Current assets held for sale	2,880	777
Total current assets	5,979	3,555
Property, plant and equipment, net(a)	3,098	3,034
Investment in unconsolidated affiliates	266	248
Intangible assets, net(a)	56	43
Goodwill	140	121
Deferred income taxes	208	253
Other noncurrent assets(a)	497	472
Noncurrent assets held for sale	—	1,463
Total assets	$ 10,244	$ 9,189
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable(a)	$ 946	$ 774
Accounts payable to affiliates	18	16
Accrued liabilities(a)	569	471
Current portion of debt(a)	40	50
Current liabilities held for sale	1,692	467
Total current liabilities	3,265	1,778
Long-term debt(a)	2,258	4,122
Notes payable to affiliates	—	1
Deferred income taxes	264	371
Other noncurrent liabilities(a)	1,086	1,057
Noncurrent liabilities held for sale	—	393
Total liabilities	6,873	7,722
Commitments and contingencies (Notes 18 and 19)		
Equity		
Huntsman Corporation stockholders' equity:		
Common stock $0.01 par value, 1,200,000,000 shares authorized, 252,759,715 and 250,802,175 shares issued and 240,213,606 and 236,370,347 shares outstanding, respectively	3	3
Additional paid-in capital	3,889	3,447
Treasury stock, 12,607,223 shares	(150)	(150)
Unearned stock-based compensation	(15)	(17)
Retained earnings (accumulated deficit)	161	(325)
Accumulated other comprehensive loss	(1,268)	(1,671)
Total Huntsman Corporation stockholders' equity	2,620	1,287
Noncontrolling interests in subsidiaries	751	180
Total equity	3,371	1,467
Total liabilities and equity	$ 10,244	$ 9,189

(a) At December 31, 2017 and December 31, 2016, respectively, $15 and $20 of cash and cash equivalents, $11 and $10 of restricted cash, $35 and $21 of accounts and notes receivable (net), $46 and $45 of inventories, $7 and $5 of other current assets, $283 and $279 of property, plant and equipment (net), $10 each of intangible assets (net), $43 and $37 of other noncurrent assets, $109 and $89 of accounts payable, $32 and $30 of accrued liabilities, $21 and $12 of current portion of debt, $86 and $114 of long-term debt, and $98 and $76 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,		
	2017	2016	2015
Revenues:			
Trade sales, services and fees, net	$ 8,208	$ 7,387	$ 8,008
Related party sales	150	131	131
Total revenues	8,358	7,518	8,139
Cost of goods sold	6,546	5,992	6,405
Gross profit	1,812	1,526	1,734
Operating expenses:			
Selling, general and administrative	798	768	791
Research and development	138	137	143
Restructuring, impairment and plant closing costs	20	47	83
Merger costs	28	—	—
Other operating income, net	(23)	(101)	—
Total operating expenses	961	851	1,017
Operating income	851	675	717
Interest expense	(165)	(203)	(205)
Equity in income of investment in unconsolidated affiliates	13	5	6
Loss on early extinguishment of debt	(54)	(3)	(31)
Other income, net	2	—	1
Income from continuing operations before income taxes	647	474	488
Income tax expense	(64)	(109)	(60)
Income from continuing operations	583	365	428
Income (loss) from discontinued operations, net of tax	158	(8)	(302)
Net income	741	357	126
Net income attributable to noncontrolling interests	(105)	(31)	(33)
Net income attributable to Huntsman Corporation	$ 636	$ 326	$ 93
Basic income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 2.01	$ 1.41	$ 1.63
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	0.66	(0.03)	(1.25)
Net income attributable to Huntsman Corporation common stockholders	$ 2.67	$ 1.38	$ 0.38
Weighted average shares	238.4	236.3	242.8
Diluted income (loss) per share:			
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 1.96	$ 1.39	$ 1.61
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	0.65	(0.03)	(1.23)
Net income attributable to Huntsman Corporation common stockholders	$ 2.61	$ 1.36	$ 0.38
Weighted average shares	243.9	239.6	245.4
Amounts attributable to Huntsman Corporation common stockholders:			
Income from continuing operations	$ 478	$ 334	$ 395
Income (loss) from discontinued operations, net of tax	158	(8)	(302)
Net income	$ 636	$ 326	$ 93
Dividends per share	$ 0.50	$ 0.50	$ 0.50

See accompanying notes to consolidated financial statements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Millions)

	Year ended December 31,		
	2017	**2016**	**2015**
Net income	$ 741	$ 357	$ 126
Other comprehensive income (loss), net of tax:			
Foreign currency translations adjustments	210	(171)	(313)
Pension and other postretirement benefits adjustments	86	(219)	66
Other, net	—	(1)	7
Other comprehensive income (loss), net of tax	296	(391)	(240)
Comprehensive income (loss)	1,037	(34)	(114)
Comprehensive income attributable to noncontrolling interests	(127)	(23)	(28)
Comprehensive income (loss) attributable to Huntsman Corporation	$ 910	$ (57)	$ (142)

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	Retained earnings (accumulated deficit)	Accumulated other comprehensive loss	Noncontrolling interests in subsidiaries	Total equity
Beginning balance, January 1, 2015	243,416,979	$ 3	$ 3,385	$ (50)	$ (14)	$ (493)	$ (1,053)	$ 173	$ 1,951
Net income	—	—	—	—	—	93	—	33	126
Other comprehensive loss	—	—	—	—	—	—	(235)	(5)	(240)
Issuance of nonvested stock awards	—	—	19	—	(19)	—	—	—	—
Vesting of stock awards	1,037,743	—	7	—	—	—	—	—	7
Recognition of stock-based compensation	—	—	10	—	16	—	—	—	26
Repurchase and cancellation of stock awards	(304,340)	—	—	—	—	(7)	—	—	(7)
Stock options exercised	48,572	—	1	—	—	—	—	—	1
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(14)	(14)
Excess tax benefit related to stock-based compensation	—	—	1	—	—	—	—	—	1
Cash paid for noncontrolling interest	—	—	(1)	—	—	—	—	—	(1)
Treasury stock repurchased	(7,118,928)	—	(15)	(85)	—	—	—	—	(100)
Dividends declared on common stock	—	—	—	—	—	(121)	—	—	(121)
Balance, December 31, 2015	237,080,026	3	3,407	(135)	(17)	(528)	(1,288)	187	1,629
Net income	—	—	—	—	—	326	—	31	357
Other comprehensive loss	—	—	—	—	—	—	(383)	(8)	(391)
Issuance of nonvested stock awards	—	—	16	—	(16)	—	—	—	—
Vesting of stock awards	914,081	—	2	—	—	—	—	—	2
Recognition of stock-based compensation	—	—	9	—	16	—	—	—	25
Repurchase and cancellation of stock awards	(256,468)	—	—	—	—	(3)	—	—	(3)
Stock options exercised	77,477	—	1	—	—	—	—	—	1
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(30)	(30)
Excess tax benefit related to stock-based compensation	—	—	(3)	—	—	—	—	—	(3)
Treasury stock repurchased	(1,444,769)	—	15	(15)	—	—	—	—	—
Dividends declared on common stock	—	—	—	—	—	(120)	—	—	(120)
Balance, December 31, 2016	236,370,347	3	3,447	(150)	(17)	(325)	(1,671)	180	1,467
Net income	—	—	—	—	—	636	—	105	741
Other comprehensive income	—	—	—	—	—	—	403	(107)	296
Issuance of nonvested stock awards	—	—	18	—	(18)	—	—	—	—
Vesting of stock awards	1,316,975	—	8	—	—	—	—	—	8
Recognition of stock-based compensation	—	—	10	—	18	—	—	—	28
Repurchase and cancellation of stock awards	(402,978)	—	—	—	—	(12)	—	—	(12)
Contribution from noncontrolling interests	—	—	—	—	—	—	—	5	5
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(34)	(34)
Disposition of a portion of P&A Business	—	—	413	—	—	—	—	—	413
Costs of the IPO and secondary offering of the P&A Business	—	—	(58)	—	—	—	—	—	(58)
Conversion of restricted awards to P&A Business awards	—	—	(2)	—	2	—	—	—	—
Noncontrolling interest from partial disposal of P&A Business	—	—	—	—	—	—	—	602	602
Stock options exercised	2,929,262	—	53	—	—	(18)	—	—	35
Dividends declared on common stock	—	—	—	—	—	(120)	—	—	(120)
Balance, December 31, 2017	240,213,606	$ 3	$ 3,889	$ (150)	$ (15)	$ 161	$ (1,268)	$ 751	$ 3,371

See accompanying notes to consolidated financial statements.

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

	Year ended December 31,		
	2017	2016	2015
Operating Activities:			
Net income	$ 741	$ 357	$ 126
Less: (Income) loss from discontinued operations	(158)	8	302
Income from continuing operations	583	365	428
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:			
Equity in income of investment in unconsolidated affiliates	(13)	(5)	(6)
Depreciation and amortization	319	318	298
(Gain) loss on disposal of businesses/assets, net	(6)	(94)	5
Loss on early extinguishment of debt	54	3	31
Noncash interest expense	8	16	13
Noncash restructuring and impairment charges (credits)	1	(4)	7
Deferred income taxes	(55)	4	(18)
Noncash (gain) loss on foreign currency transactions	(5)	(2)	10
Stock-based compensation	36	32	29
Other, net	6	3	1
Changes in operating assets and liabilities:			
Accounts and notes receivable	(183)	(25)	87
Inventories	(104)	177	84
Prepaid expenses	(11)	5	(10)
Other current assets	24	12	(74)
Other noncurrent assets	(60)	44	(100)
Accounts payable	154	46	(129)
Accrued liabilities	63	123	(35)
Other noncurrent liabilities	31	(44)	(7)
Net cash provided by operating activities from continuing operations	842	974	614
Net cash provided by (used in) operating activities from discontinued operations	377	114	(39)
Net cash provided by operating activities	1,219	1,088	575
Investing Activities:			
Capital expenditures	(282)	(318)	(461)
Investment in unconsolidated affiliates	—	(1)	(12)
Acquisition of business, net of cash acquired	(14)	—	(14)
Proceeds from sale of businesses/assets	25	199	1
Cash received from purchase price adjustment for business acquired	—	—	18
Cash received from termination of cross-currency interest rate contracts	7	—	66
Change in restricted cash	—	1	(3)
Other, net	(1)	—	1
Net cash used in investing activities from continuing operations	(265)	(119)	(404)
Net cash used in investing activities from discontinued operations	(159)	(83)	(196)
Net cash used in investing activities	(424)	(202)	(600)

(continued)

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

	Year ended December 31,		
	2017	2016	2015
Financing Activities:			
Net repayments under revolving loan facilities	$ (41)	$ —	$ (1)
Net borrowings (repayments) on overdraft facilities	1	(1)	(8)
Repayments of short-term debt	(15)	(56)	—
Borrowings on short-term debt	8	10	12
Repayments of long-term debt	(2,058)	(1,070)	(604)
Proceeds from long-term debt of P&A Business	750	—	—
Proceeds from issuance of long-term debt	24	559	326
Repayments of notes payable	(27)	(33)	(33)
Borrowings on notes payable	31	31	34
Debt issuance costs paid	(21)	(9)	(8)
Call premiums related to early extinguishment of debt	—	(1)	(35)
Contingent consideration paid for acquisition	—	—	(4)
Dividends paid to noncontrolling interests	(34)	(30)	(14)
Contribution from noncontrolling interests	5	—	—
Dividends paid to common stockholders	(120)	(120)	(121)
Repurchase and cancellation of stock awards	(12)	(3)	(7)
Proceeds from issuance of common stock	35	1	1
Repurchase of common stock	—	—	(100)
Proceeds from the IPO and secondary offering of P&A Business	1,012	—	—
Cash paid for expenses of the IPO and secondary offering of P&A Business	(58)	—	—
Other, net	1	(1)	—
Net cash used in financing activities	(519)	(723)	(562)
Effect of exchange rate changes on cash	18	(6)	(16)
Increase in cash and cash equivalents	294	157	(603)
Cash and cash equivalents from continuing operations at beginning of period	385	236	825
Cash and cash equivalents from discontinued operations at beginning of period	29	21	35
Cash and cash equivalents at end of period	$ 708	$ 414	$ 257
Supplemental cash flow information:			
Cash paid for interest	$ 175	$ 205	$ 225
Cash paid for income taxes	25	40	126

As of December 31, 2017, 2016 and 2015, the amount of capital expenditures in accounts payable was $51 million, $61 million and $53 million, respectively. In addition, as of December 31, 2017, the amount of cash interest and cash income taxes included in our supplemental cash flow information related to cash paid for interest and cash paid for income taxes that was paid by our former P&A Business after the IPO date was $6 million and $16 million, respectively.

See accompanying 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 the "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; "AAC" refers to Arabian Amines Company, our consolidated manufacturing joint venture with the Zamil Group; "HPS" refers to Huntsman Polyurethanes Shanghai Ltd. (our consolidated splitting joint venture with Shanghai Chlor-Alkali Chemical Company, Ltd); "Sasol-Huntsman" refers to Sasol-Huntsman GmbH and Co. KG (our consolidated joint venture with Sasol that owns and operates a maleic anhydride facility in Moers, Germany); 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, 2017, which was filed with the Securities and Exchange Commission on February 23, 2018.

DESCRIPTION OF BUSINESS

We are a global manufacturer of differentiated organic 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, digital inks, electronics, medical, packaging, coatings and construction, 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 and dyes.

We operate in four segments: Polyurethanes, Performance Products, Advanced Materials and Textile Effects. In August 2017, we separated the P&A Business through an IPO of ordinary shares of Venator. Beginning in the third quarter of 2017, we reported the results of the former P&A Business as discontinued operations. See "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business." 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 also report the results of these businesses as discontinued operations.

COMPANY

Our Company, a Delaware corporation, was formed in 2004 to hold the Huntsman businesses, which were founded by Jon M. Huntsman. Mr. Huntsman founded the predecessor to our Company in 1970 as a small polystyrene plastics packaging company. Since then, we have grown through a series of significant acquisitions and now own a global portfolio of businesses. Jon M. Huntsman served as the Executive Chairman of our Company until December 31, 2017, at which time Peter Huntsman, our Chief Executive Officer, was appointed to the role of Chairman of the Board. Jon M. Huntsman served as Director and Chairman Emeritus until his passing on February 2, 2018.

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.

1. GENERAL (Continued)

RECENT DEVELOPMENTS

Separation of the P&A Business

In August 2017, we separated the P&A Business and conducted an IPO of ordinary shares of Venator, formerly a wholly-owned subsidiary of Huntsman. Additionally, in December 2017, we conducted a secondary offering of Venator ordinary shares. All of such ordinary shares were sold by Huntsman, and Venator did not receive any proceeds from the offerings. Venator's ordinary shares began trading on The New York Stock Exchange under the symbol "VNTR" on August 3, 2017. As of December 31, 2017, Huntsman retained approximately 55% ownership in Venator. On January 3, 2018, the underwriters purchased an additional 1,948,955 Venator ordinary shares pursuant to their over-allotment option, which reduced Huntsman's ownership interest in Venator to approximately 53%. Beginning in the third quarter of 2017, we reported the results of operations of the P&A Business as discontinued operations. For more information, see "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business."

Prepayment of Debt

In August 2017, we made early prepayments of $1,207 million on our Senior Credit Facilities, of which $106 million was paid on our 2015 Extended Term Loan B, $347 million was paid on our 2021 Term Loan B, and $754 million was paid on our 2023 Term Loan B. The funds used to pay down the debt included $732 million received from Venator ($750 million of debt raised by Venator, net of $18 million of debt issuance costs), upon its payment of intercompany debt obligations owed to Huntsman, and $475 million from proceeds of the Venator IPO. In connection with the $1,207 million prepayments of our term loans, we recognized a loss on early extinguishment of debt of $34 million. Additionally, in December 2017, we repaid in full the remaining $511 million on our 2023 Term Loan B using the funds raised from the secondary offering and existing cash and recognized a loss on early extinguishment of debt of $15 million. See "Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities."

With available free cash flow, the net proceeds from the sale of our investment in the P&A Business and cash from the repayment of related intercompany indebtedness as described above, we repaid $2.1 billion of debt during the full year 2017 and believe we achieved investment grade-type leverage metrics at year end. See "Note 13. Debt—Direct and Subsidiary Debt—Senior Credit Facilities."

Termination of Huntsman and Clariant Merger Agreement

As previously disclosed, on May 21, 2017, Huntsman and Clariant entered into a merger agreement. On October 26, 2017, Huntsman and Clariant entered into a termination agreement pursuant to which the parties mutually terminated the merger agreement. No fees are payable under the terms of the termination agreement at this time. Huntsman and Clariant also agreed to release each other from claims and liabilities arising out of or related to the merger agreement or the transactions contemplated thereby. Pursuant to the termination agreement, each party agreed to bear its own costs, fees and expenses in connection with the merger agreement and the transaction costs contemplated thereby, except for specified joint filing fees and related expenses as set forth in the merger agreement. During the years ended December 31, 2017, 2016 and 2015, we incurred merger-related costs of $28 million, nil and nil, respectively.

U.S. Tax Reform Act

On December 22, 2017, the U.S. Tax Reform Act was signed into law. The U.S.Tax Reform Act significantly revised the U.S. corporate income tax regime by, among other things, lowering the U.S. corporate tax rate from 35% to 21%, effective January 1, 2018, repealing the deduction for domestic production activities and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

As a result of the U.S. Tax Reform Act, the Company recorded a provisional tax benefit of $137 million due to a remeasurement of deferred tax assets and liabilities and a provisional tax expense of $85 million due to the transition tax on deemed repatriation of deferred foreign income. Absent the Venator offering and certain tax related restructuring transactions, our provisional transition tax liability on deemed repatriation of deferred foreign income would have been $12 million.

1. GENERAL (Continued)

Share Repurchase Program

On February 7, 2018, our Board of Directors authorized our Company to repurchase up to $400 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. Repurchases may be made through the open market or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost.

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, asbestos abatement costs, demolition and removal costs and leasehold remediation 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 $9 million and $8 million at December 31, 2017 and 2016, 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 or selling price of assets held for sale. 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 financing activities 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 inception we

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, net in our consolidated statements of operations and were (gains) losses of $(5) million, $(2) million and $10 million for the years ended December 31, 2017, 2016 and 2015, 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 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.

On December 22, 2017, the U.S. Tax Reform Act was signed into law. The U.S. Tax Reform Act significantly revised the U.S. corporate income tax regime by, among other things, lowering the U.S. corporate tax rate from 35% to 21%, effective January 1, 2018, repealing the deduction for domestic production activities and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries.

As a result of the U.S. Tax Reform Act, the Company recorded a provisional tax benefit of $137 million due to a remeasurement of deferred tax assets and liabilities and a provisional tax expense of $85 million due to the transition tax on deemed repatriation of deferred foreign income. Absent the Venator offering and certain tax related restructuring

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

transactions, our provisional transition tax liability on deemed repatriation of deferred foreign income would have been $12 million.

Both the tax benefit and the tax charge represent provisional amounts and our current best estimates. Any adjustments recorded to the provisional amounts through calendar year 2018 will be included in income as an adjustment to tax expense in the period of the adjustment. The provisional amounts incorporate assumptions made based upon available information and our current interpretation of the U.S. Tax Reform Act and may change as we receive additional implementation guidance and as we further refine our calculations with additional information.

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. We have not determined the need for, or change in, any unrecognized tax positions due to the U.S. Tax Reform Act. For further information concerning taxes, see “Note 17. Income Taxes.”

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	9 - 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 2017 was $3 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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,		
	2017	2016	2015
Numerator:			
Basic and diluted income from continuing operations:			
Income from continuing operations attributable to Huntsman Corporation	$ 478	$ 334	$ 395
Basic and diluted net income:			
Net income attributable to Huntsman Corporation	$ 636	$ 326	$ 93
Denominator:			
Weighted average shares outstanding	238.4	236.3	242.8
Dilutive shares:			
Stock-based awards	5.5	3.3	2.6
Total weighted average shares outstanding, including dilutive shares	243.9	239.6	245.4

Additional stock-based awards of 0.8 million, 5.7 million and 6.1 million weighted average equivalent shares of stock were outstanding during the years ended December 31, 2017, 2016 and 2015, 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, the overfunded portion related to defined benefit plans for employees and capitalized turnaround costs. 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.

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.

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 $9 million, $12 million and $14 million for the years ended December 31, 2017, 2016 and 2015, respectively.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RECLASSIFICATIONS

Certain amounts in the consolidated financial statements for prior periods have been reclassified to conform with the current presentation. These reclassifications were to record the assets and liabilities as held for sale and results of operations of the former P&A Business to discontinued operations. See "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business."

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.

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, net of estimated forfeitures, 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."

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 2017

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*. The amendments in this ASU do not apply to inventory that is measured using last-in first-out ("LIFO") or the retail inventory method, but rather does apply to all other inventory, which includes inventory that is measured using first-in first-out or average cost. An entity should measure in scope inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments in this ASU should be applied prospectively. We adopted the amendments in this ASU effective January 1, 2017, and the initial adoption of the amendment in this ASU did not have a significant impact on our consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. The amendments in this ASU require entities to recognize the current and deferred income

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

taxes for an intra-entity transfer of an asset other than inventory when the transfer occurs, as opposed to deferring the recognition of the income tax consequences until the asset has been sold to an outside party. The amendments in this ASU are effective for annual reporting periods beginning after December 31, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued or made available for issuance. The amendments in this ASU should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We early adopted the amendments of this ASU effective January 1, 2017 and the initial adoption of amendments in this ASU did not have a significant impact on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The amendments in this ASU simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. We adopted the amendments in this ASU effective January 1, 2017, and the initial adoption of the amendment in this ASU did not have a significant impact on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The amendments in this ASU simplify the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. Under the amendments in this ASU, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying value, which eliminates the current requirement to calculate a goodwill impairment charge by comparing the implied fair value of goodwill with its carrying amount. The amendments in this ASU are effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The amendments in this ASU should be applied on a prospective basis. We adopted the amendments in this ASU effective January 1, 2017 and the initial adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

Accounting Pronouncements Pending Adoption in Future Periods

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. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, deferring the effective date of ASU No. 2014-09 for all entities by one year. Further, in March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, clarifying the implementation guidance on principal versus agent considerations, in April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, clarifying the implementation guidance on identifying performance obligations in a contract and determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time), in May 2016, the FASB issued ASU No. 2016-12, *Revenue from Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, providing clarifications and practical expedients for certain narrow aspects in Topic 606, and in December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*. The amendments in these ASUs are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The amendments in ASU No. 2014-09, ASU No. 2016-08, ASU No. 2016-10, ASU No. 2016-12 and ASU No. 2016-20 should be applied retrospectively, and early application is permitted. We are complete with our analysis to identify areas in our consolidated financial statements that will be impacted by the adoption of the amendments in ASU No. 2014-09, ASU No. 2016-08, ASU No. 2016-10, ASU No. 2016-12 and ASU No. 2016-20. Other than additional required disclosures, we do not expect the adoption of the amendments in these ASUs to have a significant impact on our

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

consolidated financial statements. The standard will be adopted in our fiscal year 2018, and we have elected the modified retrospective approach as the transition method.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The amendments in this ASU will increase transparency and comparability among entities by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this ASU will require lessees to recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early application of the amendments in this ASU is permitted for all entities. Reporting entities are required to recognize and measure leases under these amendments at the beginning of the earliest period presented using a modified retrospective approach. We are currently evaluating the impact of the adoption of the amendments in this ASU on our consolidated financial statements and believe, based on our preliminary assessment, that we will record significant additional right-to-use assets and lease obligations.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments in this ASU clarify and include specific guidance to address diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted, including adoption in an interim period. The amendments in this ASU should be applied using a retrospective transition method to each period presented. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this ASU require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, and interim period within those fiscal years. Early adoption is permitted, including adoption in an interim period. The amendments in this ASU should be applied using a retrospective transition method to each period presented. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The amendments in this ASU clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early application is permitted. The amendments in this ASU should be applied prospectively on or after the effective date. No disclosures are required at transition. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The amendments in this ASU require that an employer report the service cost component of net periodic pension cost and net periodic postretirement benefit cost in the same line items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside of income from operations. The amendments in this ASU also allow only the service cost component to be eligible for capitalization when applicable (for example, as a cost of internally manufactured inventory or a self-constructed asset). The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendments in this ASU should be applied retrospectively for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement and prospectively, on

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and after the effective date, for the capitalization of the service cost component of net periodic pension cost and net periodic postretirement benefit cost in assets. The amendments in this ASU will impact the presentation of our consolidated financial statements. Our current presentation of service cost components is consistent with the amendments in this ASU. Upon adoption of the amendments in this ASU, we expect to present the other components within other nonoperating income, whereas we currently present these within cost of goods sold and selling, general and administrative expenses.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this ASU better align an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships as well as the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements to increase the understandability of the results of an entity's intended hedging strategies. The amendments in this ASU also include certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted in any interim period after the issuance of this ASU. Transition requirements and elections should be applied to hedging relationships existing on the date of adoption. For cash flow and net investment hedges, an entity should apply a cumulative-effect adjustment related to eliminating the separate measurement of ineffectiveness, and the amended presentation and disclosure guidance is required only prospectively. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

3. DISCONTINUED OPERATIONS AND BUSINESS DISPOSITIONS

Separation of P&A Business

In August 2017, we separated the P&A Business and conducted an IPO of ordinary shares of Venator, formerly a wholly-owned subsidiary of Huntsman, and have presented the former P&A Business as discontinued operations in the accompanying financial statements. Additionally, in December 2017, we completed a secondary offering of Venator ordinary shares. As of December 31, 2017, Huntsman retained approximately 55% ownership in Venator. On January 3, 2018, the underwriters purchased an additional 1,948,955 Venator ordinary shares pursuant to their over-allotment option, which reduced Huntsman's ownership interest in Venator to approximately 53%. We intend to monetize our retained ownership in Venator at prevailing market conditions and expect to implement multiple follow-on capital market or block transactions to permit the orderly distribution of our retained shares.

In August 2017, we entered into a separation agreement, a transition services agreement ("TSA") and a registration rights agreement with Venator to effect the Separation and provide a framework for a short term set of transition services as well as a tax matters agreement and an employee matters agreement. Pursuant to the TSA, we will, for a limited time following the Separation, provide Venator with certain services and functions that the parties have historically shared, including administrative, payroll, human resources, data processing, environmental, health and safety, financial audit support, financial transaction support, marketing support, information technology systems and various other corporate and support services. We may also provide Venator with additional services that Venator and Huntsman may identify from time to time in the future. In general, the services began following the Separation and cover a period not expected to exceed 24 months; however, Venator may terminate individual services provided by us under the TSA early, as it becomes able to operate its business without such services.

3. DISCONTINUED OPERATIONS AND BUSINESS DISPOSITIONS (Continued)

The following table summarizes the major classes of assets and liabilities constituting assets and liabilities held for sale:

	December 31, 2017	December 31, 2016
Carrying amounts of major classes of assets held for sale:		
Accounts receivable	$ 380	$ 234
Inventories	454	426
Other current assets	318	117
Total current assets(1)		777
Property, plant and equipment, net	1,424	1,178
Deferred income taxes	158	143
Other noncurrent assets	146	142
Total noncurrent assets(1)		1,463
Total assets held for sale	$ 2,880	$ 2,240
Carrying amounts of major classes of liabilities in held for sale:		
Accounts payable	$ 385	$ 297
Accrued liabilities	236	145
Other current liabilities	25	25
Total current liabilities(1)		467
Deferred income taxes	—	56
Long term debt	746	—
Other noncurrent liabilities	300	337
Total noncurrent liabilities(1)		393
Total liabilities held for sale	$ 1,692	$ 860

(1) The assets and liabilities held for sale are classified as current as of December 31, 2017 because it is probable that the sale of our remaining ownership interest in Venator ordinary shares will occur and proceeds will be collected within one year.

The following table summarizes major classes of line items constituting pretax and after-tax income of discontinued operations.

	Year ended December 31,		
	2017	2016	2015
Major classes of line items constituting pretax income (loss) of discontinued operations:			
Trade sales, services and fees, net	$ 2,234	$ 2,168	$ 2,193
Cost of goods sold	1,840	2,012	2,077
Selling, general and administrative	187	174	214
Restructuring, impairment and plant closing costs	56	36	220
Business separation expenses	40	18	—
Interest expense (income)	19	(1)	—
Other operating income, net	(134)	(38)	(1)
Other loss (income), net	1	(1)	1
Income (loss) from discontinued operations before income taxes	225	(32)	(318)
Income tax (expense) benefit	(67)	24	16
Income (loss) from discontinued operations, net of tax	158	(8)	(302)
Net income attributable to noncontrolling interests	(10)	(10)	(7)
Net income (loss) attributable to discontinued operations	$ 148	$ (18)	$ (309)

3. DISCONTINUED OPERATIONS AND BUSINESS DISPOSITIONS (Continued)

Sale of European Surfactants Manufacturing Facilities

On December 30, 2016, our Performance Products segment completed the sale of its European surfactants business to Innospec Inc. for $199 million in cash plus our retention of trade receivables and payables for an enterprise value of $225 million. Under the terms of the transaction, Innospec acquired our manufacturing facilities located in Saint-Mihiel, France; Castiglione delle Stiviere, Italy; and Barcelona, Spain. We remain committed to our global surfactants business, including in the U.S. and Australia, where our differentiated surfactants businesses are backward integrated into essential feedstocks. Upon closing the transaction, we entered into supply and long-term tolling arrangements with Innospec in order to continue marketing certain core products strategic to our global agrochemicals, lubes and certain other businesses. In connection with this sale, we recognized a pre-tax gain in the fourth quarter of 2016 of $98 million which was reflected in other operating income, net on the consolidated statements of operations. This business is not presented as discontinued operations as it was not considered a strategic shift in our operations.

4. INVENTORIES

Inventories consisted of the following (dollars in millions):

	December 31, 2017	December 31, 2016
Raw materials and supplies	$ 189	$ 157
Work in progress	48	45
Finished goods	897	771
Total	1,134	973
LIFO reserves	(61)	(55)
Net inventories	$ 1,073	$ 918

For December 31, 2017 and 2016, approximately 12% and 13% of inventories were recorded using the LIFO cost method, respectively.

5. PROPERTY, PLANT AND EQUIPMENT

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

	December 31,	
	2017	2016
Land	$ 150	$ 133
Buildings	644	607
Plant and equipment	5,929	5,369
Construction in progress	360	381
Total	7,083	6,490
Less accumulated depreciation	(3,985)	(3,456)
Net	$ 3,098	$ 3,034

Depreciation expense for 2017, 2016 and 2015 was $298 million, $289 million and $278 million, 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,	
	2017	2016
Equity Method:		
BASF Huntsman Shanghai Isocyanate Investment BV (50%)(1)	$ 116	$ 112
Nanjing Jinling Huntsman New Material Co., Ltd. (49%)	124	112
Jurong Ningwu New Material Development Co., Ltd. (30%)	21	19
Total equity method investments	261	243
Cost Method:		
International Diol Company (4%)	5	5
Total investments	$ 266	$ 248

(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.

In November 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 $76 million, net of license fees from the joint venture. At the end of 2017, cumulative capital contributions were approximately $83 million, net of license fees from the joint venture. We expect to receive additional license fees of $7 million during 2018. Beneficial commercial operations began during the second half of 2017.

We are in the process of expanding our SLIC capacity in Caojing, China by 530 million pounds per year of MDI. In addition, we are also expanding our HPS splitting capacity. Mechanical completion was achieved at the end of 2017. We are currently in the process of starting up these units and expect beneficial commercial operations to begin during the first quarter of 2018.

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 is our 50%-owned joint venture with Lanxess that 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.
- AAC is our 50%-owned joint venture with Zamil group that manufactures products for our Performance Products segment. As required in the operating agreement governing this joint venture, we purchase all of AAC'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.

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, 2017, the joint ventures' assets, liabilities and results of operations are included in our consolidated financial statements.

The following table summarizes the carrying amount of our variable interest entities' assets and liabilities included in our consolidated balance sheets as of December 31, 2017 and 2016 (dollars in millions):

	December 31, 2017	December 31, 2016
Current assets	$ 114	$ 103
Property, plant and equipment, net	283	279
Other noncurrent assets	116	99
Deferred income taxes	33	43
Intangible assets	10	10
Goodwill	14	12
Total assets	$ 570	$ 546
Current liabilities	$ 163	$ 131
Long-term debt	86	114
Deferred income taxes	12	10
Other noncurrent liabilities	98	76
Total liabilities	$ 359	$ 331

The revenues, income from continuing operations before income taxes and net cash provided by operating activities for our variable interest entities are as follows (dollars in millions):

	Year ended December 31,		
	2017	2016	2015
Revenues	$ 132	$ 97	$ 130
Income from continuing operations before income taxes	25	15	36
Net cash provided by operating activities	51	50	66

Prior to the Separation, we held variable interests in two additional joint ventures for which we were the primary beneficiary: Pacific Iron Products Sdn Bhd and Viance, LLC. In connection with the Separation, these variable interests are now held by Venator. As such, the assets and liabilities of these variable interest entities are now included as part of assets and liabilities held for sale. See "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business."

8. INTANGIBLE ASSETS

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

	December 31, 2017			December 31, 2016		
	Carrying Amount	Accumulated Amortization	Net	Carrying Amount	Accumulated Amortization	Net
Patents, trademarks and technology	$ 350	$ 332	$ 18	$ 349	$ 327	$ 22
Licenses and other agreements	40	25	15	37	23	14
Non-compete agreements	4	2	2	3	2	1
Other intangibles	82	61	21	62	56	6
Total	$ 476	$ 420	$ 56	$ 451	$ 408	$ 43

Amortization expense was $6 million, $12 million and $6 million for the years ended December 31, 2017, 2016 and 2015, respectively.

8. INTANGIBLE ASSETS (Continued)

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

Year ending December 31,	
2018	$ 6
2019	6
2020	6
2021	5
2022	4

9. OTHER NONCURRENT ASSETS

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

	December 31,	
	2017	2016
Capitalized turnaround costs, net	$ 233	$ 214
Spare parts inventory	91	79
Deposits	52	46
Catalyst assets, net	46	43
Investment in available-for-sale securities	—	18
Pension assets	22	1
Other	53	71
Total	$ 497	$ 472

Amortization expense of catalyst assets for the years ended December 31, 2017, 2016 and 2015 was $15 million, $17 million and $14 million, respectively.

10. ACCRUED LIABILITIES

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

	December 31,	
	2017	2016
Payroll and related accruals	$ 172	$ 135
Volume and rebate accruals	58	48
Taxes other than income taxes	77	60
Income taxes	62	28
Restructuring and plant closing reserves	15	28
Interest	20	21
Pension liabilities	15	11
Other postretirement benefits	7	8
Environmental accruals	6	7
Other miscellaneous accruals	137	125
Total	$ 569	$ 471

11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

As of December 31, 2017, 2016 and 2015, accrued restructuring costs of continuing operations by type of cost and initiative consisted of the following (dollars in millions):

	Workforce reductions(1)	Demolition and decommissioning	Non-cancelable lease and contract termination costs	Other restructuring costs	Total(2)
Accrued liabilities as of January 1, 2015	$ 28	$ —	$ 47	$ 3	$ 78
2015 charges for 2014 and prior initiatives	8	24	15	9	56
2015 charges for 2015 initiatives	30	—	—	3	33
Reversal of reserves no longer required	(7)	—	(6)	—	(13)
2015 payments for 2014 and prior initiatives	(23)	(8)	(17)	(7)	(55)
2015 payments for 2015 initiatives	(16)	—	—	(3)	(19)
Foreign currency effect on liability balance	(1)	—	(2)	—	(3)
Accrued liabilities as of December 31, 2015	19	16	37	5	77
2016 charges for 2015 and prior initiatives	1	24	9	13	47
2016 charges for 2016 initiatives	1	—	—	5	6
Reversal of reserves no longer required	(2)	—	—	—	(2)
Distribution of prefunded restructuring costs	(5)	(5)	—	(1)	(11)
2016 payments for 2015 and prior initiatives	(8)	(15)	(4)	(13)	(40)
2016 payments for 2016 initiatives	(1)	—	—	(4)	(5)
Foreign currency effect on liability balance	(1)	(1)	(2)	—	(4)
Accrued liabilities as of December 31, 2016	4	19	40	5	68
2017 (credits) charges for 2016 and prior initiatives	(1)	3	2	2	6
2017 charges for 2017 initiatives	10	—	—	2	12
2017 payments for 2016 and prior initiatives	(1)	(21)	(2)	(2)	(26)
2017 payments for 2017 initiatives	(8)	—	—	(2)	(10)
Foreign currency effect on liability balance	1	1	1	—	3
Accrued liabilities as of December 31, 2017	$ 5	$ 2	$ 41	$ 5	$ 53

(1) The total workforce reduction reserves of $5 million relate to the termination of 130 positions, of which 82 positions had not been terminated as of December 31, 2017.

(2) In December 2015, we prepaid $9 million of severance and other restructuring costs related to restructuring programs in our Textile Effects and Performance Products segments. Certain of the severance costs were prepaid to a third party who distributed the severance payments to affected employees when they were terminated in 2016.

(3) Accrued liabilities remaining at December 31, 2017 and 2016 by year of initiatives were as follows (dollars in millions):

	December 31,	
	2017	2016
2015 initiatives	$ 50	$ 67
2016 initiatives	1	1
2017 initiatives	2	—
Total	$ 53	$ 68

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	Corporate and other	Total
Accrued liabilities as of January 1, 2015	$ 6	$ 9	$ 5	$ 54	$ 4	$ 78
2015 charges for 2014 and prior initiatives	2	3	1	42	8	56
2015 charges for 2015 initiatives	17	8	5	2	1	33
Reversal of reserves no longer required	(4)	(1)	—	(7)	(1)	(13)
2015 payments for 2014 and prior initiatives	(4)	(8)	(2)	(34)	(7)	(55)
2015 payments for 2015 initiatives	(11)	(1)	(5)	(1)	(1)	(19)
Foreign currency effect on liability balance	(1)	(1)	—	(1)	—	(3)
Accrued liabilities as of December 31, 2015	5	9	4	55	4	77
2016 charges for 2015 and prior initiatives	—	16	—	28	3	47
2016 charges for 2016 initiatives	4	—	—	1	1	6
Reversal of reserves no longer required	(1)	—	—	—	(1)	(2)
Distribution of prefunded restructuring costs	—	(6)	—	(5)	—	(11)
2016 payments for 2015 and prior initiatives	(3)	(19)	—	(14)	(4)	(40)
2016 payments for 2016 initiatives	(3)	—	—	(1)	(1)	(5)
Foreign currency effect on liability balance	—	—	(1)	(3)	—	(4)
Accrued liabilities as of December 31, 2016	2	—	3	61	2	68
2017 charges for 2016 and prior initiatives	—	—	—	6	—	6
2017 charges for 2017 initiatives	—	1	—	7	4	12
2017 payments for 2016 and prior initiatives	(1)	—	—	(25)	—	(26)
2017 payments for 2017 initiatives	—	—	—	(5)	(5)	(10)
Foreign currency effect on liability balance	—	—	—	3	—	3
Accrued liabilities as of December 31, 2017	$ 1	$ 1	$ 3	47	$ 1	$ 53
Current portion of restructuring reserves	$ 1	$ 1	$ 3	$ 9	$ 1	$ 15
Long-term portion of restructuring reserves	—	—	—	38	—	38

Details with respect to cash and noncash restructuring charges for the years ended December 31, 2017, 2016 and 2015 by initiative are provided below (dollars in millions):

Cash charges:	
2017 charges for 2016 and prior initiatives	$ 6
2017 charges for 2017 initiatives	12
Pension-related charges	1
Noncash charges:	
Accelerated depreciation	2
Other noncash credits	(1)
Total 2017 Restructuring, Impairment and Plant Closing Costs	$ 20

Cash charges:	
2016 charges for 2015 and prior initiatives	$ 47
2016 charges for 2016 initiatives	6
Reversal of reserves no longer required	(2)
Noncash charges:	
Gain on sale of land	(4)
Total 2016 Restructuring, Impairment and Plant Closing Costs	$ 47

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

Cash charges:	
2015 charges for 2014 and prior initiatives	$ 56
2015 charges for 2015 initiatives	33
Reversal of reserves no longer required	(13)
Noncash charges:	
Accelerated depreciation	6
Other noncash charges	1
Total 2015 Restructuring, Impairment and Plant Closing Costs	$ 83

2017 Restructuring Activities

In September 2011, we implemented the Textile Effects Restructuring Plan, including the closure of our production facilities and business support offices in Basel, Switzerland. In connection with this restructuring plan, during the year ended December 31, 2017, our Textile Effects segment recorded restructuring expense of approximately $6 million associated with this initiative, including $2 million for non-cancelable long-term contract termination costs and $4 million for decommissioning.

During the first quarter of 2017, we implemented a restructuring program to improve competitiveness in our Textile Effects segment. In connection with this restructuring program, we recorded restructuring expense of $7 million in the year ended December 31, 2017 related primarily to workforce reductions. We expect to incur additional charges of approximately $1 million through the fourth quarter of 2018.

2016 Restructuring Activities

In December 2015, our Performance Products segment announced plans for a reorganization of its commercial and technical functions and a refocused divisional business strategy to better position the segment for growth in coming years. In addition, a program was launched to capture growth opportunities, improve manufacturing cost efficiency and reduce inventories. In connection with this restructuring program, we recorded restructuring expense of $16 million in 2016. All expected charges have been incurred as of the end of 2016.

In connection with the Textile Effects Restructuring Plan during 2016, our Textile Effects segment recorded charges of $9 million for non-cancelable long-term contract termination costs and $20 million for decommissioning associated with this initiative.

2015 Restructuring Activities

In June 2015, our Polyurethanes segment initiated a restructuring program in Europe. In connection with this restructuring program, we recorded restructuring expense of $13 million during 2015 related primarily to workforce reductions. All expected charges have been incurred as of the end of 2015.

During 2013, our Performance Products segment initiated a restructuring program to refocus its surfactants business in Europe (the "Performance Products Restructuring Plan"). As part of our Performance Products Restructuring Plan, we recorded cash charges of $8 million primarily related to workforce reductions in 2015.

In June 2015, our Advanced Materials segment initiated a restructuring program in Europe. In connection with this restructuring program, we recorded restructuring expense of $11 million during 2015 related primarily to workforce reductions and accelerated depreciation recorded as restructuring, impairment and plant closing costs.

In connection with the Textile Effects Restructuring Plan, during 2015, we recorded charges of $9 million for non-cancelable long-term contract termination costs, $21 million for decommissioning and $1 million of other restructuring charges associated with this initiative. During the fourth quarter of 2015, we settled certain of our obligations under these long-term contracts and recorded a restructuring charge of $14 million. In addition, we recorded charges of $6 million associated with other initiatives.

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

During 2015, our Corporate and other segment recorded charges of $8 million primarily related to a reorganization of our global information technology organization.

12. OTHER NONCURRENT LIABILITIES

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

	December 31,	
	2017	2016
Pension liabilities	$ 715	$ 743
Other postretirement benefits	73	85
Environmental accruals	15	15
Restructuring and plant closing reserves	38	40
Employee benefit accrual	34	27
Asset retirement obligations	9	8
Other	202	139
Total	$ 1,086	$ 1,057

13. DEBT

Outstanding debt, net of debt issuance costs, of consolidated entities consisted of the following (dollars in millions):

	December 31,	
	2017	2016
Senior Credit Facilities:		
Term loans	$ —	$ 1,967
Amounts outstanding under A/R programs	180	208
Senior notes	1,927	1,812
Variable interest entities	107	126
Other	84	59
Total debt—excluding debt to affiliates	$ 2,298	$ 4,172
Total current portion of debt	$ 40	$ 50
Long-term portion	2,258	4,122
Total debt—excluding debt to affiliates	$ 2,298	$ 4,172
Total debt—excluding debt to affiliates	$ 2,298	$ 4,172
Notes payable to affiliates-noncurrent	—	1
Total debt	$ 2,298	$ 4,173

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)

Debt Issuance Costs

We record debt issuance costs related to a debt liability on the balance sheet as a reduction in the face amount of that debt liability. As of December 31, 2017 and 2016, the amount of debt issuance costs directly reducing the debt liability was $11 million and $57 million, respectively. We record the amortization of debt issuance costs as interest expense.

Senior Credit Facilities

As of December 31, 2017, our Senior Credit Facilities consisted of a Revolving Facility as follows (dollars in millions):

Facility	Committed Amount	Principal Outstanding	Unamortized Discounts and Debt Issuance Costs	Carrying Value	Interest Rate(2)	Maturity
Revolving Facility.......	$ 650	$ — (1)	$ — (1)	$ — (1)	USD LIBOR plus 2.50%	2021

(1) We had no borrowings outstanding under our Revolving Facility; we had approximately $9 million (U.S. dollar equivalents) of letters of credit and bank guarantees issued and outstanding under our Revolving Facility.

(2) The applicable interest rate of the Revolving Facility is subject to certain secured leverage ratio thresholds.

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

Repayment of Senior Secured Term Loans

During 2017, we repaid in full our 2015 Extended Term Loan B, our 2021 Term Loan B, and our 2023 Term Loan B as follows:

- In December 2017, we repaid in full the remaining $511 million on our 2023 Term Loan B using the funds raised from the secondary offering of Venator and existing cash and recognized a loss on early extinguishment of debt of $15 million. See “Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business.”
- In August 2017, we made early prepayments of $1,207 million ($450 million of which constituted a mandatory repayment as described in the seventeenth amendment to the Senior Credit Facilities) on our Senior Credit Facilities, of which $106 million was paid on our 2015 Extended Term Loan B, $347 million was paid on our 2021 Term Loan B, and $754 million was paid on our 2023 Term Loan B. The funds used to pay down the debt included $732 million received from Venator ($750 million of debt raised by Venator net of $18 million of debt issuance costs), upon its payment of intercompany debt obligations owed to us and $475 million from proceeds of the Venator IPO. In connection with the $1,207 million prepayments of our term loans, we recognized a loss on early extinguishment of debt of $34 million. See “Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business.”

  In connection with the Separation, Venator raised $750 million of new financing, which included (i) $375 million of senior unsecured notes and (ii) $375 million under a new senior secured term loan facility. In addition, Venator entered into a new undrawn asset-based revolving lending facility in aggregate principal amount of up to $300 million. The Venator senior unsecured notes are guaranteed on a general unsecured senior basis by Venator and certain Venator subsidiaries. The Venator senior credit

13. DEBT (Continued)

facilities are unconditionally guaranteed, jointly and severally, on a senior secured basis by Venator and certain of its subsidiaries. At Separation, the Venator debt facilities were recorded within current liabilities held for sale. Huntsman Corporation and its direct and indirect subsidiaries (other than Venator and its subsidiaries) do not provide any direct or indirect guarantee for the Venator debt obligations described above and they are non recourse to Huntsman Corporation and its subsidiaries.

- In addition, on October 25, 2017, we made an early repayment of $100 million on our 2023 Term Loan B from existing cash, and on both July 26, 2017 and April 25, 2017, we made early repayments of $100 million each on our 2015 Extended Term Loan B from existing cash. In connection with the $300 million prepayments on our term loans, we recognized a loss on early extinguishment of debt of $3 million.

Seventeenth Amendment to Credit Agreement

On June 15, 2017, we entered into a seventeenth amendment to the agreement governing the Senior Credit Facilities. The amendment permitted us to complete the Separation. In connection with the Separation, the amendment permitted the incurrence of certain indebtedness of Venator and the internal restructuring of the P&A Business assets. With the completion of the Separation, Venator and its subsidiaries were designated as unrestricted subsidiaries.

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, 2017 was as follows (monetary amounts in millions):

Facility	Maturity	Maximum Funding Availability(1)	Amount Outstanding		Interest Rate(2)
U.S. A/R Program	April 2020	$ 250	$ 90	(3)	Applicable rate plus 0.95%
EU A/R Program	April 2020	€ 150	€ 76		Applicable rate plus 1.30%
		(approximately $179)	(approximately $90)		

(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) 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.

(3) As of December 31, 2017, we had approximately $5 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

On April 21, 2017, we entered into amendments to our A/R Programs that, among other things, extend the scheduled termination dates to April 2020. As of December 31, 2017 and December 31, 2016, $334 million and $328 million, respectively, of accounts receivable were pledged as collateral under our A/R Programs from continuing operations.

13. DEBT (Continued)

Notes

As of December 31, 2017, we had outstanding the following notes (monetary amounts in millions):

Notes	Maturity	Interest Rate	Amount Outstanding	Unamortized Discounts and Debt Issuance Costs
2020 Senior Notes	November 2020	4.875 %	$650 ($647 carrying value)	$ (3)
2021 Senior Notes	April 2021	5.125 %	€445 (€444 carrying value $(529))	(1)
2022 Senior Notes	November 2022	5.125 %	$400 ($397 carrying value)	(3)
2025 Senior Notes	April 2025	4.250 %	€300 (€297 carrying value $(354))	(3)

The 2020, 2021, 2022 and 2025 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, 2022 and 2025 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 year ended December 31, 2015, 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
September 2015	2021 Senior Subordinated Notes	$ 195	$ 204	$ 7
April 2015	2021 Senior Subordinated Notes	289	311	20
January 2015	2021 Senior Subordinated Notes	37	40	3

Variable Interest Entity Debt

As of December 31, 2017, AAC, our consolidated 50%-owned joint venture, had $107 million outstanding under its loan commitments and debt financing arrangements. As of December 31, 2017, we have $21 million classified as current debt and $86 million as long-term debt on our consolidated balance sheets. We do not guarantee these loan commitments, and AAC is not a guarantor of any of our other debt obligations.

Other Debt

On July 24, 2015, HPS entered into a financing arrangement to fund the construction of our MDI plant in China. As part of the financing, HPS has secured commitments of a RMB 669 million (approximately $102 million) term loan and a RMB 423 million (approximately $65 million) working capital facility. These facilities are unsecured, and we do not provide a guarantee of these loan commitments. As of December 31, 2017, we had term loan borrowings of RMB 277 million (approximately $42 million) and no borrowings under the working capital facility. The interest rate on the facilities is 90% of the Peoples Bank of China rate. As of December 31, 2017, the interest rate was approximately 4%.

13. DEBT (Continued)

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.

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 have 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, 2017 are as follows (dollars in millions):

Year ending December 31,	
2018	$ 40
2019	27
2020	865
2021	560
2022	409
Thereafter	397
	$ 2,298

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

We are exposed to market risks, such as changes in interest rates, foreign exchange rates and commodity prices. 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 RISK

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 were designated as cash flow hedges and the effective portion of the changes in the fair value of the swaps were recorded in other comprehensive income (loss). These swaps expired in April 2017.

Beginning in 2009, AAC 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 AAC 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, 2017 was $14 million, and the interest rate contract is not designated as a cash flow hedge. As of both December 31, 2017 and 2016, the fair value of the swap was $1 million, and was recorded as other noncurrent liabilities on our consolidated balance sheets. For 2017 and 2016, we recorded a reduction of interest expense of nil each due to changes in fair value of the swap.

During 2017, accumulated other comprehensive loss of nil was 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, 2017 and 2016, we had approximately $93 million and $176 million, respectively, notional amount (in U.S. dollar equivalents) outstanding in foreign currency contracts with a term of approximately one month, of which nil and $88 million, respectively, were on behalf of our former P&A Business.

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 was designated as a hedge of net investment for financial reporting purposes. In August 2017, we terminated these cross-currency interest rate contracts and received $7 million from the counterparties.

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

In March 2010, we entered into three five year cross-currency interest rate contracts to swap an aggregate notional $350 million for an aggregate notional €255 million. This swap was designated as a hedge of net investment for financial reporting purposes. During the three months ended March 31, 2015, we terminated these cross-currency interest rate contracts and received $66 million in payments from the counterparties.

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 income (loss). 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, 2017, for our continuing operations, we have designated approximately €470 million (approximately $559 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2017, 2016 and 2015, for our continuing operations, the amounts recognized on the hedge of our net investment was a loss of $96 million, and gains of $27 million and $68 million, respectively, and were recorded in other comprehensive income (loss).

COMMODITY PRICES RISK

Inherent in our business is exposure to price changes for several commodities. However, 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, 2017		December 31, 2016	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Non-qualified employee benefit plan investments	$ 33	$ 33	27	$ 27
Investments in equity securities	—	—	18	18
Cross-currency interest rate contracts	—	—	29	29
Interest rate contracts	(1)	(1)	(2)	(2)
Long-term debt (including current portion)	(2,298)	(2,483)	(4,172)	(4,345)

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 values of non-qualified employee benefit plan investments and investments in equity securities are 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, 2017 and 2016. 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, 2017, 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):

		Fair Value Amounts Using		
Description	December 31, 2017	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:				
Non-qualified employee benefit plan investments	$ 33	$ 33	$ —	$ —
Liabilities:				
Derivatives:				
Interest rate contracts(1)	$ (1)	$ —	$ (1)	$ —

		Fair Value Amounts Using		
Description	December 31, 2016	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:				
Non-qualified employee benefit plan investments	$ 27	$ 27	$ —	$ —
Investments in equity securities	18	18	—	—
Derivatives:				
Cross-currency interest rate contracts(2)	29	—	—	29
Total assets	$ 74	$ 45	$ —	$ 29
Liabilities:				
Derivatives:				
Interest rate contracts(1)	$ (2)	$ —	$ (2)	$ —

(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 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.

(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, 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 had 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. In August 2017, we terminated these cross-currency interest rate contracts and received $7 million in payments from the counterparties.

(3) There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2017 and 2016.

15. FAIR VALUE (Continued)

The following tables show reconciliations of beginning and ending balances for the years ended December 31, 2017 and 2016 for instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (dollars in millions).

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Cross-Currency Interest Rate Contracts
Beginning balance	$ 29
Transfers into Level 3	—
Transfers out of Level 3	—
Total (losses) gains:	
Included in earnings	—
Included in other comprehensive income (loss)	(22)
Purchases, sales, issuances and settlements	(7)
Ending balance, December 31, 2017	$ —
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, 2017	$ —

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Cross-Currency Interest Rate Contracts
Beginning balance	$ 28
Transfers into Level 3	—
Transfers out of Level 3	—
Total (losses) gains:	
Included in earnings	—
Included in other comprehensive income (loss)	1
Purchases, sales, issuances and settlements	—
Ending balance, December 31, 2016	$ 29
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, 2016	$ —

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):

2017	Interest expense	Other comprehensive income (loss)
Total net gains included in earnings	$ —	$ —
Changes in unrealized losses	—	(22)

2016	Interest expense	Other comprehensive income (loss)
Total net gains included in earnings	$ —	$ —
Changes in unrealized gains related to assets still held at December 31, 2016	—	1

15. FAIR VALUE (Continued)

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 both 2017 and 2016, there were no charges recorded for the impairment of long-lived assets.

16. EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT

We provide a trusteed, non contributory defined benefit pension plan (the "Plan") that covers the majority of our 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 was subject to the terms of negotiated contracts. For participating employees, benefits accrued under the prior formula were converted to opening cash balance accounts. The cash balance benefit formula provides annual pay credits from 6% to 12% of eligible pay, depending on age and service, plus accrued interest. 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.

Beginning July 1, 2014, the Huntsman Defined Benefit Pension Plan was closed to new non-union entrants and as of April 1, 2015, it was closed to new union entrants. In addition, as of January 1, 2015, Rubicon LLC closed its defined benefit plan to new entrants. Following the closure of these plans, new hires have been provided with a defined contribution plan with a non-discretionary employer contribution of 6% of pay and a company match of up to 4% of pay, for a total company contribution of up to 10% of pay. We also sponsor unfunded postretirement benefit plans other than pensions, which provide medical and life insurance benefits. Effective August 1, 2015, the post retirement benefit plans were closed to new entrants.

Our postretirement benefit plans provide access to two fully insured Medicare Part D plans 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. We do not subsidize the premium cost of these plans; the premiums are entirely paid by the retirees.

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.

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, 2017 and 2016 (dollars in millions):

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2017		2016		2017		2016	
	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	$ 1,049	$ 2,064	$ 953	$ 1,986	$ 93	$ —	$ 87	$ —
Service cost	30	33	30	29	3	—	2	—
Interest cost	44	35	47	41	3	—	4	—
Participant contributions	—	5	—	5	2	—	3	—
Plan amendments	—	(1)	—	—	—	—	—	—
Foreign currency exchange rate changes	—	207	—	(165)	—	—	—	—
Special termination benefits	—	1	—	—	—	—	—	—
Settlements/transfers/divestitures	—	—	—	(2)	—	—	—	—
Curtailments	—	—	—	(1)	—	—	—	—
Actuarial (gain) loss	91	(10)	73	242	(12)	—	8	—
Benefits paid	(61)	(75)	(54)	(71)	(9)	—	(11)	—
Benefit obligation at end of year	$ 1,153	$ 2,259	$ 1,049	$ 2,064	$ 80	$ —	$ 93	$ —
Change in plan assets								
Fair value of plan assets at beginning of year	$ 721	$ 1,639	$ 716	$ 1,637	$ —	$ —	$ —	$ —
Actual return on plan assets	104	109	53	175	—	—	—	—
Foreign currency exchange rate changes	—	166	—	(143)	—	—	—	—
Participant contributions	—	5	—	5	2	—	3	—
Acquisitions/divestitures	—	—	—	—	—	—	—	—
Company contributions	57	39	6	36	7	—	8	—
Benefits paid	(61)	(75)	(54)	(71)	(9)	—	(11)	—
Fair value of plan assets at end of year	$ 821	$ 1,883	$ 721	$ 1,639	$ —	$ —	$ —	$ —
Funded status								
Fair value of plan assets	$ 821	$ 1,883	$ 721	$ 1,639	$ —	$ —	$ —	$ —
Benefit obligation	1,153	2,259	1,049	2,064	80	—	93	—
Accrued benefit cost	$ (332)	$ (376)	$ (328)	$ (425)	$ (80)	$ —	$ (93)	$ —
Amounts recognized in balance sheet:								
Noncurrent asset	$ —	$ 22	$ —	$ 1	$ —	$ —	$ —	$ —
Current liability	(10)	(5)	(6)	(5)	(7)	—	(8)	—
Noncurrent liability	(322)	(393)	(322)	(421)	(73)	—	(85)	—
	$ (332)	$ (376)	$ (328)	$ (425)	$ (80)	$ —	$ (93)	$ —

16. EMPLOYEE BENEFIT PLANS (Continued)

	Defined Benefit Plans				Other Postretirement Benefit Plans			
	2017		2016		2017		2016	
	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	$ 419	$ 1,000	$ 407	$ 1,100	$ 30	$ —	$ 45	$ 1
Prior service credit	(15)	(29)	(17)	(31)	(45)	—	(51)	(2)
	$ 404	$ 971	$ 390	$ 1,069	$ (15)	$ —	$ (6)	$ (1)

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost of continuing operations 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	$ 33	$ 38	$ 2	$ —
Prior service credit	(2)	(5)	(6)	—
Total	$ 31	$ 33	$ (4)	$ —

Components of net periodic benefit costs of continuing operations for the years ended December 31, 2017, 2016 and 2015 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2017	2016	2015	2017	2016	2015
Service cost	$ 30	$ 30	$ 32	$ 33	$ 29	$ 34
Interest cost	44	47	42	35	41	45
Expected return on plan assets	(55)	(54)	(56)	(100)	(93)	(93)
Amortization of prior service credit	(2)	(5)	(6)	(5)	(4)	(1)
Amortization of actuarial loss	30	25	32	45	31	34
Special termination benefits	—	—	—	1	—	1
Net periodic benefit cost	$ 47	$ 43	$ 44	$ 9	$ 4	$ 20

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2017	2016	2015	2017	2016	2015
Service cost	$ 3	$ 2	$ 4	$ —	$ —	$ —
Interest cost	3	4	5	—	—	—
Amortization of prior service credit	(6)	(7)	(5)	—	—	—
Amortization of actuarial loss	3	2	3	—	—	—
Net periodic benefit cost	$ 3	$ 1	$ 7	$ —	$ —	$ —

16. EMPLOYEE BENEFIT PLANS (Continued)

The amounts recognized in net periodic benefit cost and other comprehensive income (loss) as of December 31, 2017, 2016 and 2015 were as follows (dollars in millions):

	Defined Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2017	2016	2015	2017	2016	2015
Current year actuarial loss (gain)	$ 42	$ 74	$ 2	$ (42)	$ 235	$ 33
Amortization of actuarial loss	(30)	(25)	(32)	(61)	(42)	(43)
Current year prior service (credits) cost	—	—	—	(2)	—	(32)
Amortization of prior service credit	2	5	6	4	4	—
Curtailment (gain)/loss	—	—	—	3	—	—
Total recognized in other comprehensive income (loss)	14	54	(24)	(98)	197	(42)
Amounts related to discontinued operations	3	—	1	37	(65)	(13)
Total recognized in other comprehensive income (loss) in continuing operations	17	54	(23)	(61)	132	(55)
Net periodic benefit cost	47	43	44	9	4	20
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$ 64	$ 97	$ 21	$ (52)	$ 136	$ (35)

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2017	2016	2015	2017	2016	2015
Current year actuarial loss (gain)	$ (12)	$ 9	$ (9)	$ —	$ —	$ —
Amortization of actuarial loss	(3)	(2)	(3)	(1)	—	—
Current year prior service credit	—	—	(40)	—	(2)	—
Amortization of prior service credit	6	7	5	2	—	—
Total recognized in other comprehensive income (loss)	(9)	14	(47)	1	(2)	—
Amounts related to discontinued operations	—	(1)	1	(1)	3	—
Total recognized in other comprehensive income (loss) in continuing operations	(9)	13	(46)	—	1	—
Net periodic benefit cost	3	1	7	—	—	—
Total recognized in net periodic benefit cost and other comprehensive income (loss)	$ (6)	$ 14	$ (39)	$ —	$ 1	$ —

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		
	2017	2016	2015	2017	2016	2015
Projected benefit obligation						
Discount rate	3.74 %	4.24 %	4.90 %	1.65 %	1.61 %	2.15 %
Rate of compensation increase	4.13 %	4.17 %	4.17 %	3.38 %	3.37 %	3.28 %
Net periodic pension cost						
Discount rate	4.24 %	4.90 %	4.25 %	1.61 %	2.15 %	2.15 %
Rate of compensation increase	4.17 %	4.17 %	4.19 %	3.37 %	3.28 %	3.35 %
Expected return on plan assets	7.55 %	7.54 %	7.75 %	5.68 %	5.91 %	5.69 %

16. EMPLOYEE BENEFIT PLANS (Continued)

	Other Postretirement Benefit Plans					
	U.S. plans			Non-U.S. plans		
	2017	2016	2015	2017	2016	2015
Projected benefit obligation						
Discount rate	3.57 %	4.03 %	4.68 %	3.30 %	3.50 %	3.70 %
Net periodic pension cost						
Discount rate	4.03 %	4.68 %	4.37 %	3.50 %	3.70 %	3.80 %

At both December 31, 2017 and 2016 the health care trend rate used to measure the expected increase in the cost of benefits was assumed to be 7.0%, decreasing to 5% after 2025. 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	$ —	$ —
Effect on postretirement benefit obligation	—	—

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, 2017 and 2016 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2017	2016	2017	2016
Projected benefit obligation in excess of plan assets				
Projected benefit obligation	$ 1,153	$ 1,049	$ 1,213	$ 2,050
Fair value of plan assets	821	721	815	1,623

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, 2017 and 2016 were as follows (dollars in millions):

	U.S. plans		Non-U.S. plans	
	2017	2016	2017	2016
Accumulated benefit obligation in excess of plan assets				
Projected benefit obligation	$ 1,153	$ 1,049	$ 1,026	$ 1,121
Accumulated benefit obligation	1,127	1,022	957	1,043
Fair value of plan assets	821	721	638	721

16. EMPLOYEE BENEFIT PLANS (Continued)

Expected future contributions and benefit payments related to continuing operations 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
2018 expected employer contributions				
To plan trusts	$ 51	$ 7	$ 38	$ —
Expected benefit payments				
2018	72	7	71	—
2019	61	7	71	—
2020	62	6	74	—
2021	62	6	78	—
2022	107	6	79	—
2023 - 2027	370	31	428	—

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 2017, there were no transfers into 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 $2.7 billion and $2.4 billion at December 31, 2017 and 2016, 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, 2017	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	$ 440	$ 318	$ 122	$ —
Fixed income	311	239	72	—
Real estate/other	70	—	—	70
Cash	—	—	—	—
Total U.S. pension plan assets	$ 821	$ 557	$ 194	$ 70
Non-U.S. pension plans:				
Equities	$ 602	$ 230	$ 372	$ —
Fixed income	739	477	262	—
Real estate/other	508	104	349	55
Cash	34	33	1	—
Total Non-U.S. pension plan assets	$ 1,883	$ 844	$ 984	$ 55

		Fair Value Amounts Using		
Asset category	December 31, 2016	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	$ 383	$ 272	$ 111	$ —
Fixed income	274	210	64	—
Real estate/other	64	—	—	64
Cash	—	—	—	—
Total U.S. pension plan assets	$ 721	$ 482	$ 175	$ 64
Non-U.S. pension plans:				
Equities	$ 594	$ 245	$ 349	$ —
Fixed income	599	509	90	—
Real estate/other	430	66	322	42
Cash	16	16	—	—
Total Non-U.S. pension plan assets	$ 1,639	$ 836	$ 761	$ 42

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

	Real Estate/Other	
	Year ended December 31,	
	2017	2016
Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3)		
Balance at beginning of period	$ 106	$ 104
Return on pension plan assets	14	4
Purchases, sales and settlements	5	(2)
Transfers into (out of) Level 3	—	—
Balance at end of period	$ 125	$ 106

16. EMPLOYEE BENEFIT PLANS (Continued)

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 5.68% and 7.75%. The asset allocation for our pension plans at December 31, 2017 and 2016 and the target allocation for 2015, by asset category are as follows:

Asset category	Target Allocation 2018	Allocation at December 31, 2017	2016
U.S. pension plans:			
Equities	53 %	54 %	53 %
Fixed income	39 %	38 %	38 %
Real estate/other	8 %	8 %	9 %
Cash	— %	— %	—
Total U.S. pension plans	100 %	100 %	100 %
Non-U.S. pension plans:			
Equities	38 %	32 %	36 %
Fixed income	37 %	39 %	37 %
Real estate/other	24 %	27 %	26 %
Cash	1 %	2 %	1 %
Total non-U.S. pension plans	100 %	100 %	100 %

Equity securities in our pension plans did not include any direct investments in equity securities of our Company or our affiliates at the end of 2017.

DEFINED CONTRIBUTION PLANS—U.S.

We had a money purchase pension plan that covered substantially all of our domestic employees who were hired prior to January 1, 2004. Employer contributions were made based on a percentage of employees' earnings (ranging up to 8%). During 2014, we closed this plan to non-union participants, and in 2015, we closed this plan to union associates. We continue to provide equivalent benefits to those who were covered under this plan into their salary deferral account.

We 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 the participant's contribution, not to exceed 4 % of the participant's compensation. For new hires who are not eligible for the cash balance plan, and associates who were covered by the money purchase pension plan prior to its closure, we contribute an additional amount into their salary deferral accounts, not to exceed 6% of the participant's compensation.

Our total combined expense for the above defined contribution plans for each of the years ended December 31, 2017, 2016 and 2015 was $22 million, $20 million and $20 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, 2017, 2016 and 2015 was $5 million, $4 million and $5 million, respectively, 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.

16. EMPLOYEE BENEFIT PLANS (Continued)

SUPPLEMENTAL SALARY DEFERRAL PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

The Huntsman Supplemental Savings Plan (the "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 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 Huntsman Supplemental Executive Retirement Plan (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, 2017 and 2016 were $33 million and $27 million, respectively. During each of the years ended December 31, 2017, 2016 and 2015, we expensed a total of $1 million as contributions to the SSP and the SERP.

STOCK-BASED INCENTIVE PLAN

On May 5, 2016, our stockholders approved a new Huntsman Corporation 2016 Stock Incentive Plan (the "2016 Stock Incentive Plan"), which reserved 8.2 million shares for issuance. The Huntsman Corporation Stock Incentive Plan, as amended and restated (the "Prior Plan"), remains in effect for outstanding awards granted pursuant to the Prior Plan, but no further awards may be granted under the Prior Plan. Under the 2016 Stock Incentive Plan, we may grant nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance share units 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 under both the 2016 Stock Incentive Plan and the Prior Plan are fixed at the grant date. As of December 31, 2017, we had approximately 8 million shares remaining under the 2017 Stock Incentive Plan available for grant. 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,		
	2017	2016	2015
Income tax expense (benefit):			
U.S.			
Current	$ 23	$ 50	$ 54
Deferred	(95)	(15)	17
Non-U.S.			
Current	94	55	26
Deferred	42	19	(37)
Total	$ 64	$ 109	$ 60

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,		
	2017	2016	2015
Income from continuing operations before income taxes	$ 647	$ 474	$ 488
Expected tax expense at U.S. statutory rate of 35%	$ 227	$ 166	$ 171
Change resulting from:			
State tax expense net of federal benefit	(2)	(1)	(3)
Non-U.S. tax rate differentials	(64)	(32)	(2)
Non-taxable portion of gain on sale of European surfactants business	—	(23)	—
U.S. Tax Reform Act impact	(52)	—	—
U.S. domestic manufacturing deduction	—	—	(7)
Currency exchange gains and losses	15	(5)	(38)
Effect of tax holidays	—	—	(6)
U.S. foreign tax credits, net of associated income and taxes	—	—	(22)
Tax benefit of losses with valuation allowances as a result of other comprehensive income	—	—	(2)
Tax authority audits and dispute resolutions	9	2	1
Change in valuation allowance	(72)	(38)	(13)
Other non-U.S. tax effects, including nondeductible expenses, tax effect of rate changes, transfer pricing adjustments and various withholding taxes	3	30	(20)
Other U.S. tax effects, including nondeductible expenses and other credits	—	10	1
Total income tax expense	$ 64	$ 109	$ 60

We operate in many 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. During 2017, 2016 and 2015, the average statutory rate for countries with pre-tax income was lower than the average statutory rate for countries with pre-tax losses, almost all of which had statutory rates lower than the U.S., resulting in net benefits as compared to the U.S. statutory rate of $64 million, $32 million and $2 million, respectively, reflected in the reconciliation above. In 2017, the $64 million net benefit relates primarily to our Polyurethanes business in The Netherlands, China and the U.K., as well as our Advanced Materials business in Switzerland and our Corporate function in Luxembourg. In 2016, the $32 million net benefit relates primarily to our Polyurethanes business in The Netherlands and China and our Advanced Materials business in Switzerland.

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 gains and losses will impact our effective tax rate. For 2017, this resulted in a $15 million tax expense and for 2016, this resulted in a $5 million tax benefit. For 2015, this resulted in a $23 million tax benefit ($38 million, net of $15 million of contingent liabilities and valuation allowances).

During 2015, we declared a dividend from our non-U.S. operations to the U.S. which included bringing onshore certain U.S. foreign tax credits. The foreign tax credits brought onshore exceeded the amount needed to offset the cash tax impact of the dividend, as well as enough to allow us to carry $14 million of foreign tax credits back to a prior year and claim a refund.

17. INCOME TAXES (Continued)

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

	Year ended December 31,		
	2017	2016	2015
U.S.	$ (39)	$ 91	$ 265
Non-U.S.	686	383	223
Total	$ 647	$ 474	$ 488

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

	December 31,	
	2017	2016
Deferred income tax assets:		
Net operating loss carryforwards	$ 411	$ 539
Pension and other employee compensation	204	271
Property, plant and equipment	39	28
Intangible assets	93	99
Foreign tax credits	—	5
Other, net	49	60
Total	$ 796	$ 1,002
Deferred income tax liabilities:		
Property, plant and equipment	$ (363)	$ (489)
Pension and other employee compensation	(5)	(1)
Intangible assets	(11)	—
Other, net	(49)	(134)
Total	$ (428)	$ (624)
Net deferred tax asset before valuation allowance	$ 368	$ 378
Valuation allowance—net operating losses and other	(424)	(496)
Net deferred tax liability	$ (56)	$ (118)
Non-current deferred tax asset	208	253
Non-current deferred tax liability	(264)	(371)
Net deferred tax liability	$ (56)	$ (118)

We have gross NOLs of $1,615 million in various non-U.S. jurisdictions. While the majority of the non-U.S. NOLs have no expiration date, $479 million have a limited life (of which $461 million are subject to a valuation allowance) and $133 million are scheduled to expire in 2018 (all of which are subject to a valuation allowance). We had no NOLs expire unused in 2017.

Included in the $1,615 million of gross non-U.S. NOLs is $707 million attributable to our Luxembourg entities. As of December 31, 2017, due to the uncertainty surrounding the realization of the benefits of these losses, there is a valuation allowance of $144 million against these net tax-effected NOLs of $184 million.

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 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 associated with utilizing a deferred tax asset.

17. INCOME TAXES (Continued)

During 2017, we released valuation allowances of $22 million. In Italy, we released valuation allowances of $7 million on certain net deferred assets of our Polyurethanes business. On March 1, 2017 and April 1, 2017, we de-merged the Italian legal entities containing our Polyurethanes business from our combined Italian tax group. The historical and expected continued profitability of those Polyurethanes businesses resulted in the release of the associated valuation allowance. In Luxembourg, we released valuation allowances of $15 million as a result of changes in estimated future taxable income resulting from increased intercompany receivables and, therefore, increased income in Luxembourg, our primary treasury center outside of the U.S.

During 2016, we established valuation allowances of $12 million and released valuation allowances of $19 million. In Italy we established $9 million of valuation allowances on certain net deferred tax assets as a result of the sale of our European surfactants business, and in China we established $3 million of valuation allowances as a result of the closure of our Qingdao, China plant. We released valuation allowances of $12 million in Spain as a result of cumulative profitability and $7 million in The Netherlands as a result of tax planning to utilize losses that would have otherwise expired.

During 2015, we established valuation allowances of $21 million and released valuation allowances of $3 million. In the U.S., we established $14 million of valuation allowance on U.S. foreign tax credits due to the application of specific foreign tax credit limitations and in The Netherlands we established $7 million of valuation allowance on losses which are scheduled to expire after 2016.

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 unexpected pre-tax earnings, the release of valuation allowances in future periods.

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

	2017	2016	2015
Valuation allowance as of January 1	$ 496	$ 526	$ 518
Valuation allowance as of December 31	424	496	526
Net (increase) decrease	72	30	(8)
Foreign currency movements	11	(11)	(4)
(Decrease) increase to deferred tax assets with no impact on operating tax expense, including an offsetting (decrease) increase to valuation allowances	(11)	19	25
Change in valuation allowance per rate reconciliation	$ 72	$ 38	$ 13
Components of change in valuation allowance affecting tax expense:			
Pre-tax income and losses in jurisdictions with valuation allowances resulting in no tax expense or benefit	$ 50	$ 31	$ 31
Releases of valuation allowances in various jurisdictions	22	19	3
Establishments of valuation allowances in various jurisdictions	—	(12)	(21)
Change in valuation allowance per rate reconciliation	$ 72	$ 38	$ 13

17. INCOME TAXES (Continued)

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

	2017	2016
Unrecognized tax benefits as of January 1	$ 17	$ 37
Gross increases and decreases—tax positions taken during a prior period	3	1
Gross increases and decreases—tax positions taken during the current period	4	3
Decreases related to settlements of amounts due to tax authorities	—	(21)
Reductions resulting from the lapse of statutes of limitation	(2)	(1)
Foreign currency movements	1	(2)
Unrecognized tax benefits as of December 31	$ 23	$ 17

As of December 31, 2017 and 2016, the amount of unrecognized tax benefits which, if recognized, would affect the effective tax rate is $19 million and $9 million, respectively.

During 2017, we concluded and settled tax examinations in various jurisdictions, including, but not limited to, China and the U.S. (various states). During 2016, we concluded and settled tax examinations in various non-U.S. jurisdictions including, but not limited to, China, Germany, Indonesia, The Netherlands, Spain and the U.K. During 2015, 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, China and France.

During 2017, for unrecognized tax benefits that impact tax expense, we recorded a net increase in unrecognized tax benefits with a corresponding income tax expense (not including interest and penalty expense) of $9 million. During 2016 and 2015, we recorded a net increase in unrecognized tax benefits with a corresponding income tax expense (not including interest and penalty expense) of $2 million and $1 million, respectively. 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.

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,		
	2017	2016	2015
Interest expense included in tax expense	$ —	$ 1	$ —
Penalties expense included in tax expense	—	—	—

	December 31,	
	2017	2016
Accrued liability for interest	$ 3	$ 3
Accrued liability for penalties	—	—

17. INCOME TAXES (Continued)

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	2012 and later
France	2004 and later
Germany	2011 and later
India	2004 and later
Italy	2013 and later
Malaysia	2015 and later
Switzerland	2011 and later
The Netherlands	2015 and later
United Kingdom	2016 and later
United States federal	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 $9 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.

On December 22, 2017, the U.S. government enacted the U.S. Tax Reform Act. The U.S. Tax Reform Act makes broad and complex changes to the U.S. tax code that will affect 2017, including, but not limited to, requiring a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries which is payable over eight years. Because of the complexity of these new laws, we are continuing to evaluate the application of ASC 740 to the U.S. Tax Reform Act and have, therefore, recorded only provisional amounts.

The SEC staff issued SAB 118, which provides guidance on accounting for the tax effects of the U.S. Tax Reform Act. SAB 118 provides a measurement period that should not extend beyond one year from the U.S. Tax Reform Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the U.S. Tax Reform Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the U.S. Tax Reform Act is incomplete but it is able to determine a reasonable estimate, it should record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the U.S. Tax Reform Act.

For various reasons that are discussed more fully below, we have not completed our accounting for the income tax effects of certain elements of the U.S. Tax Reform Act. If we were able to make reasonable estimates of the effects of elements for which our analysis is not yet complete, we recorded provisional adjustments. If we were not yet able to make reasonable estimates of the impact of certain elements, we have not recorded any adjustments related to those elements and have continued accounting for them in accordance with ASC 740 on the basis of the tax laws in effect before the U.S. Tax Reform Act.

The U.S. Tax Reform Act establishes new tax laws that will affect 2018, including, but not limited to, (1) reduction of the U.S. federal corporate tax rate; (2) the creation of the base erosion anti-abuse tax (BEAT), a new minimum tax; (3) a general elimination of U.S. federal income taxes on dividends from foreign subsidiaries; (4) a new provision designed to tax global intangible low-taxed income ("GILTI"); (5) a new limitation on deductible interest expense; and (6) the repeal of the domestic production activity deduction.

17. INCOME TAXES (Continued)

The U.S. Tax Reform Act reduces the corporate tax rate to 21%, effective January 1, 2018. For our net deferred tax assets and liabilities, we have recorded a provisional decrease of $12 million and $149 million, respectively, with a corresponding provisional net deferred tax benefit of $137 million for the year ended December 31, 2017. The provisional $12 million decrease in net deferred tax assets, with a corresponding net deferred tax expense of $12 million, relates to our consolidated variable interest entity, Rubicon LLC, which is a 50%-owned joint venture. Therefore, $6 million of this provisional tax expense is offset in net income attributable to noncontrolling interests. While we are able to make a reasonable estimate of the impact of the reduction in corporate rate, it may be affected by other analyses related to the U.S. Tax Reform Act, including, but not limited to, our calculation of deemed repatriation of deferred foreign income, return to accrual adjustments including completion of computations and analysis of 2017 expenditures that qualify for immediate expensing, and the state tax effect of adjustments made to federal temporary differences.

The Deemed Repatriation Transition Tax is a tax on previously untaxed accumulated and current earnings and profits of certain of our foreign subsidiaries. To determine the amount of the transition tax, we must determine, in addition to other factors, the amount of post-1986 earnings and profits of the relevant subsidiaries, as well as the amount of non-U.S. income taxes paid on such earnings. We are able to make a reasonable estimate of the transition tax and recorded a provisional transition tax expense of $85 million. However, we are continuing to gather and analyze additional information to more precisely compute the amount of the transition tax. As required by U.S. GAAP, we have recognized the provisional $85 million of transition taxes in our income from continuing operations. Absent the Venator offering and certain tax related restructuring transactions, our provisional transition tax liability would have been $12 million. As required by U.S. GAAP, the impact of the U.S. Tax Reform Act is included in continuing operations, even for transactions associated with the Venator offering. Because of the complexity of the associated multistate tax considerations and limited specific guidance from state tax authorities, we have not determined or recorded any impact of the federal deemed repatriation of foreign earnings on our state tax expense or state deferred tax assets and liabilities.

Under U.S. GAAP, we are allowed to make an accounting policy choice of either (1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period expense when incurred (the "period cost method") or (2) factoring such amounts into our measurement of our deferred taxes (the "deferred method"). Our selection of an accounting policy with respect to the new GILTI tax rules will depend, in part, on analyzing our global income to determine whether we expect to have future U.S. inclusions in taxable income related to GILTI and, if so, what the impact is expected to be. Because whether we expect to have future U.S. inclusions in taxable income related to GILTI depends on not only our current structure and estimated future results of global operations but also our intent and ability to modify our structure and/or our business, we are not yet able to reasonably estimate the effect of this provision of the U.S. Tax Reform Act. Therefore, we have not made any adjustments related to potential GILTI tax in our financial statements and have not made a policy decision regarding whether to record deferred taxes on GILTI.

We must assess whether our valuation allowance analyses are affected by various aspects of the U.S. Tax Reform Act (e.g., deemed repatriation of deferred foreign income, GILTI inclusions, new categories of foreign tax credits). Since, as discussed, we have recorded provisional amounts related to certain portions of the U.S. Tax Reform Act, any corresponding determination of the need for or change in any valuation allowances is also provisional.

We must also assess whether our uncertain tax positions are affected by various aspects of the U.S Tax Reform Act (e.g., deemed repatriation of deferred foreign income, GILTI inclusions, new categories of foreign tax credits). Since, as discussed, we have not made any adjustments related to certain portions of the U.S. Tax Reform Act, and have recorded only provisional amounts related to other portions of the U.S. Tax Reform Act, we have not determined the need for or change in any unrecognized tax positions.

The U.S. Tax Reform Act includes a mandatory one-time tax on accumulated earnings of foreign subsidiaries, and as a result, all previously unremitted earnings for which no U.S. deferred tax liability had been accrued have now been subject to U.S. tax. For subsidiaries with local withholding taxes, we intend to continue to invest most or all of these earnings indefinitely within the local country and do not expect to incur any significant, additional taxes related to such amounts.

18. COMMITMENTS AND CONTINGENCIES

PURCHASE COMMITMENTS

We have various purchase commitments extending through 2039 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 2017. 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. We made minimum payments of nil, $1 million and nil for the years ended December 31, 2017, 2016 and 2015, respectively, under such take or pay contracts without taking the product.

Total purchase commitments as of December 31, 2017 are as follows (dollars in millions):

Year ending December 31,	
2018	$ 1,299
2019	1,285
2020	701
2021	499
2022	495
Thereafter	2,087
	$ 6,366

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 $80 million, $81 million and $86 million for 2017, 2016 and 2015, respectively, net of sublease rentals of approximately $2 million each for the years ended December 31, 2017, 2016 and 2015.

Future minimum lease payments under operating leases as of December 31, 2017 are as follows (dollars in millions):

Year ending December 31,	
2018	$ 74
2019	67
2020	60
2021	54
2022	49
Thereafter	134
	$ 438

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

LEGAL MATTERS

Indemnification Matters

On July 3, 2012, Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC (“the Banks”) 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

18. COMMITMENTS AND CONTINGENCIES (Continued)

Court in Montgomery County, Texas (the "Texas Litigation"). We denied the Banks' indemnification demand for the Texas Litigation. These claims allegedly arose from the failed acquisition by and merger with Hexion. The Texas Litigation was dismissed, which was upheld by the Ninth Court of Appeals and the Texas Supreme Court denied review by final order entered January 7, 2016.

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"). We denied the Banks' indemnification demand for the Wisconsin Litigation and have made no accrual with respect to this matter. The stockholders in the Wisconsin Litigation have made essentially the same factual 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 June 30, 2016, the plaintiffs voluntarily dismissed the Apollo defendants and on December 5, 2016, the court dismissed Deutsche Bank for lack of personal jurisdiction, but denied Credit Suisse's motion to dismiss. Subsequently, Credit Suisse asked the court to reconsider its decision or certify its judgment to the Seventh Circuit Court of Appeals for an immediate appeal, which remains pending. Subsequent to discovery, Credit Suisse filed a motion for summary judgment on August 25, 2017 and a decision is pending. The court has suspended the current scheduling order, including the trial date. 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

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, 2017, 2016 and 2015, our capital expenditures for EHS matters totaled $47 million, $55 million, and $121 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.

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 $21 million and $22 million for environmental liabilities as of December 31, 2017 and 2016, respectively. Of these amounts, $6 million and $7 million were classified as accrued liabilities in our consolidated balance sheets as of December 31, 2017 and 2016, respectively, and $15 million each were classified as other noncurrent liabilities in our consolidated balance sheets as of December 31, 2017 and 2016. In certain cases, our remediation liabilities may be payable over periods of up to 30 years. 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.

19. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)

ENVIRONMENTAL MATTERS

Under the Comprehensive Environmental Response, Compensation, and Liability Act ("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 six 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.

Under the Resource Conservation and Recovery Act ("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 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.

West Footscray Remediation

By letter dated March 7, 2006, our former Base Chemicals and Polymers facility in West Footscray, Australia was issued a cleanup notice by the Environmental Protection Authority Victoria ("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, 2017, we had an accrued liability of approximately $14 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.

North Maybe Mine Remediation

The North Maybe Canyon Mine site is a CERCLA site and 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 potentially responsible party ("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.

20. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY

SHARE REPURCHASE PROGRAM

On September 29, 2015, our Board of Directors authorized our Company to repurchase up to $150 million in shares of our common stock. Repurchases under this program may be made through open market transactions, in privately negotiated transactions, accelerated share repurchase programs or by other means. The timing and actual number of any shares repurchased depends on a variety of factors, including market conditions. The share repurchase authorization does not have an expiration date and repurchases may be commenced, suspended or discontinued from time to time without prior notice. On October 27, 2015, we entered into and funded an accelerated share repurchase agreement with Citibank, N.A. to repurchase $100 million of our common stock. Citibank, N.A. made an initial delivery of approximately 7.1 million shares of Huntsman Corporation common stock based on the closing price of $11.94 on

20. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY (Continued)

October 27, 2015. The accelerated share repurchase agreement was completed in January 2016 with the delivery of an additional approximately 1.5 million shares of Huntsman Corporation common stock. The final number of shares repurchased and the aggregate cost per share was based on the Company's daily volume-weighted average stock price during the term of the transaction, less a discount. As of December 31, 2017, we had $50 million remaining under this authorization to be used to purchase additional shares. On February 7, 2018, our Board of Directors authorized our Company to repurchase up to an additional $400 million in shares of our common stock. Repurchases may be made through the open market or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost.

DIVIDENDS ON COMMON STOCK

The following tables represent dividends on common stock for our Company for the years ended December 31, 2017 and 2016 (dollars in millions, except per share payment amounts):

Quarter ended	2017 Per share payment amount	2017 Approximate amount paid
March 31, 2017	$ 0.125	$ 30
June 30, 2017	0.125	30
September 30, 2017	0.125	30
December 31, 2017	0.125	30

Quarter ended	2016 Per share payment amount	2016 Approximate amount paid
March 31, 2016	$ 0.125	$ 30
June 30, 2016	0.125	30
September 30, 2016	0.125	30
December 31, 2016	0.125	30

On February 7, 2018, the Board of Directors approved an increase to the quarterly cash dividend to $0.6125 per share of common stock beginning with the March 30, 2018 quarterly dividend.

21. STOCK-BASED COMPENSATION PLAN

Under the 2016 Stock Incentive Plan, we may grant nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance share units 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 under both the 2016 Stock Incentive Plan and the Prior Plan are fixed at the grant date. As of December 31, 2017, we were authorized to grant up to 8.2 million shares under the 2016 Stock Incentive Plan. As of December 31, 2017, we had approximately 8 million shares remaining under the 2016 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. Outstanding stock-based awards generally vest over a three-year period; certain performance share unit awards vest over a two-year period.

21. STOCK-BASED COMPENSATION PLAN (Continued)

The compensation cost from continuing operations under the 2016 Stock Incentive Plan and the Prior Plan was as follows (dollars in millions):

	Year ended December 31,		
	2017	2016	2015
Compensation cost	$ 36	$ 32	$ 29

The total income tax benefit recognized in the statement of operations for stock-based compensation arrangements was $18 million, $7 million and $6 million for the years ended December 31, 2017, 2016 and 2015, 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 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,		
	2017	2016	2015
Dividend yield	2.4 %	5.6 %	2.3 %
Expected volatility	56.9 %	57.9 %	57.6 %
Risk-free interest rate	2.0 %	1.4 %	1.4 %
Expected life of stock options granted during the period	5.9 years	5.9 years	5.9 years

A summary of stock option activity under the 2016 Stock Incentive Plan and the Prior Plan as of December 31, 2017 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, 2017	11,245	$ 13.37		
Granted	997	21.04		
Exercised	(3,772)	13.90		
Forfeited	(65)	17.67		
Converted to Venator awards	(417)	5.00		
Outstanding at December 31, 2017	7,988	13.99	6.0	$ 154
Exercisable at December 31, 2017	5,403	14.05	4.9	104

The weighted-average grant-date fair value of stock options granted during 2017, 2016 and 2015 was $9.26, $3.15 and $9.81 per option, respectively. As of December 31, 2017, there was $8 million of total unrecognized compensation cost related to nonvested stock option arrangements granted under the 2016 Stock Incentive Plan and the Prior Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.7 years.

During the years ended December 31, 2017, 2016 and 2015, the total intrinsic value of stock options exercised was approximately $48 million, $1 million and nil, respectively. Cash received from stock options exercised during the years ended December 31, 2017, 2016 and 2015 was approximately $35 million, $1 million and $1 million, respectively.

21. STOCK-BASED COMPENSATION PLAN (Continued)

The cash tax benefit from stock options exercised during the years ended December 31, 2017, 2016 and 2015 was approximately $15 million, nil and nil, respectively.

NONVESTED SHARES

Nonvested shares granted under the 2016 Stock Incentive Plan and the Prior Plan consist of restricted stock and performance share unit awards, which are accounted for as equity awards, and phantom stock, which is accounted for as a liability award because it can be settled in either stock or cash.

The fair value of each performance share unit award is estimated using a Monte Carlo simulation model that uses various assumptions, including an expected volatility rate and a risk-free interest rate. For the years ended December 31, 2017, 2016 and 2015, the weighted-average expected volatility rate was 45.0%, 39.3% and 30.0%, respectively, and the weighted average risk-free interest rate was 1.5%, 0.9% and 0.7%, respectively. For the performance share unit awards granted during the years ended December 31, 2017, 2016 and 2015, the number of shares earned varies based upon the Company achieving certain performance criteria over two-year and three-year performance periods. The performance criteria are total stockholder return of our common stock relative to the total stockholder return of a specified industry peer group for the two-year and three-year performance periods.

A summary of the status of our nonvested shares as of December 31, 2017 and changes during the year then ended is presented below:

	Equity Awards		Liability Awards	
	Shares (in thousands)	Weighted Average Grant- Date Fair Value	Shares (in thousands)	Weighted Average Grant-Date Fair Value
Nonvested at January 1, 2017	2,996	$ 13.36	912	$ 12.27
Granted	779	22.60	285	21.01
Vested	(1,052)(1)	16.11	(372)	14.11
Forfeited	(29)	15.61	(36)	12.22
Converted to Venator awards	(237)	11.81	(93)	13.72
Nonvested at December 31, 2017	2,457	14.93	696	14.69

(1) As of December 31, 2017, a total of 460,750 restricted stock units were vested but not yet issued, of which 25,704 vested during 2017. 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, 2017, there was $28 million of total unrecognized compensation cost related to nonvested share compensation arrangements granted under the Stock Incentive Plan and the Prior 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, 2017, 2016 and 2015 was $22 million, $16 million and $20 million, respectively.

22. OTHER COMPREHENSIVE INCOME (LOSS)

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

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2017	$ (459)	$ (1,275)	$ 4	$ 23	$ (1,707)	$ 36	$ (1,671)
Other comprehensive income before reclassifications, gross	175	11	(1)	9	194	(22)	172
Tax benefit	35	9	—	2	46	—	46
Amounts reclassified from accumulated other comprehensive loss, gross(c)	—	80	—	(10)	70	—	70
Tax expense	—	(14)	—	—	(14)	—	(14)
Net current-period other comprehensive income (loss)	210	86	(1)	1	296	(22)	274
Disposition of a portion of P&A Business	—	—	—	—	—	129	129
Ending balance, December 31, 2017	$ (249)	$ (1,189)	$ 3	$ 24	$ (1,411)	$ 143	$ (1,268)

(a) Amounts are net of tax of $65 and $100 as of December 31, 2017 and January 1, 2017, respectively.

(b) Amounts are net of tax of $172 and $177 as of December 31, 2017 and January 1, 2017, respectively.

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

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2016	$ (288)	$ (1,056)	$ 11	$ 17	$ (1,316)	$ 28	$ (1,288)
Other comprehensive (loss) income before reclassifications, gross	(162)	(315)	(7)	5	(479)	8	(471)
Tax benefit	(10)	58	—	1	49	—	49
Amounts reclassified from accumulated other comprehensive loss, gross(c)	1	53	—	—	54	—	54
Tax expense	—	(15)	—	—	(15)	—	(15)
Net current-period other comprehensive (loss) income	(171)	(219)	(7)	6	(391)	8	(383)
Ending balance, December 31, 2016	$ (459)	$ (1,275)	$ 4	$ 23	$ (1,707)	$ 36	$ (1,671)

(a) Amounts are net of tax of $100 and $90 as of December 31, 2016 and January 1, 2016, respectively.

(b) Amounts are net of tax of $177 and $135 as of December 31, 2016 and January 1, 2016, respectively.

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

Details about Accumulated Other Comprehensive Loss Components(a):	Year ended December 31, 2017 — Amount reclassified from accumulated other comprehensive loss	2016 — Amount reclassified from accumulated other comprehensive loss	2015 — 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	$ 15	$ 16	$ 10	(b)
Actuarial loss	(95)	(69)	(79)	(b)(c)
	(80)	(53)	(69)	Total before tax
	14	15	14	Income tax expense
Total reclassifications for the period	$ (66)	$ (38)	$ (55)	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."

22. OTHER COMPREHENSIVE INCOME (LOSS) (Continued)

(c) Amounts contain approximately $19 million, $14 million and $15 million of prior service credit and actuarial loss related to discontinued operations for the years ended December 31, 2017, 2016 and 2015, 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,		
	2017	2016	2015
Sales to:			
Unconsolidated affiliates	$ 150	$ 131	$ 131
Inventory purchases from:			
Unconsolidated affiliates	280	243	325

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 four operating segments, which are also our reportable segments: Polyurethanes, Performance Products, Advanced Materials and Textile Effects. We have organized our business and derived our operating segments around differences in product lines. In connection with the Venator IPO in August 2017, we separated the P&A Business and, beginning in the third quarter of 2017, we reported the results of operations of the P&A Business as discontinued operations in our consolidated financial statements for all periods presented. See "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business."

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	Technologically advanced epoxy, acrylic and polyurethane-based polymers formulations; high performance thermoset resins and curing agents; base liquid and solid resins
Textile Effects	Textile chemicals, dyes and digital inks

Sales between segments are generally recognized at external market prices and are eliminated in consolidation. We use adjusted 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 adjusted EBITDA of

24. OPERATING SEGMENT INFORMATION (Continued)

operating segments excludes items that principally apply to our Company as a whole. The revenues and adjusted EBITDA for each of our reportable operating segments are as follows (dollars in millions):

	Year ended December 31,		
	2017	2016	2015
Revenues:			
Polyurethanes	$ 4,399	$ 3,667	$ 3,811
Performance Products	2,109	2,126	2,501
Advanced Materials	1,040	1,020	1,103
Textile Effects	776	751	804
Corporate and eliminations	34	(46)	(80)
Total	$ 8,358	$ 7,518	$ 8,139
Segment adjusted EBITDA(1):			
Polyurethanes	$ 850	$ 569	$ 573
Performance Products	296	316	460
Advanced Materials	219	223	220
Textile Effects	83	73	63
Corporate and other(2)	(189)	(184)	(156)
Total	1,259	997	1,160
Reconciliation of adjusted EBITDA to net income:			
Interest expense—continuing operations	(165)	(203)	(205)
Interest (expense) income—discontinued operations	(19)	1	—
Income tax expense—continuing operations	(64)	(109)	(60)
Income tax (expense) benefit—discontinued operations	(67)	24	16
Depreciation and amortization—continuing operations	(319)	(318)	(298)
Depreciation and amortization—discontinued operations	(68)	(114)	(101)
Net income attributable to noncontrolling interests	105	31	33
Other adjustments:			
Business acquisition and integration expenses	(19)	(12)	(9)
Merger costs	(28)	—	—
EBITDA from discontinued operations	312	81	(217)
Minority interest of discontinued operations	(49)	(11)	(7)
Loss on early extinguishment of debt	(54)	(3)	(31)
Certain legal settlements and related income (expenses)	11	(1)	(1)
Gain (loss) on sale of assets	9	97	(1)
Amortization of pension and postretirement actuarial losses	(73)	(55)	(66)
Plant incident remediation costs	(16)	—	—
U.S. Tax Reform Act impact on minority interest	6	—	—
Restructuring, impairment and plant closing and transition costs	(20)	(48)	(87)
Net income	$ 741	$ 357	$ 126

24. OPERATING SEGMENT INFORMATION (Continued)

	Year ended December 31,		
	2017	2016	2015
Depreciation and Amortization:			
Polyurethanes	$ 116	$ 114	$ 100
Performance Products	137	132	119
Advanced Materials	33	35	38
Textile Effects	14	15	17
Corporate and other	19	22	24
Total	$ 319	$ 318	$ 298

	Year ended December 31,		
	2017	2016	2015
Capital Expenditures:			
Polyurethanes	$ 162	$ 143	$ 181
Performance Products	79	131	205
Advanced Materials	21	16	25
Textile Effects	16	19	24
Corporate and other	4	9	26
Total	$ 282	$ 318	$ 461

	December 31,		
	2017	2016	2015
Total Assets:			
Polyurethanes	$ 3,112	$ 2,677	$ 2,779
Performance Products	2,069	2,046	2,264
Advanced Materials	796	728	822
Textile Effects	564	523	562
Corporate and other	823	975	904
Total	$ 7,364	$ 6,949	$ 7,331

(1) We use segment adjusted EBITDA as the measure of each segment's profit or loss. We believe that segment adjusted EBITDA more accurately reflects what management uses to make decisions about resources to be allocated to the segments and assess their financial performance. Segment adjusted EBITDA is defined as net income of Huntsman Corporation before interest, income tax, depreciation and amortization, net income attributable to noncontrolling interests and certain Corporate and other items, as well as eliminating the following adjustments: (a) business acquisition and integration expenses; (b) merger costs; (c) EBITDA from discontinued operations; (d) minority interest of discontinued operations; (e) loss on early extinguishment of debt; (f) certain legal settlements and related income (expenses); (g) gain (loss) on sale of assets; (h) amortization of pension and postretirement actuarial losses; (i) plant incident remediation costs; (j) U.S. Tax Reform Act impact on minority interest; and (k) restructuring, impairment, plant closing and transition costs.

(2) Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, LIFO inventory valuation reserve adjustments, nonoperating income and expense, benzene sales and gains and losses on the disposition of corporate assets.

24. OPERATING SEGMENT INFORMATION (Continued)

	Year ended December 31,		
	2017	2016	2015
Revenues by geographic area(1):			
United States	$ 2,729	$ 2,514	$ 2,727
China	1,147	908	1,013
Germany	508	466	479
Mexico	481	433	455
Other nations	3,493	3,197	3,465
Total	$ 8,358	$ 7,518	$ 8,139

	December 31,		
	2017	2016	2015
Long-lived assets(2):			
United States	$ 1,597	$ 1,570	$ 1,677
The Netherlands	343	294	304
China	268	235	208
Saudi Arabia	172	185	196
Germany	163	136	147
Switzerland	112	110	120
Singapore	100	110	76
Other nations	343	394	442
Total	$ 3,098	$ 3,034	$ 3,170

(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, 2017 and 2016 is as follows (dollars in millions, except per share amounts):

	Three months ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017(1)
Revenues	$ 1,932	$ 2,054	$ 2,169	$ 2,203
Gross profit	392	437	474	509
Restructuring, impairment and plant closing costs	9	3	1	7
Income from continuing operations	99	138	116	230
Net income	92	183	179	287
Net income attributable to noncontrolling interests(2)	16	16	32	41
Net income attributable to Huntsman Corporation	76	167	147	246
Basic income per share(3):				
Income from continuing operations attributable to Huntsman Corporation common stockholders	0.35	0.51	0.36	0.79
Net income attributable to Huntsman Corporation common stockholders	0.32	0.70	0.62	1.03
Diluted income per share(3):				
Income from continuing operations attributable to Huntsman Corporation common stockholders	0.34	0.50	0.34	0.77
Net income attributable to Huntsman Corporation common stockholders	0.31	0.69	0.60	1.00

	Three months ended			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016(4)
Revenues	$ 1,815	$ 1,968	$ 1,831	$ 1,904
Gross profit	390	424	356	356
Restructuring, impairment and plant closing costs (credits)	2	16	38	(9)
Income from continuing operations	85	107	40	133
Net income	62	94	64	137
Net income attributable to noncontrolling interests(2)	6	7	9	9
Net income attributable to Huntsman Corporation	56	87	55	128
Basic income per share(3):				
Income from continuing operations attributable to Huntsman Corporation common stockholders	0.33	0.42	0.13	0.52
Net income attributable to Huntsman Corporation common stockholders	0.24	0.37	0.23	0.54
Diluted income per share(3):				
Income from continuing operations attributable to Huntsman Corporation common stockholders	0.33	0.42	0.13	0.51
Net income attributable to Huntsman Corporation common stockholders	0.24	0.36	0.23	0.53

(1) On December 22, 2017, the U.S. enacted the U.S. Tax Reform Act. During the fourth quarter of 2017, we recorded the impact of the U.S. Tax Reform Act which resulted in a net $52 million income tax benefit.

(2) In connection with the Venator IPO in August 2017, we separated the P&A Business and, beginning in the third quarter of 2017, we reported the results of operations of the P&A Business as discontinued operations in our consolidated financial statements for all periods presented. See "Note 3. Discontinued Operations and Business Dispositions—Separation of P&A Business."

25. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Continued)

(3) 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.

(4) On December 30, 2016, our Performance Products segment completed the sale of its European surfactants business to Innospec Inc. for $199 million in cash plus our retention of trade receivables and payables for an enterprise value of $225 million. For further information, see "Note 3. Discontinued Operations and Business Dispositions—Sale of European Surfactants Manufacturing Facilities."

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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 8, 2018, there were approximately 55 stockholders of record and the closing price of our common stock on the New York Stock Exchange was $30.83 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
2017		
First Quarter	$ 25.22	$ 18.94
Second Quarter	28.20	23.13
Third Quarter	28.67	24.51
Fourth Quarter	33.78	27.06

Period	High	Low
2016		
First Quarter	$ 13.83	$ 7.46
Second Quarter	16.65	12.45
Third Quarter	18.11	12.40
Fourth Quarter	20.52	15.38

DIVIDENDS

The following tables represent dividends on common stock for our Company for the years ended December 31, 2017 and 2016 (dollars in millions, except per share payment amounts):

	2017	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2017	$ 0.125	$ 30
June 30, 2017	0.125	30
September 30, 2017	0.125	30
December 31, 2017	0.125	30

	2016	
Quarter ended	Per share payment amount	Approximate amount paid
March 31, 2016	$ 0.125	$ 30
June 30, 2016	0.125	30
September 30, 2016	0.125	30
December 31, 2016	0.125	30

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. On February 7, 2018, the Board of Directors approved an increase to the quarterly cash dividend to $0.1625 per share of common stock beginning with the March 30, 2018 quarterly dividend.

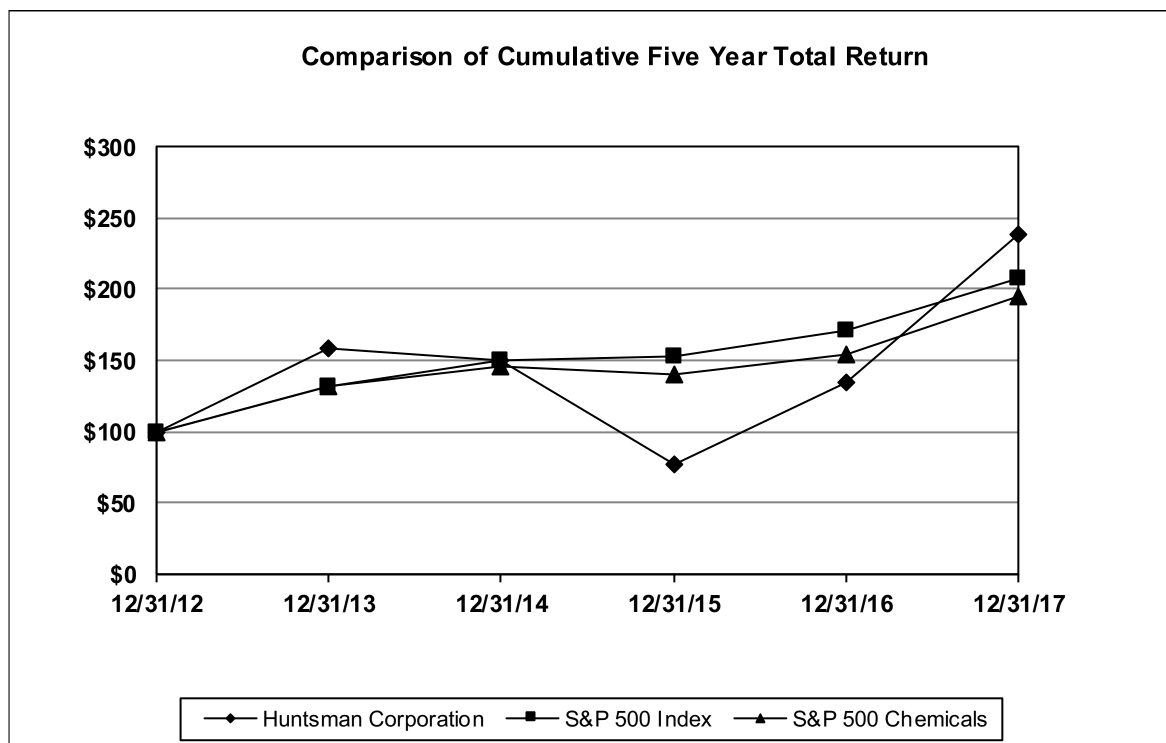
PURCHASES OF EQUITY SECURITIES BY THE COMPANY

The following table provides information with respect to shares of restricted stock granted under our stock incentive plans that we withheld upon vesting to satisfy our tax withholding obligations during the three months ended December 31, 2017.

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs(1)	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs(1)
October	—	$ —	—	$ 50,000,000
November	—	—	—	50,000,000
December	54,091	33.29	—	50,000,000
Total	54,091	$ 33.29		

(1) On September 29, 2015, our Board of Directors authorized our Company to repurchase up to $150 million in shares of our common stock. No shares were repurchased under our publicly announced stock repurchase program during the three months ended December 31, 2017. On February 7, 2018, our Board of Directors authorized our Company to repurchase up to $400 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. For more information, see "Note 20. Huntsman Corporation Stockholders' Equity—Share Repurchase Program" to our consolidated financial statements.

STOCK PERFORMANCE GRAPH



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

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

HUN
LISTED
NYSE

ANNUAL MEETING
The 2018 annual meeting of stockholders will take place on Thursday, May 3, 2018 at 8:30 a.m., local time, at the following location:
The Westin At The Woodlands
2 Waterway Square Place
The Woodlands, TX 77380
Tel.: +1-281-419-4300

WEBSITE
www.huntsman.com

FORWARD-LOOKING STATEMENTS
Statements in this release that are not historical are forward-looking statements. These statements are based on management's current beliefs and expectations. The forward-looking statements in this release are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the company's operations, markets, products, services, prices and other factors as discussed in the Huntsman companies' filings with the U.S. Securities and Exchange Commission. Significant risks and uncertainties may relate to, but are not limited to, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, reorganization or restructuring of Huntsman's operations, the ability to implement cost reductions and manufacturing optimization improvements in Huntsman businesses, and other financial, economic, competitive, environmental, political, legal, regulatory and technological factors. The company assumes no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by applicable laws.

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HUNTSMAN

Enriching lives through innovation

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