# SECURITIES AND EXCHANGE COMMISSION

# FORM 10-K

Annual report pursuant to section 13 and 15(d)

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## FILER

**HUNTSMAN INTERNATIONAL LLC**

CIK:**1089748**| IRS No.: **000000000** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **333-85141** | Film No.: **13595397**
SIC: **2800** Chemicals & allied products

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**Huntsman CORP**

CIK:**1307954**| IRS No.: **421648585** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **001-32427** | Film No.: **13595398**
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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# Form 10-K

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

| Commission File Number | Exact Name of Registrant as Specified in its Charter, Principal Office Address and Telephone Number | State of Incorporation/ Organization | I.R.S. Employer Identification No. |
|---|---|---|---|
| 001-32427 | Huntsman Corporation<br>500 Huntsman Way<br>Salt Lake City, Utah 84108<br>(801) 584-5700 | Delaware | 42-1648585 |
| 333-85141 | Huntsman International LLC<br>500 Huntsman Way<br>Salt Lake City, Utah 84108<br>(801) 584-5700 | Delaware | 87-0630358 |

**Securities registered pursuant to Section 12(b) of the Exchange Act:**

| Registrant | Title of each class | Name of each exchange on which registered |
|---|---|---|
| Huntsman Corporation | Common Stock, par value $0.01 per share | New York Stock Exchange |
| Huntsman International LLC | None | None |

**Securities registered pursuant to Section 12(g) of the Exchange Act:**

| Registrant | Title of each class |
|---|---|
| Huntsman Corporation | None |
| Huntsman International LLC | None |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

| | | |
|---|---|---|
| Huntsman Corporation | YES ☒ | NO ☐ |
| Huntsman International LLC | YES ☐ | NO ☒ |

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

| | | |
|---|---|---|
| Huntsman Corporation | YES ☐ | NO ☒ |
| Huntsman International LLC | YES ☐ | NO ☒ |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

| | | |
|---|---|---|
| Huntsman Corporation | YES ☒ | NO ☐ |
| Huntsman International LLC | YES ☒ | NO ☐ |

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

| | | |
|---|---|---|
| Huntsman Corporation | YES ☒ | NO ☐ |
| Huntsman International LLC | YES ☒ | NO ☐ |

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | | | | |
|---|---|---|---|---|
| Huntsman Corporation | Large accelerated filer ☒ | Accelerated filer ☐ | Non-accelerated filer ☐ | Smaller reporting company ☐ |
| Huntsman International LLC | Large accelerated filer ☐ | Accelerated filer ☐ | Non-accelerated filer ☒ | Smaller reporting company ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

| | | |
|---|---|---|
| Huntsman Corporation | YES ☐ | NO ☒ |
| Huntsman International LLC | YES ☐ | NO ☒ |

On June 30, 2012, the last business day of the registrants' most recently completed second fiscal quarter, the aggregate market value of voting and non-voting common equity held by non-affiliates was as follows:

| Registrant | Common Equity | Market Value Held by Nonaffiliates |
|---|---|---|
| Huntsman Corporation | Common Stock | $2,402,844,866(1) |
| Huntsman International LLC | Units of Membership Interest | $0(2) |

**(1)** Based on the closing price of $12.94 per share of common stock as quoted on the New York Stock Exchange.

**(2)** All units of membership interest are held by Huntsman Corporation, an affiliate.

On February 1, 2013, the number of shares outstanding of each of the registrant's classes of common equity were as follows:

| Registrant | Common Equity | Outstanding |
|---|---|---|
| Huntsman Corporation | Common Stock | 239,851,526 |
| Huntsman International LLC | Units of Membership Interest | 2,728 |

This Annual Report on Form 10-K presents information for two registrants: Huntsman Corporation and Huntsman International LLC. Huntsman International LLC is a wholly owned subsidiary of Huntsman Corporation and is the principal operating company of Huntsman Corporation. The information reflected in this Annual Report on Form 10-K is equally applicable to both Huntsman Corporation and Huntsman International LLC, except where otherwise indicated.

Huntsman International LLC meets the conditions set forth in General Instructions (I)(1)(a) and (b) of Form 10-K and, to the extent applicable, is therefore filing this form with a reduced disclosure format.

**Documents Incorporated by Reference**

Part III: Proxy Statement for the 2013 Annual Meeting of Stockholders to be filed within 120 days of Huntsman Corporation's fiscal year ended December 31, 2012.

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With respect to Huntsman Corporation, certain information set forth in this report contains "forward-looking statements" within the meaning of the federal securities laws. Huntsman International is a limited liability company and, pursuant to Section 21E(b)2(E) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the safe-harbor for certain forward-looking statements is not applicable to it.

Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions or dispositions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "may," "will," "should," "anticipates" or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward- looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements.

All forward-looking statements, including without limitation management's examination of historical operating trends, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this report. Any forward-looking statements should be considered in light of the risks set forth in "Part I. Item 1A. Risk Factors" and elsewhere in this report.

This report includes information with respect to market share, industry conditions and forecasts that we obtained from internal industry research, publicly available information (including industry publications and surveys), and surveys and market research provided by consultants. The publicly available information and the reports, forecasts and other research provided by consultants generally state that the information contained therein has been obtained from sources believed to be reliable. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, our internal research and forecasts are based upon our management's understanding of industry conditions, and such information has not been verified by any independent sources.

For convenience in this report, the terms "Company," "our," "us," or "we" may be used to refer to Huntsman Corporation and, unless the context otherwise requires, its subsidiaries and predecessors. Any references to our "Company," "we," "us" or "our" as of a date prior to October 19, 2004 (the date of our formation) are to Huntsman Holdings, LLC and its subsidiaries (including their respective predecessors). In this report, "Huntsman International" refers to Huntsman International LLC (our 100% owned subsidiary) and, unless the context otherwise requires, its subsidiaries; "HPS" refers to Huntsman Polyurethanes Shanghai Ltd. (our consolidated splitting joint venture with Shanghai Chlor-Alkali Chemical Company, Ltd); "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); "HCCA" refers to Huntsman Chemical Company Australia Pty Limited (our 100% owned subsidiary); and "SLIC" refers to Shanghai Liengheng Isocyanate Investment BV (an 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. Many of these terms are defined in the Glossary of Chemical Terms found at the conclusion of "Part I. Item 1. Business" below.

# PART I

## ITEM 1. BUSINESS

## GENERAL

We are a global manufacturer of differentiated organic chemical products and of inorganic chemical products. Our Company, a Delaware corporation, was formed in 2004 to hold the businesses of Huntsman Holdings, LLC, a company 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.

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.

Our principal executive offices are located at 500 Huntsman Way, Salt Lake City, Utah 84108, and our telephone number at that location is (801) 584-5700.

## RECENT DEVELOPMENTS

### PO/MTBE Joint Venture in China

On November 13, 2012, we entered into an agreement to form a joint venture with Sinopec ("Nanjing Jinling"). The joint venture will involve the construction and operation of a PO/MTBE facility in China. Under the joint venture agreement, we will have a 49% interest in the joint venture and Sinopec will hold a 51% interest. Our equity investment is anticipated to be approximately $120 million, and we expect to receive significant license fees from the joint venture. The timing of equity contributions and license fee payments depends on various factors, but the majority are intended to be made over the course of the construction period of the plant (expected to be completed by the end of 2014).

## OVERVIEW

Our products comprise a broad range of chemicals and formulations which we market globally to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, personal care and hygiene, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. We are a leading global producer in many of our key product lines, including MDI, amines, surfactants, epoxy-based polymer formulations, textile chemicals, dyes, maleic anhydride and titanium dioxide. Our administrative, research and development and manufacturing operations are primarily conducted at the facilities listed in "−Item 2. Properties" below, which are located in 30 countries. As of December 31, 2012, we employed approximately 12,000 associates worldwide. Our revenues for the years ended December 31, 2012, 2011 and 2010 were $11,187 million, $11,221 million and $9,250 million, respectively.

We operate in five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments. In a series of transactions beginning in 2006, we sold our North American polymers and base chemicals operations and substantially shutdown all of our Australian styrenics operations. We report the results of these businesses as discontinued operations in our statements of operations. See "Note 25. Discontinued Operations" to our consolidated financial statements.

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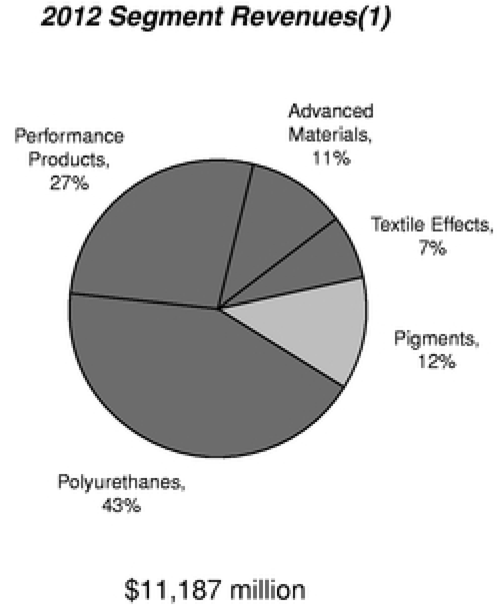
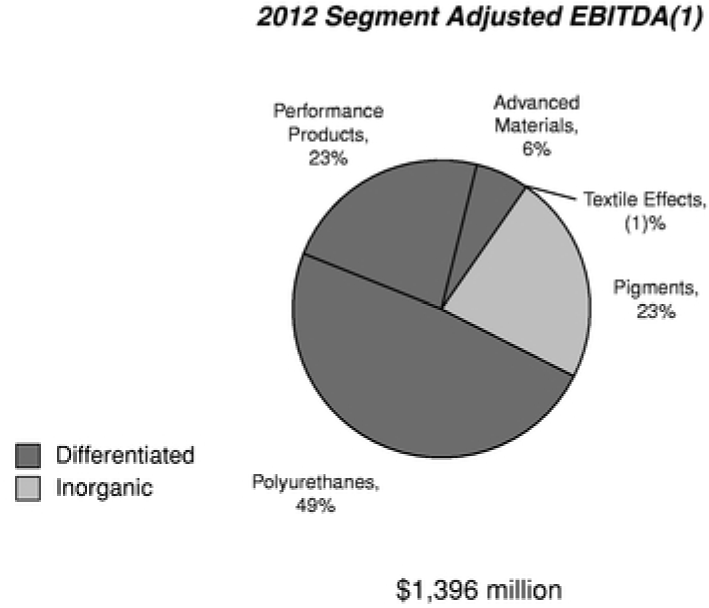
**Our Products**

We produce differentiated organic and inorganic chemical products. Our Polyurethanes, Performance Products, Advanced Materials and Textile Effects segments produce differentiated organic chemical products and our Pigments segment produces inorganic chemical products.

Growth in our differentiated products has been driven by the substitution of our products for other materials and by the level of global economic activity. Accordingly, the profitability of our differentiated products has been somewhat less influenced by the cyclicality that typically impacts the petrochemical industry. Our Pigments business, while cyclical, is influenced by seasonal demand patterns in the coatings industry.




**(1)** Percentage allocations in this chart do not give effect to Corporate and other unallocated items and eliminations. For a reconciliation of Adjusted EBITDA to net income attributable to Huntsman Corporation and cash provided by operating activities, see "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations−Results of Operations."

The following table identifies the key products, their principal end markets and applications and representative customers of each of our segments:

| Segment | Products | End Markets and Applications | Representative Customers |
|---|---|---|---|
| Polyurethanes | MDI, PO, polyols, PG, TPU, aniline and MTBE | Refrigeration and appliance insulation, construction products, adhesives, automotive, footwear, furniture, cushioning, specialized engineering applications and fuel additives | BMW, CertainTeed, Electrolux, Firestone, GE, Haier, Louisiana Pacific, PMI, Recticel, Weyerhaeuser |
| Performance Products | Amines, surfactants, LAB, maleic anhydride, other performance chemicals, EG, olefins and technology licenses | Detergents, personal care products, agrochemicals, lubricant and fuel additives, adhesives, paints and coatings, construction, marine and automotive products, composites, and PET fibers and resins | Afton, Chevron, Dow, Henkel, L'Oreal, Lubrizol, Monsanto, Procter & Gamble, Reichhold, Sun Products, Unilever |
| Advanced Materials | Basic liquid and solid epoxy resins; specialty resin compounds; cross-linking, matting and curing agents; epoxy, acrylic and polyurethane-based formulations | Aerospace and industrial adhesives, composites for aerospace, automotive, and wind power generation; construction and civil engineering; industrial coatings; electrical power transmission; consumer electronics | ABB, AkzoNobel, Bodo Moller, Cytec, Freeman, Henkel, Hexcel, ISOLA, Lianyungang, Omya, PPG, Ribelin, RPM, Sanarrow, Schneider, Sherwin Williams, Siemens, Sika, Speed Fair, Syngenta, Toray, |
| Textile Effects | Textile chemicals and dyes | Apparel, home and technical textiles | Aunde, Esquel Group, Fruit of the Loom, Guilford Mills, Hanesbrands, Nice Dyeing, Polartec, Tencate, Y.R.C., Zaber & Zubair |
| Pigments | Titanium dioxide | Paints and coatings, plastics, paper, printing inks, fibers and ceramics | AkzoNobel, Clariant, Jotun, PolyOne, PPG |

## Polyurethanes

### *General*

We are a leading global manufacturer and marketer of a broad range of polyurethane chemicals, including MDI products, PO, polyols, PG and TPU. Polyurethane chemicals are used to produce rigid and flexible foams, as well as coatings, adhesives, sealants and elastomers. We focus on the higher-margin, higher-growth markets for MDI and MDI-based polyurethane systems. Growth in our Polyurethanes segment has been driven primarily by the continued substitution of MDI-based products for other materials across a broad range of applications. We operate 5 primary Polyurethanes manufacturing facilities in the U.S., Europe and China. We also operate 17 Polyurethanes formulation facilities, which are located in close proximity to our customers worldwide.

Our customers produce polyurethane products through the combination of an isocyanate, such as MDI or TDI, with polyols, which are derived largely from PO and EO. While the range of TDI-based products is relatively limited, we are able to produce over 2,000 distinct MDI-based polyurethane products by modifying the MDI molecule through varying the proportion and type of polyol used and by introducing other chemical additives to our MDI formulations. As a result, polyurethane products, especially those derived from MDI, are continuing to replace traditional products in a wide range of end use markets, including insulation in construction and appliances, cushioning for automotive and furniture, adhesives, wood binders, footwear and other specialized engineering applications.

We are one of three North American producers of PO. We and some of our customers process PO into derivative products, such as polyols for polyurethane products, PG and various other chemical products. End uses for these derivative products include applications in the home furnishings, construction, appliances, packaging, automotive and transportation, food, paints and coatings and cleaning products industries. We also produce MTBE as a co-product of our PO manufacturing process. MTBE is an oxygenate that is blended with gasoline to reduce harmful vehicle emissions and to enhance the octane rating of gasoline. See "−Item 1A. Risk Factors."

In 1992, we were the first global supplier of polyurethane chemicals to open a technical service center in China. We have since expanded this facility to include an integrated polyurethanes formulation facility. In January 2003, we entered into two related joint ventures to build MDI production and finishing facilities near Shanghai, China. Production at our MDI finishing plant near Shanghai, China operated by HPS, a consolidated joint venture, was commissioned on June 30, 2006. Production at the MNB, aniline and crude MDI plants operated by SLIC, an unconsolidated joint venture, commenced on September 30, 2006. These world-scale facilities strengthen our ability to service our customers in the critical Chinese market and will support the significant demand growth that we believe this region will continue to experience. Additionally, in November 2012, we entered into an agreement to form a joint venture to build a world scale PO and MTBE plant in Nanjing, China. The facility is expected to be completed by the end of 2014, and it will utilize our proprietary PO/MTBE manufacturing technology. We will own a 49% interest in the joint venture.

During 2012, our Polyurethanes segment implemented a restructuring program to reduce annualized fixed costs by $75 million by the third quarter of 2013. In connection with this program, we recorded restructuring expenses of $38 million during 2012 primarily for workforce reductions.

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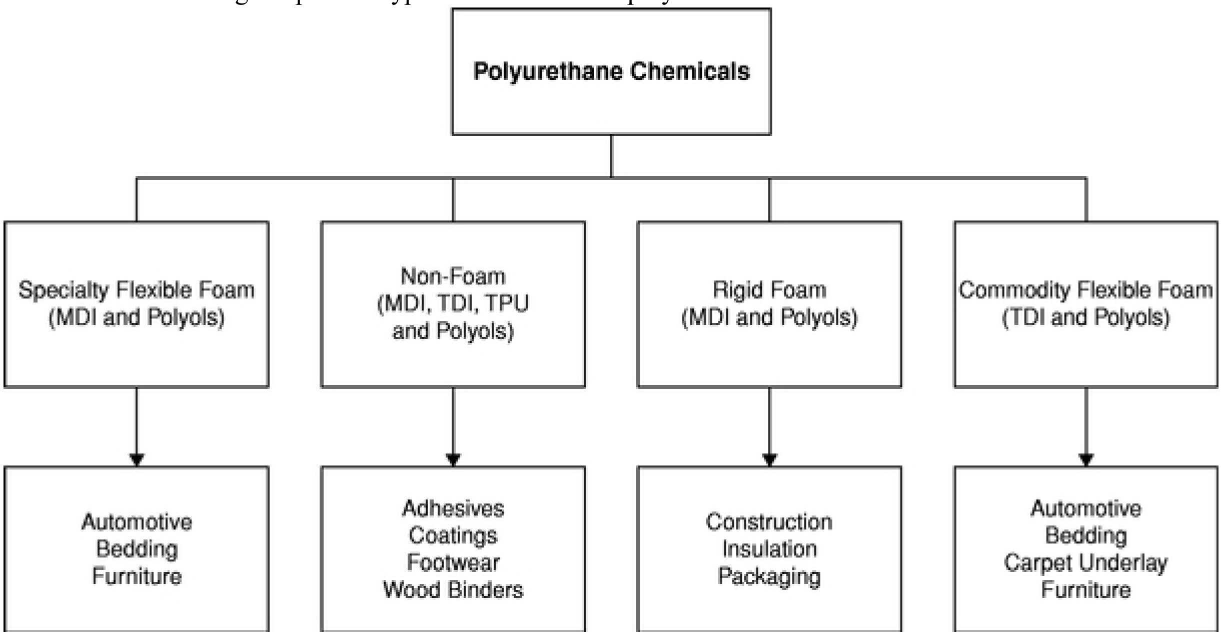
***Products and Markets***

MDI is used primarily in rigid foam applications and in a wide variety of customized, higher-value flexible foam and coatings, adhesives, sealants and elastomers. Polyols, including polyether and polyester polyols, are used in conjunction with MDI and TDI in rigid foam, flexible foam and other non-foam applications. PO is one of the principal raw materials for producing polyether polyols. The following chart illustrates the range of product types and end uses for polyurethane chemicals.




Polyurethane chemicals are sold to customers who combine the chemicals to produce polyurethane products. Depending on their needs, customers will use either commodity polyurethane chemicals produced for mass sales or polyurethane systems tailored for their specific requirements. By varying the blend, additives and specifications of the polyurethane chemicals, manufacturers are able to develop and produce a breadth and variety of polyurethane products.

***MDI.*** MDI has a substantially larger market size and a higher growth rate than TDI. This is primarily because MDI can be used to make polyurethanes with a broader range of properties and can therefore be used in a wider range of applications than TDI. We believe that future growth of MDI is expected to be driven by the continued substitution of MDI-based polyurethane for fiberglass and other materials currently used in rigid insulation foam for construction. We expect that other markets, such as binders for reconstituted wood board products, specialty cushioning applications and coatings will further contribute to the continued growth of MDI.

With the recent rapid growth of the developing Asian economies, the Asian markets have now become the largest market for MDI.

***TPU.*** TPU is a high-quality, fully formulated thermal plastic derived from the reaction of MDI or an aliphatic isocyanate with polyols to produce unique qualities such as durability, flexibility, strength, abrasion-resistance, shock absorbency and chemical resistance. We can tailor the performance characteristics of TPU to meet the specific requirements of our customers. TPU is used in injection molding and small components for the automotive and footwear industries. It is also extruded into films, wires and cables for use in a wide variety of applications in the coatings, adhesives, sealants and elastomers markets.

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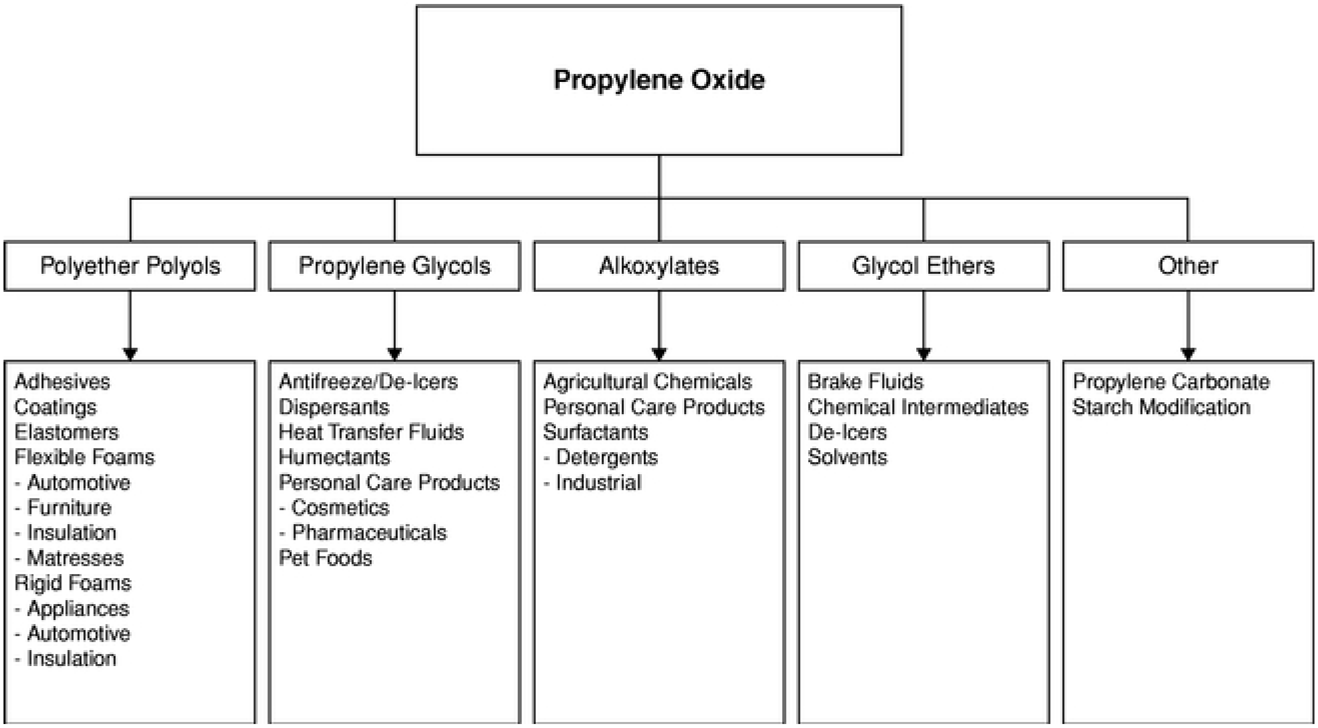
***Polyols.*** Polyols are combined with MDI, TDI and other isocyanates to create a broad spectrum of polyurethane products. Demand for specialty polyols has been growing at approximately the same rate at which MDI consumption has grown.

***Aniline.*** Aniline is an intermediate chemical used primarily to manufacture MDI. Generally, aniline is either consumed internally by the producers of the aniline or is sold to third parties under long-term supply contracts. We believe that the lack of a significant spot market for aniline means that in order to remain competitive, MDI manufacturers must either be integrated with an aniline manufacturing facility or have a long-term, cost-competitive aniline supply contract.

***PO.*** PO is an intermediate chemical used mainly to produce a wide range of polyols and PG. Demand for PO depends largely on overall economic demand, especially that of consumer durables. The following chart illustrates the primary end markets and applications for PO.




***MTBE.*** MTBE is an oxygenate that is blended with gasoline to reduce harmful vehicle emissions and to enhance the octane rating of gasoline. While MTBE has been effectively eliminated in the United States, demand continues to grow in other regions of the world. In 2011 we announced the signing of a license agreement with Chinese chemicals manufacturer Yantai Wanhua Polyurethanes Co., Ltd, for the production of PO and MTBE. See "Part I. Item 1A. Risk Factors." We continue to sell MTBE for use as a gasoline additive, substantially all of which is sold for use outside the U.S. See "−Manufacturing and Operations" below and "Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

***Sales and Marketing***

Our global sales group markets our polyurethane chemicals to over 3,500 customers in more than 90 countries. Our sales and technical resources are organized to support major regional markets, as well as key end use markets which require a more global approach. These key end use markets include the appliance, automotive, footwear, furniture and coatings, construction products, adhesives, sealants and elastomers industries.

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We provide a wide variety of polyurethane solutions as components (i.e., the isocyanate or the polyol) or in the form of "systems" in which we provide the total isocyanate and polyol formulation to our customers in ready-to-use form. Our ability to deliver a range of polyurethane solutions and technical support tailored to meet our customers' needs is critical to our long-term success. We have strategically located our polyurethane formulation facilities, commonly referred to in the chemicals industry as "systems houses," close to our customers, enabling us to focus on customer support and technical service. We believe this customer support and technical service system contributes to customer retention and also provides opportunities for identifying further product and service needs of customers. We manufacture polyols primarily to support our MDI customers' requirements.

We believe that the extensive market knowledge and industry experience of our sales teams and technical experts, in combination with our strong emphasis on customer relationships, have facilitated our ability to establish and maintain long-term customer supply positions. Our strategy is to continue to increase sales to existing customers and to attract new customers by providing innovative solutions, quality products, reliable supply, competitive prices and superior customer service.

***Manufacturing and Operations***

Our MDI production facilities are located in Geismar, Louisiana; Rozenburg, The Netherlands; and through our joint ventures in Caojing, China. These facilities receive aniline, which is a primary material used in the production of MDI, from our facilities located in Geismar, Louisiana; Wilton, U.K.; and Caojing, China. We believe that this relative scale and product integration of our large facilities provide a significant competitive advantage over other producers. In addition to reducing transportation costs for our raw materials, integration helps reduce our exposure to cyclical prices.

The following table sets forth the annual production capacity of polyurethane chemicals at each of our polyurethanes facilities:

| | MDI | Polyols | TPU | Aniline | Nitrobenzene | PO | PG | MTBE |
|---|---|---|---|---|---|---|---|---|
| | (millions of pounds) | | | | | | | (millions of gallons) |
| Geismar, Louisiana | 990 | 160 | | 715(2) | 953(2) | | | |
| Osnabrück, Germany | | 26 | 59 | | | | | |
| Port Neches, Texas | | | | | | 525 | 145 | 260 |
| Ringwood, Illinois | | | 20 | | | | | |
| Caojing, China | 330(1) | | | | | | | |
| Rozenburg, The Netherlands | 880 | 130 | | | | | | |
| Wilton, U.K. | | | | 715 | 953 | | | |
| Total | 2,200 | 316 | 79 | 1,430 | 1,906 | 525 | 145 | 260 |

**(1)** Represents our 50% share of capacity from SLIC, an unconsolidated Chinese joint venture.

**(2)** Represents our approximately 78% share of capacity under our consolidated Rubicon LLC manufacturing joint venture with Chemtura Corporation.

At both our Geismar and Rozenburg facilities we utilize sophisticated proprietary technology to produce our MDI. This technology, which is also used in our Chinese joint venture, contributes to our position as a low cost MDI producer. In addition to MDI, we use a proprietary manufacturing process to manufacture PO. We own or license all technology and know-how developed and utilized at our PO facility. Our process combines isobutane and oxygen in proprietary oxidation (peroxidation) reactors, thereby forming TBHP and TBA, which are further processed into PO and MTBE, respectively. Because our PO production process is less expensive relative to other technologies and allows all of our

PO co-products to be processed into saleable or useable materials, we believe that our PO production technology possesses several distinct advantages over its alternatives.

We operate polyurethane systems houses in Buenos Aires, Argentina; Deer Park, Australia; Taboão da Serra, Brazil; Shanghai, China; Cartagena, Colombia; Deggendorf, Germany; Osnabrück, Germany; Pune, India; Gandaria, Jakarta, Indonesia; Ternate, Italy; Tlalnepantla, Mexico; Mississauga, Ontario; Obninsk, Russia; Dammam, Saudi Arabia; Kuan Yin, Taiwan; Samutprakarn, Thailand; and Istanbul, Turkey.

In July 2012, we completed our acquisition of the remaining 55% ownership interest in International Polyurethane Investments B.V. (the "Russian Systems House Acquisition"). This company's wholly-owned subsidiary, Huntsman NMG ZAO, is a leading supplier of polyurethane systems to the adhesives, coatings and footwear markets in Russia, Ukraine and Belarus and is headquartered in Obninsk, Russia.

***Joint Ventures***

***Rubicon Joint Venture.*** Chemtura Corporation is our joint venture partner in Rubicon LLC, which owns aniline, nitrobenzene and DPA manufacturing facilities in Geismar, Louisiana. We are entitled to approximately 78% of the nitrobenzene and aniline production capacity of Rubicon LLC, and Chemtura Corporation is entitled to 100% of the DPA production. In addition to operating the joint venture's aniline, nitrobenzene and DPA facilities, Rubicon LLC also operates our wholly owned MDI, polyol and Maleic Anhydride facilities at Geismar and is responsible for providing other auxiliary services to the entire Geismar complex. As a result of this joint venture, we are able to achieve greater scale and lower costs for our products than we would otherwise have been able to obtain. Rubicon LLC is consolidated in our financial statements.

***Chinese MDI Joint Ventures.*** We are involved in two related joint ventures which operate MDI production facilities near Shanghai, China. SLIC, our manufacturing joint venture with BASF and three Chinese chemical companies, produces MNB, aniline and crude MDI. We effectively own 35% of SLIC and account for our investment under the equity method. HPS, our splitting joint venture with Shanghai Chlor-Alkali Chemical Company, Ltd, manufactures pure MDI, polymeric MDI and MDI variants. We own 70% of HPS and it is a consolidated affiliate. These projects have been funded by a combination of equity invested by the joint venture partners and borrowed funds. The total production capacity of the SLIC facilities is 660 million pounds per year of MDI and the splitting capacity of the HPS facility is 339 million pounds per year of MDI.

***Chinese PO/MTBE Joint Venture.*** On November 13, 2012, we entered into an agreement to form a joint venture with Sinopec. The joint venture will involve the construction and operation of a PO/MTBE facility in China. Under the joint venture agreement, we will have a 49% interest in the joint venture and Sinopec will hold a 51% interest. Our equity investment is anticipated to be approximately $120 million, and we expect to receive significant license fees from the joint venture. The timing of equity contributions and license fee payments depends on various factors, but the majority are intended to be made over the course of the construction period of the plant (expected to be completed by the end of 2014).

***Raw Materials***

The primary raw materials for MDI-based polyurethane chemicals are benzene and PO. Benzene is a widely available commodity that is the primary feedstock for the production of MDI and aniline. Historically, benzene has been the largest component of our raw material costs. We purchase benzene from third parties to manufacture nitrobenzene and aniline, almost all of which we then use to produce MDI.

A major cost in the production of polyols is attributable to the costs of PO. The integration of our PO business with our polyurethane chemicals business gives us access to a competitively priced, strategic source of PO and the opportunity to develop polyols that enhance our range of MDI products. The primary raw materials used in our PO production process are butane/isobutane, propylene, methanol and oxygen. We purchase a large portion of our raw materials under long-term contracts.

***Competition***

Our major competitors in the polyurethane chemicals market include BASF, Bayer, Dow, Yantai Wanhua and LyondellBasell. While these competitors and others produce various types and quantities of polyurethane chemicals, we focus on MDI and MDI-based polyurethane systems. Our polyurethane chemicals business competes in two basic ways: (1) where price is the dominant element of competition, our polyurethane chemicals business differentiates itself by its high level of customer support, including cooperation on technical and safety matters; and (2) elsewhere, we compete on the basis of product performance and our ability to react quickly to changing customer needs and by providing customers with innovative solutions to their needs.

Some of our competitors in the Polyurethanes segment are among the world's largest chemical companies and major integrated petroleum companies. These competitors may have their own raw material resources. Some of these companies may be able to produce products more economically than we can. In addition, some of our competitors have greater financial resources, which may enable them to invest significant capital into their businesses, including expenditures for research and development. If any of our current or future competitors develop proprietary technology that enables them to produce products at a significantly lower cost, our technology could be rendered uneconomical or obsolete.

**Performance Products**

***General***

Our Performance Products segment has leading positions in the manufacture and sale of amines, surfactants and maleic anhydride and serves a wide variety of consumer and industrial end markets. We are organized by strategic business units ("SBUs") which differentiate between specialties and intermediates.

In our specialty SBUs (energy, materials, additives, processing chemicals and agrochemicals) we are a leading global producer of amines, carbonates, maleic anhydride and specialty surfactants. Growth in demand in our specialty markets tends to be driven by the end-performance characteristics that our products deliver to our customers. These products are manufactured for use in a growing number of niche industrial end uses and have been characterized by growing demand, technology substitution and stable profitability. For example, we are one of two significant global producers of polyetheramines, for which our sales volumes have grown at a compound annual rate of over 8% in the last 10 years due to strong demand in a number of industrial applications, such as epoxy curing agents, oil drilling, agrochemicals, fuel additives and civil construction materials. We are the leading global licensor of maleic anhydride manufacturing technology and are also the largest supplier of butane fixed bed catalyst used in the manufacture of maleic anhydride. Our licensing group also licenses technology on behalf of other Performance Products businesses and other segments.

In our intermediate SBUs we consume internally produced and third-party-sourced base petrochemicals in the manufacture of our surfactants, LAB, and ethanolamines products, which are primarily used in detergency, consumer products and industrial applications. We also produce EG, which is primarily used in the production of polyester fibers and PET packaging. We operate 19

Performance Products manufacturing facilities in North America, Europe, Middle East, India, Asia and Australia.

We have the annual capacity to produce approximately 1.4 billion pounds of more than 200 amines and other performance chemicals. We believe we are the largest global producer of polyetheramines, one of the largest producers of 2-(2-Amino ethoxy) Ethanol, sold under our DGA® brand, the second largest producer of ethyleneamines and morpholine and the second largest North American producer of ethanolamines. We are the only producer and largest supplier of propylene carbonate and ethylene carbonate in North America. We also produce substituted propylamines. We use internally produced ethylene, EO, EG and PO in the manufacture of many of our amines, carbonates, and surfactants. Our products are manufactured at our Port Neches, Conroe, Dayton, and Freeport, Texas facilities and at our facilities in Llanelli, U.K.; Petfurdo, Hungary; Ankleshwar, India; Jurong Island, Singapore; and Jubail, Saudi Arabia. Our amines are used in a wide variety of consumer and industrial applications, including personal care products, polyurethane foam, fuel and lubricant additives, paints and coatings, composites, solvents and catalysts. Our key amines customers include AkzoNobel, Chevron, Dow, Ashland, Afton, Unilever, Monsanto and PPG.

We have the capacity to produce approximately 2.5 billion pounds of surfactant products annually at our nine facilities located in North America, Europe, India and Australia. We are a leading global manufacturer of nonionic, anionic, cationic and amphoteric surfactants products and are characterized by our breadth of product offering and market coverage. Our surfactant products are primarily used in consumer detergent and industrial cleaning applications. We are a leading European producer of components for powder and liquid laundry detergents and other cleaners. In addition, we manufacture and market a diversified range of mild surfactants and specialty formulations for use in personal care applications. We continue to strengthen and diversify our surfactant product offering into formulated specialty surfactant products for use in various industrial applications such as leather and textile treatment, foundry and construction, agrochemicals, fuels and lubricants, and polymers and coatings. We are growing our global agrochemical surfactant technology and product offerings. Our key surfactants customers include Sun Products, L'Oreal, Monsanto, Nufarm, Clorox, Henkel, Colgate, Procter & Gamble and Unilever.

We are North America's largest producer of LAB, with alkylation capacity of 400 million pounds per year at our plant in Chocolate Bayou, Texas. LAB is a surfactant intermediate which is converted into LAS, a major anionic surfactant used worldwide for the production of consumer, industrial and institutional laundry detergents. We also manufacture a higher-molecular-weight alkylate which is used as an additive to lubricants. Our key customers for LAB and specialty alkylates include Colgate, Lubrizol, Procter & Gamble, Unilever and Sun Products.

We believe we are the largest global producer of maleic anhydride, a highly versatile chemical intermediate that is used to produce UPRs, which are mainly used in the production of fiberglass reinforced resins for marine, automotive and construction products. Maleic anhydride is also used in the production of lubricants, food additives and artificial sweeteners. We have the capacity to produce approximately 572 million pounds annually at our facilities located in Pensacola, Florida; Geismar, Louisiana; and Moers, Germany. We also license our maleic anhydride technology and supply our catalysts to licensees and to worldwide merchant customers. As a result of our long-standing research and development efforts aided by our pilot and catalyst preparation plants, we have successfully introduced six generations of our maleic anhydride catalysts and now have a seventh generation catalyst commercially available. Revenue from licensing and catalyst comes from new plant commissioning, as well as current plant retrofits and catalyst change schedules. Our key maleic anhydride customers include AkzoNobel, Chevron Oronite, CCP Composites, Lubrizol, Infineum, Reichhold, Tate & Lyle, Cranston Print, and Gulf Bayport.

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We also have the capacity to produce approximately 945 million pounds of EG annually at our facilities in Port Neches, Texas and Botany, Australia.

***Products and Markets***

***Specialties.*** Our specialty SBUs are organized around the following end markets: energy, materials, additives, processing chemicals and agrochemicals. The following table shows the end-market applications specialty products:

| Product Group | Applications |
|---|---|
| Specialty Amines | liquid soaps, personal care, lubricant and fuel additives, polyurethane foams, fabric softeners, paints and coatings, refinery processing, water treating |
| Polyetheramines | polyurethane foams and insulation, construction and flooring, paints and coatings, lubricant and fuel additives, adhesives, epoxy composites, agrochemicals, oilfield chemicals, printing inks, pigment dispersion |
| Ethyleneamines | lubricant and fuel additives, epoxy hardeners, wet strength resins, chelating agents, fungicides |
| Ethanolamines | wood preservatives, herbicides, construction products, gas treatment, metalworking |
| Morpholine/DGA® agent and Gas Treating | hydrocarbon processing, construction chemicals, synthetic rubber, water treating, electronics applications, gas treatment, agriculture |
| Maleic anhydride | boat hulls, automotive, construction, lubricant and fuel additives, countertops, agrochemicals, paper, and food additives |
| Maleic Anhydride catalyst and technology licensing | maleic anhydride, BDO and its derivatives, and PBT manufacturers |
| Specialty Surfactants | agricultural herbicides, construction, paper de-inking, lubricants |
| Specialty Alkylates | lubricant additive |

***Amines.*** Amines broadly refers to the family of intermediate chemicals that are produced by reacting ammonia with various ethylene and propylene derivatives. Generally, amines are valued for their properties as a reactive agent, emulsifier, dispersant, detergent, solvent or corrosion inhibitor. Growth in demand for amines is highly correlated with GDP growth due to its strong links to general industrial and consumer products markets. However, certain segments of the amines market, such as polyetheramines, have grown at rates well in excess of GDP growth due to new product development, technical innovation, and substitution and replacement of competing products. For example, polyetheramines are used by customers who demand increasingly sophisticated performance characteristics as an additive in the manufacture of highly customized epoxy formulations, enabling customers to penetrate new markets and substitute for traditional curing materials. Ethanolamines are a range of chemicals produced by the reaction of EO with ammonia. They are used in the production of a variety of industrial, agricultural and consumer products. There are a limited number of competitors due to the technical and cost barriers to entry. As amines are generally sold based upon the performance characteristics that they provide to customer-specific end use application, pricing does not generally fluctuate directly with movements in underlying raw materials.

***Morpholine/DGA® Agent.*** Morpholine and DGA® agent are produced as co-products by reacting ammonia with DEG. Morpholine is used in a number of niche industrial applications including rubber curing (as an accelerator) and flocculants for water treatment. DGA® agent is primarily used in gas treating, electronics, herbicides and metalworking end use applications.

***Carbonates.*** Ethylene and propylene carbonates are manufactured by reacting EO and PO with carbon dioxide. Carbonates are used as solvents and as reactive diluents in polymer and coating applications. They are also increasingly being used as a photo-resist solvent in the manufacture of printed circuit boards, solar panels, LCD screens and the production of lithium batteries.

***Maleic Anhydride and Licensing*** Maleic anhydride is a chemical intermediate that is produced by oxidizing either benzene or normal butane through the use of a catalyst. The largest use of maleic anhydride in the U.S. is in the production of UPRs, which we believe account for approximately 48% of North American maleic anhydride demand. UPR is the main ingredient in fiberglass reinforced resins, which are used for marine and automotive applications and commercial and residential construction products.

Our maleic anhydride technology is a proprietary fixed bed process with solvent recovery and is characterized by low butane consumption and an energy-efficient, high-percentage solvent recovery system. This process competes against two other processes, the fluid bed process and the fixed bed process with water recovery. We believe that our process is superior in the areas of feedstock and energy efficiency and solvent recovery. The maleic anhydride-based route to BDO manufacture is currently the preferred process technology and is favored over the other routes, which include PO, butadiene and acetylene as feedstocks. As a result, the growth in demand for BDO has resulted in increased demand for our maleic anhydride technology and catalyst.

Total North American demand for maleic anhydride in 2012 was approximately 621 million pounds. Generally, changes in price have resulted from changes in industry capacity utilization as opposed to changes in underlying raw material costs.

***Intermediates.*** The following table sets forth the end-market applications for our intermediate products:

| Product Group | Applications |
|---|---|
| *Surfactants* | |
| Alkoxylates | household detergents, industrial cleaners, anti-fog chemicals for glass, asphalt emulsions, shampoos, polymerization additives, de-emulsifiers for petroleum production |
| Sulfonates/ Sulfates | powdered detergents, liquid detergents, shampoos, body washes, dishwashing liquids, industrial cleaners, emulsion polymerization, concrete superplasticizers, gypsum wallboard |
| Esters and Derivatives | shampoo, body wash, textile and leather treatment |
| Nitrogen Derivatives | bleach thickeners, baby shampoo, fabric conditioners, other personal care products |
| Formulated Blends | household detergents, textile and leather treatment, personal care products, pharmaceutical intermediates |
| EO/PO Block Co-Polymers | automatic dishwasher detergents |
| *LAB* | consumer detergents, industrial and institutional detergents |
| *EG* | polyester fibers and PET bottle resins, heat transfer and hydraulic fluids, chemical intermediates, natural gas and hydrocarbon treating agents, unsaturated polyester resins, polyester polyols, plasticizers, solvents |

***Surfactants.*** Surfactants or "surface active agents" are substances that combine a water soluble component with a water insoluble component in the same molecule. While surfactants are most commonly used for their detergency in cleaning applications, they are also valued for their emulsification, foaming, dispersing, penetrating and wetting properties in a variety of industries.

Demand growth for surfactants is relatively stable and exhibits little cyclicality. The main consumer product applications for surfactants can demand new formulations with improved performance characteristics, which affords considerable opportunity for innovative surfactants manufacturers like us to provide surfactants and blends with differentiated specifications and properties. For basic surfactants, pricing tends to have a strong relationship to underlying raw material prices and usually lags raw material price movements.

***LAB.*** LAB is a surfactant intermediate which is produced through the reaction of benzene with either normal paraffins or linear alpha olefins. Nearly all the LAB produced globally is converted into LAS, a major anionic surfactant used worldwide for the production of consumer, industrial and institutional laundry detergents.

Three major manufacturers lead the traditional detergency market for LAB in North America: Procter & Gamble, Henkel and Sun Products. We believe that two-thirds of the LAB global capacity lies in the hands of ten producers, with three or four major producers in each of the three regional markets. Although the North American market for LAB is mature, we expect Latin American and other developing countries to grow as detergent demand grows at a faster rate than GDP. Growth in demand for specialty alkylates for use in lubricants is expected to be higher than GDP. We have developed a unique manufacturing capability for a high molecular weight alkylate for this market. With a significant technical barrier to entry, our specialty alkylate capability has allowed us greater diversity in our portfolio and strengthened our competitive position versus LAB-only producers.

***EG.*** We consume our internally produced EO to produce three types of EG: MEG, DEG and TEG. MEG is consumed primarily in the polyester (fiber and bottle resin) and antifreeze end markets and is also used in a wide variety of industrial applications including synthetic lubricants, plasticizers, solvents and emulsifiers. DEG is consumed internally for the production of Morpholine and DGA® agent and polyols. TEG is used internally for the production of polyols and is sold into the market for dehydration of natural gas. We continue to optimize our EO and EG operations depending on the fundamental market demand for EG.

***Sales and Marketing***

We sell over 2,000 products to over 4,000 customers globally through our Performance Products marketing groups, which have extensive market knowledge, considerable chemical industry experience and well established customer relationships.

In our specialty markets (energy, materials, additives, processing chemicals and agrochemicals), our marketing efforts are focused on how our product offerings perform in certain customer applications. We believe that this approach enhances the value of our product offerings and creates opportunities for ongoing differentiation in our development activities with our customers.

Our intermediates are sold mainly into the global home and personal care market for which we have a dedicated marketing group. We also sell EG.

We also provide extensive pre- and post-sales technical service support to our customers where our technical service professionals work closely with our research and development functions to tailor our product offerings to meet our customers unique and changing requirements. Finally, these technical service professionals interact closely with our market managers and business leadership teams to help guide future offerings and market approach strategies. In addition to our focused direct sales efforts, we maintain an extensive global network of distributors and agents that also sell our products. These distributors and agents typically promote our products to smaller end use customers who cannot be served cost effectively by our direct sales forces.

***Manufacturing and Operations***

Our Performance Products segment has the capacity to produce more than seven billion pounds annually of a wide variety of products and formulations at 19 manufacturing locations in North America, Europe, Africa, the Middle East ("EAME"), Asia and Australia. These production capacities are as follows:

| Product Area | Current capacity | | | |
|---|---|---|---|---|
| | North America | EAME | APAC(1) | Total |
| | (millions of pounds) | | | |
| Amines | 706 | 197(2) | 58 | 961 |
| Carbonates | 77 | | | 77 |
| Surfactants | 648 | 1681 | 158 | 2487 |
| Maleic anhydride | 340 | 232(3) | | 572 |
| EG | 890 | | 55 | 945 |
| EO | 1,000 | | 100 | 1,100 |
| Ethanolamines | 400 | | | 400 |
| LAB | 400 | | | 400 |
| Ethylene | 400 | | | 400 |
| Propylene | 300 | | | 300 |

**(1)** Asia-Pacific region including India ("APAC")

**(2)** Includes up to 30 million pounds of ethyleneamines that are made available from Dow's Terneuzen, The Netherlands facility by way of a long-term supply arrangement and 60 million pounds from Arabian Amines Company, our consolidated 50%-owned joint venture, located in Jubail, Saudi Arabia.

**(3)** Represents total capacity of a facility owned by Sasol-Huntsman, of which we own a 50% equity interest and Sasol owns the remaining 50% interest. We have consolidated the financial results of this entity since April 2011.

Our surfactants and amines facilities are located globally, with broad capabilities in amination, sulfonation and ethoxylation. These facilities have a competitive cost base and use modern manufacturing units that allow for flexibility in production capabilities and technical innovation.

Our primary ethylene, propylene, EO, EG and ethanolamines facilities are located in Port Neches, Texas alongside our Polyurethanes' PO/MTBE facility. The Port Neches, Texas facility benefits from extensive logistics infrastructure, which allows for efficient sourcing of other raw materials and distribution of finished products.

A number of our facilities are located within large integrated petrochemical manufacturing complexes. We believe this results in greater scale and lower costs for our products than we would be able to obtain if these facilities were stand-alone operations. These include our LAB facility in Chocolate Bayou, Texas, our maleic anhydride facilities in Pensacola, Florida and Moers, Germany and our Ethyleneamines facility in Freeport, Texas.

***Joint Ventures***

**Ethyleneamines Joint Venture.** Since July 1, 2010, we have consolidated the results of Arabian Amines Company, our 50%-owned joint venture with the Zamil Group. Arabian Amines Company operates an ethyleneamines manufacturing plant in Jubail, Saudi Arabia. The plant has an approximate annual capacity of 60 million pounds. We purchase and sell all of the production from this joint venture.

**Maleic Anhydride Joint Venture.** Since the second quarter of 2011, we have consolidated the results of Sasol-Huntsman, our 50%-owned maleic anhydride joint venture. This entity operates a manufacturing facility in Moers, Germany with the capacity to produce 232 million pounds of maleic anhydride. The output from the facility is sold in the European region.

***Raw Materials***

We have the capacity to produce 400 million pounds of ethylene and 300 million pounds of propylene, depending on feedstocks, at our Port Neches, Texas facility. All of the ethylene is used to produce EO and all of the propylene is used to produce PO at our Port Neches, Texas facility (primarily for our Polyurethanes business). We have the capacity to use approximately 900 million pounds of ethylene each year in the production of EO and ethyleneamines. Accordingly, we purchase or toll the remainder of our ethylene requirements from third parties. We consume all of our EO in the manufacture of our EG, surfactants, carbonates and amines products. We also use internally produced PO and DEG in the manufacture of these products.

In addition to internally produced raw materials, the main raw materials used in the production of our amines are ethylene dichloride, caustic soda, ammonia, hydrogen, methylamines and acrylonitrile. The majority of these raw materials are available from multiple sources in the merchant market at competitive prices.

In the production of surfactants and LAB, our primary raw materials, in addition to internally produced and third-party sourced EO and ethylene, are synthetic and natural alcohols, paraffin, alpha olefins, benzene and nonyl phenol. All of these raw materials are widely available in the merchant market at competitive prices.

Maleic anhydride is produced by the reaction of n-butane with oxygen using our proprietary catalyst. The principal raw material is n-butane which is purchased pursuant to long-term contracts and delivered to our Pensacola, Florida site by barge, to our facility in Geismar, Louisiana via pipeline and to our Moers, Germany site by railcar. Our maleic anhydride catalyst is toll-manufactured by a third party under a long-term contract according to our proprietary methods. These raw materials are available from multiple sources at competitive prices.

***Competition***

In our specialty markets, there are few competitors for many of our products due to the considerable customization of product formulations, the proprietary nature of many of our product applications and manufacturing processes and the relatively high research and development and technical costs involved. Some of our global competitors include BASF, Air Products, Dow, Tosoh and AkzoNobel. We compete primarily on the basis of product performance, new product innovation and, to a lesser extent, on the basis of price. In our maleic anhydride market, we compete primarily on the basis of price, customer service and plant location. Our competitors include Lanxess, Flint Hills Resources, Bartek and Ashland. We are the leading global producer of maleic anhydride catalyst. Competitors in our maleic anhydride catalyst market include Scientific Design, Ineos, BASF and Polynt. In our maleic anhydride technology licensing market, our primary competitor is Scientific Design. We compete primarily on the basis of technological performance and service.

There are numerous global producers of many of our intermediate products. Our main competitors include global companies such as Dow/MEGlobal, Sasol, BASF, Petresa, Clariant, Shell, Stepan, Croda and Kao, as well as various smaller or more local competitors. We compete on the basis of price with respect to the majority of our product offerings and, to a lesser degree, on the basis of product availability, performance and service with respect to certain of our more value-added products.

The market in which our Performance Products segment operates is highly competitive. Among our competitors are some of the world's largest chemical companies and major integrated petroleum companies that have their own raw material resources. Some of these companies may be able to produce products more economically than we can. In addition, some of our competitors have greater financial resources, which may enable them to invest significant capital into their businesses, including expenditures for research and development. If any of our current or future competitors develop proprietary technology that enables them to produce products at a significantly lower cost, our technology could be rendered uneconomical or obsolete.

**Advanced Materials**

***General***

Our Advanced Materials segment is a leading global manufacturer and marketer of technologically advanced epoxy, acrylic and polyurethane-based polymer products. We focus on formulations and systems that are used to address customer-specific needs in a wide variety of industrial and consumer applications. Our products are used either as replacements for traditional materials or in applications where traditional materials do not meet demanding engineering specifications. For example, structural adhesives are used to replace metal rivets and advanced composites are used to replace traditional aluminum panels in the manufacture of aerospace components. Our Advanced Materials segment is characterized by the breadth of our product offering, our expertise in complex chemistry, our long-standing relationships with our customers, our ability to develop and adapt our technology and our applications expertise for new markets and new applications.

We operate synthesis, formulating and production facilities in North America, Europe, Asia, South America and Africa. We sell to more than 3,000 customers in the following end markets: civil engineering, consumer appliances, food and beverage packaging, industrial appliances, consumer/do it yourself ("DIY"), aerospace, DVD, LNG transport, electrical power transmission and distribution, printed circuit boards, consumer and industrial electronics, wind power generation, automotive, recreational sports equipment and medical appliances.

During the fourth quarter of 2012, our Advanced Materials segment began implementing a global transformational change program, subject to consultation with relevant employee representatives, designed to improve the segment's manufacturing efficiencies, enhance commercial excellence and ensure its long-term global competitiveness and expects to improve its earnings in the range of $70 million by the middle of 2014. In connection with this global transformational change program, we recorded charges of $28 million related primarily to workforce reduction costs. We expect to record additional expenses related to this global transformational change program of approximately $19 million through the first half of 2014.

On November 1, 2011, we completed the sale of our stereolithography resin and Digitalis® machine manufacturing businesses to 3D Systems Corporation for $41 million in cash. The stereolithography business had revenues of $7 million in 2010 and its products are used primarily in three-dimensional part building systems. The Digitalis® business is a stereolithography rapid manufacturing system previously under development by our Advanced Materials business.

***Products and Markets***

Our product range spans from basic liquid and solid resins, to specialty components like curing agents, matting agents, accelerators, cross-linkers, reactive diluents, thermoplastic polyamides and additives. In addition to these components, which we typically sell to formulators in various industries, we also produce and sell ready to use formulated polymer systems.

***Base Resins and Specialty Component Markets.*** Our products are used in the formulation of products for the protection of steel and concrete substrates, such as flooring, metal furniture and appliances, buildings, linings for storage tanks and food and beverage cans, and the primer coat of automobile bodies and ships. Epoxy-based surface coatings are among the most widely used industrial coatings due to their structural stability and broad application functionality combined with overall economic efficiency.

Base resins and specialty components are also used for composite applications. A structural composite is made by combining two or more different materials, such as fibers, resins and other specialty additives, to create a product with enhanced structural properties. Specifically, structural composites are lightweight, high-strength, rigid materials with high resistance to chemicals, moisture and high temperatures. Our product range comprises basic and advanced epoxy resins, curing agents and other advanced chemicals, additives and formulated polymer systems. The four key target markets for our structural composites are aerospace, windmill blades for wind power generation, general industrial and automotive applications, and recreational products (mainly sports equipment such as skis). Structural composites continue to substitute for traditional materials, such as metals and wood, in a wide variety of applications due to their light weight, strength and durability.

***Formulated Systems.*** The structural adhesives market requires high-strength "engineering" adhesives for use in the manufacture and repair of items to bond various engineering substrates. Our business focus is on engineering adhesives based on epoxy, polyurethane, acrylic and other technologies which are used to bond materials, such as steel, aluminum, engineering plastics and composites in substitution of traditional joining techniques. Our Araldite® brand name has considerable value in the industrial and consumer adhesives markets. In many countries, Araldite® branded products are known for their high-performance adhesive capabilities, and we generally believe that this is the value-added segment of the market where recognition of our long-standing Araldite® brand is a key competitive advantage. Packaging is a key characteristic of our adhesives products. Our range of adhesives is sold in a variety of packs and sizes, targeted to three specific end markets and sold through targeted routes to market:

*General Industrial Bonding.* We sell a broad range of advanced formulated adhesives to a broad base of small-to medium-sized customers, including specialty distributors.

*Industry Specific.* We sell our adhesive products on a global basis into diverse, industry-specific markets, which include the aerospace, wind turbine, LNG transport, filter bonding, solar cell and other industrial application markets. Our target markets are chosen because we believe it is worthwhile to utilize our direct sales force and applications experts to tailor products and services to suit the needs and performance specifications of the specific market segments.

*Consumer/DIY.* We package and sell consumer adhesives through strategic distribution arrangements with a number of the major marketers of consumer/DIY adhesives, such as Vynex, Velcro and Selleys. These products are sold globally through a number of major retail outlets, often under the Araldite® brand name. In India, our major DIY business, we have direct access to the market and strong brand recognition which creates opportunity to further expand our product offering as we leverage the value of the Araldite® brand.

Our electrical materials are formulated polymer systems, which make up the insulation materials used in equipment for the generation, transmission and distribution of electrical power, such as transformers, switch gears, ignition coils, sensors, motors and magnets, and for the protection of electrical and electronic devices and components. The purpose of these products is to insulate, protect or shield either the environment from electrical current or electrical devices from the environment, such as temperature or humidity. Our electrical insulating materials target two key market segments: the heavy electrical equipment market and the light electrical equipment market.

Products for the heavy electrical equipment market segment are used in power plant components, devices for power grids and insulating parts and components. In addition, there are numerous devices, such as motors and magnetic coils used in trains and medical equipment, which are manufactured using epoxy and related technologies. Products for the light electrical equipment market segment are used in applications such as industrial automation and control, consumer electronics, automotive electronics and electrical components. The end customers in the electrical insulating materials market encompass the relevant original equipment manufacturer ("OEM") as well as numerous manufacturers of components used in the final products. We also develop, manufacture and market materials used in the production of printed circuit boards. Our products are ultimately used in industries ranging from telecommunications and personal computer mother board manufacture to automotive electronic systems manufacture. Soldermasks are our most important product line in printed circuit board technologies. Sales are made mainly under the Probimer®, Probimage® and Probelec® trademarks. Our Probimer® trademark is a widely recognized brand name for soldermasks.

***Sales and Marketing***

We maintain multiple routes to market to service our diverse customer base. These routes to market range from using our own direct sales force for targeted, technically-oriented distribution to mass general distribution. Our direct sales force focuses on engineering solutions for decision-makers at major customers who purchase significant amounts of product from us. We use technically-oriented specialist distributors to augment our sales effort in niche markets and applications where we do not believe it is appropriate to develop direct sales resources. We use mass general distribution channels to sell our products into a wide range of general applications where technical expertise is less important to the user of the products to reduce our overall selling expenses. We believe our use of multiple routes to market enables us to reach a broader customer base at an efficient cost.

We conduct sales activities through dedicated regional sales teams in the Americas, Europe, India, Middle East, Africa and Asia. Our global customers are covered by key account managers who are familiar with the specific requirements of these clients. The management of long-standing customer relationships, some of which are 20 to 30 years old, is at the heart of the sales and marketing process. We are also supported by a strong network of distributors. We serve a highly fragmented customer base.

For our consumer/DIY range, we have entered into exclusive branding and distribution arrangements with, for example, Selleys in Australia. Under these arrangements, our distribution partners fund advertising and sales promotions, negotiate and sell to major retail chains, own inventories and provide store deliveries (and sometimes shelf merchandising) in exchange for a reliable, high-quality supply of Araldite® branded, ready-to-sell packaged products.

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***Manufacturing and Operations***

We are a global business serving customers in four principal geographic regions: Europe, India, Middle East & Africa, the Americas, and Asia. To service our customers efficiently, we maintain manufacturing plants around the world with a strategy of global, regional and local manufacturing employed to optimize the level of service and minimize the cost to our customers. The following table summarizes the plants that we operate:

| Location | Description of Facility |
|---|---|
| Bad Saeckingen, Germany | Formulating Facility |
| Bergkamen, Germany | Synthesis Facility |
| Chennai, India(1)(2) | Resins and Synthesis Facility |
| Duxford, U.K. | Formulating Facility |
| East Lansing, Michigan, U.S. | Formulating Facility |
| Istanbul, Turkey(2) | Formulating Facility |
| Los Angeles, California, U.S. | Formulating Facility |
| McIntosh, Alabama, U.S. | Resins and Synthesis Facility |
| Monthey, Switzerland | Resins and Synthesis Facility |
| Nanjing, China(2) | Formulating Facility |
| Pamplona, Spain | Resins and Synthesis Facility |
| Panyu, China(2)(3) | Formulation and Synthesis Facility |
| Sadat City, Egypt | Formulating Facility |
| Taboão da Serra, Brazil | Formulating Facility |

**(1)** 76%-owned and consolidated manufacturing joint venture with Tamilnadu Petroproducts Limited.

**(2)** Leased land and/or building.

**(3)** 95%-owned and consolidated manufacturing joint venture with Guangdong Panyu Shilou Town Economic Development Co. Ltd.

Our facilities in Asia and India are well-positioned to take advantage of the market growth that is expected in these regions.

***Raw Materials***

The principal raw materials we purchase for the manufacture of basic and advanced epoxy resins are epichlorohydrin, bisphenol A and BLR. We also purchase amines, polyols, isocyanates, acrylic materials, hardeners and fillers for the production of our formulated polymer systems and complex chemicals and additives. Raw material costs constitute a sizeable percentage of sales for certain applications. We have supply contracts with a number of suppliers. The terms of our supply contracts vary, but, in general, these contracts contain provisions that set forth the quantities of product to be supplied and purchased and formula-based pricing.

Additionally, we produce some of our most important raw materials, such as BLR and its basic derivatives, which are the basic building blocks of many of our products. We are among the world's larger producers of BLR. Approximately 50% of the BLR we produce is consumed in the production of our formulated polymer systems. The balance of our BLR is sold as liquid or solid resin in the merchant market, allowing us to increase the utilization of our production plants and lower our overall BLR production cost. We believe that manufacturing a substantial proportion of our principal raw material gives us a competitive advantage over other epoxy-based polymer systems formulators, most of whom must buy BLR from third-party suppliers. This position helps protect us from pricing pressure from BLR suppliers and aids in providing us a stable supply of BLR in difficult market conditions.

We consume certain amines produced by our Performance Products segment and isocyanates produced by our Polyurethanes segment, which we use to formulate Advanced Materials products.

***Competition***

The market in which our Advanced Materials segment operates is highly competitive, and is dependent on significant capital investment, the development of proprietary technology, and maintenance of product research and development. Among our competitors are some of the world's largest chemical companies and major integrated companies that have their own raw material resources.

Competition in our basic liquid and solid epoxy resins group is primarily driven by price, and is increasingly more global with industry consolidation in the North American and European markets and the emergence of new competitors in Asia. Our major competitors include Dow, Momentive, BASF, Kukdo and NanYa.

Competition in our specialty components and structural composites product group is primarily driven by product performance, applications expertise and customer certification. Our competitive strengths include our strong technology base, broad range of value-added products, leading market positions, diverse customer base and reputation for customer service. Major competitors include Air Products, Arizona Chemical, Momentive, BASF, Cray Valley, Evonics, DIC, Dow, Mitsui, Sumitomo and NanYa.

Competition in our formulation product group is primarily based on technology, know-how, applications and formulations expertise, product reliability and performance, process expertise and technical support. This product group covers a wide range of industries and the key competition factors vary by industry. Our competitive strengths result from our focus on defined market needs, our long-standing customer relationships, product reliability and technical performance, provision of high level service and recognition as a quality supplier in our chosen sectors. We operate dedicated technology centers in Basel, Switzerland; The Woodlands, Texas; and Shanghai, China in support of our product and technology development. Our major competitors can be summarized as follows:

| Formulation Product Group | Competition |
|---|---|
| Adhesives applications | Henkel/Loctite, ITW, National Starch, Sika, 3M |
| Electrical insulating materials | Altana, Momentive, Schenectady, Wuxi, Dexter-Hysol, Hitachi Chemical, Nagase Chemtex, Toshiba Chemical |
| Printed circuit board materials | Coates, Goo, Peters, Taiyo Ink, Tamura |
| Tooling and modeling solution. | Axson, DSM, Sika |

**Textile Effects**

***General***

Our Textile Effects segment is the leading global solutions provider for textile chemicals and dyes in our chosen markets. Our textile solutions enhance the color of finished textiles and improve such performance characteristics as wrinkle resistance and the ability to repel water and stains. Our Textile Effects segment is characterized by the breadth of our product offering, our long-standing relationships with our customers, our ability to develop and adapt our technology and our applications expertise for new markets and new applications.

We operate synthesis, formulating and production facilities in North America, Europe, Asia and South America. We market multiple products to customers in multiple end-markets, including the following: consumer fashion apparel, sportswear, career and uniform apparel, military, automotive, home textiles and furnishings, carpet and other functional textiles.

During 2011, our Textile Effects segment began implementing a significant restructuring program, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the segment's long-term global competitiveness. In connection with this plan, during 2012, we recorded cash charges of $1 million for workforce reductions, $9 million for decommissioning and other restructuring expenses, and noncash charges of $11 million primarily for pension settlements. We expect to incur additional restructuring and plant closing charges of up to approximately $80 million through 2014 related to the closure of our production facilities and business support offices in Basel, Switzerland. In addition, during 2012, our Textile Effects segment recorded charges of $4 million, of which $2 million related to the closure of our St. Fons, France facility and $2 million related to a global transfer pricing initiative. We reversed charges of $16 million which were no longer required for workforce reductions at our production facility in Langweid, Germany, the simplification of the commercial organization and optimization of our distribution network, the consolidation of manufacturing activities and processes at our site in Basel, Switzerland and the closure of our production facilities in Basel, Switzerland.

***Products and Markets***

Textiles generally involve a complex matrix of fibers, effects and functionality, and the resulting products range from fashion apparel to bulletproof vests, home linens to carpet, and upholstery to automotive interiors. Our broad range of dyestuffs and chemicals enhance both the aesthetic appearance of these products and the functionality needed to ensure that they perform in their end-use markets. Since the requirements for these markets vary dramatically, our business strategy focuses on the two major markets−apparel and technical textiles. We work to provide the right balance of products and service to meet the technical challenges in each of these markets.

The apparel market, which also includes our home interiors products, focuses on products that provide an aesthetic effect and/or improve the processing efficiency within the textile mill. We offer a complete range of colors for cotton, polyester and nylon that cover the range of shades needed for sportswear, intimate apparel, towels, sheeting and casual wear. Our dyes have been developed to ensure that they offer the highest levels of wash fastness currently available in the market. Optical brighteners and other pretreatment products provide "bright white" effects for apparel, towels and sheeting. Pretreatment and dyeing auxiliaries ensure that these fabrics are processed efficiently and effectively−cleaning the fabrics with fewer chemicals, less energy and less water and thereby minimizing the environmental footprint and reducing the processing costs. Silicone softeners may be used to enhance the feel of products.

Technical textiles include automotive textiles, carpet, military fabrics, mattress ticking and nonwoven and other technical fabrics. Though the product groups may differ in their end-uses, the articles must provide a high-level of functionality and performance in their respective markets. High-lightfast dyes and UV absorbers are used in automotive interiors and outdoor furnishings to provide colors that don't fade when exposed to sunlight and heat. Powerful stain repellent and release technology imparts durable protection for upholstery, military and medical fabrics, without affecting the color, breathability or feel of the fabric. Specialized dyes and prints create unique camouflage patterns for military uniforms, backpacks and tarps that won't fade through wash and wear or during exposure to the elements.

***Sales and Marketing***

For our textile effects products, we focus on providing effect competence and process competence to our customers. Effect competence−delivering value-added effects to our customer's products−enables us to capitalize on new and innovative technologies and to assist our customers in their efforts to differentiate themselves from competitors. Process competence−applying know-how and expertise to improve customers' processes−allows us to utilize our technical service to reduce cost and enhance efficiency.

***Manufacturing and Operations***

We are a global business serving customers in three principal geographic regions: EAME, the Americas and Asia. To service our customers efficiently, we maintain manufacturing plants around the world with a strategy of global, regional and local manufacturing employed to optimize the level of service and minimize the cost to our customers. The following table summarizes the plants that we operate:

| Location | Description of Facility |
|---|---|
| Atotonilquillo, Mexico | Textile Dyes and Chemicals Formulations Facility |
| Baroda, India | Textile Dyes Facility and Chemicals Synthesis Facility |
| Basel, Switzerland(1) | Textile Dyes Facility and Technology Center |
| Bogota, Colombia(1) | Chemicals Formulations Facility |
| Charlotte, North Carolina, U.S.(1) | Chemicals Formulations Facility |
| Fraijanes, Guatemala(1) | Chemicals Formulations Facility |
| Gandaria, Jakarta, Indonesia | Textile Dyes and Chemicals Formulations Facility |
| Hangzhou, China(1) | Chemicals Formulations Facility |
| Istanbul, Turkey(1) | Chemicals Formulations Facility |
| Karachi, Pakistan(1) | Chemicals Formulations Facility |
| Langweid am Leich, Germany(1) | Chemicals Synthesis Facility |
| Panyu, China(1)(2) | Chemicals Synthesis Facility and Technology Center |
| Qingdao, China | Textile Dyes Facility |
| Samutsakorn (Mahachai), Thailand(1) | Textile Dyes and Chemicals Formulations Facility |
| Taboão da Serra, Brazil (1) | Chemicals Formulations Facility |

**(1)** Leased land and/or building.

**(2)** 95%-owned and consolidated manufacturing joint venture with Guangdong Panyu Shilou Town Economic Development Co. Ltd.

***Raw Materials***

The manufacture of textile effects products requires a wide selection of raw materials (approximately 1,100 different chemicals), including amines, fluorochemicals and sulfones. No one raw material represents greater than 4% of our textile effects raw material expenditures. Raw material costs constitute a sizeable percentage of sales for certain applications. We have supply contracts with a number of suppliers. The terms of our supply contracts vary, but, in general, these contracts contain provisions that set forth the quantities of product to be supplied and purchased and formula-based pricing.

***Competition***

We are the leading global solutions provider for textile chemicals and dyes in our chosen markets. Competition within the textile chemicals and dyes markets is generally fragmented with few competitors who offer complete solutions for both markets. Our major competitors are Clariant, BASF, Kiri-Dystar and Longsheng. We believe that our competitive strengths include our product offering, which is characterized by its broad range; high quality; significant integration between products and service; reliable technical expertise; long-standing relationships with customers; and strong business infrastructure in Asia. We believe that we have more customer service capability and account management capability than any of our competitors worldwide.

**Pigments**

***General***

We are a global leader in the creation of titanium dioxide solutions. Titanium dioxide is a white inert pigment which provides whiteness, opacity and brightness to thousands of everyday items including paints, plastics, paper, inks, food and personal care products.

Expertise gained over 75 years combined with a pioneering spirit enable us to help our customers to succeed. We use our expertise in titanium dioxide to create solutions for our customers that can deliver much more than whiteness and opacity including freeing capacity, reducing energy use and enabling infrastructure to last longer. Our TIOXIDE® and DELTIO® brands are made in our seven manufacturing facilities around the globe and service over 1,200 customers in practically all industries and geographic regions. Our global manufacturing footprint allows us to service both the needs of local and global customers, including Ampacet, A. Schulman, AkzoNobel, BASF, Clariant, Jotun, PolyOne and PPG.

Our Pigments segment is focused on working with customers to create innovative solutions that will help them succeed and improving our competitive position.

Our award winning ALTIRIS® pigment can increase the solar reflective properties in a wide range of colored exterior coatings. Improving the solar reflectance of structures can reduce the surface and interior temperatures of buildings resulting in lower energy consumption within these structures. In addition, in 2012 we approved the investment of approximately $40 million at our Scarlino, Italy site to widen the range of feedstocks which the site could use and to produce value adding co-products, and in 2013 we expect to commission our new magnesium sulfate fertilizer manufacturing operation at our Calais, France site which will increase the efficiency, sustainability and cost effectiveness of the site.

***Products and Markets***

Historically, global titanium dioxide demand growth rates tend to closely track global GDP growth rates. However, this varies by region. Developed markets such as the U.S. and Western Europe exhibit higher absolute consumption but lower demand growth rates, while emerging markets such as Asia exhibit much higher demand growth rates. The titanium dioxide industry experiences some seasonality in its sales reflecting the high exposure to seasonal coatings end use markets. Coating sales generally peak during the spring and summer months in the northern hemisphere, resulting in greater sales volumes during the second and third quarters of the year.

There are two manufacturing processes for the production of titanium dioxide, the sulfate process and the chloride process. We currently believe that the chloride process accounts for approximately 55% of global production capacity. Most end use applications can use pigments produced by either process, although there are markets that need pigment from a specific manufacturing route−for example, the inks market requires sulfate and the automotive coatings market requires chloride. Regional markets typically favor products that are available locally.

Our Company is one of the five major producers of titanium dioxide. Beyond these producers, the titanium dioxide industry currently has a large number of small regional or local producers, especially in China. Titanium dioxide supply has historically kept pace with increases in demand as producers increased capacity through low cost incremental debottlenecks, efficiency improvements and, more recently, new capacity additions in China. During periods of low titanium dioxide demand, the industry experiences high stock levels and consequently reduces production to manage working capital. Pricing in the industry is driven primarily by supply/ demand balance. Based upon current price levels and the long lead times for planning, governmental approvals and construction, we expect supply additions for the near term in line with historical demand growth.

***Sales and Marketing***

Approximately 85% of our titanium dioxide sales are made through our global sales and technical services network, enabling us to work closely with our customers. Our focused sales effort and local manufacturing presence have allowed us to achieve leading market shares in a number of the countries where we manufacture titanium dioxide.

In addition, we have focused on marketing products and services to higher growth and higher value applications. For example, we believe that our pigments business is well-positioned to benefit from growth sectors where customers needs are complex resulting in fewer companies having the capability to support them.

We focus much of our research and development on solutions to address significant emerging trends in the market. This is evidenced by our DELTIO® pigments range which helps our customers to liberate capacity, reduce energy, improve working environments and reduce waste.

***Manufacturing and Operations***

Our pigments business has seven manufacturing sites operating in seven countries with a total capacity of approximately 565,000 metric tons per year. Approximately 72% of our titanium dioxide capacity is located in Western Europe.

| | Annual Capacity (metric tons) | | | |
|---|---|---|---|---|
| Site | EAME | North America | APAC | Process |
| Greatham, U.K. | 150,000 | | | Chloride |
| Calais, France | 95,000 | | | Sulfate |
| Huelva, Spain | 80,000 | | | Sulfate |
| Scarlino, Italy | 80,000 | | | Sulfate |
| Umbogintwini, South Africa | 25,000 | | | Sulfate |
| Lake Charles, Louisiana(1) | | 75,000 | | Chloride |
| Teluk Kalung, Malaysia | | | 60,000 | Sulfate |
| Total | 430,000 | 75,000 | 60,000 | |

**(1)** This facility is owned and operated by Louisiana Pigment Company, L.P., a manufacturing joint venture that is owned 50% by us and 50% by Kronos. The capacity shown reflects our 50% interest in Louisiana Pigment Company, L.P.

In 2013, we will commission our new magnesium sulfate fertilizer manufacturing operation at our plant in Calais, France. The new facility will enable the closure of part of our Calais effluent treatment plant, which is expected to increase the efficiency, sustainability and cost effectiveness of the entire Calais site. In 2012, we approved the investment of approximately $40 million at our Scarlino, Italy site to widen the range of feedstocks which the site could use and to produce additional value-add co-products.

***Joint Venture***

Louisiana Pigment Company, L.P. is our 50%-owned joint venture with Kronos. We share production offtake and operating costs of the plant with Kronos, though we market our share of the production independently. The operations of the joint venture are under the direction of a supervisory committee on which each partner has equal representation. Our investment in Louisiana Pigment Company, L.P. is accounted for using the equity method.

***Raw Materials***

The primary raw materials used to produce titanium dioxide are titanium bearing ores. Historically, we have purchased the majority of our ore under long-term supply contracts with a number of ore suppliers. The majority of titanium bearing ores are sourced from Australia, Africa and Canada. Ore accounts for approximately 55% of pigment variable manufacturing costs, while utilities (electricity, gas and steam), sulfuric acid and chlorine collectively account for approximately 25% of our variable manufacturing costs.

The world market for titanium bearing ores has a small number of large suppliers (Rio Tinto, Iluka and Tronox) which account for approximately 50% of global supply and from which we purchase approximately 60% of our needs. However, the choice of producers has increased in recent years with a number of emerging suppliers, and we have broadened our supply base by purchasing increasing amounts of our ores from these suppliers. The titanium-bearing ores market is in the process of moving from long-term supply contracts with pricing formulas to short-term contracts with market based prices. As a result of this shift we have seen a significant increase in our ore costs as our existing contracts expire. During 2012, we purchased approximately 50% of our ore under existing long-term contracts and the remainder under new contracts.

Titanium dioxide producers extract titanium from ores and process it into pigmentary titanium dioxide using either the chloride or sulfate process. Once an intermediate titanium dioxide pigment has been produced, it is "finished" into a product with specific performance characteristics for particular end-use applications. The finishing process is common to both the sulfate and chloride processes and is a major determinant of the final product's performance characteristics.

Co-products from both processes require treatment prior to disposal in order to comply with environmental regulations. In order to reduce our disposal costs and to increase our cost competitiveness, we have developed and marketed the co-products of our pigments business. We sell over 50% of the co-products generated by our business.

***Competition***

The global markets in which our pigments business operates are highly competitive. Competition is based on the basis of price, product quality and service. The major global producers against whom we compete are DuPont, Tronox, Kronos and Cristal, each of which has a global presence and the ability to service all global markets. Some of our competitors may be able to produce products more economically than we can. In addition, some of our competitors have greater financial resources, which may enable them to invest significant capital into their businesses, including expenditures for research and development. If any of our current or future competitors develops proprietary technology that enables them to produce products at a significantly lower cost, our technology could be rendered uneconomical or obsolete. Moreover, the sulphate based titanium dioxide technology used by our Pigments business is widely available. Accordingly, barriers to entry, apart from capital availability, may be low and the entrance of new competitors into the industry may reduce our ability to capture improving profit margins in circumstances where capacity utilization in the industry is increasing.

**RESEARCH AND DEVELOPMENT**

For the years ended December 31, 2012, 2011 and 2010, we spent $152 million, $166 million and $151 million, respectively, on research and development.

We support our business with a major commitment to research and development, technical services and process engineering improvement. Our research and development centers are located in The Woodlands, Texas; Everberg, Belgium; and Shanghai, China. Other regional development/technical service centers are located in Billingham, England (pigments); Auburn Hills, Michigan (polyurethanes for the automotive industry); Derry, New Hampshire, Shanghai, China, Deggendorf, Germany and Ternate, Italy (polyurethanes); Melbourne, Australia (surfactants); Port Neches, Texas (process engineering support); Basel, Switzerland and Panyu, China (advanced materials and textile effects); and Mumbai, India (textile effects).

**INTELLECTUAL PROPERTY RIGHTS**

Proprietary protection of our processes, apparatuses, and other technology and inventions is important to our businesses. We own approximately 440 unexpired U.S. patents, approximately 160 patent applications (including provisionals) currently pending at the U.S. Patent and Trademark Office, and approximately 3,650 foreign counterparts, including both issued patents and pending patent applications. While a presumption of validity exists with respect to issued U.S. patents, we cannot assure that any of our patents will not be challenged, invalidated, circumvented or rendered unenforceable. Furthermore, we cannot assure the issuance of any pending patent application, or that if patents do issue, that these patents will provide meaningful protection against competitors or against competitive technologies. Additionally, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. There can be no assurance, however, that confidentiality and other agreements into which we enter and have entered will not be breached, that they will provide meaningful protection for our trade secrets or proprietary know-how, or that adequate remedies will be available in the event of an unauthorized use or disclosure of such trade secrets and know-how. In addition, there can be no assurance that others will not obtain knowledge of these trade secrets through independent development or other access by legal means.

In addition to our own patents and patent applications and proprietary trade secrets and know-how, we are a party to certain licensing arrangements and other agreements authorizing us to use trade secrets, know-how and related technology and/or operate within the scope of certain patents owned by other entities. We also have licensed or sub-licensed intellectual property rights to third parties.

We have associated brand names with a number of our products, and we have approximately 134 U.S. trademark registrations (including applications for registration currently pending at the U.S. Patent and Trademark Office), and approximately 4,610 foreign counterparts, including both registrations and applications for registration. Some of these registrations and applications include filings under the Madrid system for the international registration of marks and may confer rights in multiple countries. However, there can be no assurance that the trademark registrations will provide meaningful protection against the use of similar trademarks by competitors, or that the value of our trademarks will not be diluted.

Because of the breadth and nature of our intellectual property rights and our business, we do not believe that any single intellectual property right (other than certain trademarks for which we intend to maintain the applicable registrations) is material to our business. Moreover, we do not believe that the termination of intellectual property rights expected to occur over the next several years, either individually or in the aggregate, will materially adversely affect our business, financial condition or results of operations.

**EMPLOYEES**

As of December 31, 2012, we employed approximately 12,000 people in our operations around the world. Approximately 2,000 of these employees are located in the U.S., while approximately 10,000 are located in other countries. We believe our relations with our employees are good.

**GEOGRAPHIC DATA**

For sales revenue and long-lived assets by geographic areas, see "Note 27. Operating Segment Information" to our consolidated financial statements.

**ENVIRONMENTAL, HEALTH AND SAFETY MATTERS**

**General**

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

**Environmental, Health and Safety Systems**

We are committed to achieving and maintaining compliance with all applicable environmental, health and safety ("EHS") legal requirements, and we have developed policies and management systems that are intended to identify the multitude of EHS legal requirements applicable to our operations, enhance compliance with applicable legal requirements, ensure the safety of our employees, contractors, community neighbors and customers and minimize the production and emission of wastes and other pollutants. Although EHS legal requirements are constantly changing and are frequently difficult to comply with, these EHS management systems are designed to assist us in our compliance goals while also fostering efficiency and improvement and reducing overall risk to us.

**EHS Capital Expenditures**

We may incur future costs for capital improvements and general compliance under EHS laws, including costs to acquire, maintain and repair pollution control equipment. For the years ended December 31, 2012, 2011 and 2010, our capital expenditures for EHS matters totaled $105 million, $92 million, and $85 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.

**Remediation Liabilities**

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

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

One of these sites, the North Maybe Canyon Mine site, involves a former phosphorous mine near Soda Springs, Idaho, which is believed to have been operated by a predecessor company. In 2004, the U.S. Forest Service notified us that we are a CERCLA potentially responsible party ("PRP") for contaminated surface water at 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.

In addition, under the Resource Conservation and Recovery Act ("RCRA") 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.

By letter dated March 7, 2006, our former Base Chemicals and Polymers facility in West Footscray, Australia, was issued a clean-up 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 the second clean-up notice and issued a revised notice that included a requirement for financial assurance for the remediation. We have reached agreement with the agency that a mortgage on the land will be held by the agency as financial surety during the period covered by the current clean-up notice, which ends on July 30, 2014. As of December 31, 2012, we had an accrued liability of $29 million related to estimated environmental remediation costs at this site. We can provide no assurance that the agency will not seek to institute additional requirements for the site or that additional costs will not be associated with the clean up.

**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 $34 million and $36 million for environmental liabilities as of December 31, 2012 and 2011, respectively. Of these amounts, $10 million and $7 million were classified as accrued liabilities in our consolidated balance sheets as of December 31, 2012 and 2011, respectively, and $24 million and $29 million were classified as other noncurrent liabilities in our consolidated balance sheets as of December 31, 2012 and 2011, respectively. 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.

**REGULATORY DEVELOPMENTS**

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

Although the total long-term cost for REACH compliance is unknown at this time, we spent approximately $8 million, $5 million and $9 million in 2012, 2011 and 2010, respectively, to meet the initial REACH requirements. We cannot provide assurance that these recent expenditures are indicative of future amounts that we may be required to spend for REACH compliance.

**GREENHOUSE GAS REGULATION**

Globally, our operations are increasingly subject to regulations that seek to reduce emissions of "greenhouse gases" ("GHGs"), such as carbon dioxide and methane, which may be contributing to changes in the Earth's climate. At the most recent negotiations of the Conference of the Parties to the Kyoto Protocol, a limited group of nations, including the European Union ("EU"), agreed to a second commitment period for the Kyoto Protocol, an international treaty that provides for reductions in GHG emissions. More significantly, the European Union GHG Emissions Trading System, established pursuant to the Kyoto Protocol to reduce GHG emissions in the EU, has just entered its third phase and ongoing reforms at the EU level−including measures to prop up carbon credit prices and ban the use of certain types of certified emission reductions−may increase our operating costs. Australia has also adopted a carbon trading system that has been recognized for formal linkage with the EU trading system by 2018. Australia's GHG cap-and-trade program may impose compliance obligations upon our operations that may increase our operating costs. In the United States, California has commenced the first compliance period of its cap-and-trade program.

Federal climate change legislation in the United States appears unlikely in the near-term. As a result, domestic efforts to curb GHG emissions will be led by the Environmental Protection Agency's (the "EPA") GHG regulations and the efforts of states. To the extent that our domestic operations are subject to the EPA's GHG regulations, we may face increased capital and operating costs associated with new or expanded facilities. Expansions of our existing facilities or construction of new facilities may be subject to the Clean Air Act's Prevention of Significant Deterioration requirements under the EPA's GHG "Tailoring Rule." Our facilities are also subject to the EPA's Mandatory Reporting of Greenhouse Gases rule, and the collection and reporting of GHG data may increase our operational costs.

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

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

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

**PORT NECHES FLARING MATTER**

As part of the EPA's national enforcement initiative on flaring operations and by letter dated October 12, 2012, the U.S. Department of Justice (the "DOJ") notified us that we were in violation of the Clean Air Act ("CCA") based on our response to a 2010 CAA Section 114 Information Request. The EPA has used the enforcement initiative to bring similar actions against refiners and other chemical manufacturers. Specifically, the EPA alleged violations of flare operations at our Port Neches, Texas facility from 2007-2012 against us that were not consistent with good pollution control practice and not in compliance with certain flare-related regulations. As a result of these findings, EPA referred this matter to the DOJ. We have been engaged in discussions with the DOJ and the EPA regarding these violations and are in the process of reviewing their allegations and assessing their claims. We are currently unable to determine the likelihood or magnitude of potential penalty or injunctive relief that may be incurred in resolving this matter.

**AVAILABLE INFORMATION**

We maintain an internet website at http://www.huntsman.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports are available free of charge through our website as soon as reasonably practicable after we file this material with the SEC. We also provide electronic or paper copies of our SEC filings free of charge upon request.

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**GLOSSARY OF CHEMICAL TERMS**

DEG−di-ethylene glycol

BDO−butane diol

DGA® Agent−DIGLYCOLAMINE® agent

EG−ethylene glycol

EO−ethylene oxide

LAB−linear alkyl benzene

LAS−linear alkylbenzene sulfonate

LER−liquid epoxy resins

LNG−liquefied natural gas

MEG−mono-ethylene glycol

MDI−methyl diphenyl diisocyanate

MTBE−methyl tertiary-butyl ether

PG−propylene glycol

PO−propylene oxide

Polyols−a substance containing several hydroxyl groups. A diol, triol and tetrol contain two, three and four hydroxyl groups, respectively.

TBA−tertiary butyl alcohol

TBHP−tert-butyl hydroperoxide

TDI−toluene diisocyanate

TEG−tri-ethylene glycol

$TiO_2$−titanium dioxide pigment

TPU−thermoplastic polyurethane

UPR−unsaturated polyester resin

## ITEM 1A. RISK FACTORS

***Any of the following risks could materially and adversely affect our business, results of operations, financial condition and liquidity.***

***RISKS RELATED TO OUR BUSINESS***

***Our industry is affected by global economic factors including risks associated with volatile economic conditions.***

Our financial results are substantially dependent on overall economic conditions in the U.S., Europe and Asia. Declining economic conditions in all or any of these locations−or negative perceptions about economic conditions−could result in a substantial decrease in demand for our products and could adversely affect our business. In particular, our operations in Europe continue to be impacted by the uncertain European economy. While we currently anticipate that, in the aggregate, our business in Europe will grow slowly, a currency or financial crisis in Europe could precipitate a significant decline in the European economy, which would likely result in a decrease in demand for our products in Europe.

Uncertain economic conditions and market instability make it particularly difficult for us to forecast demand trends. The timing and extent of any changes to currently prevailing market conditions is uncertain, and supply and demand may be unbalanced at any time. As a consequence, we may not be able to accurately predict future economic conditions or the effect of such conditions on our financial condition or results of operations. We can give no assurances as to the timing, extent or duration of the current or future economic cycles impacting the chemical industry.

***The markets for many of our products are cyclical and volatile, and we may experience depressed market conditions for such products.***

Historically, the markets for many of our products have experienced alternating periods of tight supply, causing prices and profit margins to increase, followed by periods of capacity additions, resulting in oversupply and declining prices and profit margins. The volatility these markets experience occurs as a result of changes in the supply and demand for products, changes in energy prices and changes in various other economic conditions around the world. For example, demand for our products depends in part on the housing and construction industries. These industries are cyclical in nature and have historically been impacted by downturns in the economy. The cyclicality and volatility of our industry results in significant fluctuations in profits and cash flow from period to period and over the business cycle.

***Disruptions in production at our manufacturing facilities, both planned and unplanned, may have a material impact on our business, results of operations and/or financial condition.***

Manufacturing facilities in our industry are subject to planned and unplanned production shutdowns, turnarounds and outages. Unplanned production disruptions may occur for external reasons including natural disasters, weather, disease, strikes, transportation interruption, government regulation, political unrest or terrorism, or internal reasons, such as fire, unplanned maintenance or other manufacturing problems. Alternative facilities with sufficient capacity may not be available, may cost substantially more or may take a significant time to increase production or qualify with our customers, each of which could negatively impact our business, results of operations and/or financial condition. Long-term production disruptions may cause our customers to seek alternative supply which could further adversely affect our profitability.

***Our results of operations may be adversely affected by international business risks, including fluctuations in currency exchange rates, legal restrictions and taxes.***

We conduct a majority of our business operations outside the U.S., and these operations are subject to risks normally associated with international operations. These risks include the need to convert currencies that may be received for our products into currencies in which we purchase raw materials or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. In addition, we translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during the reporting period or the exchange rate at the end of that period. During times of a strengthening U.S. dollar, our reported international sales and earnings may be reduced because the local currency may translate into fewer U.S. dollars. Because we currently have significant operations located outside the U.S., we are exposed to fluctuations in global currency rates which may result in gains or losses on our financial statements.

Other risks of international operations include trade barriers, tariffs, exchange controls, national and regional labor strikes, social and political risks, general economic risks and required compliance with a variety of U.S. and foreign laws, including tax laws, the Foreign Corrupt Practices Act (and foreign equivalents), export controls and OFAC regulations. In addition, although we maintain an anti-corruption compliance program throughout our Company, violations of our compliance program may result in criminal or civil sanctions, including material monetary fines, penalties and other costs against us or our employees, and may have a material adverse effect on our business. Furthermore, in foreign jurisdictions where process of law may vary from country to country, we may experience difficulty in enforcing agreements. In jurisdictions where bankruptcy laws and practices may vary, we may experience difficulty collecting foreign receivables through foreign legal systems. The occurrence of these risks, among others, could disrupt the businesses of our international subsidiaries, which could significantly affect their ability to make distributions to us.

We operate in a significant number of jurisdictions, which contributes to the volatility of our effective tax rate. Changes in tax laws or the interpretation of tax laws in the jurisdictions in which we operate may affect our effective tax rate. In addition, generally accepted accounting principles in the U.S. ("GAAP" or "U.S. GAAP") has required us to place valuation allowances against our net operating losses and other deferred tax assets in a significant number of tax jurisdictions. These valuation allowances result from analysis of positive and negative evidence supporting the realization of tax benefits. Negative evidence includes a cumulative history of pre-tax operating losses in specific tax jurisdictions. Changes in valuation allowances have resulted in material fluctuations in our effective tax rate. Economic conditions may dictate the continued imposition of the current valuation allowances and potentially the establishment of new valuation allowances. While significant valuation allowances remain, our effective tax rate will likely continue to experience significant fluctuations.

***If we are unable to execute our cost reduction plans successfully, our total operating costs may be greater than expected, which may adversely affect our profitability.***

We have commenced a number of actions to restructure our Polyurethanes, Textile Effects and Advanced Materials segments to improve our earnings profile. We are in the process of implementing these programs and have realized a portion of the anticipated benefits. While we continue to search for opportunities to reduce our costs and expenses to improve operating profitability without jeopardizing the quality of our products or the effectiveness of our operations, our success in achieving targeted cost and expense reductions depends upon a number of factors. If we do not successfully execute on our cost reduction initiatives or if we experience delays in completing the implementation of these initiatives, our results of operations or financial condition could be adversely affected.

***Our efforts to grow our businesses may require significant investments; if our growth strategies are unsuccessful, our business, results of operations and/or financial condition may be materially adversely affected.***

We continuously evaluate growth opportunities. Our growth initiatives may involve making acquisitions, entering into partnerships and joint ventures, and building new facilities–any of which could require a significant investment. We have incurred indebtedness to finance growth initiatives, and we may incur additional indebtedness to finance future growth initiatives. We could also issue additional shares of stock to finance such initiatives. If our growth strategies are not successful, we could face increased financial pressure, such as increased cash flow demands, reduced liquidity and diminished access to financial markets.

In addition, the implementation of growth strategies may create additional risks, including:

- diversion of management focus away from existing operations;
- impairment of the operation of our business due to capital or equity commitments;
- inability to accurately predict the costs and benefits of acquisitions, partnerships, joint ventures or new facilities;
- inability to efficiently operate new businesses or to integrate acquired businesses;
- disruptions to important business relationships;
- increased operating costs;
- difficulties in realizing projected synergies;
- exposure to unanticipated liabilities, including for illegal activities conducted by an acquired company or a joint venture partner; and
- usage of limited investment and other baskets under our debt covenants.

All of these risks could have a material adverse effect on our business, results of operations and financial condition.

***Significant price volatility or interruptions in supply of our raw materials may result in increased costs that we may be unable to pass on to our customers, which could reduce our profitability.***

The prices of the raw materials that we purchase from third parties are cyclical and volatile. We purchase a substantial portion of our raw materials from third-party suppliers. The cost of these raw materials represents a substantial portion of our operating expenses. The prices for a number of these raw materials generally follow price trends of, and vary with market conditions for, crude oil and natural gas feedstocks, which are highly volatile and cyclical.

In general, the feedstocks and other raw materials we consume are organic commodity products that are readily available at market prices. However, ore feedstocks for our Pigments segment are periodically in short supply. We frequently enter into supply agreements with particular suppliers, but disruptions of existing supply arrangements or expiration of favorable supply contracts could substantially impact our profitability. If certain of our suppliers are unable to meet their obligations under present supply agreements, we may be forced to pay higher prices to obtain the necessary raw materials from other sources and we may not be able to increase prices for our finished products to recoup the higher raw materials costs. In addition, if raw materials become unavailable within a geographic area from which they are now sourced, then we may not be able to obtain suitable or cost effective substitutes. Any interruption in the supply of raw materials could increase our costs or decrease our revenues, which could reduce our cash flow.

Our supply agreements typically provide for market-based pricing and provide us only limited protection against price volatility. While we attempt to match cost increases with corresponding product price increases, we are not always able to raise product prices immediately or at all. Timing differences between raw material prices, which may change daily, and contract product prices, which in many cases are negotiated only monthly or less often, have had and may continue to have a negative effect on our cash flow. Any cost increase that we are not able to pass on to our customers could have a material adverse effect on our business, results of operations, financial condition and liquidity.

***Financial difficulties and related problems at our customers, vendors, suppliers and other business partners could have a material adverse effect on our business.***

During periods of economic disruption, more of our customers than normal may experience financial difficulties, including bankruptcies, restructurings and liquidations, which could affect our business by reducing sales, increasing our risk in extending trade credit to customers and reducing our profitability. A significant adverse change in a customer relationship or in a customer's financial position could cause us to limit or discontinue business with that customer, require us to assume more credit risk relating to that customer's receivables or limit our ability to collect accounts receivable from that customer. In addition, we rely on a number of vendors and suppliers and collaborations with other industry participants to provide us with chemicals, feedstocks and other raw materials, along with energy sources and, in certain cases, facilities, that we need to operate our business. During periods of economic disruption, some of these companies could be forced to reduce their output, shut down their operations or file for bankruptcy protection. If this were to occur, it could adversely affect their ability to provide us with the raw materials, energy sources or facilities that we need, which could materially disrupt our operations, including the production of certain of our products. Moreover, it could be difficult to find replacements for certain of our business partners without incurring significant delays or cost increases. All of these risks could have a material adverse effect on our business, results of operations, financial condition and liquidity.

***The industries in which we compete are highly competitive, and we may not be able to compete effectively with our competitors that have greater financial resources, which could have a material adverse effect on our business, results of operations and financial condition.***

The industries in which we operate are highly competitive. Among our competitors are some of the world's largest chemical companies and major integrated petroleum companies that have their own raw material resources. Changes in the competitive landscape could make it difficult for us to retain our leadership position in various products and markets throughout the world. In addition, some of the companies with whom we compete may be able to produce products more economically than we can. Furthermore, some of our competitors have greater financial resources, which may enable them to invest significant capital into their businesses, including expenditures for research and development. Some of our competitors are owned or partially owned by foreign governments which may provide a competitive advantage to those competitors. While we are engaged in a range of research and development programs to develop new products and processes, to improve and refine existing products and processes, and to develop new applications for existing products, the failure to develop new products, processes or applications could make us less competitive. Moreover, if any of our current or future competitors develops proprietary technology that enables them to produce products at a significantly lower cost, our technology could be rendered uneconomical or obsolete. Further, it is possible we could be named in future litigation for the infringement or misappropriation of a competitor's or other third party's intellectual property rights, which could include a claim for injunctive relief and damages, and, if so, that adverse results could have a material adverse effect on our business, results of operations and financial position.

In addition, certain of our businesses use technology that is widely available. Accordingly, barriers to entry, apart from capital availability, may be low in certain product segments of our business, and the entrance of new competitors into the industry may reduce our ability to capture improving profit margins in circumstances where capacity utilization in the industry is increasing. Further, petroleum-rich countries have become more significant participants in the petrochemical industry and may expand this role significantly in the future. Increased competition in any of our businesses could compel us to reduce the prices of our products, which could result in reduced profit margins and loss of market share and have a material adverse effect on our business, results of operations, financial condition and liquidity.

***Our significant debt level, a portion of which is subject to variable interest rates, makes us vulnerable to downturns and may limit our ability to respond to market conditions or to obtain additional financing.***

We have significant outstanding debt: as of December 31, 2012, our total consolidated outstanding debt was approximately $3,702 million (including current portion of debt); our debt to total capitalization ratio was approximately 66%; our combined outstanding variable rate borrowings were approximately $2.1 billion; and our current portion of debt totaled approximately $288 million. Our debt level, and the fact that a significant percentage of our cash flow is required to make payments on our debt, could have important consequences for our business, including but not limited to the following:

- we may be more vulnerable to business, industry or economic downturns, making it more difficult to respond to market conditions;

- cash flow available for other purposes, including the growth of our business, may be reduced;

- our ability to obtain additional financing may be constrained, particularly during periods when the capital markets are unsettled;

- our competitors with lower debt levels may have a competitive advantage relative to us; and

- part of our debt is subject to variable interest rates, which makes us more vulnerable to increases in interest rates (for example, a 1% increase in interest rates, without giving effect to interest rate hedges or other offsetting items, would increase our annual interest rate expense by approximately $21 million).

Our debt level also impacts our credit ratings. Any decision by credit rating agencies to downgrade our debt ratings could restrict our ability to obtain additional financing and could result in increased interest and other costs.

***Agreements governing our debt may restrict our ability to engage in certain business activities or to obtain additional financing.***

The agreements governing our debt arrangements contain certain restrictive covenants. These covenants may limit or prohibit our ability to incur more debt; make certain prepayments of debt; pay dividends, redeem stock or make other distributions; issue stock; make investments; create liens; enter into transactions with affiliates; enter into sale and leaseback transactions; merge or consolidate; and transfer or sell assets.

Our failure to comply with any of our debt covenants, or our failure to make payments of principal or interest on our debt, could result in a default, or trigger cross-default or acceleration provisions, under our debt agreements. An event of default could result in our debt obligations becoming immediately due and payable, cause our creditors to terminate their lending commitments, or force us or one or more of our subsidiaries into bankruptcy or liquidation. Any of the foregoing occurrences could have a material adverse effect on our business, results of operations and financial condition. For more information regarding our debt covenants, see "Note 14. Debt−Direct and Subsidiary Debt−Compliance with Covenants" to our consolidated financial statements.

***Natural or other disasters could disrupt our business and result in loss of revenue or in higher expenses.***

Any serious disruption at any of our facilities due to hurricane, fire, earthquake, flood or any other natural or man-made disaster could impair our ability to use our facilities and have a material impact on our revenues and increase our costs and expenses. If there is a natural disaster or other serious disruption at any of these facilities, it could impair our ability to adequately supply our customers and negatively impact our operating results. In addition, many of our current and potential customers are concentrated in specific geographic areas including the U.S. Gulf Coast, which is subject to hurricanes. A disaster in one of these regions could have a material impact on our operations, operating results and financial condition.

While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that could disrupt our business, we cannot provide assurances that our plans would fully protect us from all such disasters or events that might result due to climate change. In addition, insurance may not adequately compensate us from any losses incurred as a result of natural or other disasters. Furthermore, in areas prone to frequent natural or other disasters, insurance may become increasingly expensive or not available at all.

***Our operations involve risks that may increase our operating costs, which could reduce our profitability.***

Although we take precautions to enhance the safety of our operations and minimize the risk of disruptions, our operations are subject to hazards inherent in the manufacturing and marketing of chemical products. These hazards include: chemical spills, pipeline leaks and ruptures, storage tank leaks, discharges or releases of toxic or hazardous substances or gases and other hazards incident to the manufacturing, processing, handling, transportation and storage of dangerous chemicals. We are also potentially subject to other hazards, including natural disasters and severe weather; explosions and fires; transportation problems, including interruptions, spills and leaks; mechanical failures; unscheduled downtimes; labor difficulties; remediation complications; and other risks. Many potential hazards can cause bodily injury and loss of life, severe damage to or destruction of property and equipment and environmental damage, and may result in suspension of operations and the imposition of civil or criminal penalties and liabilities. Furthermore, we are subject to present and future claims with respect to workplace exposure, exposure of contractors on our premises as well as other persons located nearby, workers' compensation and other matters.

We maintain property, business interruption, products liability and casualty insurance policies which we believe are in accordance with customary industry practices, as well as insurance policies covering other types of risks, including pollution legal liability insurance, but we are not fully insured against all potential hazards and risks incident to our business. Each of these insurance policies is subject to customary exclusions, deductibles and coverage limits, in accordance with industry standards and practices. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, results of operations, financial condition and liquidity.

In addition, we are subject to various claims and litigation in the ordinary course of business. We are a party to various pending lawsuits and proceedings. For more information, see "−Item 3. Legal Proceedings−Antitrust Matters" below. It is possible that judgments could be rendered against us in these cases or others in which we could be uninsured or not covered by indemnity and beyond the amounts that we currently have reserved or anticipate incurring for such matters.

***Our operations, financial condition and liquidity could be adversely affected by legal claims against us, including antitrust claims.***

We face risks arising from various legal actions, including matters relating to antitrust, product liability, intellectual property and environmental claims. Over the past few years, antitrust claims have been made against chemical companies, and we have been named as a defendant in the antitrust suits discussed in "−Item 3. Legal Proceedings−Antitrust Matters" below. In this type of litigation, the plaintiffs generally seek treble damages, which may be significant. An adverse outcome in any antitrust claim could be material and significantly impact our operations, financial condition and liquidity.

***We are subject to many environmental, health and safety regulations that may result in unanticipated costs or liabilities, which could reduce our profitability.***

We are subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment and human health and safety, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Actual or alleged violations of environmental, health and safety or EHS, laws or permit requirements could result in restrictions or prohibitions on plant operations and substantial civil or criminal sanctions, as well as, under some EHS laws, the assessment of strict liability and/or joint and several liability.

Governmental, regulatory and societal demands for increasing levels of product safety and environmental protection could result in increased pressure for more stringent regulatory control with respect to the chemical industry. In addition, these concerns could influence public perceptions regarding our products and operations, the viability of certain products, our reputation, the cost to comply with regulations, and the ability to attract and retain employees. Moreover, changes in EHS regulations could inhibit or interrupt our operations, or require us to modify our facilities or operations. Accordingly, environmental or regulatory matters may cause us to incur significant unanticipated losses, costs or liabilities, which could reduce our profitability.

We could incur significant expenditures in order to comply with existing or future EHS laws. Capital expenditures and costs relating to EHS matters will be subject to evolving regulatory requirements and will depend on the timing of the promulgation and enforcement of specific standards which impose requirements on our operations. Capital expenditures and costs beyond those currently anticipated may therefore be required under existing or future EHS laws.

Furthermore, we may be liable for the costs of investigating and cleaning up environmental contamination on or from our properties or at off-site locations where we disposed of or arranged for the disposal or treatment of hazardous materials or from disposal activities that pre-dated our purchase of our businesses. We may therefore incur additional costs and expenditures beyond those currently anticipated to address all such known and unknown situations under existing and future EHS laws.

***We are subject to risks relating to our information technology systems, and any failure to adequately protect our critical information technology systems could materially affect our operations.***

We rely on information technology systems across our operations, including for management, supply chain and financial information and various other processes and transactions. Our ability to effectively manage our business depends on the security, reliability and capacity of these systems. Information technology system failures, network disruptions or breaches of security could disrupt our operations, causing delays or cancellation of customer orders or impeding the manufacture or shipment of products, processing of transactions or reporting of financial results. An attack or other problem with our systems could also result in the disclosure of proprietary information about our business or confidential information concerning our customers or employees, which could result in significant damage to our business and our reputation.

We have put in place security measures designed to protect against the misappropriation or corruption of our systems, intentional or unintentional disclosure of confidential information, or disruption of our operations. Current employees have, and former employees may have, access to a significant amount of information regarding our operations which could be disclosed to our competitors or otherwise used to harm us. Moreover, our operations in certain locations, such as China, may be particularly vulnerable to security attacks or other problems. Any breach of our security measures could result in unauthorized access to and misappropriation of our information, corruption of data or disruption of operations or transactions, any of which could have a material adverse effect on our business.

In addition, we could be required to expend significant additional amounts to respond to information technology issues or to protect against threatened or actual security breaches. We may not be able to implement measures that will protect against all of the significant risks to our information technology systems.

***Regulatory or market changes with respect to MTBE may materially reduce our sales and/or materially increase our costs.***

We produce MTBE, an oxygenate that is blended with gasoline to reduce vehicle air emissions and to enhance the octane rating of gasoline. Because MTBE has contaminated some water supplies, its use has become controversial in the U.S. and elsewhere, and its use has been effectively eliminated in the U.S. market. We currently market MTBE, either directly or through third parties, to gasoline additive customers located outside the U.S. This business has been profitable to us over time, and future legislative or regulatory initiatives outside the U.S. restricting MTBE could materially adversely affect our ability to market and sell MTBE and our profitability. We have recently announced a joint venture with Sinopec involving the construction and operation of a PO/MTBE facility in China, which will further expose us to these risks.

While we could use all or a portion of our precursor TBA to produce saleable products other than MTBE, this would require significant capital expenditures to modify our facilities. Moreover, the sale of other products would produce a lower level of cash flow than that historically produced from the sale of MTBE.

***Our business is dependent on our intellectual property. If our intellectual property rights cannot be enforced or our trade secrets become known to our competitors, our ability to compete may be adversely affected.***

Proprietary protection of our processes, apparatuses and other technology is important to our business. While a presumption of validity exists with respect to patents issued to us in the U.S., there can be no assurance that any of our patents will not be challenged, invalidated, circumvented or rendered unenforceable. Furthermore, if any pending patent application filed by us does not result in an issued patent, or if patents are issued to us, but such patents do not provide meaningful protection of our intellectual property, then our ability to compete may be adversely affected. Additionally, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner, which could have a material adverse effect on our business, results of operations, financial condition and liquidity.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into agreements imposing confidentiality obligations upon our employees and third parties to protect our intellectual property, these confidentiality obligations may be breached, may not provide meaningful protection for our trade secrets or proprietary know-how, or adequate remedies may not be available in the event of an unauthorized access, use or disclosure of our trade secrets and know-how.

In addition, others could obtain knowledge of our trade secrets through independent development or other access by legal means.

We may have to rely on judicial enforcement of our patents and other proprietary rights. We may not be able to effectively protect our intellectual property rights from misappropriation or infringement in countries where effective patent, trademark, trade secret and other intellectual property laws and judicial systems may be unavailable, or may not protect our proprietary rights to the same extent as U.S. law.

The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how or the failure of adequate legal remedies for related actions could have a material adverse effect on our business, results of operations, financial condition and liquidity.

***Loss of key members of our management could disrupt our business.***

We depend on the continued employment and performance of our senior executives and other key members of management. If any of these individuals resigns or becomes unable to continue in his or her present role and is not adequately replaced, our business operations and our ability to implement our growth strategies could be materially disrupted. We generally do not have employment agreements with, and we do not maintain any "key person" life insurance for, any of our executive officers.

***Conflicts, military actions, terrorist attacks and general instability, in particular in certain energy-producing nations, along with increased security regulations related to our industry, could adversely affect our business.***

Conflicts, military actions and terrorist attacks have precipitated economic instability and turmoil in financial markets. Instability and turmoil, particularly in energy-producing nations, may result in raw material cost increases. The uncertainty and economic disruption resulting from hostilities, military action or acts of terrorism may impact any or all of our facilities and operations or those of our suppliers or customers. Accordingly, any conflict, military action or terrorist attack that impacts us or any of our suppliers or customers, could have a material adverse effect on our business, results of operations, financial condition and liquidity.

In addition, a number of governments have instituted regulations attempting to increase the security of chemical plants and the transportation of hazardous chemicals, which could result in higher operating costs and could have a material adverse effect on our financial condition and liquidity.

***If our subsidiaries do not make sufficient distributions to us, then we will not be able to make payment on our debts.***

Our debt is generally the exclusive obligation of Huntsman International and our guarantor subsidiaries. Because a significant portion of our operations are conducted by nonguarantor subsidiaries, our cash flow and our ability to service indebtedness, including our ability to pay the interest on our debt when due and principal of such debt at maturity, are dependent to a large extent upon cash dividends and distributions or other transfers from such nonguarantor subsidiaries. Any payment of dividends, distributions, loans or advances by our nonguarantor subsidiaries to us could be subject to restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which our subsidiaries operate, and any restrictions imposed by the current and future debt instruments of our nonguarantor subsidiaries. In addition, payments to us by our subsidiaries are contingent upon our subsidiaries' earnings.

Our subsidiaries are separate legal entities and, except for our guarantor subsidiaries, have no obligation, contingent or otherwise, to pay any amounts due on our debt or to make any funds available for those amounts, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, our debt. Any right that we have to receive any assets of any of our subsidiaries that are not guarantors upon the liquidation or reorganization of any such subsidiary, and the consequent right of holders of notes to realize proceeds from the sale of their assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors and holders of debt issued by that subsidiary.

***Regulatory requirements to reduce emissions of greenhouse gases could have an adverse effect on our results of operations.***

Globally, our operations are increasingly subject to regulations that seek to reduce emissions of greenhouse gases, or GHGs, such as carbon dioxide and methane, which may be contributing to changes in the Earth's climate. At the most recent negotiations of the Conference of the Parties to the Kyoto Protocol, a limited group of nations, including the EU, agreed to a second commitment period for the Kyoto Protocol, an international treaty that provides for reductions in GHG emissions. More significantly, the European Union GHG Emissions Trading System, established pursuant to the Kyoto Protocol to reduce GHG emissions in the EU, has just entered its third phase and ongoing reforms at the EU level−including measures to prop up carbon credit prices and ban the use of certain types of certified emission reductions−may increase our operating costs. Australia has also adopted a carbon trading system that has been recognized for formal linkage with the EU trading system by 2018. Australia's GHG cap-and-trade program may impose compliance obligations upon our operations that may increase our operating costs. In the United States, California has commenced the first compliance period of its cap-and-trade program.

Federal climate change legislation in the United States appears unlikely in the near-term. As a result, domestic efforts to curb GHG emissions will be led by the EPA's GHG regulations and the efforts of states. To the extent that our domestic operations are subject to the EPA's GHG regulations, we may face increased capital and operating costs associated with new or expanded facilities. Expansions of our existing facilities or construction of new facilities may be subject to the Clean Air Act's Prevention of Significant Deterioration requirements under the EPA's GHG "Tailoring Rule." Our facilities are also subject to the EPA's Mandatory Reporting of Greenhouse Gases rule, and the collection and reporting of GHG data may increase our operational costs.

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

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

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

***RISKS RELATED TO OUR COMMON STOCK AND DEBT SECURITIES***

***Our stock price has been and may continue to be subject to large fluctuations.***

We have experienced significant fluctuations in our stock price and share trading volume in the past and may continue to do so. The trading price of our common stock has been and may continue to be subject to wide fluctuations in response to a variety of issues, including broad market factors that may have a material adverse impact on our stock price, regardless of actual performance. The following factors could affect our stock price:

- periodic variations in the actual or anticipated financial results of our business or that of our competitors;
- downward revisions in securities analysts' estimates of our future operating results or of the future operating results of our competitors;
- material announcements by us or our competitors;
- public sales of a substantial number of shares of our common stock; and
- adverse changes in general market conditions or economic trends or in conditions or trends in the markets in which we operate.

***Shares available for future sale may cause our common stock price to decline, which may negatively impact the trading price of our common stock.***

Sales of substantial numbers of additional shares of our common stock, or the perception that such sales could occur, may cause prevailing market prices for shares of our common stock to decline.

***We have the ability to issue additional equity securities, which would lead to further dilution of our issued and outstanding common stock.***

The issuance of additional equity securities would result in dilution of then-existing stockholders' equity interests in our Company. Our certificate of incorporation authorizes our Board of Directors, without stockholder approval, to establish one or more series of preferred stock and to determine, with respect to any series of preferred stock, the number of shares in that series and the terms, rights and limitations of that series. If we issue convertible notes or convertible preferred stock, a subsequent conversion may dilute the current common stockholders' interest. Our Board of Directors has no present intention of issuing any such convertible instruments, but reserves the right to do so in the future. In addition, we may issue additional shares of common stock under our equity incentive plans.

***Certain provisions contained in our certificate of incorporation and bylaws could discourage a takeover attempt, which may reduce or eliminate the likelihood of a change of control transaction and, therefore, limit your ability to sell our common stock at a price higher than the current market value.***

Certain provisions contained in our certificate of incorporation and bylaws, such as a classified board of directors, limitations on stockholder proposals at meetings of stockholders and the inability of stockholders to call special meetings and certain provisions of Delaware law, could make it more difficult for a third party to acquire control of our Company, even if some of our stockholders considered such a change of control to be beneficial. Our certificate of incorporation also authorizes our Board of Directors to issue preferred stock without stockholder approval. Therefore, our Board of Directors could elect to issue preferred stock that has special voting or other rights that could make it even more difficult for a third party to acquire us, which may reduce or eliminate your ability to sell our common stock at a price higher than the current market value.

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***The declaration of dividends by our Company is subject to the discretion of our Board of Directors and limitations under Delaware law, and there can be no assurance that we will continue to pay dividends.***

Over the past four years we have paid quarterly dividends on our common stock. The declaration of dividends by our Company is subject to the discretion of our Board of Directors. Our Board of Directors takes into account such matters as general business conditions, our financial results, expected liquidity and capital expenditure requirements, contractual, legal or regulatory restrictions on the payment of dividends, the effect on our debt ratings and such other factors as our Board of Directors may deem relevant, and we can provide no assurance that we will continue to pay dividends on our common stock. In addition, Delaware law contains certain restrictions on a company's ability to pay cash dividends and we can provide no assurance that those restrictions will not prevent us from paying a dividend in future periods.

***Jon M. Huntsman, our Executive Chairman and founder, may be deemed to control approximately 16% of our outstanding common stock and he may have the ability to substantially impact the outcome of matters voted on by our stockholders.***

Jon M. Huntsman, our Executive Chairman and founder, may be deemed to control approximately 16% of our outstanding common stock. Through his interests, he may have the ability to substantially impact:

- the election of the members of the Board of Directors of our Company;
- the outcome of matters submitted to our stockholders for approval, including amendments to our certificate of incorporation, mergers, consolidations and the sale of all or substantially all of our assets; and
- any potential change in control of our Company.

***We may purchase a portion of our debt securities, which could impact the market for our debt securities and likely would negatively affect our liquidity.***

During 2012, we redeemed certain of our debt securities. We may from time to time seek to repurchase or redeem more of our debt securities in open market purchases, privately negotiated transactions, tender offers, partial or full call for redemption or otherwise. Any such repurchases or redemptions and the timing and amount thereof would depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. Such transactions could negatively affect our liquidity.

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## ITEM 1B. UNRESOLVED STAFF COMMENTS

As of the date of this filing, we did not have any unresolved comments from the staff of the SEC.

## ITEM 2. PROPERTIES

We own or lease chemical manufacturing and research facilities in the locations indicated in the list below which we believe are adequate for our short-term and anticipated long-term needs. We own or lease office space and storage facilities throughout the U.S. and in many foreign countries. Our principal executive offices are located at 500 Huntsman Way, Salt Lake City, Utah 84108. The following is a list of our material owned or leased properties where manufacturing, research and main office facilities are located.

| Location | Business Segment | Description of Facility |
|---|---|---|
| Salt Lake City, Utah(1) | Corporate and other | Executive Offices |
| The Woodlands, Texas(1) | Various | Operating Headquarters, Global Technology Center |
| Geismar, Louisiana(2) | Polyurethanes and Performance Products | MDI, Nitrobenzene(4), Aniline(4), Polyols and Maleic Anhydride Manufacturing Facilities and Polyurethanes Systems House |
| Rozenburg, The Netherlands(1) | Polyurethanes | MDI Manufacturing Facility, Polyols Manufacturing Facilities and Polyurethanes Systems House |
| Caojing, China | Polyurethanes | MDI Finishing Facilities, Global Technology Center |
| Caojing, China(3) | Polyurethanes | Precursor MDI Manufacturing Facility |
| Deer Park, Australia | Polyurethanes | Polyurethane Systems House |
| Cartagena, Colombia | Polyurethanes | Polyurethane Systems House |
| Deggendorf, Germany | Polyurethanes | Polyurethane Systems House |
| Ternate, Italy | Polyurethanes | Polyurethane Systems House |
| Shanghai, China(1) | Polyurethanes | Polyurethane Systems House, Global Technology Center |
| Pune, India(1) | Polyurethanes | Polyurethane Systems House |
| Buenos Aires, Argentina(1) | Polyurethanes | Polyurethane Systems House |
| Samutprakarn, Thailand(1) | Polyurethanes | Polyurethane Systems House |
| Istanbul, Turkey | Polyurethanes | Polyurethane Systems House |
| Kuan Yin, Taiwan(1) | Polyurethanes | Polyurethane Systems House |
| Tlalnepantla, Mexico | Polyurethanes | Polyurethane Systems House |
| Mississauga, Ontario(1) | Polyurethanes | Polyurethane Systems House |
| Obninsk, Russia | Polyurethanes | Polyurethane Systems House |
| Dammam, Saudi Arabia(4) | Polyurethanes | Polyurethane Systems House |
| Auburn Hills, Michigan(1) | Polyurethanes | Polyurethane Research Facility |
| Everberg, Belgium | Polyurethanes and Performance Products | Polyurethane and Performance Products Regional Headquarters, Global Technology Center |
| Derry, New Hampshire(1) | Polyurethanes | TPU Research Facility |
| Ringwood, Illinois(1) | Polyurethanes | TPU Manufacturing Facility |
| Osnabrück, Germany | Polyurethanes | TPU Manufacturing Facility and Polyurethane Systems House |
| Wilton, U.K. | Polyurethanes | Aniline and Nitrobenzene Manufacturing Facilities |
| Port Neches, Texas | Polyurethanes and Performance Products | Olefins, EO, EG, Surfactants, Amines and PO Manufacturing Facilities |
| Conroe, Texas | Performance Products | Amines Manufacturing Facility |
| Petfurdo, Hungary(1) | Performance Products | Amines Manufacturing Facility |
| Llanelli, U.K. | Performance Products | Amines Manufacturing Facility |
| Freeport, Texas(1) | Performance Products | Amines Manufacturing Facility |
| Jurong Island, Singapore(1) | Performance Products | Amines Manufacturing Facility |
| Jubail, Saudi Arabia(5) | Performance Products | Amines Manufacturing Facility |

| | | |
|---|---|---|
| Chocolate Bayou, Texas(1) | Performance Products | LAB Manufacturing Facility |
| Pensacola, Florida(1) | Performance Products | Maleic Anhydride Manufacturing Facility |

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| Location | Business Segment | Description of Facility |
| --- | --- | --- |
| Moers, Germany(6) | Performance Products | Maleic Anhydride Manufacturing Facility |
| Dayton, Texas | Performance Products | Surfactant Manufacturing Facility |
| Botany, Australia | Performance Products | Surfactant/EG Manufacturing Facility |
| St. Mihiel, France | Performance Products | Surfactant Manufacturing Facility |
| Lavera, France(1) | Performance Products | Surfactant Manufacturing Facility |
| Castiglione, Italy | Performance Products | Surfactant Manufacturing Facility |
| Ankleshwar, India(1) | Performance Products | Surfactant/Amines Manufacturing Facility |
| Patrica/Frosinone, Italy | Performance Products | Surfactant Manufacturing Facility |
| Barcelona, Spain(1) | Performance Products | Surfactant Manufacturing Facility |
| Melbourne, Australia | Performance Products | Research Facility |
| Bergkamen, Germany | Advanced Materials | Synthesis Facility |
| Monthey, Switzerland | Advanced Materials | Resins and Synthesis Facility |
| Pamplona, Spain | Advanced Materials | Resins and Synthesis Facility |
| McIntosh, Alabama | Advanced Materials | Resins and Synthesis Facility |
| Chennai, India(1)(7) | Advanced Materials | Resins and Synthesis Facility |
| Bad Saeckingen, Germany | Advanced Materials | Formulating Facility |
| Duxford, U.K. | Advanced Materials | Formulating Facility |
| Sadat City, Egypt | Advanced Materials | Formulating Facility |
| Taboão da Serra, Brazil | Advanced Materials, Polyurethanes and Textile Effects | Formulating Facility, Polyurethane Systems House and Chemicals Formulations Facility |
| Panyu, China(1)(8) | Advanced Materials and Textile Effects | Formulating and Synthesis Facility and Technology Center |
| Nanjing, China(1) | Advanced Materials | Formulating Facility |
| East Lansing, Michigan | Advanced Materials | Formulating Facility |
| Istanbul, Turkey(1) | Advanced Materials | Formulating Facility |
| Los Angeles, California | Advanced Materials | Formulating Facility |
| Basel, Switzerland(1) | Advanced Materials and Textile Effects | Technology Center and Textile Effects Textile Dyes Facility |
| Langweid am Leich, Germany(1) | Textile Effects | Chemicals Synthesis Facility |
| Charlotte, North Carolina(1) | Textile Effects | Chemicals Formulations Facility |
| Samutsakorn (Mahachai), Thailand(1) | Textile Effects | Textiles Dyes and Chemicals Formulations Facility |
| Atotonilquillo, Mexico | Textile Effects | Textile Dyes and Chemicals Formulations Facility |
| Baroda, India | Textile Effects | Textile Dyes and Chemicals Synthesis Facility |
| Gandaria, Jakarta, Indonesia | Textile Effects and Polyurethanes | Textile Dyes and Chemicals Formulations Facility and Polyurethane Systems House |
| Qingdao, China | Textile Effects | Textile Dyes Facility |
| Fraijanes, Guatemala(1) | Textile Effects | Chemicals Formulations Facility |
| Bogota, Colombia(1) | Textile Effects | Chemicals Formulations Facility |
| Hangzhou, China(1) | Textile Effects | Chemicals Formulations Facility |
| Istanbul, Turkey(1) | Textile Effects | Chemicals Formulations Facility |
| Karachi, Pakistan(1) | Textile Effects | Chemicals Formulations Facility |
| Gateway, Singapore(1) | Textile Effects and Performance Products | Textile Effects Headquarters and Performance Products Regional Headquarters |
| Greatham, U.K. | Pigments | Titanium Dioxide Manufacturing Facility |
| Calais, France | Pigments | Titanium Dioxide Manufacturing Facility |
| Huelva, Spain | Pigments | Titanium Dioxide Manufacturing Facility |
| Scarlino, Italy | Pigments | Titanium Dioxide Manufacturing Facility |

| | | |
|---|---|---|
| Teluk Kalung, Malaysia | Pigments | Titanium Dioxide Manufacturing Facility |
| Umbogintwini, South Africa | Pigments | Titanium Dioxide Manufacturing Facility |
| Lake Charles, Louisiana(9) | Pigments | Titanium Dioxide Manufacturing Facility |

**(1)** Leased land and/or building.

**(2)** The Geismar facility is owned as follows: we own 100% of the MDI, polyol and maleic anhydride facilities, and Rubicon LLC, a consolidated manufacturing joint venture with Chemtura Corporation in which we own a 50% interest, owns the aniline and nitrobenzene facilities. Rubicon LLC is a separate legal entity that operates both the assets that we own jointly with Chemtura Corporation and our wholly-owned assets at Geismar.

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(3) 35% interest in SLIC, our unconsolidated manufacturing joint venture with BASF and three Chinese chemical companies.

(4) 51%-owned consolidated manufacturing joint venture with Basic Chemicals Industries Ltd.

(5) 50% interest in Arabian Amines Company, our consolidated manufacturing joint venture with the Zamil Group.

(6) 50% interest in Sasol-Huntsman, our consolidated manufacturing joint venture with Sasol.

(7) 76%-owned consolidated manufacturing joint venture with Tamilnadu Petroproducts Limited.

(8) 95%-owned consolidated manufacturing joint venture with Guangdong Panyu Shilou Town Economic Development Co. Ltd.

(9) Owned by Louisiana Pigment Company, L.P., our unconsolidated manufacturing joint venture which is owned 50% by us and 50% by Kronos.

## ITEM 3. LEGAL PROCEEDINGS

### Asbestos Litigation

We have been named as a "premises defendant" in a number of asbestos exposure cases, typically claims by nonemployees of exposure to asbestos while at a facility. In the past, these cases typically have involved multiple plaintiffs bringing actions against multiple defendants, and the complaints have not indicated which plaintiffs were making claims against which defendants, where or how the alleged injuries occurred or what injuries each plaintiff claimed. These facts, which would be central to any estimate of probable loss, generally have been learned only through discovery.

Where a claimant's alleged exposure occurred prior to our ownership of the relevant "premises," the prior owners generally have contractually agreed to retain liability for, and to indemnify us against, asbestos exposure claims. This indemnification is not subject to any time or dollar amount limitations. Upon service of a complaint in one of these cases, we tender it to the prior owner. Rarely do the complaints in these cases state the amount of damages being sought. The prior owner accepts responsibility for the conduct of the defense of the cases and payment of any amounts due to the claimants. In our nineteen-year experience with tendering these cases, we have not made any payment with respect to any tendered asbestos cases. We believe that the prior owners have the intention and ability to continue to honor their indemnity obligations, although we cannot assure you that they will continue to do so or that we will not be liable for these cases if they do not.

The following table presents for the periods indicated certain information about cases for which service has been received that we have tendered to the prior owner, all of which have been accepted.

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 1,080 | 1,116 | 1,138 |
| Tendered during period | 3 | 10 | 24 |
| Resolved during period(1) | 3 | 46 | 46 |
| Unresolved at end of period | 1,080 | 1,080 | 1,116 |

(1) Although the indemnifying party informs us when tendered cases have been resolved, it generally does not inform us of the settlement amounts relating to such cases, if any. The indemnifying party has informed us

that it typically manages our defense together with the defense of other entities in such cases and resolves claims involving multiple defendants simultaneously, and that it considers the allocation of settlement amounts, if any, among defendants to be confidential and proprietary. Consequently, we are not able to provide the number of cases resolved with payment by the indemnifying party or the amount of such payments.

We have never made any payments with respect to these cases. As of December 31, 2012, we had an accrued liability of approximately $10 million relating to these cases and a corresponding receivable of approximately $10 million relating to our indemnity protection with respect to these cases. We cannot assure you that our liability will not exceed our accruals or that our liability associated with these cases would not be material to our financial condition, results of operations or liquidity; accordingly, we are not able to estimate the amount or range of loss in excess of our accruals. Additional asbestos exposure claims may be made against us in the future, and such claims could be material. However, because we are not able to estimate the amount or range of losses associated with such claims, we have made no accruals with respect to unasserted asbestos exposure claims as of December 31, 2012.

Certain cases in which we are a premises defendant are not subject to indemnification by prior owners or operators. However, we may be entitled to insurance or other recoveries in some of these cases. The following table presents for the periods indicated certain information about these cases. Cases include all cases for which service has been received by us. Certain prior cases that were filed in error against us have been dismissed.

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 36 | 37 | 39 |
| Filed during period | 21 | 11 | 5 |
| Resolved during period | 7 | 12 | 7 |
| Unresolved at end of period | 50 | 36 | 37 |

We paid gross settlement costs for asbestos exposure cases that are not subject to indemnification of $559,000, $584,000 and $201,000 during the years ended December 31, 2012, 2011 and 2010, respectively. As of December 31, 2012, we had no accrual relating to these cases. We cannot assure you that our liability will not exceed our accruals or that our liability associated with these cases would not be material to our financial condition, results of operations or liquidity; accordingly, we are not able to estimate the amount or range of loss in excess of our accruals. Additional asbestos exposure claims may be made against us in the future, and such claims could be material. However, because we are not able to estimate the amount or range of losses associated with such claims, we have made no accruals with respect to unasserted asbestos exposure claims as of December 31, 2012.

**Antitrust Matters**

We have been named as a defendant in two class action civil antitrust suits filed on February 9 and 12, 2010 in the U.S. District Court for the District of Maryland alleging that we and our co-defendants and other co-conspirators conspired to fix prices of titanium dioxide sold in the U.S. between at least March 1, 2002 and the present. The suits were subsequently consolidated. The other defendants named in this matter are DuPont, Kronos and Millennium. On August 28, 2012, the court certified a class consisting of all U.S. customers who purchased titanium dioxide directly from defendants since February 1, 2003, and notice was given to putative class members the week of January 14, 2013 after the Court of Appeals for the Fourth Circuit denied our petition to appeal the order certifying the class. Trial is set to begin September 9, 2013.

The plaintiffs seek to recover on behalf of the class injunctive relief, treble damages, costs of suit and attorneys fees. We are not aware of any illegal conduct by us or any of our employees. Nevertheless, we have incurred costs relating to these claims and could incur additional costs in amounts material to us. Because of the overall complexity of these cases, we are unable to reasonably estimate any possible loss or range of loss with respect to these claims.

**Indemnification Matter**

On July 3, 2012, Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC, or the banks, demanded that we indemnify them for claims brought by certain MatlinPatterson entities that were formerly our shareholders, the plaintiffs, in litigation filed June 19, 2012 in the 9th District Court in Montgomery County, Texas. The banks assert that they are entitled to indemnification pursuant to the Agreement of Compromise and Settlement between the banks and our Company, dated June 22, 2009, wherein the banks and our Company settled claims that we brought relating to the failed merger with Hexion. The plaintiffs claim that the banks knowingly made materially false representations about the nature of the financing for the acquisition of our Company by Hexion and that they suffered substantial losses to their 19 million shares of our common stock as a result of the banks' misrepresentations. The plaintiffs are asserting statutory fraud, common law fraud and aiding and abetting statutory fraud and are seeking actual damages, exemplary damages, costs and attorney's fees, pre-judgment and post-judgment interest. We denied the banks' indemnification demand. On December 21, 2012, the court dismissed the plaintiffs' claims. The plaintiffs subsequently filed a motion for reconsideration and could still appeal the court's dismissal of their claims.

**Environmental Enforcement Proceedings**

On occasion, we receive notices of violation, enforcement or other complaints from regulatory agencies alleging noncompliance with applicable EHS laws. Based on currently available information and our past experience, we do not believe that the resolution of any pending or threatened environmental enforcement proceedings will have a material impact on our financial condition, results of operations or cash flows.

**Port Neches Flaring Matter**

As part of the EPA's national enforcement initiative on flaring operations and by letter dated October 12, 2012, the DOJ notified us that we were in violation of the CAA based on our response to a 2010 CAA Section 114 Information Request. The EPA has used the enforcement initiative to bring similar actions against refiners and other chemical manufacturers. Specifically, the EPA alleged violations of flare operations at our Port Neches, Texas facility from 2007-2012 that were not consistent with good pollution control practice and not in compliance with certain flare-related regulations. As a result of these findings, the EPA referred this matter to the DOJ. We have been engaged in discussions with the DOJ and the EPA regarding these violations and are in the process of reviewing their allegations and assessing their claims. We are currently unable to determine the likelihood or magnitude of potential penalty or injunctive relief that may be incurred in resolving this matter.

**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.

## ITEM 4. MINE SAFETY DISCLOSURES

**Not applicable.**

## EXECUTIVE OFFICERS OF THE REGISTRANT

The following is information concerning our executive officers and significant employees as of the date of this report.

*Jon M. Huntsman*, age 75, is the Executive Chairman of the Board of Directors of our Company. Prior to appointment as Executive Chairman effective February 2009, Mr. Huntsman served as Chairman of the Board of Directors of our Company, a position he had held since our Company was formed. Mr. Huntsman also serves on our Litigation Committee. He has been Chairman of the Board of all Huntsman companies since he founded his first plastics company in 1970. Mr. Huntsman served as Chief Executive Officer of our Company and our affiliated companies from 1970 to 2000. Mr. Huntsman is a director or manager, as applicable, of Huntsman International and certain of our other subsidiaries. In addition, Mr. Huntsman serves or has served as Chairman or as a member of numerous corporate, philanthropic and industry boards, including the American Red Cross, The Wharton School, University of Pennsylvania, Primary Children's Medical Center Foundation, the Chemical Manufacturers Association and the American Plastics Council. Mr. Huntsman was selected in 1994 as the chemical industry's top CEO. Mr. Huntsman formerly served as Special Assistant to the President of the United States and as Vice Chairman of the U.S. Chamber of Commerce. He is the Chairman and Founder of the Huntsman Cancer Institute. Mr. Huntsman is the father of our Chief Executive Officer, Peter R. Huntsman, our Division President, Advanced Materials, James H. Huntsman, and our director, Jon M. Huntsman, Jr.

*Peter R. Huntsman*, age 49, is President, Chief Executive Officer and a Director of our Company. Mr. Huntsman also serves on our Litigation Committee. Prior to his appointment in July 2000 as Chief Executive Officer, Mr. Huntsman had served as President and Chief Operating Officer since 1994. In 1987, Mr. Huntsman joined Huntsman Polypropylene Corporation as Vice President before serving as Senior Vice President and General Manager. Mr. Huntsman has also served as President of Olympus Oil, as Senior Vice President of Huntsman Chemical Corporation and as a Senior Vice President of Huntsman Packaging Corporation, a former subsidiary of our Company. Mr. Huntsman is a director or manager, as applicable, of Huntsman International and certain of our other subsidiaries. Mr. Huntsman is the son of our Executive Chairman, Jon M. Huntsman, and the brother of our Division President, Advanced Materials, James H. Huntsman, and our director, Jon M. Huntsman, Jr.

*J. Kimo Esplin*, age 50, is Executive Vice President and Chief Financial Officer. Mr. Esplin has served as Chief Financial Officer of all of the Huntsman companies since 1999. From 1994 to 1999, Mr. Esplin served as our Treasurer. Prior to joining Huntsman in 1994, Mr. Esplin was a Vice President in the Investment Banking Division of Bankers Trust Company, where he worked for seven years. Mr. Esplin also serves as a director of Nutraceutical International Corporation, a publicly traded nutrition supplements company.

*James R. Moore*, age 68, is Executive Vice President, General Counsel and Secretary. Prior to his appointment to this position in January 2010, Mr. Moore served as our Vice President and Deputy General Counsel since 2003. Prior to that, Mr. Moore served as Vice President and Chief Environmental Counsel from 2002 to 2003 and Senior Environmental Counsel from 1998 to 2002. From 1989 until joining our Company in 1998, Mr. Moore was a partner at the Seattle law firm of Perkins Coie. Mr. Moore also previously served as a trial attorney with the U.S. Department of Justice, an assistant U.S. Attorney and Regional Counsel, Region 10, of the U.S. Environmental Protection Agency.

*Anthony P. Hankins*, age 55, is Division President, Polyurethanes and Chief Executive Officer, Asia-Pacific. Mr. Hankins was appointed to these positions in March 2004 and February 2011, respectively. From May 2003 to February 2004, Mr. Hankins served as President, Performance Products, from January 2002 to April 2003, he served as Global Vice President, Rigids Division for our Polyurethanes business, from October 2000 to December 2001, he served as Vice President−Americas for our Polyurethanes business, and from March 1998 to September 2000, he served as Vice President−Asia-Pacific for our Polyurethanes business. Mr. Hankins worked for ICI from 1980 to February 1998, when he joined our Company. At ICI, Mr. Hankins held numerous management positions in the plastics, fibers and polyurethanes businesses. He has extensive international experience, having held senior management positions in Europe, Asia and the U.S.

*Paul G. Hulme*, age 56, is Division President, Textile Effects. Mr. Hulme was appointed to this position in February 2009. From June 2003 to February 2009, Mr. Hulme served as Division President, Materials and Effects. From February 2000 to May 2003, Mr. Hulme served as Vice President, Performance Chemicals, and from December 1999 to February 2000 he served as Operations Director, Polyurethanes. Prior to joining Huntsman in 1999, Mr. Hulme held various positions with ICI in finance, accounting and information systems roles. Mr. Hulme is a Chartered Accountant.

*James H. Huntsman*, age 42, is Division President, Advanced Materials. Mr. Huntsman was appointed to this position in July 2011. Prior to that time, Mr. Huntsman served as Vice President of Huntsman Advanced Materials, Americas Region since February 2009. From March 2006 to February 2009, Mr. Huntsman owned and managed a film production company based in Los Angeles, California. Prior to March 2006, he served as our Vice President, U.S. Base Chemicals and Polymers. Mr. Huntsman originally joined our Company in 1990 and has held numerous manufacturing and commercial roles of increasing responsibility within a number of divisions. Mr. Huntsman is the son of our Executive Chairman, Jon M. Huntsman, the brother of our Chief Executive Officer, Peter R. Huntsman, and the brother of our director, Jon M. Huntsman, Jr.

*Stewart A. Monteith*, age 56, is Division President, Performance Products. Mr. Monteith was appointed to this position in February 2011. Prior to that time, Mr. Monteith served as Vice President of the Performance Specialties Unit, a position he held since August 2003. He also served as Vice President for Global Markets and Business Development. Mr. Monteith joined Huntsman in 1994. Prior to joining Huntsman, Mr. Monteith held various positions with Texaco Chemical Company and Union Carbide.

*Simon Turner*, age 49, is Division President, Pigments. Prior to his appointment to this position in November 2008, Mr. Turner served as Senior Vice President, Pigments since April 2008. From September 2004 to April 2008, Mr. Turner served as Vice President of Global Sales and from July 1999 to September 2004, he held positions including General Manager Co-Products and Director Supply Chain and Shared Services. Prior to joining Huntsman in July 1999, Mr. Turner held various positions with ICI.

*Ronald W. Gerrard*, age 53, is Senior Vice President, Environmental, Health & Safety and Manufacturing Excellence. Mr. Gerrard was appointed to this position in June 2009. He also serves as our Corporate Sustainability Officer. From May 2004 to June 2009, Mr. Gerrard served as Vice President, Global Operations and Technology in our Polyurethanes business. From 1999 to May 2004, Mr. Gerrard served as Vice President, Asia; Business Director, Flexible Foams; and Director, EHS and Engineering, also within our Polyurethanes business. Prior to joining Huntsman in 1999, Mr. Gerrard had worked for ICI and for EVC, a joint venture between ICI and Enichem. Mr. Gerrard is a Chartered Engineer.

*Brian V. Ridd*, age 55, is Senior Vice President, Purchasing. Mr. Ridd has held this position since July 2000. Mr. Ridd served as Vice President, Purchasing from December 1995 until he was appointed to his current position. Mr. Ridd joined Huntsman in 1984.

*R. Wade Rogers*, age 47, is Senior Vice President, Global Human Resources. Mr. Rogers has held this position since August 2009. From May 2004 to August 2009, Mr. Rogers served as Vice President,

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Global Human Resources, from October 2003 to May 2004, Mr. Rogers served as Director, Human Resources−Americas and from August 2000 to October 2003, he served as Director, Human Resources for our Polymers and Base Chemicals businesses. From the time he joined Huntsman in 1994 to August 2000, Mr. Rogers served as Area Manager, Human Resources−Jefferson County Operations. Prior to joining Huntsman, Mr. Rogers held a variety of positions with Texaco Chemical Company.

*Russ R. Stolle*, age 50, is Senior Vice President and Deputy General Counsel. Mr. Stolle was appointed to this position in January 2010. From October 2006 to January 2010, Mr. Stolle served as our Senior Vice President, Global Public Affairs and Communications, from November 2002 to October 2006, he served as Vice President and Deputy General Counsel, from October 2000 to November 2002 he served as Vice President and Chief Technology Counsel and from April 1994 to October 2000 he served as Chief Patent and Licensing Counsel. Prior to joining Huntsman in 1994, Mr. Stolle had been an attorney with Texaco Inc. and an associate with the law firm of Baker & Botts.

*Randy W. Wright*, age 54, is Vice President and Controller. Prior to his appointment to this position in February 2012, Mr. Wright served as Assistant Controller and Director of Financial Reporting since July 2004. Prior to joining Huntsman in 2004, Mr. Wright held various positions with Georgia-Pacific Corporation, Riverwood International, Johns Manville and PricewaterhouseCoopers. Mr. Wright is a Certified Public Accountant.

*Kevin C. Hardman*, age 49, is Vice President, Tax. Mr. Hardman served as Chief Tax Officer from 1999 until he was appointed to his current position in 2002. Prior to joining Huntsman in 1999, Mr. Hardman was a tax Senior Manager with the accounting firm of Deloitte & Touche LLP, where he worked for 10 years. Mr. Hardman is a Certified Public Accountant and holds a master's degree in tax accounting.

*John R. Heskett*, age 44, is Vice President, Planning and Treasurer. Mr. Heskett has held this position since December 2009. From September 2008 until October 2009, Mr. Heskett served as a Vice President at Boart Longyear Limited, a publicly-listed exploration drilling services and products company. Mr. Heskett previously served as Vice President, Corporate Development and Investor Relations for our Company from August 2004 until September 2008 and was appointed Vice President, Corporate Development in 2002. Mr. Heskett also served as Assistant Treasurer for our Company and several of our subsidiaries. Prior to joining Huntsman in 1997, Mr. Heskett was Assistant Vice President and Relationship Manager for PNC Bank, N.A., where he worked for a number of years.

*Steven C. Jorgensen*, age 44, is Vice President, Accounting Shared Services and Internal Controls effective February 17, 2012. Prior to his appointment to this position in February 2012, Mr. Jorgensen served as Vice President, Internal Controls and Internal Audit since May 2007. Mr. Jorgensen joined Huntsman in May 2004 as Director of Internal Controls and in May 2005 was appointed as Director of Internal Audit and Controls. Prior to joining Huntsman, Mr. Jorgensen was Vice President and Audit Manager with General Electric Consumer Finance, and prior to that he was an audit Senior Manager with the accounting firm of Deloitte & Touche LLP. Mr. Jorgensen is a Certified Public Accountant and holds a master's degree in accounting.

*Kurt D. Ogden*, age 44, is Vice President, Investor Relations. Prior to his appointment to this position in February 2009, Mr. Ogden served as Director, Corporate Finance since October 2004. Prior to joining Huntsman in 2004, Mr. Ogden held various positions with Hillenbrand Industries, Pliant Corporation and Huntsman Chemical Corporation. Mr. Ogden is a Certified Public Accountant and holds a master's degree in business administration.

*Maria Csiba-Womersley*, age 54, is Vice President and Chief Information Officer. Ms. Csiba-Womersley was appointed to this position effective September 2006. Ms. Csiba-Womersley served as Global eBusiness Director from 2004 to 2006 and also served as our Director of Global IT Planning and Security. Previously, Ms. Csiba-Womersley was a Regional Polymer Sales Manager, a Business Director for Polypropylene and Director of Polymer Logistics. Ms. Csiba-Womersley joined Huntsman in 1997.

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## PART II

## ITEM 5. 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 1, 2013, there were approximately 194 stockholders of record and the closing price of our common stock on the New York Stock Exchange was $18.08 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 |
|---|---|---|
| **2012** | | |
| First Quarter | $ 14.92 | $ 9.75 |
| Second Quarter | 15.98 | 11.51 |
| Third Quarter | 16.35 | 10.99 |
| Fourth Quarter | 17.17 | 14.18 |

| Period | High | Low |
|---|---|---|
| **2011** | | |
| First Quarter | $ 19.10 | $ 15.71 |
| Second Quarter | 21.52 | 16.53 |
| Third Quarter | 20.36 | 9.88 |
| Fourth Quarter | 13.07 | 8.14 |

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**DIVIDENDS**

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

| | 2012 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 30, 2012 | March 15, 2012 | $ 0.10 | $ 24 |
| June 29, 2012 | June 15, 2012 | 0.10 | 24 |
| September 28, 2012 | September 14, 2012 | 0.10 | 24 |
| December 31, 2012 | December 14, 2012 | 0.10 | 24 |
| Total | | | $ 96 |

| | 2011 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2011 | March 15, 2011 | $ 0.10 | $ 24 |
| June 30, 2011 | June 15, 2011 | 0.10 | 24 |
| September 30, 2011 | September 15, 2011 | 0.10 | 24 |
| December 30, 2011 | December 15, 2011 | 0.10 | 24 |
| Total | | | $ 96 |

| | 2010 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2010 | March 15, 2010 | $ 0.10 | $ 24 |
| June 30, 2010 | June 15, 2010 | 0.10 | 24 |
| September 30, 2010 | September 15, 2010 | 0.10 | 24 |
| December 31, 2010 | December 15, 2010 | 0.10 | 24 |
| Total | | | $ 96 |

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

See "Part III. Item 11. Executive Compensation" for information relating to our equity compensation plans.

**PURCHASES OF EQUITY SECURITIES BY THE COMPANY**

The following table provides information with respect to shares of our common stock that we repurchased and shares of restricted stock granted under our stock incentive plan that we withheld upon vesting to satisfy our tax withholding obligations during the three months ended December 31, 2012.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| October | − | $ − | − | $ 49,863,881 |
| November | − | − | − | 49,863,881 |
| December | 2,043 | 16.44 | − | 49,863,881 |
| Total | 2,043 | $ 16.44 | − | |

**(1)** There were 2,043 shares of restricted stock granted under our stock incentive program that we withheld upon vesting to satisfy our tax withholding obligations during December 2012. There were no shares repurchased under our publicly announced stock repurchase program.

**(2)** Effective August 5, 2011, our Board of Directors authorized our Company to repurchase up to $100 million in shares of our common stock. During the fourth quarter of 2012, we did not repurchase any shares of our common stock under the repurchase program. For more information, see "Note 21. Huntsman Corporation Stockholders' Equity−Share Repurchase Program" to our consolidated financial statements.

## ITEM 6. 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 "−Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and accompanying notes.

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**Huntsman Corporation**

| (in millions except per share amounts) | Year ended December 31, 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|
| **Statements of Operations Data:** | | | | | |
| Revenues | $11,187 | $11,221 | $9,250 | $7,665 | $10,056 |
| Gross profit | 2,034 | 1,840 | 1,461 | 1,078 | 1,280 |
| Restructuring, impairment and plant closing costs | 92 | 167 | 29 | 88 | 31 |
| Operating income | 845 | 606 | 410 | 13 | 197 |
| (Expenses) income associated with the Terminated Merger and related litigation(a) | – | – | (4) | 835 | 780 |
| Income (loss) from continuing operations | 378 | 251 | (9) | 125 | 512 |
| (Loss) income from discontinued operations, net of tax(b) | (7) | (1) | 42 | (19) | 84 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil(c) | 2 | 4 | (1) | 6 | 14 |
| Net income | 373 | 254 | 32 | 112 | 610 |
| Net income attributable to Huntsman Corporation | 363 | 247 | 27 | 114 | 609 |
| **Basic income (loss) per common share:** | | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | $ 1.55 | $ 1.03 | $ (0.06) | $ 0.54 | $ 2.20 |
| (Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(b) | (0.03) | – | 0.17 | (0.08) | 0.36 |
| Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax(c) | 0.01 | 0.01 | – | 0.03 | 0.06 |
| Net income attributable to Huntsman Corporation common stockholders | $ 1.53 | $ 1.04 | $ 0.11 | $ 0.49 | $ 2.62 |
| **Diluted income (loss) per common share:** | | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | $ 1.53 | $ 1.01 | $ (0.06) | $ 0.53 | $ 2.18 |
| (Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax(b) | (0.03) | – | 0.17 | (0.08) | 0.36 |
| Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax(c) | 0.01 | 0.01 | – | 0.03 | 0.06 |
| Net income attributable to Huntsman Corporation common stockholders | $ 1.51 | $ 1.02 | $ 0.11 | $ 0.48 | $ 2.60 |
| **Other Data:** | | | | | |
| Depreciation and amortization | $ 432 | $ 439 | $ 405 | $ 442 | $ 398 |
| Capital expenditures | 412 | 330 | 236 | 189 | 418 |
| Dividends per share | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 |
| **Balance Sheet Data (at period end):** | | | | | |
| Total assets | $ 8,884 | $ 8,657 | $8,714 | $8,626 | $ 8,058 |
| Total debt | 3,706 | 3,946 | 4,150 | 4,217 | 3,888 |
| Total liabilities | 6,988 | 6,881 | 6,864 | 6,761 | 6,426 |

**(a)** For information regarding (expenses) income associated with our terminated merger with a subsidiary of Hexion (now Momentive) (the "Terminated Merger" or the "Hexion Merger") and the related litigation, see "Note 24. Expenses Associated with the Terminated Merger and Related Litigation" to our consolidated financial statements.

(b) (Loss) income from discontinued operations represents the operating results, fire insurance settlement gains and loss on disposal of our former Australian styrenics business, our former U.S. base chemicals business, our former North American polymers business, our former European base chemicals and polymers business and our former TDI business. The U.S. base chemicals business was sold on November 5, 2007, the North American polymers business was sold on August 1, 2007, the European base chemicals and polymers business was sold on December 29, 2006 and the TDI business was sold on July 6, 2005. See "Note 25. Discontinued Operations" to our consolidated financial statements.

(c) The extraordinary gain (loss) on the acquisition of a business relates to the June 30, 2006 acquisition of our textile effects business. See "Note 3. Business Combinations and Dispositions−Textile Effects Acquisition" to our consolidated financial statements.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

## OVERVIEW

We are a global manufacturer of differentiated organic chemical products and of inorganic chemical products. Our products comprise a broad range of chemicals and formulations, which we market globally to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, personal care and hygiene, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. We are a leading global producer in many of our key product lines, including MDI, amines, surfactants, epoxy-based polymer formulations, textile chemicals, dyes, maleic anhydride and titanium dioxide. Our administrative, research and development and manufacturing operations are primarily conducted at the facilities listed in "Part I. Item 2. Properties" above, which are located in 30 countries. We employed approximately 12,000 associates worldwide at December 31, 2012.

We operate in five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments. Our Polyurethanes, Performance Products, Advanced Materials and Textile Effects segments produce differentiated organic chemical products and our Pigments segment produces inorganic chemical products. In a series of transactions beginning in 2006, we have sold or shutdown substantially all of our former Australian styrenics operations and our North American polymers and base chemicals operations. We report the results from these businesses as discontinued operations. See "Note 25. Discontinued Operations" to our consolidated financial statements.

Growth in our Polyurethanes and Advanced Materials segments has been driven by the continued substitution of our products for other materials across a broad range of applications, as well as by the level of global economic activity. Historically, demand for many of these products has grown at rates in excess of GDP growth. In Polyurethanes, this growth, driven largely by Asia, has in recent years resulted in improved demand and higher industry capacity utilization rates for many of our key products, including MDI.

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

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

Historically, demand for titanium dioxide pigments has grown at rates approximately equal to global GDP growth. Pigment prices have historically reflected industry-wide operating rates but have typically lagged behind movements in these rates by up to twelve months due to the effects of product stocking and destocking by customers and producers, contract arrangements and seasonality. The industry experiences some seasonality in its sales because sales of paints, the largest end use for titanium dioxide, generally peak during the spring and summer months in the northern hemisphere. This results in greater sales volumes in the second and third quarters of the year. During 2012, we have benefited from certain ore supply contracts in our pigments segment that effectively supplied approximately 50% of our ore requirements at prices close to 2011 market levels, which are significantly below current market prices. A majority of these contracts expired at the end of 2012, with the resulting benefits reflected through most of the first quarter of 2013.

For further information regarding sales price and demand trends, see "Results of Operations−Segment Analysis−Year Ended December 31, 2012 Compared to Year Ended December 31, 2011" and the tables captioned "Year ended December 31, 2012 vs. 2011, Period-Over-Period Increase (Decrease)" and "Fourth Quarter 2012 vs. Third Quarter 2012, Period-Over-Period Increase (Decrease)" below.

**OUTLOOK**

We experienced strong growth in our Polyurethanes segment, particularly in our MDI business, and anticipate favorable market conditions in the future. While the factors we describe below are subject to general economic conditions, we expect our Pigments segment to continue going through a business cycle with improvements beginning in the second half of 2013. We anticipate that the future benefits from our ongoing restructuring and cost cutting efforts will result in a lower cost structure and more competitive business when complete in the middle of 2014.

The following summarizes trends and key considerations that could impact future performance of our operating segments:

**Polyurethanes**:

Improving MDI demand

Restructuring benefit

Continued strong demand for MTBE

2013 EBITDA similar to 2012

**Performance Products**:

U.S. Gulf Coast raw material cost advantage

Further recovery in amines margins

Planned periodic maintenance in the first quarter of 2013

2013 EBITDA similar to 2012

**Advanced Materials**:

Restructuring benefit

2013 EBITDA better than 2012

**Textile Effects**:

- Reorganization and restructuring benefit
- 2013 EBITDA positive

**Pigments**:

- Favorable ilmenite raw material advantage versus traditional chloride ores
- Improving contribution margins in the second half of 2013
- Near term contribution margin pressure
- 2013 EBITDA less than 2012

We expect to spend approximately $450 million in 2013 on capital expenditures, net of reimbursements, for growth initiatives and maintenance.

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

**RECENT DEVELOPMENTS**

For a discussion of recent developments, see "Part I. Item 1. Business−Recent Developments" above.

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**RESULTS OF OPERATIONS**

For each of our Company and Huntsman International, the following tables set forth the consolidated results of operations for the years ended December 31, 2012, 2011 and 2010 (dollars in millions):

**Huntsman Corporation**

| | Year ended December 31, | | | Percent Change | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2012 vs. 2011 | 2011 vs. 2010 |
| **Revenues** | $11,187 | $11,221 | $9,250 | – | 21% |
| **Cost of goods sold** | 9,153 | 9,381 | 7,789 | (2)% | 20% |
| **Gross profit** | 2,034 | 1,840 | 1,461 | 11% | 26% |
| Operating expenses | 1,097 | 1,067 | 1,022 | 3% | 4% |
| Restructuring, impairment and plant closing costs | 92 | 167 | 29 | (45)% | 476% |
| **Operating income** | 845 | 606 | 410 | 39% | 48% |
| Interest expense, net | (226) | (249) | (229) | (9)% | 9% |
| Equity in income of investment in unconsolidated affiliates | 7 | 8 | 24 | (13)% | (67)% |
| Loss on early extinguishment of debt | (80) | (7) | (183) | NM | (96)% |
| Expenses associated with the Terminated Merger and related litigation | – | – | (4) | – | NM |
| Other income | 1 | 2 | 2 | (50)% | – |
| **Income from continuing operations before income taxes** | 547 | 360 | 20 | 52% | NM |
| Income tax expense | (169) | (109) | (29) | 55% | 276% |
| **Income (loss) from continuing operations** | 378 | 251 | (9) | 51% | NM |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 | 600% | NM |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | 2 | 4 | (1) | (50)% | NM |
| **Net income** | 373 | 254 | 32 | 47% | 694% |
| Net income attributable to noncontrolling interests | (10) | (7) | (5) | 43% | 40% |
| **Net income attributable to Huntsman Corporation** | 363 | 247 | 27 | 47% | 815% |
| Interest expense, net | 226 | 249 | 229 | (9)% | 9% |
| Income tax expense from continuing operations | 169 | 109 | 29 | 55% | 276% |
| Income tax (benefit) expense from discontinued operations | (3) | (5) | 10 | (40)% | NM |
| Depreciation and amortization | 432 | 439 | 405 | (2)% | 8% |
| **EBITDA(1)** | $ 1,187 | $ 1,039 | $ 700 | 14% | 48% |
| Net income per share: | | | | | |
| Basic | $ 1.53 | $ 1.04 | $ 0.11 | 47% | 845% |
| Diluted | 1.51 | 1.02 | 0.11 | 48% | 827% |
| Net cash provided by (used in) operating activities | 774 | 365 | (58) | 112% | NM |
| Net cash used in investing activities | (471) | (280) | (182) | 68% | 54% |
| Net cash used in financing activities | (473) | (490) | (543) | (3)% | (10)% |
| **Other non-GAAP measures:** | | | | | |
| Adjusted EBITDA(1) | $ 1,396 | $ 1,214 | $ 875 | 15% | 39% |
| Adjusted net income(2) | 542 | 408 | 200 | 33% | 104% |

| | | | | | |
|---|---|---|---|---|---|
| Adjusted income per share(2): | | | | | |
| Basic | 2.28 | 1.72 | 0.85 | 33% | 102% |
| Diluted | 2.25 | 1.69 | 0.83 | 33% | 104% |
| Capital expenditures, net of reimbursements(3) | 412 | 327 | 202 | 26% | 62% |

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**Huntsman International**

| | Year ended December 31, | | | Percent Change | |
|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2012 vs. 2011 | 2011 vs. 2010 |
| **Revenues** | $11,187 | $11,221 | $9,250 | − | 21% |
| **Cost of goods sold** | 9,146 | 9,363 | 7,772 | (2)% | 20% |
| **Gross profit** | 2,041 | 1,858 | 1,478 | 10% | 26% |
| Operating expenses | 1,080 | 1,062 | 1,006 | 2% | 6% |
| Restructuring, impairment and plant closing costs | 92 | 167 | 29 | (45)% | 476% |
| **Operating income** | 869 | 629 | 443 | 38% | 42% |
| Interest expense, net | (238) | (262) | (248) | (9)% | 6% |
| Equity in income of investment in unconsolidated affiliates | 7 | 8 | 24 | (13)% | (67)% |
| Loss on early extinguishment of debt | (80) | (7) | (37) | NM | (81)% |
| Other income | 1 | 2 | 2 | (50)% | − |
| **Income from continuing operations before income taxes** | 559 | 370 | 184 | 51% | 101% |
| Income tax expense | (179) | (113) | (40) | 58% | 183% |
| **Income from continuing operations** | 380 | 257 | 144 | 48% | 78% |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 | 600% | NM |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | 2 | 4 | (1) | (50)% | NM |
| **Net income** | 375 | 260 | 185 | 44% | 41% |
| Net income attributable to noncontrolling interests | (10) | (7) | (5) | 43% | 40% |
| **Net income attributable to Huntsman International LLC** | 365 | 253 | 180 | 44% | 41% |
| Interest expense, net | 238 | 262 | 248 | (9)% | 6% |
| Income tax expense from continuing operations | 179 | 113 | 40 | 58% | 183% |
| Income tax (benefit) expense from discontinued operations | (3) | (5) | 10 | (40)% | NM |
| Depreciation and amortization | 408 | 416 | 382 | (2)% | 9% |
| **EBITDA(1)** | $ 1,187 | $ 1,039 | $ 860 | 14% | 21% |
| Net cash provided by (used in) operating activities | 860 | 432 | (46) | 99% | NM |
| Net cash used in investing activities | (578) | (337) | (238) | 72% | 42% |
| Net cash used in financing activities | (306) | (418) | (78) | (27)% | 436% |
| **Other non-GAAP measures:** | | | | | |
| Adjusted EBITDA(1) | $ 1,396 | $ 1,214 | $ 885 | 15% | 37% |
| Adjusted net income(2) | $ 544 | 414 | 212 | 31% | 95% |
| Capital expenditures, net of reimbursements(3) | 412 | 327 | 202 | 26% | 62% |

NM−Not meaningful

**(1)** EBITDA is defined as net income attributable to Huntsman Corporation or Huntsman International, as appropriate, before interest, income taxes, depreciation and amortization. We believe that EBITDA supplements an investor's understanding of our financial performance. However, EBITDA should not be considered in isolation or viewed as a substitute for net income attributable to

Huntsman Corporation or Huntsman International, as appropriate, or other measures of performance as defined by GAAP. Moreover, EBITDA as used herein is not necessarily comparable to other similarly titled measures of other companies due to potential inconsistencies in the method of calculation. Our management uses EBITDA to assess financial performance by reviewing EBITDA as a general indicator of economic performance compared with prior periods. Because EBITDA excludes interest, income taxes, depreciation and amortization, EBITDA provides an indicator of general economic performance that is not affected by debt restructurings, fluctuations in interest rates or effective tax rates, or levels of depreciation and amortization. Accordingly, our management believes this type of measurement is useful for comparing general operating performance from period to period and making certain related management decisions. 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 EBITDA in the evaluation of our Company as compared to net income attributable to Huntsman Corporation or Huntsman International, as appropriate, which reflects overall financial performance, including the effects of interest, income taxes, depreciation and amortization. EBITDA excludes interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate revenue. Therefore, any measure that excludes interest expense has material limitations. EBITDA also excludes taxes. Because the payment of taxes is a necessary element of our operations, any measure that excludes tax expense has material limitations. Finally, EBITDA excludes depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate revenue. Therefore, any measure that excludes depreciation and amortization expense has material limitations. Our management compensates for the limitations of using EBITDA by using it to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business rather than GAAP results alone. Our management also uses other metrics to evaluate capital structure, tax planning and capital investment decisions. For example, our management uses credit ratings and net debt ratios to evaluate capital structure, effective tax rate by jurisdiction to evaluate tax planning, and payback period and internal rate of return to evaluate capital investments. Our management also uses trade working capital to evaluate its investment in accounts receivable and inventory, net of accounts payable.

Adjusted EBITDA is computed by eliminating the following from EBITDA: loss on early extinguishment of debt; certain legal settlements and related expenses; EBITDA from discontinued operations; acquisition expenses; expenses associated with the Terminated Merger and related litigation (Huntsman Corporation only); gain on disposition of businesses/assets; extraordinary (gain) loss on the acquisition of a business; loss (gain) on initial consolidation of subsidiaries; and restructuring, impairment and plant closing and transition costs (credits).

Adjusted EBITDA is presented solely as a supplemental disclosure to EBITDA and reported GAAP measures because we believe that it is indicative of our operating performance and is frequently used as a valuation measure of chemical companies. Our management also uses adjusted EBITDA to evaluate the core operating performance of our segments and business.

In addition to the limitations of EBITDA 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 for the following reasons: certain excluded items can vary significantly depending on specific underlying transactions or events, and the variability of such items may not relate specifically to current operating results or trends; and certain excluded items, while potentially recurring in future periods, may not be indicative of future results.

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Adjusted EBITDA should not be construed as an alternative to net income applicable to Huntsman Corporation or Huntsman International, as appropriate, as an indicator of performance, or as any other measure determined in accordance with GAAP. We believe that net income attributable to Huntsman Corporation or Huntsman International, as appropriate, is the performance measure calculated and presented in accordance with GAAP that is most directly comparable to EBITDA and adjusted EBITDA.

For each of our Company and Huntsman International, the following tables set forth certain items of (income) expense included in EBITDA (in millions):

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Net income attributable to Huntsman Corporation** | $ 363 | $ 247 | $ 27 |
| Interest expense, net | 226 | 249 | 229 |
| Income tax expense from continuing operations | 169 | 109 | 29 |
| Income tax (benefit) expense from discontinued operations | (3) | (5) | 10 |
| Depreciation and amortization | 432 | 439 | 405 |
| **EBITDA** | 1,187 | 1,039 | 700 |
| Loss on early extinguishment of debt | 80 | 7 | 183 |
| Certain legal settlements and related expenses | 11 | 46 | 8 |
| EBITDA from discontinued operations | 5 | 6 | (53) |
| Acquisition expenses | 5 | 5 | 3 |
| Expenses associated with the Terminated Merger and related litigation | – | – | 4 |
| Gain on disposition of businesses/assets | (3) | (40) | – |
| Extraordinary (gain) loss on the acquisition of a business | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries | 4 | (12) | – |
| Restructuring, impairment and plant closing and transition costs (credits): | | | |
| Polyurethanes | 38 | – | – |
| Performance Products | – | – | 3 |
| Advanced Materials | 38 | 20 | (2) |
| Textile Effects | 26 | 135 | 15 |
| Pigments | 4 | 10 | 8 |
| Corporate and other | 3 | 2 | 5 |
| Total restructuring, impairment and plant closing and transition costs | 109 | 167 | 29 |
| **Adjusted EBITDA** | $ 1,396 | $ 1,214 | $ 875 |

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**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Net income attributable to Huntsman International** | $ 365 | $ 253 | $ 180 |
| Interest expense, net | 238 | 262 | 248 |
| Income tax expense from continuing operations | 179 | 113 | 40 |
| Income tax (benefit) expense from discontinued operations | (3) | (5) | 10 |
| Depreciation and amortization | 408 | 416 | 382 |
| **EBITDA** | 1,187 | 1,039 | 860 |
| Loss on early extinguishment of debt | 80 | 7 | 37 |
| Certain legal settlements and related expenses | 11 | 46 | 8 |
| EBITDA from discontinued operations | 5 | 6 | (53) |
| Acquisition expenses | 5 | 5 | 3 |
| Gain on disposition of businesses/assets | (3) | (40) | – |
| Extraordinary (gain) loss on the acquisition of a business | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries | 4 | (12) | – |
| Restructuring, impairment and plant closing and transition costs (credits): | | | |
| Polyurethanes | 38 | – | – |
| Performance Products | – | – | 3 |
| Advanced Materials | 38 | 20 | (2) |
| Textile Effects | 26 | 135 | 15 |
| Pigments | 4 | 10 | 8 |
| Corporate and other | 3 | 2 | 5 |
| Total restructuring, impairment and plant closing and transition costs | 109 | 167 | 29 |
| **Adjusted EBITDA** | $ 1,396 | $ 1,214 | $ 885 |

**(2)** Adjusted net income is computed by eliminating the after-tax amounts related to the following from net income applicable to Huntsman Corporation or Huntsman International, as appropriate: (a) loss on early extinguishment of debt; (b) certain legal settlements and related expenses; (c) discount amortization on settlement financing; (d) loss (income) from discontinued operations; (e) acquisition expenses; (f) expenses associated with the Terminated Merger and related litigation (Huntsman Corporation only); (g) gain on disposition of businesses/assets; (h) extraordinary (gain) loss on the acquisition of a business; (i) loss (gain) on initial consolidation of subsidiaries; and (j) restructuring, impairment and plant closing and transition costs. The income tax impacts of each adjusting item is calculated using the statutory rates in the applicable taxing jurisdiction and considering valuation allowances on deferred tax assets in each jurisdiction. We do not adjust for changes in tax valuation allowances because we do not believe it provides more meaningful information than is provided under GAAP. Basic adjusted income per share excludes dilution and is computed by dividing adjusted net income by the weighted average number of shares outstanding during the period. Diluted 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 income per share amounts are presented solely as supplemental disclosures to net income applicable to Huntsman Corporation or Huntsman International, as appropriate, and income per share because we believe that these measures are indicative of our operating performance. Adjusted net income and adjusted income per share exclude items that may be recurring in nature and should not be disregarded in the evaluation of performance. However, we believe it is useful to exclude such items to provide a supplemental analysis of current results and trends compared to other periods for the following reasons: certain excluded items can vary significantly depending on specific underlying transactions or events, and the variability of such items may not relate specifically to current operating results or trends; and certain excluded items, while potentially recurring in future periods, may not be indicative of future results.

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For each of our Company and Huntsman International, the following tables set forth certain items of (income) expense included in adjusted net income (in millions).

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Net income attributable to Huntsman Corporation** | $ 363 | $ 247 | $ 27 |
| Loss on early extinguishment of debt, net of tax of $(29), $(3) and $(22) in 2012, 2011 and 2010, respectively | 51 | 4 | 161 |
| Certain legal settlements and related expenses, net of tax of $(4), $(17) and $(3) in 2012, 2011 and 2010, respectively | 7 | 29 | 5 |
| Discount amortization on settlement financing, net of tax of $(11), $(10) and $(10) in 2012, 2011 and 2010, respectively | 20 | 18 | 16 |
| Loss (income) from discontinued operations, net of tax of (3), $(5) and $10 in 2012, 2011 and 2010, respectively | 7 | 1 | (42) |
| Acquisition expenses, net of tax of $(1) in 2012, 2011 and 2010, each | 4 | 4 | 2 |
| Expenses associated with the Terminated Merger and related litigation, net of tax of nil, nil and $(1) in 2012, 2011 and 2010, respectively | – | – | 3 |
| Gain on disposition of businesses/assets, net of tax of nil, $3 and nil in 2012, 2011 and 2010, respectively | (3) | (37) | – |
| Extraordinary (gain) loss on the acquisition of a business, net of tax of nil for 2012, 2011 and 2010, each | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries, net of tax of nil, $2 and nil in 2012, 2011 and 2010, respectively | 4 | (10) | – |
| Restructuring, impairment and plant closing and transition costs, net of tax of $(18), $(11) and $(2) in 2012, 2011 and 2010, respectively | 91 | 156 | 27 |
| **Adjusted net income** | $ 542 | $ 408 | $ 200 |
| Weighted average shares-diluted | 240.6 | 241.7 | 241.0 |

**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Net income attributable to Huntsman International** | $365 | $253 | $180 |
| Loss on early extinguishment of debt, net of tax of $(29), $(3) and $(14) in 2012, 2011 and 2010, respectively | 51 | 4 | 23 |
| Certain legal settlements and related expenses, net of tax of $(4), $(17) and $(3) in 2012, 2011 and 2010, respectively | 7 | 29 | 5 |
| Discount amortization on settlement financing, net of tax of $(11), $(10) and $(10) in 2012, 2011 and 2010, respectively | 20 | 18 | 16 |
| Loss (income) from discontinued operations, net of tax of (3), $(5) and $10 in 2012, 2011 and 2010, respectively | 7 | 1 | (42) |
| Acquisition expenses, net of tax of $(1) in 2012, 2011 and 2010, each | 4 | 4 | 2 |
| Gain on disposition of businesses/assets, net of tax of nil, $3 and nil in 2012, 2011 and 2010, respectively | (3) | (37) | – |
| Extraordinary (gain) loss on the acquisition of a business, net of tax of nil for 2012, 2011 and 2010, each | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries, net of tax of nil, $2 and nil in 2012, 2011 and 2010, respectively | 4 | (10) | – |

| | | | |
|---|---|---|---|
| Restructuring, impairment and plant closing and transition costs, net of tax of $(18), $(11) and $(2) in 2012, 2011 and 2010, respectively | 91 | 156 | 27 |
| **Adjusted net income** | $544 | $414 | $212 |

**(3)** Capital expenditures, net of reimbursements, represent cash paid for capital expenditures less reimbursements of capital expenditures from insurance settlements, other legal settlements and contributions from noncontrolling shareholders in consolidated entities. During 2012, 2011 and 2010, capital expenditures of $412 million, $330 million and $236 million, respectively, were reimbursed in part by nil, $3 million and $34 million, respectively, from insurance settlement proceeds or other legal settlements.

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**Year Ended December 31, 2012 Compared with Year Ended December 31, 2011**

For the year ended December 31, 2012, net income attributable to Huntsman Corporation was $363 million on revenues of $11,187 million, compared with net income attributable to Huntsman Corporation of $247 million on revenues of $11,221 million for 2011. For the year ended December 31, 2012, net income attributable to Huntsman International was $365 million on revenues of $11,187 million, compared with net income attributable to Huntsman International of $253 million on revenues of $11,221 million for 2011. The increase of $116 million in net income attributable to Huntsman Corporation and the increase of $112 million in net income attributable to Huntsman International was the result of the following items:

Revenues for 2012 decreased by $34 million, or less than one percent, as compared with 2011. The decrease was due principally to lower average selling prices in our Performance Products and Advanced Materials segments and lower sales volumes in our Performance Products and Pigments segments, offset by higher average selling prices in our Polyurethanes and Pigments segments and higher sales volumes in our Polyurethanes, Advanced Materials and Textile Effects segments. See "−Segment Analysis" below.

Our gross profit and the gross profit of Huntsman International for 2012 increased by $194 million and $183 million, or 11% and 10%, respectively, as compared with 2011. The increase resulted from higher gross margins in our Polyurethanes and Textile Effects segments, offset in part by lower margins in our other segments. See "−Segment Analysis" below.

Our operating expenses and the operating expenses of Huntsman International for 2012 increased by $30 million and $18 million, or 3% and 2%, respectively, as compared with 2011. Increases in operating expenses in 2012 were primarily due to a $4 million loss recognized in 2012 in connection with the Russian Systems House Acquisition, a $34 million gain recognized in 2011 on the sale of our Stereolithography resin and Digitalis® machine manufacturing businesses and a $12 million gain on the consolidation of our Sasol-Huntsman joint venture recognized in 2011, offset in part by decreases in operating expenses primarily due to the impact of translating foreign currency amounts to the U.S. dollar and a $35 million decrease in costs related to legal claims in 2012.

Restructuring, impairment and plant closing costs for 2012 decreased to $92 million from $167 million in 2011. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Our net interest expense and the net interest expense of Huntsman International for 2012 decreased by $23 million and $24 million, respectively, or 9% each, as compared with 2011. The decrease is due principally to lower average debt balances.

Our loss on early extinguishment of debt for 2012 increased to $80 million from $7 million in 2011 as a result of higher net repayments of indebtedness in 2012 as compared to 2011. In 2012, we recorded a loss on early extinguishment of debt of $78 million primarily from the repurchase of a portion of our 5.50% senior notes due 2016 ("2016 Senior Notes"). For more information, see "Note 14. Debt−Direct and Subsidiary Debt−Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements.

Our income tax expense increased by $60 million to an expense of $169 million for 2012 as compared with an expense of $109 million for 2011. Huntsman International's income tax expense increased by $66 million to an expense of $179 million for 2012 as compared with an expense of $113 million for 2011. Our and Huntsman International's tax obligations are affected by the mix of income and losses in the tax jurisdictions in which we operate. Our and Huntsman International's increase in tax expense was due primarily to higher pre-tax earnings. For more information concerning income taxes, see "Note 18. Income Taxes" to our consolidated financial statements.

Our loss from discontinued operations for 2012 increased to $7 million from $1 million in 2011. For more information, see "Note 25. Discontinued Operations" to our consolidated financial statements.

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**Segment Analysis**

**Year Ended December 31, 2012 Compared to Year Ended December 31, 2011**

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Percent Change Favorable (Unfavorable) |
|---|---|---|---|
| **Revenues** | | | |
| Polyurethanes | $ 4,894 | $ 4,434 | 10% |
| Performance Products | 3,065 | 3,301 | (7)% |
| Advanced Materials | 1,325 | 1,372 | (3)% |
| Textile Effects | 752 | 737 | 2% |
| Pigments | 1,436 | 1,642 | (13)% |
| Eliminations | (285) | (265) | (8)% |
| Total | $ 11,187 | $ 11,221 | – |
| **Huntsman Corporation** | | | |
| **Segment EBITDA** | | | |
| Polyurethanes | $ 726 | $ 469 | 55% |
| Performance Products | 360 | 385 | (6)% |
| Advanced Materials | 54 | 125 | (57)% |
| Textile Effects | (49) | (199) | 75% |
| Pigments | 352 | 501 | (30)% |
| Corporate and other | (251) | (236) | (6)% |
| Subtotal | 1,192 | 1,045 | 14% |
| Discontinued Operations | (5) | (6) | 17% |
| Total | $ 1,187 | $ 1,039 | 14% |
| **Huntsman International** | | | |
| **Segment EBITDA** | | | |
| Polyurethanes | $ 726 | $ 469 | 55% |
| Performance Products | 360 | 385 | (6)% |
| Advanced Materials | 54 | 125 | (57)% |
| Textile Effects | (49) | (199) | 75% |
| Pigments | 352 | 501 | (30)% |
| Corporate and other | (251) | (236) | (6)% |
| Subtotal | 1,192 | 1,045 | 14% |
| Discontinued Operations | (5) | (6) | 17% |
| Total | $ 1,187 | $ 1,039 | 14% |

| | Year ended December 31, 2012 vs. 2011 | | | |
|---|---|---|---|---|
| | Average Selling Price(1) | | | |
| | Local Currency | Foreign Currency Translation Impact | Mix & Other | Sales Volumes(1) |
| **Period-Over-Period Increase (Decrease)** | | | | |
| Polyurethanes | 4% | (2)% | − | 8% |
| Performance Products | (3)% | (3)% | 2% | (3)% |
| Advanced Materials | (6)% | (4)% | − | 7% |
| Textile Effects | − | (4)% | (1)% | 7% |
| Pigments | 14% | (5)% | − | (22)% |
| Total Company | 2% | (3)% | 1% | − |

| | Fourth Quarter 2012 vs. Third Quarter 2012 | | | |
|---|---|---|---|---|
| | Average Selling Price(1) | | | |
| | Local Currency | Foreign Currency Translation Impact | Mix & Other | Sales Volumes(1) |
| **Period-Over-Period Increase (Decrease)** | | | | |
| Polyurethanes | (2)% | 1% | (2)% | (1)% |
| Performance Products | 2% | 1% | 1% | (8)% |
| Advanced Materials | 1% | 2% | 1% | (9)% |
| Textile Effects | (3)% | 1% | 3% | 3% |
| Pigments | (10)% | 1% | 1% | (2)% |
| Total Company | (2)% | 1% | − | (3)% |

**(1)** Excludes revenues and sales volumes primarily from tolling arrangements and the sale of byproducts and raw materials.

NM−Not Meaningful

***Polyurethanes***

The increase in revenues in our Polyurethanes segment for 2012 compared to 2011 was due to higher sales volumes and higher average selling prices, partially offset by the strength of the U.S. dollar against the euro. MDI sales volumes increased as a result of improved demand in all regions and across most major markets. PO/MTBE sales volumes increased due to strong demand. MDI average selling prices increased in all regions, partially offset by the strength of the U.S. dollar against the euro. PO/MTBE average selling prices increased primarily due to favorable market conditions. The increase in segment EBITDA was primarily due to higher margins and higher sales volumes, partially offset by higher restructuring, impairment and plant closing costs. During 2012 and 2011, our Polyurethanes segment recorded restructuring, impairment and plant closing costs of $38 million and nil, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

***Performance Products***

The decrease in revenues in our Performance Products segment for 2012 compared to 2011 was primarily due to lower average selling prices and lower sales volumes. Average selling prices decreased across almost all businesses primarily in response to lower raw material costs and the strength of the U.S. dollar against major international currencies. Sales volumes decreased primarily due to a shift to tolling arrangements. The decrease in segment EBITDA was primarily due to lower sales volumes and higher operating expenses. In addition, in 2011 we recorded a gain of $12 million in connection with the consolidation of our Sasol-Huntsman joint venture.

***Advanced Materials***

The decrease in revenues in our Advanced Materials segment for 2012 compared to 2011 was primarily due to lower average selling prices, partially offset by higher sales volumes. Average selling prices decreased in all regions and across most markets in response to competitive market pressure, lower raw material costs in most regions and the strength of the U.S. dollar against major international currencies. Sales volumes increased across most regions, primarily due to stronger global demand in our base resins business, while sales volumes in the Asia-Pacific region decreased due to lower demand in the wind energy, electrical engineering and electronics markets. The decrease in segment EBITDA was primarily due to higher restructuring and impairment costs and lower margins due in part to the change in sales mix from increased base resin sales volumes, partially offset by lower selling, general and administrative costs as a result of recent restructuring efforts. During 2012 and 2011, our Advanced Materials segment recorded restructuring, impairment and plant closing costs of $38 million and $20 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

***Textile Effects***

The increase in revenues in our Textile Effects segment for 2012 compared to 2011 was primarily due to higher sales volumes, partially offset by the strength of the U.S. dollar against major international currencies. Sales volumes increased due to increased market share in key markets. The increase in segment EBITDA was primarily due to lower restructuring, impairment and plant closing and transition costs and lower manufacturing and selling, general and administrative costs as a result of recent restructuring efforts, partially offset by lower margins. During 2012 and 2011, our Textile Effects segment recorded restructuring, impairment and plant closing costs of $9 million and $135 million, respectively, and expenses for the transition of production from Basel, Switzerland to a tolling facility of $17 million and nil, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

***Pigments***

The decrease in revenues in our Pigments segment for 2012 compared to 2011 was due to lower sales volumes, partially offset by higher average selling prices. Sales volumes decreased primarily due to lower global demand. Average selling prices increased in all regions of the world primarily in response to higher raw material costs, partially offset by the strength of the U.S. dollar against major international currencies. The decrease in segment EBITDA was primarily due to lower margins and lower sales volumes. During 2012 and 2011, our Pigments segment recorded restructuring, impairment and plant closing costs of $4 million and $10 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

***Corporate and other***

Corporate and other includes unallocated corporate overhead, unallocated foreign exchange gains and losses, last-in first-out ("LIFO") inventory valuation reserve adjustments, loss on early extinguishment of debt, unallocated restructuring, impairment and plant closing costs, nonoperating income and expense, benzene sales and gains and losses on the disposition of corporate assets. For 2012, EBITDA from Corporate and other decreased by $15 million to a loss of $251 million from a loss of $236 million for 2011. The decrease in EBITDA from Corporate and other was primarily the result of an increase in loss on early extinguishment of debt of $73 million ($80 million of loss in 2012 compared to $7 million of loss in 2011). For more information regarding the loss on early extinguishment of debt, see "Note 14. Debt−Direct and Subsidiary Debt−Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements. The decrease was also due to higher incentive compensation costs of $19 million and a decrease in unallocated foreign exchange gains of $9 million ($2 million gain in 2012 compared to $11 million gain in 2011). The decrease in EBITDA was partially offset by a decrease in legal settlements of $39 million ($1 million in 2012 compared to $40 million in 2011), an increase in LIFO inventory valuation income of $35 million ($14 million of income in 2012 compared to $21 million of expense in 2011) and an increase of $15 million in income from benzene sales ($10 million of income in 2012 compared to $5 million of loss in 2011).

***Discontinued Operations***

The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded from revenues for all periods presented. The EBITDA of these former businesses are included in discontinued operations for all periods presented. The loss from discontinued operations represents the operating results, legal costs, restructuring, impairment and plant closing costs and gain (loss) on disposal with respect to our former businesses. The decrease in loss from discontinued operations, net of tax, resulted primarily from higher legal costs in 2011. See "Note 25. Discontinued Operations" to our consolidated financial statements.

**Year Ended December 31, 2011 Compared with Year Ended December 31, 2010**

For year ended December 31, 2011, the net income attributable to Huntsman Corporation was $247 million on revenues of $11,221 million, compared with net income attributable to Huntsman Corporation of $27 million on revenues of $9,250 million for 2010. For the year ended December 31, 2011, the net income attributable to Huntsman International was $253 million on revenues of $11,221 million, compared with net income attributable to Huntsman International of $180 million on revenues of $9,250 million for 2010. The increase of $220 million in net income attributable to Huntsman Corporation and the increase of $73 million in net income attributable to Huntsman International was the result of the following items:

Revenues for 2011 increased by $1,971 million, or 21%, as compared with 2010. The increase was due principally to higher average selling prices in all of our segments and higher sales volumes in all of our segments except Advanced Materials, Textile Effects and Pigments. See "−Segment Analysis" below.

Our gross profit and the gross profit of Huntsman International for 2011 increased by $379 million and $380 million, respectively, or 26% each, as compared with 2010. The increase resulted from higher gross margins in all of our segments except Advanced Materials and Textile Effects. See "−Segment Analysis" below.

Our operating expenses and the operating expenses of Huntsman International for 2011 increased by $45 million and $56 million, or 4% and 6%, respectively, as compared with 2010. Operating expenses increased by $50 million in 2011 due to the impact of translating foreign currency amounts to the U.S. dollar and by $46 million due to higher expenses related to legal settlements, partially offset by a $12 million gain recorded upon consolidation of our Sasol-Huntsman joint venture and a $34 million gain recorded on the sale of our stereolithography resin and Digitalis® machine manufacturing businesses. For more information on legal settlements, see "Note 19. Commitments and Contingencies−Legal Matters" to our consolidated financial statements. For more information on the consolidation of our

Sasol-Huntsman joint venture, see "Note 7. Variable Interest Entities" to our consolidated financial statements. For more information on the sale of our stereolithography resin and Digitalis® machine manufacturing businesses, see "Note 3. Business Combinations and Dispositions" to our consolidated financial statements.

Restructuring, impairment and plant closing costs for 2011 increased to $167 million from $29 million in 2010. For more information, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

Our net interest expense and the net interest expense of Huntsman International for 2011 increased by $20 million and $14 million, respectively, or 9% and 6%, respectively, as compared with 2010. In 2010, we benefited from a $12 million reduction in interest expense related to the ineffective portion of a cross currency swap, and interest expense in 2011 is also higher due to the consolidation of our Sasol-Huntsman and Arabian Amines Company joint ventures. For more information, see "Note 7. Variable Interest Entities" to our consolidated financial statements.

Equity in income of investment in unconsolidated affiliates for 2011 decreased to $8 million from $24 million in 2010. During 2010, we recorded a nonrecurring $18 million credit to equity income of investment in unconsolidated affiliates to appropriately reflect our investment in Sasol-Huntsman. For more information, see "Note 6. Investment in Unconsolidated Affiliates" to our consolidated financial statements.

Our loss on early extinguishment of debt for 2011 decreased to $7 million from $183 million in 2010 as a result of higher net repayments of indebtedness in 2010 as compared to 2011. In 2010, we recorded a loss on early extinguishment of debt from the repurchase of our 7% convertible notes due 2018 (Huntsman Corporation only) for $146 million. For more information see "Note 14. Debt" to our consolidated financial statements.

Expenses associated with the Terminated Merger and related litigation for 2010 consisted primarily of $3 million of bonuses paid to certain members of the Board of Directors, upon the recommendation of an independent committee of the Board of Directors, for their efforts in connection with the litigation with Hexion and Apollo following the Terminated Merger.

Our income tax expense increased by $80 million to an expense of $109 million for 2011 as compared with an expense of $29 million for 2010. Huntsman International's income tax expense increased by $73 million to an expense of $113 million for 2011, as compared with an expense of $40 million for 2010. Our and Huntsman International's tax obligations are affected by the mix of income and losses in the tax jurisdictions in which we operate. Other than pre-tax earnings, our and Huntsman International's income tax expense for 2011 as compared with 2010 was primarily impacted by the following: 2011 tax benefits associated with the net release of valuation allowances of $22 million as compared to 2010 releases of valuation allowances of $20 million; 2011 tax benefits of $1 million compared to the 2010 tax benefits of $4 million related to recognizing a tax benefit for operating losses in certain jurisdictions with valuation allowances and current other comprehensive income. For more information, see "Note 18. Income Taxes" to our consolidated financial statements.

Loss from discontinued operations, net of tax, for 2011 was $1 million compared to income from discontinued operations of $42 million in 2010. The decrease in income from discontinued operations resulted principally from a

$110 million pretax gain recognized in the second quarter of 2010 in connection with the final settlement of our insurance claims related to the 2006 fire at our former Port Arthur, Texas plant, offset in part by related income taxes, legal and other costs. For more information, see "Note 25. Discontinued Operations" to our consolidated financial statements.

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During 2010, we recorded an extraordinary loss on the acquisition of a business, net of tax, of $1 million resulting from the settlement of contingent purchase price consideration related to our 2006 acquisition of Ciba's textile effects business (the "Textile Effects Acquisition"), offset in part by the reimbursement by Ciba of certain costs pursuant to the acquisition agreements. The extraordinary gain in 2011 relates primarily to reimbursement by Ciba of certain costs pursuant to the acquisition agreements. For more information, see "Note 3. Business Combinations and Dispositions−Textile Effects Acquisition" to our consolidated financial statements.

**Segment Analysis**

**Year Ended December 31, 2011 Compared to Year Ended December 31, 2010**

| | Year ended December 31, | | Percent Change Favorable |
|---|---|---|---|
| | 2011 | 2010 | (Unfavorable) |
| **Revenues** | | | |
| Polyurethanes | $ 4,434 | $ 3,605 | 23% |
| Performance Products | 3,301 | 2,659 | 24% |
| Advanced Materials | 1,372 | 1,244 | 10% |
| Textile Effects | 737 | 787 | (6)% |
| Pigments | 1,642 | 1,213 | 35% |
| Eliminations | (265) | (258) | (3)% |
| Total | $ 11,221 | $ 9,250 | 21% |
| **Huntsman Corporation** | | | |
| **Segment EBITDA** | | | |
| Polyurethanes | $ 469 | $ 319 | 47% |
| Performance Products | 385 | 363 | 6% |
| Advanced Materials | 125 | 143 | (13)% |
| Textile Effects | (199) | 1 | NM |
| Pigments | 501 | 205 | 144% |
| Corporate and other | (236) | (384) | 39% |
| Subtotal | 1,045 | 647 | 62% |
| Discontinued Operations | (6) | 53 | NM |
| Total | $ 1,039 | $ 700 | 48% |
| **Huntsman International** | | | |
| **Segment EBITDA** | | | |
| Polyurethanes | $ 469 | $ 319 | 47% |
| Performance Products | 385 | 363 | 6% |
| Advanced Materials | 125 | 143 | (13)% |
| Textile Effects | (199) | 1 | NM |
| Pigments | 501 | 205 | 144% |
| Corporate and other | (236) | (224) | (5)% |
| Subtotal | 1,045 | 807 | 29% |
| Discontinued Operations | (6) | 53 | NM |
| Total | $ 1,039 | $ 860 | 21% |

| | Year ended December 31, 2011 vs. 2010 | | | |
|---|---|---|---|---|
| | Average Selling Price(1) | | | |
| | Local Currency | Foreign Currency Translation Impact | Mix & Other | Sales Volumes(1) |
| **Period-Over-Period Increase (Decrease)** | | | | |
| Polyurethanes | 16% | 2% | (3)% | 8% |
| Performance Products | 20% | 2% | (1)% | 3% |
| Advanced Materials | 7% | 3% | − | − |
| Textile Effects | − | 3% | − | (9)% |
| Pigments | 34% | 4% | (1)% | (2)% |
| Total Company | 16% | 3% | 3% | 5% |

**(1)** Excludes revenues and sales volumes primarily from tolling arrangements and the sale of byproducts and raw materials.

NM−Not Meaningful

***Polyurethanes***

The increase in revenues in our Polyurethanes segment for 2011 compared to 2010 was primarily due to higher average selling prices and higher sales volumes. MDI average selling prices increased primarily in response to higher raw material costs, improved demand and the strength of major European currencies against the U.S. dollar. PO/MTBE average selling prices increased primarily in response to higher raw material costs and industry supply constraints in the first half of 2011. MDI sales volumes increased primarily in response to improved demand in the insulation, automotive and composite wood panels sectors. PO/MTBE sales volumes increased compared to 2010 primarily due to a planned maintenance outage at our Port Neches, Texas facility during 2010. The increase in segment EBITDA was primarily due to higher sales volumes and margins, partially offset by higher manufacturing and selling, general and administrative costs. Segment EBITDA in 2010 was also negatively impacted by an estimated $40 million as a result of the planned maintenance outage at our Port Neches, Texas facility.

***Performance Products***

The increase in revenues in our Performance Products segment for 2011 compared to 2010 was primarily due to higher average selling prices and higher sales volumes. Average selling prices increased across all product groups principally in response to higher raw material costs and the strength of major European currencies against the U.S. dollar. Sales volumes increased mainly due to higher demand for ethyleneamines and EG, offset by lower sales of other amines and European surfactants. In addition, sales volumes increased as a result of our consolidation of the Sasol-Huntsman joint venture and our acquisition of the chemical business of Laffans Petrochemicals Limited (the "Laffans Acquisition"), both in April 2011. The increase in segment EBITDA was primarily due to higher sales volumes and higher margins as selling prices increased faster than raw material prices, partially offset by increased fixed costs. In addition, in 2011, we recorded a gain of $12 million in connection with the consolidation of the Sasol-Huntsman joint venture, and in 2010, we recorded a nonrecurring $18 million credit to appropriately reflect our investment in the Sasol-Huntsman joint venture.

***Advanced Materials***

The increase in revenues in our Advanced Materials segment for 2011 compared to 2010 was primarily due to higher average selling prices partially offset by lower sales volumes. Average selling prices increased in all regions and across the entire product portfolio in response to higher raw material costs and the strength of major European currencies against the U.S. dollar. Sales volumes decreased in the Asia-Pacific region, primarily as a result of lower demand in the wind energy market, as well as in Europe and the Americas, while sales volumes increased in India. The decrease in segment EBITDA was primarily due to lower margins, the impact of stronger major European currencies against the U.S. dollar, higher manufacturing and selling, general and administrative costs and higher restructuring, impairment and plant closing costs. During 2011 and 2010, our Advanced Materials segment recorded restructuring, impairment and plant closing charges (credits) of $20 million and $(2) million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

***Textile Effects***

The decrease in revenues in our Textile Effects segment for 2011 compared to 2010 was due to lower sales volumes, partially offset by higher average selling prices. Sales volumes decreased due to weak retail demand and customer manufacturing constraints. Average selling prices increased primarily from the strength of major international currencies against the U.S. dollar. The decrease in segment EBITDA was primarily due to higher restructuring, impairment and plant closing costs, lower sales volumes and the negative foreign currency impact of a stronger Swiss franc against the U.S. dollar on our manufacturing and selling, general and administrative costs. During 2011 and 2010, our Textile Effects segment recorded restructuring, impairment and plant closing charges of $135 and $15 million, respectively. For more information concerning restructuring activities, see "Note 11. Restructuring, Impairment and Plant Closing Costs" to our consolidated financial statements.

***Pigments***

The increase in revenues in our Pigments segment for 2011 compared to 2010 was due to higher average selling prices partially offset by lower sales volumes. Average selling prices increased in all regions of the world driven principally by higher raw materials costs and stronger overall market demand during the first half of 2011. Sales volumes decreased primarily due to decreased global demand in the last quarter of 2011, particularly in the Asia-Pacific, Africa, Middle East and Latin America regions. The increase in segment EBITDA was primarily due to higher margins, partially offset by higher manufacturing and selling, general and administrative costs.

***Corporate and other−Huntsman Corporation***

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 and nonoperating income and expense. For 2011, EBITDA from Corporate and other increased by $148 million to a loss of $236 million from a loss of $384 million for 2010. The increase in EBITDA from Corporate and other for 2011 resulted primarily from a decrease in loss on early extinguishment of debt of $176 million ($7 million of losses in 2011 compared to $183 million of losses in 2010), an increase in treasury gains of $7 million ($11 million in gains in 2011 compared to $4 million in gains in 2010), a decrease in restructuring costs of $3 million ($2 million in losses in 2011 compared to $5 million in losses in 2010), a decrease in merger-related expenses of $4 million and an increase in the extraordinary gain on the Textile Effects Acquisition of $5 million ($4 million gain in 2011 compared to $1 million loss in 2010), and was partially offset by a $32 million increase in Legal Settlements ($40 million loss in 2011 compared to $8 million loss in 2010), a $4 million increase in LIFO inventory valuation expense ($22 million of expense in 2011 compared to $18 million of expense in 2010) and a $5 million loss during 2011 in benzene purchases, raw material purchased to supply our Polyurethanes and Performance Products businesses. For more information regarding the loss on early extinguishment of debt, see "Note 14.

Debt−Direct and Subsidiary Debt−Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements. For more information regarding the extraordinary gain associated with the Textile Effects Acquisition, see "Note 3. Business Combinations and Dispositions−Textile Effects Acquisition" to our consolidated financial statements.

***Corporate and other−Huntsman International***

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 and gains and losses on the disposition of corporate assets. For 2011, EBITDA from Corporate and other decreased by $12 million to a loss of $236 million from a loss of $224 million for 2010. The decrease in EBITDA from Corporate and other for 2011 resulted primarily from a $32 million increase in Legal Settlements ($40 million loss in 2011 compared to $8 million loss in 2010), a $4 million increase in LIFO inventory valuation expense ($22 million of expense in 2011 compared to $18 million of expense in 2010), a $5 million loss during 2011 in benzene purchases, raw material purchased to supply our Polyurethanes and Performance Products businesses, and a $10 million decrease in operating income due to the sale of corporate assets to Huntsman Corporation in 2010, and was partially offset by a decrease in loss on early extinguishment of debt of $30 million ($7 million of losses in 2011 compared to $37 million of losses in 2010), an increase in treasury gains of $7 million ($11 million in gains in 2011 compared to $4 million in gains in 2010), a decrease in restructuring costs of $3 million ($2 million in losses in 2011 compared to $5 million in losses in 2010) and an increase in the extraordinary gain on the Textile Effects Acquisition of $5 million ($4 million gain in 2011 compared to $1 million loss in 2010). For more information regarding the loss on early extinguishment of debt, see "Note 14. Debt−Direct and Subsidiary Debt−Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements. For more information regarding extraordinary gain associated with the Textile Effects Acquisition, see "Note 3. Business Combinations and Dispositions−Textile Effects Acquisition" to our consolidated financial statements.

***Discontinued Operations***

The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded from revenues for all periods presented. The EBITDA of these former businesses are included in discontinued operations for all periods presented. The income (loss) from discontinued operations represents the operating results, legal costs, partial fire insurance settlement gains and related litigation costs, and restructuring, impairment and plant closing costs and gain (loss) on disposal with respect to our former businesses. During 2010, we recognized a $110 million pretax gain in connection with the final settlement of our insurance claims related to the 2006 fire at our former Port Arthur, Texas plant, offset in part by related income taxes, legal and other costs. For more information, see "Note 25. Discontinued Operations" to our consolidated financial statements.

**Liquidity and Capital Resources**

The following is a discussion of our liquidity and capital resources and generally does not include separate information with respect to Huntsman International in accordance with General Instruction I of Form 10-K.

**Cash Flows for Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011**

Net cash provided by operating activities for 2012 and 2011 was $774 million and $365 million, respectively. The increase in net cash provided by operating activities during 2012 compared to 2011 was primarily attributable to an increase in operating income as described in "−Results of Operations" above and to a $179 million favorable variance in operating assets and liabilities for 2012 as compared with 2011.

Net cash used in investing activities for 2012 and 2011 was $471 million and $280 million, respectively. During 2012 and 2011, we paid $412 million and $327 million, respectively, for capital expenditures, net of reimbursements. During 2012, we paid €13 million (approximately $16 million) for the Russian Systems House Acquisition. During 2011, we paid $34 million, net of cash acquired, for the Laffans Acquisition and the acquisition of an MDI-based polyurethanes systems house in Istanbul, Turkey. On April 1, 2011, we began consolidating our Sasol-Huntsman joint venture and assumed its cash balance of $28 million. During 2011, we sold businesses and assets for $48 million, including the sale of our former stereolithography resin and Digitalis® machine manufacturing businesses for $41 million. During 2012 and 2011, we made investments in Louisiana Pigments Company, L.P. of $100 million and $26 million, respectively, and received dividends from our unconsolidated joint ventures, Louisiana Pigments Company, L.P. and BASF Huntsman Shanghai Isocyanate Investment B.V., of $82 million and $32 million, respectively. Additionally during 2012, we made investments in our Nanjing Jinling joint venture and our cost method investment in White Mountain Titanium Corporation of $24 million and $3 million, respectively.

Net cash used in financing activities for 2012 and 2011 was $473 million and $490 million, respectively. The decrease in net cash used in financing activities was primarily due to the repurchase of $50 million of common stock in 2011, offset in part by higher net repayments of debt in 2012 as compared to 2011.

During 2012, we issued $400 million aggregate principal amount of 4.875% senior notes due 2020 ("2020 Senior Notes") and used the net proceeds to redeem a portion of our 2016 Senior Notes. Additionally, during 2012 we repaid $139 million on our senior secured credit facilities. For more information, see "Note 14. Debt" to our consolidated financial statements.

**Cash Flows for Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010**

Net cash provided by (used in) operating activities for 2011 and 2010 was $365 million and $(58) million, respectively. The increase in cash provided by operating activities during 2011 compared to 2010 was primarily attributable to an increase in operating income as described in "−Results of Operations" above and a $420 million favorable variance in operating assets and liabilities for 2011 as compared with 2010. Upon the adoption of new accounting guidance on January 1, 2010, sales of accounts receivable under our accounts receivable programs (our "A/R Programs") no longer meet the criteria for derecognition and off-balance sheet treatment. Accordingly, the amounts outstanding under our A/R Programs are accounted for as secured borrowings and were included on our balance sheet. As a result of the adoption of this new guidance, accounts receivable increased by $254 million and a corresponding increase in cash used in operating activities was reflected in the statement of cash flows for 2010.

Net cash used in investing activities for 2011 and 2010 was $280 million and $182 million, respectively. During 2011 and 2010, we paid $327 million and $202 million, respectively, for capital expenditures, net of reimbursements. During 2011, we paid $34 million, net of cash acquired, for the Laffans Acquisition and the acquisition of an MDI-based polyurethanes systems house in Istanbul, Turkey. On April 1, 2011, we began consolidating the Sasol-Huntsman joint venture and assumed its cash balance of $28 million. During 2011, we sold businesses and assets for $48 million, including the sale of our former stereolithography resin and Digitalis® machine manufacturing businesses for

$41 million. During 2011, we received $32 million of dividends from our unconsolidated joint ventures, Louisiana Pigment Company, L.P. and BASF Huntsman Shanghai Isocyanate Investment B.V., and made investments in Louisiana Pigment Company, L.P. of $26 million. During 2010, we received proceeds of $110 million from the settlement of our insurance claims related to the 2006 fire at our former Port Arthur, Texas facility, $34 million of which was reflected in the statement of cash flows as investing activities.

Net cash used in financing activities for 2011 and 2010 was $490 million and $543 million, respectively. This decrease in net cash used in financing activities was primarily due to higher net repayments of debt in 2010 as compared to 2011 and a $154 million reduction in call premiums paid related to early extinguishment of debt in 2010, offset in part by the repurchase of $50 million of common stock in 2011 and by the on-balance sheet treatment of our A/R Programs in 2010. For more information regarding the call premiums paid, see "Note 14. Debt−Direct and Subsidiary Debt−Redemption of Notes and Loss on Early Extinguishment of Debt" to our consolidated financial statements. For more information regarding the repurchase of common stock, see "Note 21. Huntsman Corporation Stockholders' Equity−Share Repurchase Program" to our consolidated financial statements.

**Changes in Financial Condition**

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

| | December 31, 2012 | Less: the Russian Systems House Acquisition(1) | Subtotal | December 31, 2011 | (Decrease) Increase | Percent Change |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ 387 | $ − | $ 387 | $ 554 | $ (167) | (30)% |
| Restricted cash | 9 | − | 9 | 8 | 1 | 13% |
| Accounts receivable, net | 1,583 | (2) | 1,581 | 1,534 | 47 | 3% |
| Inventories | 1,819 | (9) | 1,810 | 1,539 | 271 | 18% |
| Prepaid expenses | 48 | − | 48 | 46 | 2 | 4% |
| Deferred income taxes | 51 | − | 51 | 20 | 31 | 155% |
| Other current assets | 222 | (1) | 221 | 245 | (24) | (10)% |
| Total current assets | 4,119 | (12) | 4,107 | 3,946 | 161 | 4% |
| Accounts payable | 1,150 | (4) | 1,146 | 912 | 234 | 26% |
| Accrued liabilities | 705 | (1) | 704 | 695 | 9 | 1% |
| Deferred income taxes | 38 | (2) | 36 | 7 | 29 | 414% |
| Current portion of debt | 288 | − | 288 | 212 | 76 | 36% |
| Total current liabilities | 2,181 | (7) | 2,174 | 1,826 | 348 | 19% |
| Working capital | $ 1,938 | $ (5) | $ 1,933 | $ 2,120 | $ (187) | (9)% |

**(1)** Represents opening balance sheet amounts related to the Russian Systems House Acquisition.

Excluding the effects of the Russian Systems House Acquisition, our working capital decreased by $187 million as a result of the net impact of the following significant changes:

The decrease in cash and cash equivalents of $167 million resulted from the matters identified in the consolidated statements of cash flows.

Accounts receivable, net increased by $47 million mainly due to higher sales prices and volumes, offset in part by the impact of foreign currency translation.

Inventories increased by $271 million mainly due to higher inventory levels to support increased customer demand and in anticipation of maintenance outages planned for the first half of 2013.

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The increase in accounts payable of $234 million was primarily due to higher inventory.

Current portion of debt increased by $76 million due primarily to the classification of $180 million of Arabian Amines Company debt as current, offset in part by the repayment of outstanding indebtedness, a portion of which was classified as current as of December 31, 2011. See "Note 14. Debt−Direct and Subsidiary Debt−Other Debt" to our consolidated financial statements.

**Direct and Subsidiary Debt**

Huntsman Corporation's 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); Huntsman Corporation is not a guarantor of such subsidiary debt.

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

***Senior Credit Facilities***

As of December 31, 2012, our senior secured credit facilities ("Senior Credit Facilities") consisted of our revolving facility ("Revolving Facility"), our term loan B facility ("Term Loan B"), our extended term loan B facility ("Extended Term Loan B"), our extended term loan B facility−series 2 ("Extended Term Loan B−Series 2"), and our term loan C facility ("Term Loan C") as follows (dollars in millions):

| Facility | Committed Amount | Principal Outstanding | Carrying Value | Interest Rate(2) | Maturity |
|---|---|---|---|---|---|
| Revolving Facility | $400 | $ −(1) | $ −(1) | USD LIBOR plus 2.50% | 2017(3) |
| Term Loan B | NA | 193 | 193 | USD LIBOR plus 1.50% | 2014 |
| Extended Term Loan B | NA | 637 | 637 | USD LIBOR plus 2.50% | 2017(3) |
| Extended Term Loan B−Series 2 | NA | 342 | 342 | USD LIBOR plus 2.75% | 2017(3) |
| Term Loan C | NA | 419 | 393 | USD LIBOR plus 2.25% | 2016 |

**(1)** We had no borrowings outstanding under our Revolving Facility; we had approximately $19 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 Senior Credit Facilities is subject to certain secured leverage ratio thresholds. As of December 31, 2012, the weighted average interest rate on our outstanding balances under the Senior Credit Facilities was approximately 3.0%.

**(3)** The maturity of the Revolving Facility commitments will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to repay our 2016 Senior Notes, Term Loan B due April 19, 2014 and Term Loan C due June 30, 2016. The maturity of Extended Term Loan B and Extended Term Loan B−Series 2 will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to refinance or repay our 2016 Senior Notes that remain outstanding during the three months prior to the maturity date of such notes.

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

During the year ended December 31, 2012, we made the following payments on our Senior Credit Facilities:

On October 31, 2012, we prepaid $50 million on our Term Loan B.

On September 24, 2012, we prepaid $58 million on our Term Loan B.

On September 7, 2012, we prepaid $3 million on our Term Loan B, $6 million on our Extended Term Loan B, $4 million on our Extended Term Loan B−Series 2 and $4 million on our Term Loan C.

On April 2, 2012, we paid the annual scheduled repayment of $3 million on our Term Loan B, $7 million on our Extended Term Loan B and $4 million on our Term Loan C.

In connection with these debt repayments, we recognized a loss on early extinguishment of debt of approximately $2 million during the year ended December 31, 2012.

***Amendment to Credit Agreement***

On March 6, 2012, Huntsman International entered into a seventh amendment to the Senior Credit Facilities. Among other things, the amendment:

extended the stated termination date of the Revolving Facility commitments from March 9, 2014 to March 20, 2017;

reduced the applicable interest rate margin on the Revolving Facility commitments by 0.50%;

set the undrawn commitment fee on the Revolving Facility at 0.50%;

increased the capacity for the Revolving Facility commitments from $300 million to $400 million;

extended the stated maturity date of $346 million aggregate principal amount of Term Loan B from April 19, 2014 to April 19, 2017 (now referred to as Extended Term Loan B−Series 2);

increased the interest rate margin with respect to Extended Term Loan B−Series 2 to LIBOR plus 3.00% (the interest rate margin is subject to a leverage-based step-down, which has been achieved based upon our recent results); and

set the amortization on the Extended Term Loan B−Series 2 at 1% of the principal amount.

On March 7, 2011, Huntsman International entered into a sixth amendment to its credit agreement. The amendment, among other things, extended $650 million of aggregate principal of Term Loan B to a stated maturity of April 2017 (now referred to as Extended Term Loan B) and increased the interest rate on the Extended Term Loan B to LIBOR plus 2.50%.

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***A/R Programs***

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

**December 31, 2012**

| Facility | Maturity | Maximum Funding Availability(1) | Amount Outstanding | Interest Rate(2)(3) |
|---|---|---|---|---|
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $297) | €114 (approximately $151) | Applicable Rate plus 2.0% |

**December 31, 2011**

| Facility | Maturity | Maximum Funding Availability(1) | Amount Outstanding | Interest Rate(2)(3) |
|---|---|---|---|---|
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $291) | €114 (approximately $147) | Applicable Rate plus 2.0% |

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

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

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

**(4)** As of December 31, 2012, we had approximately $5 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program ("U.S. A/R Program").

As of December 31, 2012 and December 31, 2011, $520 million and $633 million, respectively, of accounts receivable were pledged as collateral under the A/R Programs.

On April 15, 2011, Huntsman International entered into an amendment to the EU A/R Program. This amendment, among other things, extended the scheduled commitment termination date of the program to April 2014, added an additional lender to the program and reduced the applicable margin on borrowings to 2.0%.

On April 18, 2011, Huntsman International entered into an amendment to the U.S. A/R Program. This amendment, among other things, extended the scheduled commitment termination date of the program to April 2014, added an additional lender to the program and reduced the applicable margin on borrowings to a range of 1.50% to 1.65%.

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***Notes***

As of December 31, 2012, we had outstanding the following notes (monetary amounts in millions):

| Notes | Maturity | Interest Rate | Amount Outstanding |
|---|---|---|---|
| 2016 Senior Notes | June 2016 | 5.50%(1) | $200 ($168 carrying value) |
| 2020 Senior Notes | November 2020 | 4.875% | $400 |
| Senior Subordinated Notes | March 2020 | 8.625% | $350 |
| Senior Subordinated Notes | March 2021 | 8.625% | $530 ($542 carrying value) |

**(1)** The effective interest rate at issuance was 11.73%.

Our notes are governed by indentures which impose certain limitations on Huntsman International including, among other things limitations on the incurrence of debt, distributions, certain restricted payments, asset sales, and affiliate transactions. The notes are unsecured obligations and are guaranteed by certain subsidiaries named as guarantors.

On November 19, 2012, Huntsman International completed a $400 million offering of the 2020 Senior Notes. We used the net proceeds to redeem a portion of the 2016 Senior Notes. See "−Redemption of Notes and Loss on Early Extinguishment of Debt" below.

The 2020 Senior Notes bear interest at the rate of 4.875% per year payable semi-annually on May 15 and November 15 of each year, beginning on May 15, 2013 and are due on November 15, 2020. Huntsman International may redeem the 2020 Senior Notes in whole or in part at any time prior to August 17, 2020 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest. Huntsman International may redeem the 2020 Senior Notes in whole or in part on or after August 17, 2020 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest.

The 2020 Senior Notes are general unsecured senior obligations of Huntsman International and are guaranteed on a general unsecured senior basis by the Guarantors. The indenture with respect to the 2020 Senior Notes imposes 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 Senior Notes will have the right to require that Huntsman International purchase all or a portion of such holder's 2020 Senior 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.

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***Redemption of Notes and Loss on Early Extinguishment of Debt***

During the years ended December 31, 2012 and 2011, we redeemed or repurchased the following notes (monetary amounts in millions):

| Date of Redemption | Notes | Principal Amount of Notes Redeemed | Amount Paid (Excluding Accrued Interest) | Loss on Early Extinguishment of Debt |
|---|---|---|---|---|
| December 3, 2012 | 5.50% Senior Notes due 2016 | $400 | $400 | $ 77 |
| March 26, 2012 | 7.50% Senior Subordinated Notes due 2015 | €64 (approximately $86) | €65 (approximately $87) | $ 1 |
| Three months ended December 31, 2011 | 6.875% Senior Subordinated Notes due 2013 | €70 (approximately $94) | €71 (approximately $96) | $ 2 |
| Three months ended September 30, 2011 | 6.875% Senior Subordinated Notes due 2013 | €14 (approximately $19) | €14 (approximately $19) | $ – |
| Three months ended September 30, 2011 | 7.50% Senior Subordinated Notes due 2015 | €12 (approximately $17) | €12 (approximately $17) | $ – |
| July 25, 2011 | 7.375% Senior Subordinated Notes due 2015 | $75 | $77 | $ 2 |
| January 18, 2011 | 7.375% Senior Subordinated Notes due 2015 | $100 | $102 | $ 3 |

***Variable Interest Entity Debt***

As of December 31, 2012, Arabian Amines Company had $180 million outstanding under its loan commitments and debt financing arrangements described below. Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with certain financial covenants contained under these loan commitments. We do not guaranty these loan commitments and Arabian Amines Company is not a guarantor of any of our other debt obligations, and the noncompliance with these financial covenants does not affect any of our other debt obligations. Arabian Amines Company is currently in discussions with the lenders under these loan commitments and expects to resolve the noncompliance. The amounts outstanding under these loan commitments were classified as current on the accompanying consolidated balance sheets as of December 31, 2012.

A loan facility from Saudi Industrial Development Fund with SAR 472 million (approximately $126 million) outstanding. Repayment of the loan is to be made in semiannual installments that began in 2012, with final maturity in 2019. The loan is secured by a mortgage over the fixed assets of the project and is 100% guaranteed by the Zamil Group, our 50% joint venture partner.

A multipurpose Islamic term facility with $54 million outstanding. This facility is scheduled to be repaid in semiannual installments that began in 2011, with final maturity in 2022.

As of December 31, 2012, Sasol-Huntsman had a facility agreement which included a €5 million (approximately $6 million) revolving facility and €68 million (approximately $90 million) outstanding under the term loan facility. The facility will be repaid over semiannual installments that began in 2011, with the final repayment scheduled for December 2018. Obligations under the facility agreement are secured by, among other things, first priority right on the property, plant and equipment of Sasol-Huntsman

***Other Debt***

During the year ended December 31, 2012, HPS repaid $4 million and RMB 120 million (approximately $19 million) on term loans and working capital loans under its secured facilities. As of December 31, 2012, HPS had $8 million and RMB 354 million (approximately $56 million) outstanding under its secured facilities. The interest rate on these facilities is LIBOR plus 0.48% for U.S. dollar borrowings and approximately 90% of the Peoples Bank of China rate for RMB borrowings. As of December 31, 2012, the interest rate was approximately 1% for the U.S. dollar borrowings and approximately 6% for RMB borrowings. During 2012, the lenders released our Company as a guarantor.

During the year ended December 31, 2012, HPS repaid RMB 309 million (approximately $50 million) under its loan facility for working capital loans and discounting of commercial drafts. As of December 31, 2012, HPS had RMB 190 million (approximately $30 million) outstanding, which is classified as current portion of debt on the accompanying consolidated balance sheets . Interest is calculated using a Peoples Bank of China rate plus the applicable margin. The average all-in rate as of December 31, 2012 was approximately 6%.

On March 30, 2012, we repaid the remaining A$26 million (approximately $27 million) outstanding under our Australian Credit Facility, which represents repayment of A$14 million (approximately $15 million) under the revolving facility and A$12 million (approximately $12 million) under the term loan facility.

***Note Payable from Huntsman International to Huntsman Corporation***

As of December 31, 2012, we had a loan of $695 million to our subsidiary, Huntsman International (the "Intercompany Note"). The Intercompany Note is unsecured and $100 million of the outstanding amount is classified as current as of December 31, 2012 on the accompanying consolidated balance sheets. As of December 31, 2012, under the terms of the Intercompany Note, Huntsman International promises to pay us interest on the unpaid principal amount at a rate per annum based on the previous monthly average borrowing rate obtained under our U.S. A/R Program, less 10 basis points (provided that the rate shall not exceed an amount that is 25 basis points less than the monthly average borrowing rate obtained for the U.S. LIBOR-based borrowings under our Revolving Facility).

**Compliance with Covenants**

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

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

Our Senior Credit Facilities are subject to a single financial covenant (the "Leverage Covenant") which applies only to the Revolving Facility and is tested 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.

**Short-Term and Long-Term Liquidity**

We depend upon our cash, credit facilities, A/R Programs and other debt instruments to provide liquidity for our operations and working capital needs. As of December 31, 2012, we had $887 million of combined cash and unused borrowing capacity, consisting of $396 million in cash and restricted cash, $381 million in availability under our Revolving Facility, and $110 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 $102 million during 2012, as reflected in our consolidated statements of cash flows. We expect volatility in our working capital components to continue.

- During 2013, we expect to spend approximately $450 million on capital expenditures. We expect to fund this spending with cash provided by operations.

- During 2012, we made contributions to our pension and postretirement benefit plans of $159 million. During 2013, we expect to contribute an additional amount of approximately $166 million to these plans.

- During the year ended December 31, 2012, Huntsman International redeemed €64 million (approximately $86 million) of its 7.50% senior subordinated notes due 2015, repaid $139 million on our Senior Secured Credit Facility, repaid A$26 million (approximately $27 million) related to our Australian credit facility ("Australian Credit Facility"), and repaid $4 million and RMB 429 million (approximately $69 million) associated with our various HPS debt facilities. In addition, on November 19, 2012 we completed our $400 million offering of 2020 Senior Notes and used proceeds to redeem $400 million of our 2016 Senior Notes.

We are also involved in a number of cost reduction programs for which we have established restructuring accruals. As of December 31, 2012, we had $105 million of accrued restructuring costs from continuing operations and we expect to incur and pay additional restructuring and plant closing costs of up to approximately $102 million.

On September 8, 2009, we announced the closure of our styrenics facility located at West Footscray, Australia. We ceased the Australian styrenics operations during the first quarter of 2010. As of December 31, 2012, we had restructuring accruals of $6 million and environmental remediation accruals of $29 million. We can provide no assurance that the eventual environmental remediation costs will not be materially different from our current estimate. The plant closure and environmental remediation costs are expected to be funded as they are incurred over the next several years.

On August 5, 2011, we announced that our Board of Directors has authorized our Company to repurchase up to $100 million in shares of our common stock. During 2011, we acquired approximately four million shares of our outstanding common stock for approximately $50 million under the repurchase program. As of December 31, 2012, there remained approximately $50 million of the amount authorized under the program that could be used for stock repurchases. These repurchases may be commenced or suspended from time to time without prior notice.

We regularly evaluate conditions in the term loan and bond markets with a view to obtaining additional financing to repay currently outstanding borrowings and for general corporate purposes.

As of December 31, 2012, we had $288 million classified as current portion of debt which consists of certain scheduled term payments and various short-term facilities including an HPS borrowing facility in China with $39 million outstanding, debt at our variable interest entities of $193 million, $15 million related to the annual financing of our insurance premiums, and certain other short-term facilities and scheduled amortization payments totaling $41 million. Although we cannot provide assurances, we intend to renew or extend the majority of these short-term facilities in the current period. For more information, see "Note 14. Debt" to our consolidated financial statements

As of December 31, 2012, we had approximately $191 million of cash and cash equivalents, including restricted cash, held by our foreign subsidiaries, including our variable interest entities. Additionally, we have material intercompany debt obligations owed to us by our non-U.S. subsidiaries. We intend to use cash held in our foreign subsidiaries to fund our local operations. Nevertheless, we could repatriate cash as dividends or as repayments of intercompany debt. If foreign cash were repatriated as dividends, the dividends could be subject to adverse tax consequences. At present, we estimate that we will generate sufficient cash in our U.S. operations, together with the payments of intercompany debt if necessary, to meet our cash needs in the U.S and we do not expect to repatriate material cash amounts to the U.S. as dividends in the near term. Cash held by certain foreign subsidiaries, including our variable interest entities, may also be subject to legal restrictions, including those arising from the interests of our partners, which could limit the amounts available for repatriation.

**Contractual Obligations and Commercial Commitments**

Our obligations under long-term debt (including the current portion), lease agreements and other contractual commitments as of December 31, 2012 are summarized below (dollars in millions):

| | 2013 | 2014 - 2015 | 2016 - 2017 | After 2017 | Total |
|---|---|---|---|---|---|
| Long-term debt, including current portion | $ 288 | $ 554 | $ 1,544 | $ 1,316 | $ 3,702 |
| Interest(1) | 202 | 356 | 268 | 276 | 1,102 |
| Operating leases(2) | 79 | 121 | 85 | 60 | 345 |
| Purchase commitments(3) | 1,138 | 672 | 118 | 30 | 1,958 |
| Total(4)(5) | $ 1,707 | $ 1,703 | $ 2,015 | $ 1,682 | $ 7,107 |

**(1)** Interest calculated using interest rates as of December 31, 2012 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 $57 million due in the future under noncancelable subleases.

**(3)** We have various purchase commitments extending through 2023 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 2010. 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 2009 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.

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

| | 2013 | 2014 - 2015 | 2016 - 2017 | 5-Year Average Annual |
|---|---|---|---|---|
| Pension plans | $ 155 | $ 353 | $ 289 | $ 121 |
| Other postretirement obligations | 11 | 23 | 23 | 10 |

**(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 18. Income Taxes" to our consolidated financial statements.

**Restructuring, Impairment and Plant Closing Costs**

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

**Legal Proceedings**

For a discussion of legal proceedings, see "Note 19. Commitments and Contingencies−Legal Matters" to our consolidated financial statements.

**Environmental, Health and Safety Matters**

For a discussion of environmental, health and safety matters, see "Note 20. 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 the consolidated financial statements. Our significant accounting policies are summarized in "Note 2. Summary of Significant Accounting Policies" to our consolidated financial statements. Summarized below are our critical accounting policies:

**Contingent Loss Accruals**

Environmental remediation costs for our facilities are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. Estimates of environmental reserves require evaluating government regulation, available technology, site-specific information and remediation alternatives. We accrue an amount equal to our best estimate of the costs to remediate based upon the available information. The extent of environmental impacts may not be fully known and the processes and costs of remediation may change as new information is obtained or technology for remediation is improved. Our process for estimating the expected cost for remediation considers the information available, technology that can be utilized and estimates of the extent of environmental damage. Adjustments to our estimates are made periodically based upon additional information received as remediation progresses. For further information, see "Note 20. 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 19. Commitments and Contingencies−Legal Matters" to our consolidated financial statements.

**Employee Benefit Programs**

We sponsor several contributory and non-contributory defined benefit plans, covering employees primarily in the U.S., the U.K., The Netherlands, Belgium and Switzerland, but also covering employees in a number of other countries. We fund the material plans through trust arrangements (or local equivalents) where the assets are held separately from us. We also sponsor unfunded postretirement plans which provide medical and, in some cases, life insurance benefits covering certain employees in the U.S., Canada and South Africa. Amounts recorded in the 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 17. 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 | $ (28) | $ (507.5) |
| −1% decrease | 34 | 589.4 |
| Expected long-term rates of return on plan assets | | |
| −1% increase | (26) | − |
| −1% decrease | 26 | − |
| Rate of compensation increase | | |
| −1% increase | 18 | 114.3 |
| −1% decrease | (17) | (108.8) |

**(1)** Estimated increase (decrease) on 2012 net periodic benefit cost

**(2)** Estimated increase (decrease) on December 31, 2012 pension and postretirement liabilities and accumulated other comprehensive (loss) income

**Fair Value**

Pursuant to the settlement agreement reached in our litigation with the banks that had entered into a commitment letter to provide funding for the Hexion Merger (the "Texas Bank Litigation Settlement Agreement"), on June 22, 2009, Huntsman International entered into an amendment of its Senior Credit Facilities that provided for Term Loan C with a $500 million principal amount, and Huntsman International also issued $600 million aggregate principal amount of 2016 Senior Notes. In accordance with accounting guidance regarding fair value measurements, we recorded the Term Loan C and the 2016 Senior Notes in our accounting records at fair values of $439 million and $425 million, respectively, upon initial recognition in June 2009. In November 2012, Huntsman International completed a $400 million offering of its 2020 Senior Notes and used the net proceeds to redeem $400 million of the aggregate principal amount of its 2016 Senior Notes.

We primarily used the income approach to determine the fair value of these instruments. Fair value represents the present value of estimated future cash flows calculated using interest rates that were available to us for issuance of debt with similar terms, adjusted for differences in remaining maturity using relevant debt yield curves.

Management used judgment with respect to assumptions used in estimating the fair values of the Term Loan C and the 2016 Senior Notes. The effect of the following changes in certain key assumptions is summarized as follows (dollars in millions):

| Assumptions | Balance Sheet Impact(1) |
|---|---|
| Effective market yield | |
| −1% increase | $ (30) |
| −1% decrease | 32 |

**(1)** Estimated increase (decrease) to June 2009 fair values of Term Loan C and 2016 Senior Notes outstanding at December 31, 2012.

**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. Currently, more than 70% of our goodwill balance relates to our Advanced Materials reporting unit. The remaining goodwill relates to four other reporting units.

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

We tested goodwill for impairment at the beginning of the third quarter of 2012 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 amount of our Advanced Materials reporting unit by a significant margin.

**Income Taxes**

We use the asset and liability method of accounting for income taxes. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial and tax reporting purposes. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized. Valuation allowances are reviewed on a tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets for each jurisdiction. These conclusions require significant judgment. In evaluating the objective evidence that historical results provide, we consider the cyclicality of businesses and cumulative income or losses during the applicable period. Cumulative losses incurred over the period limits our ability to consider other subjective evidence such as our projections for the future. Changes in expected future income in applicable jurisdictions could affect the realization of deferred tax assets in those jurisdictions. As of December 31, 2012, we had total valuation allowances of $736 million. Please see "Note 18. Income Taxes" to our consolidated financial statements for more information regarding our valuation allowances.

For non-U.S. entities that were not treated as branches for U.S. tax purposes, we do not provide for income taxes on the undistributed earnings of these subsidiaries as earnings are reinvested and, in the opinion of management, will continue to be reinvested indefinitely. The undistributed earnings of foreign subsidiaries that are deemed to be permanently invested were approximately $215 million at December 31, 2012. It is not practicable to determine the unrecognized deferred tax liability on those earnings. We have material inter-company debt obligations owed by our non-U.S. subsidiaries to the U.S. We do not intend to repatriate earnings to the U.S. via dividend based on estimates of future domestic cash generation, combined with the ability to return cash to the U.S. through payments of inter-company debt owned by our non-U.S. subsidiaries to the U.S. To the extent that cash is required in the U.S., rather than repatriate earnings to the U.S. via dividend we will utilize our inter-company debt. If any earnings were repatriated via dividend, we would need to accrue and pay taxes on the distributions.

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 the consolidated financial statements.

**Long-Lived Assets**

The useful lives of our property, plant and equipment are estimated based upon our historical experience, engineering estimates and industry information and are reviewed when economic events indicate that we may not be able to recover the carrying value of the assets. The estimated lives of our property range from 3 to 33 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, 2012, 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 2012 would have been approximately $30 million less or $35 million greater, respectively.

We are required to evaluate the carrying value of our long-lived tangible and intangible assets whenever events indicate that such carrying value may not be recoverable in the future or when management's plans change regarding those assets, such as idling or closing a plant. We evaluate impairment by comparing undiscounted cash flows of the related asset groups that are largely independent of the cash flows of other asset groups to their carrying values. Key assumptions in determining the future cash flows include the useful life, technology, competitive pressures, raw material pricing and regulations. In connection with our asset evaluation policy, we reviewed all of our long-lived assets for indicators that the carrying value may not be recoverable. We determined that such indicators did not exist during the year ended December 31, 2012.

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

**Revenue Recognition**

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

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

**Variable Interest Entities−Primary Beneficiary**

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

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

**INTEREST RATE RISKS**

Through our borrowing activities, we are exposed to interest rate risk. Such risk arises due to the structure of our debt portfolio, including the duration of the portfolio and 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 interest rate collars 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. The collars entitle us to receive from the counterparties (major banks) the amounts, if any, by which our interest payments on certain of our floating-rate borrowings exceed a certain rate, and require us to pay to the counterparties (major banks) the amount, if any, by which our interest payments on certain of our floating-rate borrowings are less than a certain rate.

On December 9, 2009, we entered into a five-year interest rate contract to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities. The notional value of the contract is $50 million, and it has been designated as a cash flow hedge. The effective portion of the changes in the fair value of the swap was recorded in other comprehensive loss. We will pay a fixed 2.6% on the hedge and receive the one-month LIBOR rate. As of December 31, 2012 and 2011 the fair value of the hedge was $2 million and $3 million, respectively, and was recorded in other noncurrent liabilities.

On January 19, 2010, we entered into an additional five-year interest rate contract to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our

Senior Credit Facilities. The notional value of the contract is $50 million, and it has been designated as a cash flow hedge. The effective portion of the changes in the fair value of the swap was recorded as other comprehensive loss. We will pay a fixed 2.8% on the hedge and receive the one-month LIBOR rate. As of December 31, 2012 and 2011, the fair value of the hedge was $3 million and $3 million, respectively, and was recorded in other noncurrent liabilities.

On September 1, 2011, we entered into a $50 million forward interest rate contract that will begin in December 2014 with maturity in April 2017 and a $50 million forward interest rate contract that will begin in January 2015 with maturity in April 2017. These two forward contracts are to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities once our existing interest rate hedges mature. These swaps are designated as a cash flow hedges and the effective portion of the changes in the fair value of the swaps were recorded in other comprehensive income. Both interest rate contracts will pay a fixed 2.5% on the hedge and receive the one-month LIBOR rate once the contracts begin in 2014 and 2015, respectively. As of December 31, 2012 and 2011, the combined fair value of these two hedges was $4 million and $1 million, respectively and was recorded in other noncurrent liabilities.

In 2009, Sasol-Huntsman entered into derivative transactions to hedge the variable interest rate associated with its local credit facility. These derivative rate hedges include a floating to fixed interest rate contract providing Sasol-Huntsman with EURIBOR interest payments for a fixed payment of 3.62% and a cap for future periods with a strike price of 3.62%. In connection with the consolidation of Sasol-Huntsman as of April 1, 2011, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities" to our consolidated financial statements. The notional amount of the hedge as of December 31, 2012 was €47 million (approximately $62 million) and the derivative transactions do not qualify for hedge accounting. As of December 31, 2012 and 2011, the fair value of this hedge was €2 million (approximately $3 million) and €3 million (approximately $3 million), respectively, and was recorded in other noncurrent liabilities on the accompanying consolidated balance sheets. For 2012 and 2011, we recorded additional (reduction of) interest expense of less than €(1) million (approximately $(1) million) and €2 million (approximately $2 million) respectively, due to changes in the fair value of the swap.

Beginning in 2009, Arabian Amines Company entered into a 12-year floating to fixed interest rate contract providing for a receipt of LIBOR interest payments for a fixed payment of 5.02%. In connection with the consolidation of Arabian Amines Company as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities" to our consolidated financial statements. The notional amount of the swap as of December 31, 2012 was $36 million, and the interest rate contract is not designated as a cash flow hedge. As of December 31, 2012 and 2011, the fair value of the swap was $6 million and $6 million, respectively, and was recorded as other noncurrent liabilities on the accompanying consolidated balance sheets. For 2012 and 2011, we recorded additional (reduction of) interest expense of less than $(1) million and $1 million, respectively, due to changes in fair value of the swap. As of December 31, 2012 Arabian Amines Company was not in compliance with certain financial covenants contained in its loan commitments. For more information, see "Note 14. Debt−Direct and Subsidiary Debt−Variable Interest Entity Debt" to our consolidated financial statements.

For the years ended December 31, 2012 and 2011, the changes in accumulated other comprehensive loss associated with these cash flow hedging activities was approximately $1 million and $4 million, respectively.

During 2013, accumulated other comprehensive loss of nil is expected to be reclassified to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

**FOREIGN EXCHANGE RATE RISK**

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2012 and 2011, we had approximately $217 million and $263 million notional amount (in U.S. dollar equivalents) outstanding, respectively, in foreign currency contracts with a term of approximately one month.

In conjunction with the issuance of our 8.625% senior subordinated notes due 2020, we entered into cross-currency interest rate contracts with three counterparties. On March 17, 2010, we made payments of $350 million to these counterparties and received €255 million from these counterparties, and on maturity (March 15, 2015) we are required to pay €255 million to these counterparties and will receive $350 million from these counterparties. On March 15 and September 15 of each year, we will receive U.S. dollar interest payments of approximately $15 million (equivalent to an annual rate of 8.625%) and make interest payments of approximately €11 million (equivalent to an annual rate of approximately 8.41%). This swap is designated as a hedge of net investment for financial reporting purposes. As of December 31, 2012 and 2011, the fair value of this swap was $18 million and $27 million, respectively, and was recorded in noncurrent assets.

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 ("permanent loans") 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. 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, 2012, we have designated approximately €255 million (approximately $336 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2012, 2011 and 2010, the amount of gain (loss) recognized on the hedge of our net investment was $(11) million, $5 million and $34 million, respectively, and was recorded in other comprehensive (loss) income. As of December 31, 2012, we had approximately €1,083 million (approximately $1,431 million) in net euro assets.

**COMMODITY PRICES RISK**

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

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements required by this item are included on the pages immediately following the Index to Consolidated Financial Statements appearing on page F-1.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in our independent accountants, Deloitte & Touche LLP, or disagreements with them on matters of accounting or financial disclosure.

## ITEM 9A. 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, 2012. Based on this evaluation, our chief executive officer and chief financial officer have concluded that, as of December 31, 2012, 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, 2012 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 for our Company and Huntsman International are designed to provide reasonable assurance to management, Huntsman International's Board of Managers 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 for our Company and Huntsman International 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 and Huntsman International;

- provide reasonable assurance that transactions are recorded properly to allow for the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of our Company and Huntsman International are being made only in accordance with authorizations of management and Directors of our Company and Huntsman International;

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 for our Company and Huntsman International and concluded that, as of December 31, 2012, 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* ("COSO").

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

**MANAGEMENT'S PROCESS TO ASSESS THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING**

To comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, we completed a comprehensive compliance process to evaluate our internal control over financial reporting for our Company and Huntsman International. We involved employees at all levels of our Company during 2012 in training, performing and evaluating our internal controls.

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

/s/ PETER R. HUNTSMAN
Peter R. Huntsman
*President and Chief Executive Officer*

/s/ J. KIMO ESPLIN
J. Kimo Esplin
*Executive Vice President and Chief Financial Officer*

/s/ RANDY W. WRIGHT
Randy W. Wright
*Vice President and Controller*

February 12, 2013

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the internal control over financial reporting of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2012, based on criteria established in *Internal Control−Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control−Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2012 of the Company and our report dated February 12, 2013 expressed an unqualified opinion on those financial statements and financial statement schedules and included an explanatory paragraph regarding the Company's application of new accounting guidance related to its method of accounting for transfers of accounts receivable under the Company's accounts receivable securitization programs, effective January 1, 2010.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas

February 12, 2013

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Managers and Members of
Huntsman International LLC and subsidiaries

We have audited the internal control over financial reporting of Huntsman International LLC and subsidiaries (the "Company") as of December 31, 2012, based on criteria established in *Internal Control−Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control−Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2012 of the Company and our report dated February 12, 2013 expressed an unqualified opinion on those financial statements and financial statement schedule and included an explanatory paragraph regarding the Company's application of new accounting guidance related to its method of accounting for transfers of accounts receivable under the Company's accounts receivable securitization programs, effective January 1, 2010.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas

February 12, 2013

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## ITEM 9B. OTHER INFORMATION

None.

# PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information relating to our Directors (including identification of our Audit Committee's financial expert(s)) and executive officers is contained in the definitive Proxy Statement for our Annual Meeting of Stockholders and is incorporated herein by reference. See also the information regarding executive officers of the registrant set forth in Part I under the caption "Executive Officers of the Registrant" in reliance on General Instruction G to Form 10-K.

**Code of Ethics**

Our Company has adopted a code of ethics, as defined by Item 406(b) of Regulation S-K under the Exchange Act, that applies to our principal executive officer, principal financial officer and principal accounting officer or controller. A copy of the code of ethics is posted on our website, at www.huntsman.com. We intend to disclose any amendments to, or waivers from, our code of ethics on our website.

## ITEM 11. EXECUTIVE COMPENSATION

Information relating to executive compensation and our equity compensation plans is contained in the definitive Proxy Statement for our Annual Meeting of Stockholders and is incorporated herein by reference.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information with respect to beneficial ownership of our common stock by each Director and all Directors and officers of our Company as a group is contained in the definitive Proxy Statement for our Annual Meeting of Stockholders and is incorporated herein by reference.

Information relating to any person who beneficially owns in excess of 5 percent of the total outstanding shares of our common stock is contained in the definitive Proxy Statement for our Annual Meeting of Stockholders and is incorporated herein by reference.

Information with respect to compensation plans under which equity securities are authorized for issuance is contained in the definitive Proxy Statement for our Annual Meeting of Stockholders and is incorporated herein by reference.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information with respect to certain relationships and related transactions is contained in the definitive Proxy Statement for our Annual Meeting of Stockholders and is incorporated herein by reference.

## ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information with respect to principal accountant fees and services, and the disclosure of the Audit Committee's pre-approval policies and procedures are contained in the definitive Proxy Statement for our Annual Meeting of Stockholders and are incorporated herein by reference.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

**(a)** Documents filed with this report.

**1.** Consolidated Financial Statements:

See Index to Consolidated Financial Statements on page F-1

**2.** Financial Statement Schedules:

Other than as stated on the Index to Consolidated Financial Statements on page F-1 with respect to Schedule I and Schedule II, financial statement schedules are omitted because they are not required or are not applicable or the required information is shown in the financial statements or notes thereto.

**3.** Exhibits:

The exhibits to this report are listed on the Exhibit Index below.

**(b)** Description of exhibits.

### EXHIBIT INDEX

| Number | Description |
|---|---|
| 3.1 | Second Amended and Restated Certificate of Incorporation of Huntsman Corporation (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-1/A filed on February 9, 2005) |
| 3.2 | Third Amended and Restated Bylaws of Huntsman Corporation effective March 24, 2010 (incorporated by reference to Exhibit 3.1(i) to our current report on Form 8-K filed on March 26, 2010) |
| 4.1 | Registration Rights Agreement dated as of February 10, 2005, by and among Huntsman Corporation and the stockholders signatory thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on February 16, 2005 (File No. 001-32427)) |
| 4.2 | Form of stock certificate of Huntsman Corporation (incorporated by reference to Exhibit 4.68 to amendment No. 3 to our registration statement on Form S-1 filed on February 8, 2005) |
| 4.3 | Form of Restricted Stock Agreement for Outside Directors, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 4.7 to our registration statement on Form S-8 filed on February 10, 2006) |
| 4.4 | Form of Restricted Stock Unit Agreement for Outside Directors, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 4.8 of our registration statement on Form S-8 filed on February 10, 2006) |
| 4.5 | Form of Restricted Stock Agreement for Outside Directors (incorporated by reference to Exhibit 4.31 to our annual report on Form 10-K filed on February 22, 2008) |

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| 4.6 | Form of Restricted Stock Unit Agreement for Outside Directors, effective for grants from February 6, 2008 to September 21, 2010 (incorporated by reference to Exhibit 4.32 to our annual report on Form 10-K filed on February 22, 2008) |

| Number | Description |
|---|---|
| 4.7 | Indenture, dated as of July 6, 2009, by and among Huntsman International LLC, the subsidiary guarantors named therein and Wilmington Trust FSB, a federal savings bank, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on July 8, 2009) |
| 4.8 | Form of 5.5% Senior Note due 2016 (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed on July 8, 2009) |
| 4.9 | Form of Guarantee (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed on July 8, 2009) |
| 4.10 | Amended and Restated Indenture, dated as of September 10, 2009, by and among Huntsman International LLC, the subsidiary guarantors named therein and Wilmington Trust FSB, a federal savings bank, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on September 14, 2009) |
| 4.11 | Indenture, dated as of March 17, 2010, by and among Huntsman International LLC, the subsidiary guarantors therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on March 19, 2010) |
| 4.12 | Form of 8.625% Senior Subordinated Note due 2020 (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed on March 19, 2010) |
| 4.13 | Form of Guarantee (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed on March 19, 2010) |
| 4.14 | Indenture, dated as of September 24, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on September 30, 2010) |
| 4.15 | Form of 8.625% Senior Subordinated Note due 2021 (included as Exhibit A to Exhibit 4.24) (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed on September 30, 2010) |
| 4.16 | Form of Guarantee (included as Exhibit E to Exhibit 4.24) (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed on September 30, 2010) |
| 4.17 | Indenture, dated as of November 19, 2012, by and among Huntsman International LLC, the guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed November 19, 2012) |
| 4.18 | Form of 4.875% Senior Note due 2020 (included as Exhibit A to Exhibit 4.24) (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed November 19, 2012) |
| 4.19 | Form of Notation of Guarantee (included as Exhibit D to Exhibit 4.24) (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed November 19, 2012) |

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| 10.1 | Employment Agreement with Anthony Hankins (incorporated by reference to Exhibit 10.27 to amendment No. 2 to our registration statement on Form S-1 filed on January 28, 2005) |
| 10.2 | Huntsman Corporation Stock Incentive Plan (incorporated by reference to Exhibit 10.19 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |

| Number | Description |
|---|---|
| 10.3 | Form of Nonqualified Stock Option Agreement, effective for grants prior to February 21, 2011 (incorporated by reference to Exhibit 10.20 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.4 | Form of Restricted Stock Agreement, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 10.21 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.5 | Form of Stock Appreciation Rights Agreement (incorporated by reference to Exhibit 10.22 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.6 | Form of Phantom Share Agreement, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 10.23 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.7 | Form of Executive Severance Plan (as amended and restated) (incorporated by reference to Exhibit 10.24 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.8 | Form of Indemnification Agreement (incorporated by reference to Exhibit 10.25 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.9 | Credit Agreement dated August 16, 2005 among Huntsman International LLC, Deutsche Bank AG New York Branch as Administrative Agent and the other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Huntsman International LLC's current report on Form 8-K filed August 22, 2005 (File No. 333-85141)) |
| 10.10 | Form of Non-qualified Stock Option Agreement for Outside Directors (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed November 8, 2005 (File No. 001-32427) |
| 10.11 | Consent and First Amendment to Credit Agreement dated December 12, 2005 among Huntsman International LLC, Deutsche Bank AG New York Branch as Administrative Agent and the other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Huntsman International LLC's current report on Form 8-K filed December 27, 2005 (File No. 333-85141)) |
| 10.12 | Amended and Restated Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |
| 10.13 | Huntsman Supplemental Executive MPP Plan (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |
| 10.14 | Amended and Restated Huntsman Supplemental Savings Plan (incorporated by reference to Exhibit 10.3 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |
| 10.15 | Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.4 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |

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| 10.16 | Consent and Second Amendment to Credit Agreement and Amendment to Security Documents, dated June 30, 2006, by and among Huntsman International LLC, as Borrower, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent, and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on July 7, 2006 (File No. 001-32427)) |

| Number | Description |
|---|---|
| 10.17 | Third Amendment to Credit Agreement dated April 19, 2007 by and among Huntsman International LLC, as Borrower, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent, and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on April 24, 2007 (File No. 001-32427)) |
| 10.18 | First Amendment to Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.32 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.19 | First Amendment to Huntsman Supplemental Executive MPP Plan (incorporated by reference to Exhibit 10.33 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.20 | First Amendment to Huntsman Supplemental Savings Plan (incorporated by reference to Exhibit 10.34 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.21 | Second Amendment to Huntsman Supplemental Savings Plan (incorporated by reference to Exhibit 10.35 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.22 | First Amendment to Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.36 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.23 | Form of Restricted Stock Agreement effective for grants from February 6, 2008 to September 21, 2010 (incorporated by reference to Exhibit 10.37 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.24 | Form of Phantom Share Agreement effective for grants from February 6, 2008 to February 23, 2010 (incorporated by reference to Exhibit 10.38 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.25 | Letter Agreement, dated June 15, 2009, among Huntsman Polyurethanes (UK) Ltd. and Paul G. Hulme (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on June 17, 2009) |
| 10.26 | Fourth Amendment to Credit Agreement, dated as of June 22, 2009, by and among Huntsman International LLC and Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. (incorporated by reference to Exhibit 10.3 to our current report on Form 8-K filed on June 23, 2009) |
| 10.27 | Form of Registration Rights Agreement dated as of June 23, 2009, by and among Huntsman International LLC, the subsidiary guarantors party thereto and Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. (incorporated by reference to Exhibit 10.4 to our current report on Form 8-K filed on June 23, 2009) |
| 10.28 | Voting Agreement, dated as of June 22, 2009, by and among Huntsman International LLC, Deutsche Bank AG New York Branch and Credit Suisse, Cayman Islands Branch (incorporated by reference to Exhibit 10.5 to our current report on Form 8-K filed on June 23, 2009) |
| 10.29 | U.S. Receivables Loan Agreement dated as of October 16, 2009 among Huntsman Receivables Finance II LLC, Huntsman (Europe) BVBA, the several entities party thereto as lenders, the several |

financial institutions party thereto as funding agents, the several commercial paper conduits party thereto as conduit lenders, the several financial institutions party thereto as committed lenders, Wachovia Bank National Association, as administrative agent, and Wachovia Bank National Association, as collateral Agent (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on October 22, 2009)

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| Number | Description |
| --- | --- |
| 10.30 | U.S. Contribution Agreement dated as of October 16, 2009 between Huntsman International LLC and Huntsman Receivables Finance II LLC (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed on October 22, 2009) |
| 10.31 | European Receivables Loan Agreement dated as of October 16, 2009 between Huntsman Receivables Finance LLC, Huntsman (Europe) BVBA, the several entities party thereto as lenders, the several financial institutions party thereto as funding agents, Barclays Bank Plc, as administrative agent, and Barclays Bank Plc, as collateral agent (incorporated by reference to Exhibit 10.3 to our current report on Form 8-K filed on October 22, 2009) |
| 10.32 | European Contribution Agreement dated as of October 16, 2009 between Huntsman International LLC and Huntsman Receivables Finance LLC (incorporated by reference to Exhibit 10.4 to our current report on Form 8-K filed on October 22, 2009) |
| 10.33 | Fifth Amendment to Credit Agreement, dated as of March 9, 2010, by and among Huntsman International LLC, JPMorgan Chase Bank, N.A. and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 10-Q filed on May 7, 2010) |
| 10.34 | Registration Rights Agreement, dated as of March 17, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Goldman, Sachs & Co., J.P. Morgan Securities Inc., Barclays Capital Inc., Banc of America Securities LLC, Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on March 19, 2010) |
| 10.35 | Registration Rights Agreement, dated as of September 24, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Goldman, Sachs & Co., J.P. Morgan Securities LLC, Barclays Capital Inc., Banc of America Securities LLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and HSBC Securities (USA) Inc. (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on September 30, 2010) |
| 10.36 | Certain exhibits and schedules to Exhibit A to the Fifth Amendment to Credit Agreement, dated as of March 9, 2010, which was previously filed as Exhibit 10.1 to our quarterly report on Form 10-Q filed May 7, 2010 (incorporated by reference to Exhibit 10.2 to our current report on Form 10-Q filed on November 4, 2010) |
| 10.37 | Registration Rights Agreement, dated as of November 12, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Citigroup Global Markets Inc. (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on November 15, 2010) |
| 10.38 | Second Amendment to Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.38 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.39 | Third Amendment to Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.39 to our annual report on Form 10-K filed on February 17, 2011) |

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| 10.40 | Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.40 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.41 | Form of Phantom Share Agreement (incorporated by reference to Exhibit 10.41 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.42 | Form of Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.42 to our annual report on Form 10-K filed on February 17, 2011) |

| Number | Description |
|---|---|
| 10.43 | Form of Restricted Stock Unit Agreement for Outside Directors (incorporated by reference to Exhibit 10.43 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.44 | Sixth Amendment, dated as of March 7, 2011, to the Credit Agreement, dated as of August 16, 2005, among Huntsman International LLC, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on March 9, 2011) |
| 10.45 | Master Amendment No. 2 to the U.S. Receivables Loan Agreement, U.S. Servicing Agreement and Transaction Documents dated as of April 18, 2011 (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on April 20, 2011) |
| 10.46 | Master Amendment No. 2 to the European Receivables Loan Agreement, European Servicing Agreement and Transaction Documents dated as of April 15, 2011 (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed on April 20, 2011) |
| 10.47 | Huntsman Executive Severance Plan (as amended and restated) (incorporated by reference to Exhibit 10.4 to our current report on Form 10-Q filed on May 5, 2011) |
| 10.48 | Second Amendment to Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.5 to our current report on Form 10-Q filed on May 5, 2011) |
| 10.49 | Third Amendment to Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.6 to our current report on Form 10-Q filed on May 5, 2011) |
| 10.50 | Huntsman Corporation Stock Incentive Plan (amended and restated) (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed on May 10, 2011) |
| 10.51 | Seventh Amendment, dated as of March 6, 2012, to Credit Agreement, dated as of August 16, 2005, among Huntsman International LLC, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on March 6, 2012) |
| 10.52 | Consulting Agreement dated May 1, 2012 between Huntsman International LLC and Jon M. Huntsman, Jr. (incorporated by reference to Exhibit 10.1 to our quarterly report on Form 10-Q for the quarter ended June 30, 2012) |
| 10.53 | Registration Rights Agreement, dated as of November 19, 2012, by and among Huntsman International LLC, the guarantors named therein and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC, Wells Fargo Securities, LLC, PNC Capital Markets LLC and RBS Securities Inc. (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed November 19, 2012) |

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| 10.54 | Severance Agreement dated January 1, 2013 between Huntsman Corporation and Jon M. Huntsman (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on January 4, 2013) |
| 10.55 | Severance Agreement dated January 1, 2013 between Huntsman Corporation and Peter R. Huntsman (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed on January 4, 2013) |
| 10.56* | First Amendment to the Huntsman Corporation Stock Incentive Plan (as amended and restated) |
| 21.1* | Subsidiaries of Huntsman Corporation |

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| Number | Description |
| --- | --- |
| 23.1* | Consent of Independent Registered Public Accounting Firm |
| 31.1* | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2* | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1* | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

* Filed herewith.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

Dated: February 12, 2013

HUNTSMAN CORPORATION
HUNTSMAN INTERNATIONAL LLC

By: /s/ J. KIMO ESPLIN
J. Kimo Esplin
*Executive Vice President and Chief Financial Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Huntsman Corporation in the capacities indicated on the 12th day of February 2013.

| | |
|---|---|
| /s/ JON M. HUNTSMAN<br>Jon M. Huntsman<br>*Executive Chairman of the Board and Director* | /s/ PETER R. HUNTSMAN<br>Peter R. Huntsman<br>*President, Chief Executive Officer and Director (Principal Executive Officer)* |
| /s/ J. KIMO ESPLIN<br>J. Kimo Esplin<br>*Executive Vice President and Chief Financial Officer (Principal Financial Officer)* | /s/ RANDY W. WRIGHT<br>Randy W. Wright<br>*Vice President and Controller (Authorized Signatory and Principal Accounting Officer))* |
| /s/ NOLAN D. ARCHIBALD<br>Nolan D. Archibald<br>*Chairman of the Compensation Committee and Director* | /s/ WAYNE A. REAUD<br>Wayne A. Reaud<br>*Chairman of the Litigation Committee and Director* |
| /s/ ALVIN V. SHOEMAKER<br>Alvin V. Shoemaker<br>*Director* | /s/ M. ANTHONY BURNS<br>M. Anthony Burns<br>*Chairman of the Audit Committee and Director* |
| /s/ PATRICK HARKER<br>Patrick Harker<br>*Director* | /s/ SIR ROBERT MARGETTS<br>Sir Robert Margetts<br>*Director* |
| /s/ JON M. HUNTSMAN, JR.<br>Jon M. Huntsman, Jr.<br>*Director* | /s/ MARY C. BECKERLE<br>Mary C. Beckerle<br>*Director* |

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Huntsman International in the capacities indicated on the 12th day of February 2013.

| | |
|---|---|
| /s/ JON M. HUNTSMAN | /s/ PETER R. HUNTSMAN |
| Jon M. Huntsman | Peter R. Huntsman |
| *Chairman of the Board of Managers and Manager* | *President, Chief Executive Officer and Manager (Principal Executive Officer)* |
| /s/ J. KIMO ESPLIN | /s/ RANDY W. WRIGHT |
| J. Kimo Esplin | Randy W. Wright |
| *Executive Vice President, Chief Financial Officer and Manager (Principal Financial Officer)* | *Vice President and Controller (Authorized Signatory and Principal Accounting Officer))* |
| /s/ JAMES R. MOORE | |
| James R. Moore | |
| *Executive Vice President, General Counsel, Secretary and Manager* | |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the accompanying consolidated balance sheets of Huntsman Corporation and subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedules listed in the Index on page F-1. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Huntsman Corporation and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company adopted new accounting guidance which changed its method of accounting for transfers of accounts receivable under the Company's accounts receivable securitization programs, effective January 1, 2010.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control–Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2013 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Houston, Texas
February 12, 2013

## HUNTSMAN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

### (In Millions, Except Share and Per Share Amounts)

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents(a) | $ 387 | $ 554 |
| Restricted cash(a) | 9 | 8 |
| Accounts and notes receivable (net of allowance for doubtful accounts of $47 and $46, respectively), ($520 and $659 pledged as collateral, respectively)(a) | 1,534 | 1,529 |
| Accounts receivable from affiliates | 49 | 5 |
| Inventories(a) | 1,819 | 1,539 |
| Prepaid expenses | 48 | 46 |
| Deferred income taxes | 51 | 20 |
| Other current assets(a) | 222 | 245 |
| **Total current assets** | 4,119 | 3,946 |
| Property, plant and equipment, net(a) | 3,745 | 3,622 |
| Investment in unconsolidated affiliates | 238 | 202 |
| Intangible assets, net(a) | 68 | 91 |
| Goodwill | 117 | 114 |
| Deferred income taxes | 229 | 195 |
| Notes receivable from affiliates | 2 | 5 |
| Other noncurrent assets(a) | 366 | 482 |
| **Total assets** | $ 8,884 | $ 8,657 |
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities:** | | |
| Accounts payable(a) | $ 1,102 | $ 862 |
| Accounts payable to affiliates | 48 | 50 |
| Accrued liabilities(a) | 705 | 695 |
| Deferred income taxes | 38 | 7 |
| Current portion of debt(a) | 288 | 212 |
| **Total current liabilities** | 2,181 | 1,826 |
| Long-term debt(a) | 3,414 | 3,730 |
| Notes payable to affiliates | 4 | 4 |
| Deferred income taxes | 228 | 309 |
| Other noncurrent liabilities(a) | 1,161 | 1,012 |
| **Total liabilities** | 6,988 | 6,881 |
| **Commitments and contingencies (Notes 19 and 20)** | | |
| **Equity** | | |
| **Huntsman Corporation stockholders' equity:** | | |
| Common stock $0.01 par value, 1,200,000,000 shares authorized, 243,813,779 and 241,836,001 issued and 238,273,422 and 235,746,087 outstanding in 2012 and 2011, respectively | 2 | 2 |

| | | |
|---|---|---|
| Additional paid-in capital | 3,264 | 3,228 |
| Treasury stock, 4,043,526 shares at both December 31, 2012 and 2011 | (50) | (50) |
| Unearned stock-based compensation | (12) | (12) |
| Accumulated deficit | (687) | (947) |
| Accumulated other comprehensive loss | (744) | (559) |
| **Total Huntsman Corporation stockholders' equity** | 1,773 | 1,662 |
| Noncontrolling interests in subsidiaries | 123 | 114 |
| **Total equity** | 1,896 | 1,776 |
| **Total liabilities and equity** | $ 8,884 | $ 8,657 |

**(a)** At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 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, 2012 | 2011 | 2010 |
|---|---|---|---|
| **Revenues:** | | | |
| Trade sales, services and fees, net | $ 10,964 | $ 11,041 | $ 9,049 |
| Related party sales | 223 | 180 | 201 |
| **Total revenues** | 11,187 | 11,221 | 9,250 |
| **Cost of goods sold** | 9,153 | 9,381 | 7,789 |
| **Gross profit** | 2,034 | 1,840 | 1,461 |
| **Operating expenses:** | | | |
| Selling, general and administrative | 951 | 921 | 861 |
| Research and development | 152 | 166 | 151 |
| Other operating (income) expense | (6) | (20) | 10 |
| Restructuring, impairment and plant closing costs | 92 | 167 | 29 |
| Total expenses | 1,189 | 1,234 | 1,051 |
| **Operating income** | 845 | 606 | 410 |
| Interest expense, net | (226) | (249) | (229) |
| Equity in income of investment in unconsolidated affiliates | 7 | 8 | 24 |
| Loss on early extinguishment of debt | (80) | (7) | (183) |
| Expenses associated with the Terminated Merger and related litigation | – | – | (4) |
| Other income | 1 | 2 | 2 |
| **Income from continuing operations before income taxes** | 547 | 360 | 20 |
| Income tax expense | (169) | (109) | (29) |
| **Income (loss) from continuing operations** | 378 | 251 | (9) |
| (Loss) income from discontinued operations | (7) | (1) | 42 |
| **Income before extraordinary gain (loss)** | 371 | 250 | 33 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | 2 | 4 | (1) |
| **Net income** | 373 | 254 | 32 |
| Net income attributable to noncontrolling interests | (10) | (7) | (5) |
| **Net income attributable to Huntsman Corporation** | $ 363 | $ 247 | $ 27 |

(continued)

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

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Basic income (loss) per share:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | $ 1.55 | $ 1.03 | $ (0.06) |
| (Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax | (0.03) | − | 0.17 |
| Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax | 0.01 | 0.01 | − |
| Net income attributable to Huntsman Corporation common stockholders | $ 1.53 | $ 1.04 | $ 0.11 |
| Weighted average shares | 237.6 | 237.6 | 236.0 |
| **Diluted income (loss) per share:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | $ 1.53 | $ 1.01 | $ (0.06) |
| (Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax | (0.03) | − | 0.17 |
| Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax | 0.01 | 0.01 | − |
| Net income attributable to Huntsman Corporation common stockholders | $ 1.51 | $ 1.02 | $ 0.11 |
| Weighted average shares | 240.6 | 241.7 | 236.0 |
| **Amounts attributable to Huntsman Corporation common stockholders:** | | | |
| Income (loss) from continuing operations | $ 368 | $ 244 | $ (14) |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax | 2 | 4 | (1) |
| Net income | $ 363 | $ 247 | $ 27 |
| **Dividends per share** | $ 0.40 | $ 0.40 | $ 0.40 |

See accompanying notes to consolidated financial statements.

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**HUNTSMAN CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**(In Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Net income** | $ 373 | $ 254 | $ 32 |
| **Other comprehensive loss, net of tax:** | | | |
| Foreign currency translations adjustments | 51 | (80) | 24 |
| Pension and other postretirement benefits adjustments | (236) | (187) | (33) |
| Other, net | (1) | – | (2) |
| **Other comprehensive loss** | (186) | (267) | (11) |
| **Comprehensive income (loss)** | 187 | (13) | 21 |
| Comprehensive income attributable to noncontrolling interests | (9) | (2) | (4) |
| **Comprehensive income (loss) attributable to Huntsman Corporation** | $ 178 | $ (15) | $ 17 |

See accompanying notes to consolidated financial statements.

## HUNTSMAN CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF EQUITY

### (Dollars in Millions)

| | Huntsman Corporation Stockholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | | | | | | | | |
| | Common stock | Common stock | Additional paid-in capital | Treasury stock | Unearned stock-based compensation | Accumulated deficit | Accumulated other comprehensive loss | Noncontrolling interests in subsidiaries | Total equity |
| Balance, January 1, 2010 | 234,081,490 | $ 2 | $ 3,155 | $ – | $ (11) | $ (1,015) | $ (287) | $ 21 | $1,865 |
| Net income | – | – | – | – | – | 27 | – | 5 | 32 |
| Other comprehensive loss | – | – | – | – | – | – | (10) | (1) | (11) |
| Consolidation of a variable interest entity | – | – | – | – | – | – | – | 35 | 35 |
| Issuance of nonvested stock awards | – | – | 12 | – | (12) | – | – | – | – |
| Vesting of stock awards | 1,939,524 | – | 9 | – | – | – | – | – | 9 |
| Recognition of stock-based compensation | – | – | 3 | – | 12 | – | – | – | 15 |
| Repurchase and cancellation of stock awards | (431,052) | – | – | – | – | (6) | – | – | (6) |
| Stock options exercised | 1,209,493 | – | 3 | – | – | – | – | – | 3 |
| Excess tax benefit related to stock-based compensation | – | – | 4 | – | – | – | – | – | 4 |
| Dividends declared on common stock | – | – | – | – | – | (96) | – | – | (96) |
| Balance, December 31, 2010 | 236,799,455 | 2 | 3,186 | – | (11) | (1,090) | (297) | 60 | 1,850 |
| Net income | – | – | – | – | – | 247 | – | 7 | 254 |
| Dividend paid to noncontrolling interest | – | – | – | – | – | – | – | (9) | (9) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Other comprehensive loss | – | – | – | – | – | – | (262) | (5) | (267) |
| Consolidation of a variable interest entity | – | – | – | – | – | – | – | 61 | 61 |
| Issuance of nonvested stock awards | – | – | 11 | – | (11) | – | – | – | – |
| Vesting of stock awards | 2,229,418 | – | 13 | – | – | – | – | – | 13 |
| Recognition of stock-based compensation | – | – | 5 | – | 10 | – | – | – | 15 |
| Repurchase of common stock | (4,043,526) | – | – | (50) | – | – | – | – | (50) |
| Repurchase and cancellation of stock awards | (507,624) | – | – | – | – | (8) | – | – | (8) |
| Stock options exercised | 1,268,364 | – | 3 | – | – | – | – | – | 3 |
| Excess tax benefit related to stock-based compensation | – | – | 10 | – | – | – | – | – | 10 |
| Dividends declared on common stock | – | – | – | – | – | (96) | – | – | (96) |
| Balance, December 31, 2011 | 235,746,087 | 2 | 3,228 | (50) | (12) | (947) | (559) | 114 | 1,776 |
| Net income | – | – | – | – | – | 363 | – | 10 | 373 |
| Other comprehensive loss | – | – | – | – | – | – | (185) | (1) | (186) |
| Issuance of nonvested stock awards | – | – | 12 | – | (12) | – | – | – | – |
| Vesting of stock awards | 2,162,043 | – | 10 | – | – | – | – | – | 10 |
| Recognition of stock-based compensation | – | – | 9 | – | 12 | – | – | – | 21 |
| Repurchase and cancellation of stock awards | (537,039) | – | – | – | – | (7) | – | – | (7) |
| Stock options exercised | 902,331 | – | 3 | – | – | – | – | – | 3 |
| Excess tax benefit related to stock- | – | – | 4 | – | – | – | – | – | 4 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| based compensation | | | | | | | | | |
| Acquisition of a business | – | | (2) | – | – | – | – | – | (2) |
| Dividends declared on common stock | – | – | – | – | – | (96) | – | – | (96) |
| Balance, December 31, 2012 | 238,273,422 | $ 2 | $ 3,264 | $ (50) | $ (12) | $ (687) | $ (744) | $ 123 | $1,896 |

See accompanying notes to consolidated financial statements.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Operating Activities:** | | | |
| Net income | $ 373 | $ 254 | $ 32 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | |
| Extraordinary (gain) loss on the acquisition of a business, net of tax | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries | 4 | (12) | – |
| Equity in income of investment in unconsolidated affiliates | (7) | (8) | (24) |
| Depreciation and amortization | 432 | 439 | 405 |
| Provision for losses (gains) on accounts receivable | 4 | (4) | 6 |
| (Gain) loss on disposal of businesses/assets, net | – | (38) | 8 |
| Loss on early extinguishment of debt | 80 | 7 | 183 |
| Noncash interest expense | 33 | 38 | 22 |
| Deferred income taxes | (38) | (23) | 45 |
| Noncash impairment charge | 15 | 60 | 2 |
| Noncash loss (gain) on foreign currency transactions | 11 | (32) | 22 |
| Stock-based compensation | 27 | 24 | 27 |
| Portion of insurance settlement representing cash provided by investing activities | – | – | (34) |
| Other, net | (2) | (1) | 2 |
| Changes in operating assets and liabilities: | | | |
| Accounts and notes receivable | – | (121) | (183) |
| Accounts receivable from A/R Programs | – | – | (254) |
| Inventories | (248) | (161) | (207) |
| Prepaid expenses | (3) | (4) | (2) |
| Other current assets | 24 | (108) | (5) |
| Other noncurrent assets | 103 | 2 | (102) |
| Accounts payable | 146 | 24 | 83 |
| Accrued liabilities | 23 | 112 | (22) |
| Other noncurrent liabilities | (201) | (79) | (63) |
| **Net cash provided by (used in) operating activities** | 774 | 365 | (58) |
| **Investing Activities:** | | | |
| Capital expenditures | (412) | (330) | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | – | 3 | 34 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | (18) | (34) | – |
| Cash assumed in connection with the initial consolidation of a variable interest entity | – | 28 | 14 |
| Proceeds from sale of businesses/assets | 6 | 48 | 2 |
| Investment in unconsolidated affiliates | (127) | (26) | (27) |
| Cash received from unconsolidated affiliates | 82 | 32 | 31 |

| | | | |
|---|---|---|---|
| Other, net | (2) | (1) | – |
| **Net cash used in investing activities** | (471) | (280) | (182) |

(continued)

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**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**
**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Financing Activities:** | | | |
| Net repayments under revolving loan facilities | $ (15) | (2) | $ (6) |
| Revolving loan facility from A/R Programs | – | – | 254 |
| Net borrowings (repayments) on overdraft facilities | 2 | 9 | (2) |
| Repayments of short-term debt | (53) | (187) | (175) |
| Borrowings on short-term debt | – | 162 | 212 |
| Repayments of long-term debt | (694) | (408) | (1,456) |
| Proceeds from issuance of long-term debt | 405 | 98 | 923 |
| Repayments of notes payable | (37) | (34) | (53) |
| Borrowings on notes payable | 34 | 35 | 46 |
| Debt issuance costs paid | (11) | (7) | (29) |
| Call premiums related to early extinguishment of debt | (2) | (6) | (160) |
| Dividends paid to common stockholders | (96) | (96) | (96) |
| Repurchase and cancellation of stock awards | (7) | (8) | (6) |
| Repurchase of common stock | – | (50) | – |
| Proceeds from issuance of common stock | 3 | 3 | 3 |
| Dividends paid to noncontrolling interest | – | (9) | – |
| Excess tax benefit related to stock-based compensation | 4 | 10 | 4 |
| Other, net | (6) | – | (2) |
| **Net cash used in financing activities** | (473) | (490) | (543) |
| Effect of exchange rate changes on cash | 3 | (7) | 4 |
| Decrease in cash and cash equivalents | (167) | (412) | (779) |
| Cash and cash equivalents at beginning of period | 554 | 966 | 1,745 |
| Cash and cash equivalents at end of period | $ 387 | $ 554 | $ 966 |
| **Supplemental cash flow information:** | | | |
| Cash paid for interest | $ 209 | $ 204 | $ 203 |
| Cash paid for income taxes | 224 | 119 | 6 |

During 2012, 2011 and 2010, the amount of capital expenditures in accounts payable increased by $31, $16 and $14, respectively.

See accompanying notes to consolidated financial statements.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Managers and Members of
Huntsman International LLC and subsidiaries

We have audited the accompanying consolidated balance sheets of Huntsman International LLC and subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index on page F-1. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Huntsman International LLC and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, the Company adopted new accounting guidance which changed its method of accounting for transfers of accounts receivable under the Company's accounts receivable securitization programs, effective January 1, 2010.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control–Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 12, 2013 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP
Houston, Texas
February 12, 2013

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**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**(Dollars in Millions)**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents(a) | $ 210 | $ 231 |
| Restricted cash(a) | 9 | 8 |
| Accounts and notes receivable (net of allowance for doubtful accounts of $47 and $46, respectively), ($520 and $659 pledged as collateral, respectively)(a) | 1,534 | 1,529 |
| Accounts receivable from affiliates | 299 | 148 |
| Inventories(a) | 1,819 | 1,539 |
| Prepaid expenses | 48 | 46 |
| Deferred income taxes | 51 | 40 |
| Other current assets(a) | 222 | 220 |
| **Total current assets** | 4,192 | 3,761 |
| Property, plant and equipment, net(a) | 3,656 | 3,510 |
| Investment in unconsolidated affiliates | 238 | 202 |
| Intangible assets, net(a) | 70 | 93 |
| Goodwill | 117 | 114 |
| Deferred income taxes | 229 | 163 |
| Notes receivable from affiliates | 2 | 5 |
| Other noncurrent assets(a) | 366 | 482 |
| **Total assets** | $ 8,870 | $ 8,330 |
| **LIABILITIES AND EQUITY** | | |
| **Current liabilities:** | | |
| Accounts payable(a) | $ 1,101 | $ 862 |
| Accounts payable to affiliates | 62 | 64 |
| Accrued liabilities(a) | 723 | 694 |
| Deferred income taxes | 39 | 29 |
| Note payable to affiliate | 100 | 100 |
| Current portion of debt(a) | 288 | 212 |
| **Total current liabilities** | 2,313 | 1,961 |
| Long-term debt(a) | 3,414 | 3,730 |
| Notes payable to affiliates | 599 | 439 |
| Deferred income taxes | 170 | 106 |
| Other noncurrent liabilities(a) | 1,157 | 1,003 |
| **Total liabilities** | 7,653 | 7,239 |
| **Commitments and contingencies (Notes 19 and 20)** | | |
| **Equity** | | |
| **Huntsman International LLC members' equity:** | | |
| Members' equity, 2,728 units issued and outstanding | 3,109 | 3,081 |

| | | |
|---|---|---|
| Accumulated deficit | (1,224) | (1,493) |
| Accumulated other comprehensive loss | (791) | (611) |
| **Total Huntsman International LLC members' equity** | 1,094 | 977 |
| Noncontrolling interests in subsidiaries | 123 | 114 |
| **Total equity** | 1,217 | 1,091 |
| **Total liabilities and equity** | $ 8,870 | $ 8,330 |

**(a)** At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 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 INTERNATIONAL LLC AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Revenues:** | | | |
| Trade sales, services and fees, net | $ 10,964 | $ 11,041 | $ 9,049 |
| Related party sales | 223 | 180 | 201 |
| **Total revenues** | 11,187 | 11,221 | 9,250 |
| **Cost of goods sold** | 9,146 | 9,363 | 7,772 |
| **Gross profit** | 2,041 | 1,858 | 1,478 |
| **Operating expenses:** | | | |
| Selling, general and administrative | 934 | 916 | 855 |
| Research and development | 152 | 166 | 151 |
| Other operating income | (6) | (20) | – |
| Restructuring, impairment and plant closing costs | 92 | 167 | 29 |
| Total expenses | 1,172 | 1,229 | 1,035 |
| **Operating income** | 869 | 629 | 443 |
| Interest expense, net | (238) | (262) | (248) |
| Equity in income of investment in unconsolidated affiliates | 7 | 8 | 24 |
| Loss on early extinguishment of debt | (80) | (7) | (37) |
| Other income | 1 | 2 | 2 |
| **Income from continuing operations before income taxes** | 559 | 370 | 184 |
| Income tax expense | (179) | (113) | (40) |
| **Income from continuing operations** | 380 | 257 | 144 |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 |
| **Income before extraordinary gain (loss)** | 373 | 256 | 186 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | 2 | 4 | (1) |
| **Net income** | 375 | 260 | 185 |
| Net income attributable to noncontrolling interests | (10) | (7) | (5) |
| **Net income attributable to Huntsman International LLC** | $ 365 | $ 253 | $ 180 |

See accompanying notes to consolidated financial statements.

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Net income** | $ 375 | $ 260 | $ 185 |
| **Other comprehensive loss, net of tax:** | | | |
| Foreign currency translations adjustments | 51 | (79) | 23 |
| Pension and other postretirement benefits adjustments | (231) | (182) | (28) |
| Other, net | (1) | (1) | (2) |
| **Other comprehensive loss** | (181) | (262) | (7) |
| **Comprehensive income (loss)** | 194 | (2) | 178 |
| Comprehensive income attributable to noncontrolling interests | (9) | (2) | (4) |
| **Comprehensive income (loss) attributable to Huntsman International LLC** | $ 185 | $ (4) | $ 174 |

See accompanying notes to consolidated financial statements.

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF EQUITY**

**(Dollars in Millions)**

| | Huntsman International LLC Members | | | | | |
|---|---|---|---|---|---|---|
| | Members' equity | | | | | |
| | Units | Amount | Accumulated deficit | Accumulated other comprehensive loss | Noncontrolling interests in subsidiaries | Total equity |
| Balance, January 1, 2010 | 2,728 | $ 3,021 | $ (1,847) | $ (348) | $ 21 | $ 847 |
| Net income | – | – | 180 | – | 5 | 185 |
| Other comprehensive loss | – | – | – | (6) | (1) | (7) |
| Consolidation of a variable interest entity | – | – | – | – | 35 | 35 |
| Contribution from parent | – | 24 | – | – | – | 24 |
| Excess tax benefit related to stock-based compensation | – | 4 | – | – | – | 4 |
| Balance, December 31, 2010 | 2,728 | 3,049 | (1,667) | (354) | 60 | 1,088 |
| Net income | – | – | 253 | – | 7 | 260 |
| Dividend paid to noncontrolling interest | – | – | – | – | (9) | (9) |
| Dividends paid to parent | – | – | (79) | – | – | (79) |
| Other comprehensive loss | – | – | – | (257) | (5) | (262) |
| Consolidation of a variable interest entity | – | – | – | – | 61 | 61 |
| Contribution from parent | – | 22 | – | – | – | 22 |
| Excess tax benefit related to stock-based compensation | – | 10 | – | – | – | 10 |
| Balance, December 31, 2011 | 2,728 | 3,081 | (1,493) | (611) | 114 | 1,091 |
| Net income | – | – | 365 | – | 10 | 375 |
| Dividends paid to parent | – | – | (96) | – | – | (96) |
| Other comprehensive loss | – | – | – | (180) | (1) | (181) |
| Contribution from parent | – | 26 | – | – | – | 26 |
| Acquisition of a business | – | (2) | – | – | – | (2) |
| Excess tax benefit related to stock-based compensation | – | 4 | – | – | – | 4 |
| Balance, December 31, 2012 | 2,728 | $ 3,109 | $ (1,224) | $ (791) | $ 123 | $1,217 |

See accompanying notes to consolidated financial statements.

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**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Operating Activities:** | | | |
| Net income | $ 375 | $ 260 | $ 185 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | |
| Extraordinary (gain) loss on the acquisition of a business, net of tax | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries | 4 | (12) | – |
| Equity in income of investment in unconsolidated affiliates | (7) | (8) | (24) |
| Depreciation and amortization | 408 | 416 | 382 |
| Provision for losses (gains) on accounts receivable | 4 | (4) | 6 |
| (Gain) loss on disposal of businesses/assets, net | – | (38) | 8 |
| Loss on early extinguishment of debt | 80 | 7 | 37 |
| Noncash interest expense | 45 | 51 | 40 |
| Deferred income taxes | 76 | 40 | 45 |
| Noncash impairment charge | 15 | 60 | 2 |
| Noncash loss (gain) on foreign currency transactions | 11 | (32) | 22 |
| Noncash compensation | 26 | 22 | 24 |
| Portion of insurance settlement representing cash provided by investing activities | – | – | (34) |
| Other, net | (4) | (1) | 1 |
| Changes in operating assets and liabilities: | | | |
| Accounts and notes receivable | – | (121) | (183) |
| Accounts receivable from A/R Programs | – | – | (254) |
| Inventories | (248) | (161) | (207) |
| Prepaid expenses | (3) | (4) | (2) |
| Other current assets | (1) | (87) | (1) |
| Other noncurrent assets | 103 | 2 | (102) |
| Accounts payable | 134 | 13 | 97 |
| Accrued liabilities | 41 | 108 | (32) |
| Other noncurrent liabilities | (197) | (75) | (57) |
| **Net cash provided by (used in) operating activities** | 860 | 432 | (46) |
| **Investing Activities:** | | | |
| Capital expenditures | (412) | (330) | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | – | 3 | 34 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | (18) | (34) | – |
| Cash assumed in connection with the initial consolidation of a variable interest entity | – | 28 | 14 |
| Proceeds from sale of businesses/assets | 6 | 48 | 2 |
| Increase in receivable from affiliate | (108) | (57) | (57) |
| Investment in unconsolidated affiliates | (127) | (26) | (27) |

| | | | |
|---|---|---|---|
| Cash received from unconsolidated affiliates | 82 | 32 | 31 |
| Other, net | (1) | (1) | 1 |
| **Net cash used in investing activities** | (578) | (337) | (238) |

(continued)

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**
**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Financing Activities:** | | | |
| Net repayments under revolving loan facilities | $ (15) | $ (2) | $ (6) |
| Revolving loan facility from A/R Programs | – | – | 254 |
| Net borrowings (repayments) on overdraft facilities | 2 | 9 | (2) |
| Repayments of short-term debt | (53) | (187) | (175) |
| Borrowings on short-term debt | – | 162 | 212 |
| Repayments of long-term debt | (694) | (408) | (1,207) |
| Proceeds from issuance of long-term debt | 405 | 98 | 923 |
| Repayments of notes payable to affiliate | (139) | (105) | (125) |
| Proceeds from notes payable to affiliate | 299 | 105 | 110 |
| Repayments of notes payable | (37) | (34) | (53) |
| Borrowings on notes payable | 34 | 35 | 46 |
| Debt issuance costs paid | (11) | (7) | (29) |
| Call premiums related to early extinguishment of debt | (2) | (6) | (28) |
| Dividends paid to parent | (96) | (79) | – |
| Dividends paid to noncontrolling interest | – | (9) | – |
| Excess tax benefit related to stock-based compensation | 4 | 10 | 4 |
| Other, net | (3) | – | (2) |
| **Net cash used in financing activities** | (306) | (418) | (78) |
| Effect of exchange rate changes on cash | 3 | (7) | 4 |
| Decrease in cash and cash equivalents | (21) | (330) | (358) |
| Cash and cash equivalents at beginning of period | 231 | 561 | 919 |
| Cash and cash equivalents at end of period | $ 210 | $ 231 | $ 561 |
| **Supplemental cash flow information:** | | | |
| Cash paid for interest | $ 209 | $ 205 | $ 194 |
| Cash paid for income taxes | 129 | 44 | 32 |

During 2012, 2011 and 2010, the amount of capital expenditures in accounts payable increased by $31, $16 and $14, respectively. During the years ended 2012, 2011 and 2010, Huntsman Corporation contributed $26, $22 and $24, respectively to stock based compensation.

See accompanying notes to consolidated financial statements.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. GENERAL**

**DEFINITIONS**

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

In this report, we may use, without definition, the common names of competitors or other industry participants. We may also use the common names or abbreviations for certain chemicals or products.

**DESCRIPTION OF BUSINESS**

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

We operate in five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments. Our Polyurethanes, Performance Products, Advanced Materials and Textile Effects segments produce differentiated organic chemical products and our Pigments segment produces inorganic chemical products. In a series of transactions beginning in 2006, we sold or shutdown substantially all of our Australian styrenics operations and our North American polymers and base chemicals operations. We report the results of these businesses as discontinued operations. See "Note 25. Discontinued Operations."

**COMPANY**

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

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

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. GENERAL (Continued)**

**HUNTSMAN CORPORATION AND HUNTSMAN INTERNATIONAL FINANCIAL STATEMENTS**

Except where otherwise indicated, these notes relate to the consolidated financial statements for both our Company and Huntsman International. The differences between our consolidated financial statements and Huntsman International's consolidated financial statements relate primarily to the following:

- purchase accounting recorded at our Company for the 2003 step-acquisition of Huntsman International Holdings LLC, the former parent company of Huntsman International that was merged into Huntsman International in 2005;
- the different capital structures;
- a note payable from Huntsman International to us;
- expenses associated with the Terminated Merger and related litigation;

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ALLOWANCE FOR DOUBTFUL TRADE RECEIVABLES**

An allowance for doubtful trade receivables is estimated based on a combination of write-off history, aging analysis and any specific, known troubled accounts.

**ASSET RETIREMENT OBLIGATIONS**

We accrue for asset retirement obligations, which consist primarily of landfill closure costs and asbestos abatement costs, in the period in which the obligations are incurred. Asset retirement obligations are accrued at estimated fair value. When the liability is initially recorded, we capitalize the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its 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. See "Note 12. Asset Retirement Obligations."

**CARRYING VALUE OF LONG-LIVED ASSETS**

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

**CASH AND CASH EQUIVALENTS**

We consider cash in checking accounts and cash in short-term highly liquid investments with remaining maturities of three months or less at the date of purchase, to be cash and cash equivalents.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**ENVIRONMENTAL EXPENDITURES**

Environmental related restoration and remediation costs are recorded as liabilities when site restoration and environmental remediation and clean-up obligations are either known or considered probable and the related costs can be reasonably estimated. Other environmental expenditures that are principally maintenance or preventative in nature are recorded when expended and incurred and are expensed or capitalized as appropriate. See "Note 20. Environmental, Health and Safety Matters."

**FINANCIAL INSTRUMENTS**

The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair value of non-qualified employee benefit plan investments is estimated 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.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FOREIGN CURRENCY TRANSLATION**

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

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

Foreign currency transaction gains and losses are recorded in other operating (income) expense in the consolidated statements of operations and were net losses of $4 million, $3 million and $2 million for the years ended December 31, 2012, 2011 and 2010, 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.

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

Accounting for uncertainty in income taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The application of income tax law is inherently complex. We are required to determine if an income tax position meets the criteria of more-likely-than-not to be realized based on the merits of the position under tax law, in order to recognize an income tax benefit. This requires us to make significant judgments regarding the merits of income tax positions and the application of income tax law. Additionally, if a tax position meets the recognition criteria of more-likely-than-not we are required to make judgments and apply assumptions 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

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 the consolidated financial statements.

**INTANGIBLE ASSETS AND GOODWILL**

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

| | |
|---|---|
| Patents and technology | 5 - 30 years |
| Trademarks | 15 - 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.

**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.

**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.

**LEGAL COSTS**

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

**NET INCOME PER SHARE ATTRIBUTABLE TO HUNTSMAN CORPORATION**

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

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Numerator:** | | | |
| **Basic and diluted income from continuing operations:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation | $ 368 | $ 244 | $ (14) |
| **Basic and diluted net income:** | | | |
| Net income attributable to Huntsman Corporation | $ 363 | $ 247 | $ 27 |
| **Shares (denominator):** | | | |
| Weighted average shares outstanding | 237.6 | 237.6 | 236.0 |
| Dilutive securities: | | | |
| Stock-based awards | 3.0 | 4.1 | − |
| Total weighted average shares outstanding, including dilutive shares | 240.6 | 241.7 | 236.0 |

Additional stock-based awards of 7.8 million, 6.7 million and 11.5 million weighted average equivalent shares of stock were outstanding during the years ended December 31, 2012, 2011 and 2010, 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.

The impact of the share repurchase program did not increase earnings per share for the year ended December 31, 2012. For more information on the share repurchase program, see "Note 21. Huntsman Corporation Stockholders' Equity−Share Repurchase Program."

**OTHER NONCURRENT ASSETS**

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

**PRINCIPLES OF CONSOLIDATION**

Our consolidated financial statements include the accounts of our wholly-owned and majority-owned subsidiaries and any variable interest entities for which we are the primary beneficiary. All intercompany accounts and transactions have been eliminated, except for intercompany sales between continuing and discontinued operations.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PROPERTY, PLANT AND EQUIPMENT**

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

| | |
|---|---|
| Buildings and equipment | 10 - 33 years |
| Plant and equipment | 3 - 25 years |
| Furniture, fixtures and leasehold improvements | 5 - 20 years |

Interest expense capitalized as part of plant and equipment was $4 million, $2 million and $1 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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

**RESEARCH AND DEVELOPMENT**

Research and development costs are expensed as incurred.

**REVENUE RECOGNITION**

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

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

**SECURITIZATION OF ACCOUNTS RECEIVABLE**

Under our A/R Programs, we grant an undivided interest in certain of our trade receivables to the U.S. SPE and the EU SPE. This undivided interest serves as security for the issuance of debt. The A/R Programs provide for financing through a conduit program (in both U.S. dollars and euros). Receivables transferred under the A/R Programs qualified as sales through December 31, 2009. Upon adoption of new accounting guidance on January 1, 2010, transfers of accounts receivable under our A/R Programs no longer met the criteria for derecognition. Accordingly, the amounts outstanding under our A/R Programs are accounted for as secured borrowings beginning in 2010. See "Note 14. Debt−A/R Programs."

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**STOCK-BASED COMPENSATION**

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which the employee is required to provide services in exchange for the award. See "Note 22. Stock-Based Compensation Plan."

**SUBSEQUENT EVENTS**

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

**USE OF ESTIMATES**

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

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

**ACCOUNTING PRONOUNCEMENTS ADOPTED DURING 2012**

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, providing a consistent definition of fair value between U.S. GAAP and International Financial Reporting Standards ("IFRSs") as well as developing common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and IFRSs. The amendments in this ASU were effective prospectively for interim and annual periods beginning after December 15, 2011. We adopted the amendments of this ASU effective January 1, 2012, and the initial adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*, requiring entities to present net income and other comprehensive income in either a single continuous statement of comprehensive income or in two separate, but consecutive, statements of net income and other comprehensive income. The option to present components of other comprehensive income as part of the statement of equity is eliminated. The amendments do not change the option to present components of other comprehensive income either net of related tax effects or before related tax effects, with one amount shown for the aggregate income tax expense or benefit related to the total of other comprehensive income components. The amendments in this ASU were effective retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011. We adopted this ASU effective January 1, 2012 and have presented our consolidated net income and consolidated comprehensive income in two separate, but consecutive, statements.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In September 2011, the FASB issued ASU No. 2011-08, *Intangibles−Goodwill and Other (Topic 350): Testing Goodwill for Impairment*. The guidance in this ASU is intended to reduce complexity and costs of the annual goodwill impairment test by providing entities with the option of performing a qualitative assessment to determine whether further impairment testing is necessary. The amendments in this ASU include examples of events and circumstances that might indicate that a reporting unit's fair value is less than its carrying value. The amendments in this ASU were effective prospectively for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted the amendments in this ASU effective January 1, 2012, 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 July 2012, the FASB issued ASU No. 2012-02, *Intangibles−Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*. The guidance in this ASU is intended to reduce complexity and costs of the annual impairment tests for indefinite-lived intangible assets by providing entities with the option of performing a qualitative assessment to determine whether further impairment testing is necessary. The amendments in this ASU include examples of events and circumstances that might indicate that an asset's fair value is less than its carrying value. The amendments in this ASU are effective for annual and interim indefinite-lived intangible assets impairment tests performed for fiscal years beginning after September 15, 2012 with early adoption permitted. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

**3. BUSINESS COMBINATIONS AND DISPOSITIONS**

**RUSSIAN MDI, COATINGS AND SYSTEMS ACQUISITION**

On July 3, 2012, we completed our acquisition of the remaining 55% ownership interest in International Polyurethane Investments B.V. This company's wholly owned subsidiary, Huntsman NMG ZAO, is a leading supplier of polyurethane systems to the adhesives, coatings and footwear markets in Russia, Ukraine and Belarus and is headquartered in Obninsk, Russia. The acquisition cost was approximately €13 million (approximately $16 million). The acquired business was integrated into our Polyurethanes segment. Transaction costs charged to expense related to this acquisition were not significant. The fair value of our existing 45% ownership interest immediately prior to the acquisition was $13 million, valued by applying the income approach. Key assumptions include a discount rate of 17% and a terminal growth rate of 4%. In connection with this transaction, we recorded a noncash pretax loss of approximately $4 million in other operating (income) expense on the consolidation of this investment. The long-term debt of approximately $7 million that was assumed as part of this transaction was repaid shortly after the acquisition date.

We have accounted for the Russian Systems House Acquisition using the acquisition method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed. The

**3. BUSINESS COMBINATIONS AND DISPOSITIONS (Continued)**

preliminary allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

| | |
|---|---|
| Fair value of original 45% ownership interest acquired in 2007 | $ 13 |
| Acquisition cost of 55% ownership interest acquired in 2012 | 16 |
| Total fair value of net assets acquired | $ 29 |
| Fair value of assets acquired and liabilities assumed: | |
| Accounts receivable | $ 2 |
| Inventories | 9 |
| Other current assets | 1 |
| Property, plant and equipment | 31 |
| Accounts payable | (4) |
| Accrued liabilities | (1) |
| Deferred income taxes | (2) |
| Long-term debt | (7) |
| Total fair value of net assets acquired | $ 29 |

The acquisition cost allocation is preliminary pending final determination of the fair value of assets acquired and liabilities assumed, including final valuation of working capital, property, plant and equipment, intangible assets and the determination of related deferred taxes. For purposes of this preliminary allocation of fair value, we have assigned any excess of the acquisition cost over historical carrying values to property, plant and equipment and no amounts have been allocated to goodwill. It is possible that changes to this preliminary allocation could occur.

International Polyurethane Investments B.V. had revenues and earnings of $28 million and $1 million, respectively, for the period from the date of acquisition to December 31, 2012. If this acquisition were to have occurred on January 1, 2010, the approximate pro forma combined earnings attributable to our Company would have been $30 million for 2010, and there would have been no significant impact for 2011 and 2012. For Huntsman International, there was no significant impact for 2010, 2011 and 2012. The following estimated pro forma revenues attributable to our Company and Huntsman International would have been reported (dollars in millions):

| | Pro Forma Year ended December 31, (unaudited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Revenues | $ 11,231 | $ 11,257 | $ 9,277 |

**EMA ACQUISITION**

On December 30, 2011, we completed the acquisition of EMA Kimya Sistemleri Sanayive Ticaret A.S. (the "EMA Acquisition"), an MDI-based polyurethanes systems house in Istanbul, Turkey for approximately $11 million, net of cash acquired and including the repayment of assumed debt. The acquired business was integrated into our Polyurethanes segment. We have accounted for the EMA

**3. BUSINESS COMBINATIONS AND DISPOSITIONS (Continued)**

Acquisition using the acquisition method, and transaction costs charged to expense associated with this acquisition were not significant. We recorded goodwill of approximately $9 million in conjunction with this acquisition. Net sales for the years ended December 31, 2011 and 2010 related to the business acquired were approximately $23 million and $17 million, respectively, and net loss associated with this business was $3 million and nil, respectively, for the same periods.

**SALE OF STEREOLITHOGRAPHY RESIN AND DIGITALIS® MACHINE MANUFACTURING BUSINESSES**

On November 1, 2011, our Advanced Materials division completed the sale of its stereolithography resin and Digitalis® machine manufacturing businesses to 3D Systems Corporation for $41 million in cash. The stereolithography business had revenues of approximately $7 million in 2010 and its products are used primarily in three-dimensional part building systems. The Digitalis® business is a stereolithography rapid manufacturing system that we were developing. In connection with this sale, we recognized a pre-tax gain in the fourth quarter of 2011 of $34 million which was reflected in other operating income on the accompanying consolidated statements of operations and comprehensive income (loss). We also derecognized $2 million of goodwill that was allocated to these businesses.

**LAFFANS ACQUISITION**

On April 2, 2011, we completed the acquisition of the chemical business of Laffans Petrochemicals Limited, an amines and surfactants manufacturer located in Ankleshwar, India at an acquisition cost of approximately $23 million. The acquired business was integrated into our Performance Products segment. Transaction costs charged to expense related to this acquisition were not significant.

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

| | |
|---|---|
| Acquisition cost | $ 23 |
| Fair value of assets acquired and liabilities assumed: | |
| Accounts receivable | $ 9 |
| Inventories | 2 |
| Other current assets | 2 |
| Property, plant and equipment | 12 |
| Intangibles | 3 |
| Accounts payable | (3) |
| Accrued liabilities | (1) |
| Other noncurrent liabilities | (1) |
| Total fair value of net assets acquired | $ 23 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**3. BUSINESS COMBINATIONS AND DISPOSITIONS (Continued)**

If this acquisition were to have occurred on January 1, 2010 the following estimated pro forma revenues and net income attributable to Huntsman Corporation and Huntsman International would have been reported (dollars in millions):

**Huntsman Corporation**

| | Pro Forma Year ended December 31, (unaudited) | |
|---|---|---|
| | 2011 | 2010 |
| Revenues | $ 11,235 | $ 9,301 |
| Net income attributable to Huntsman Corporation | 248 | 28 |

**Huntsman International**

| | Pro Forma Year ended December 31, (unaudited) | |
|---|---|---|
| | 2011 | 2010 |
| Revenues | $ 11,235 | $ 9,301 |
| Net income attributable to Huntsman Corporation | 254 | 181 |

**TEXTILE EFFECTS ACQUISITION**

On June 30, 2006, we acquired Ciba's textile effects business and accounted for the Textile Effects Acquisition using the purchase method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed and determined the excess of fair value of net assets over cost. Because the fair value of the acquired assets and liabilities assumed exceeded the purchase price, the value of the long-lived assets acquired was reduced to zero. Accordingly, no basis was assigned to property, plant and equipment or any other non-current nonfinancial assets and the remaining excess was recorded as an extraordinary gain. During 2012, 2011 and 2010, we recorded an additional extraordinary gain (loss) on the acquisition of $2 million, $4 million and $(1) million, respectively, related to settlement of contingent purchase price consideration, the reversal of accruals for certain restructuring and employee termination costs recorded in connection with the Textile Effects Acquisition and a reimbursement by Ciba of certain costs pursuant to the acquisition agreements.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 4. INVENTORIES

Inventories consisted of the following (dollars in millions):

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Raw materials and supplies | $ 484 | $ 374 |
| Work in progress | 98 | 92 |
| Finished goods | 1,311 | 1,162 |
| **Total** | 1,893 | 1,628 |
| LIFO reserves | (74) | (89) |
| **Net** | $ 1,819 | $ 1,539 |

As of December 31, 2012 and 2011, approximately 11% and 12%, respectively, of inventories were recorded using the LIFO cost method.

In the normal course of operations we, at times, exchange raw materials and finished goods with other companies for the purpose of reducing transportation costs. The net non-monetary open exchange positions are valued at cost. The amounts included in inventory under non-monetary open exchange agreements receivable by us for December 31, 2012 and 2011 were $6 million and $3 million, respectively. Other open exchanges are settled in cash and result in a net deferred profit margin. The amounts under these open exchange agreements for both December 31, 2012 and 2011 were nil.

## 5. PROPERTY, PLANT AND EQUIPMENT

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

**Huntsman Corporation**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Land | $ 151 | $ 148 |
| Buildings | 666 | 629 |
| Plant and equipment | 6,242 | 5,951 |
| Construction in progress | 549 | 330 |
| **Total** | 7,608 | 7,058 |
| Less accumulated depreciation | (3,863) | (3,436) |
| **Net** | $ 3,745 | $ 3,622 |

Depreciation expense for 2012, 2011 and 2010 was $399 million, $398 million and $363 million, respectively, of which $5 million, nil and $1 million was related to discontinued operations in 2012, 2011 and 2010, respectively.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**5. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Land | $ 151 | $ 148 |
| Buildings | 666 | 629 |
| Plant and equipment | 6,270 | 6,058 |
| Construction in progress | 549 | 330 |
| **Total** | 7,636 | 7,165 |
| Less accumulated depreciation | (3,980) | (3,655) |
| **Net** | $ 3,656 | $ 3,510 |

Depreciation expense for 2012, 2011 and 2010 was $375 million, $374 million and $340 million, respectively, of which $5 million, nil and $1 million was related to discontinued operations in 2012, 2011 and 2010, respectively.

Property, plant and equipment includes gross assets acquired under capital leases of $1 million and $2 million, respectively, at December 31, 2012 and 2011 and related amounts included in accumulated depreciation were nil and $1 million at December 31, 2012 and 2011, respectively.

**6. INVESTMENT IN UNCONSOLIDATED AFFILIATES**

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

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Equity Method: | | |
| Louisiana Pigment Company, L.P. (50%) | $ 111 | $ 90 |
| BASF Huntsman Shanghai Isocyanate Investment BV (50%)(1) | 81 | 79 |
| Nanjing Jinling Huntsman New Material Co., Ltd. (49%) | 24 | – |
| International Polyurethanes Investments B.V. (45%)(2) | – | 17 |
| Jurong Ningwu New Materials Development Co., Ltd. (30%) | 12 | 10 |
| Others | 2 | 1 |
| Total equity method investments | 230 | 197 |
| Cost Method: | | |
| International Diol Company (4.35%) | 5 | 5 |
| White Mountain Titanium Corporation (3%) | 3 | – |
| Total investments | $ 238 | $ 202 |

**(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.

**(2)** We began consolidating International Polyurethanes Investments B.V. as of July 3, 2012. See "Note 3. Business Combinations and Dispositions."

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**6. INVESTMENT IN UNCONSOLIDATED AFFILIATES (Continued)**

Summarized applicable financial information of Sasol-Huntsman is presented below (dollars in millions):

| | Year ended December 31, | |
|---|---|---|
| | 2011(1) | 2010 |
| Revenues | $ 40 | $ 108 |
| Gross profit | 7 | 14 |
| Net income | (2) | 10 |

**(1)** Represents activity for the period from January 1, 2011 to the date of consolidation on April 1, 2011. No balance sheet information was presented due to the consolidation of Sasol-Huntsman in 2011.

Summarized applicable financial information of our other unconsolidated affiliates is presented below (dollars in millions):

| | December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Assets | $ 624 | $ 621 | |
| Liabilities | 257 | 285 | |
| Revenues | 1,083(1) | 954 | $ 936 |
| Net income | 17(1) | 22 | 10 |

**(1)** Contains activity for International Polyurethanes Investments B.V. for the period from January 1, 2012 to the date of consolidation on July 3, 2012.

In 2008, we and our joint venture partner, the Zamil Group, formed Arabian Amines Company, our ethyleneamines manufacturing joint venture in Jubail, Saudi Arabia. Arabian Amines Company's funding requirements have been satisfied through a combination of debt and equity, with the equity already provided on a 50/50 basis by us and the Zamil Group. Trial production commenced in the second quarter of 2010, and from July 2010, Arabian Amines Company generated significant revenues from the sale of product. The plant has an approximate annual capacity of 60 million pounds. We purchase and sell all of the production from this joint venture. Arabian Amines Company was accounted for under the equity method during its development stage; we began consolidating this joint venture beginning July 1, 2010. For more information, see "Note 7. Variable Interest Entities."

During 2010, we recorded an immaterial non-recurring $18 million credit to equity income of investment in unconsolidated affiliates to appropriately reflect our investment in the Sasol-Huntsman joint venture. This credit represented a cumulative correction of an error that was also individually immaterial in each year since our initial investment in the joint venture in 1997. In connection with the expansion of the maleic anhydride capacity at our Sasol-Huntsman joint venture, a variable interest entity reconsideration event occurred in the second quarter of 2011 when the plant expansion began production. As a result of our assessment, we concluded that the joint venture is a variable interest entity and that we are the primary beneficiary. Accordingly, we began consolidating this joint venture during the second quarter of 2011. For more information, see "Note 7. Variable Interest Entities."

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**6. INVESTMENT IN UNCONSOLIDATED AFFILIATES (Continued)**

On November 13, 2012, we entered into an agreement to form a joint venture with Sinopec. The joint venture will involve the construction and operation of a PO/MTBE facility in China. Under the joint venture agreement, we will have a 49% interest in the joint venture and Sinopec will hold a 51% interest. Our equity investment is anticipated to be approximately $120 million, and we expect to receive significant license fees from the joint venture. The timing of equity contributions and license fee payments depends on various factors, but the majority are intended to be made over the course of the construction period of the plant (expected to be completed by the end of 2014).

**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 four joint ventures for which we are the primary beneficiary:

Rubicon LLC manufactures products for our Polyurethanes and Performance Products segments. The structure of the joint venture is such that the total equity investment at risk is not sufficient to permit the joint venture to finance its activities without additional financial support. By virtue of the operating agreement with this joint venture, we purchase a majority of the output, absorb a majority of the operating costs and provide a majority of the additional funding.

Pacific Iron Products Sdn Bhd manufactures products for our Pigments segment. In this joint venture we supply all the raw materials through a fixed cost supply contract, operate the manufacturing facility and market the products of the joint venture to customers. Through a fixed price raw materials supply contract with the joint venture we are exposed to the risk related to the fluctuation of raw material pricing.

Arabian Amines Company manufactures products for our Performance Products segment. Prior to July 1, 2010, this joint venture was in the development stage and the total equity investment at risk was sufficient for the joint venture to finance its activities without additional support. Therefore, Arabian Amines Company was accounted for under the equity method. In July 2010, Arabian Amines Company exited the development stage, which triggered the reconsideration of Arabian Amines Company as a variable interest entity. As required in the operating agreement governing this joint venture, we purchase all of Arabian Amines Company's production and sell it to our customers. Substantially all of the joint venture's activities are conducted on our behalf. Accordingly, we concluded that we were the primary beneficiary and began consolidating Arabian Amines Company beginning July 1, 2010.

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. Prior to April 1, 2011, we accounted for Sasol-Huntsman using the equity method. In April 2011, an expansion at this facility began production, which triggered the reconsideration of this joint venture as a variable interest entity. 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. As a result, we concluded that we were the primary beneficiary and began consolidating Sasol-Huntsman beginning April 1, 2011.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**7. VARIABLE INTEREST ENTITIES (Continued)**

Creditors of these entities have no recourse to our general credit, except in the event that we offer guarantees of specified indebtedness. See "Note 14. Debt−Direct and Subsidiary Debt." As the primary beneficiary of these variable interest entities at December 31, 2012, 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, before intercompany eliminations, as of December 31, 2012 and 2011 (dollars in millions):

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Current assets | $ 163 | $ 140 |
| Property, plant and equipment, net | 378 | 403 |
| Other noncurrent assets | 61 | 61 |
| Deferred income taxes | 45 | 45 |
| Intangible assets | 19 | 23 |
| Goodwill | 16 | 15 |
| Total assets | $ 682 | $ 687 |
| Current liabilities | $ 348 | $ 145 |
| Long-term debt | 82 | 269 |
| Deferred income taxes | 8 | 9 |
| Other noncurrent liabilities | 102 | 110 |
| Total liabilities | $ 540 | $ 533 |

In April 2011, Arabian Amines Company settled a dispute with its contractors and received an amount totaling $11 million. Of this $11 million settlement, $8 million was related to damages incurred due to the delayed initial acceptance of the plant. This amount was recorded as other operating (income) expense in the consolidated statements of operations and included in the cash flows from operating activities in the consolidated statements of cash flows. The remaining $3 million of the settlement was received for the reimbursement of capital expenditures for work left unfinished by the contractors. This amount was included in cash flows from investing activities in the consolidated statements of cash flows.

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**7. VARIABLE INTEREST ENTITIES (Continued)**

The following table summarizes the fair value of Sasol-Huntsman's assets and liabilities recorded upon initial consolidation in our consolidated balance sheet, before intercompany eliminations (dollars in millions):

| | April 1, 2011 |
|---|---|
| Current assets | $ 61 |
| Property, plant and equipment, net | 155 |
| Intangible assets | 16 |
| Goodwill | 17 |
| Total assets | $ 249 |
| Current liabilities | $ 23 |
| Long-term debt | 93 |
| Deferred income taxes | 8 |
| Other noncurrent liabilities | 7 |
| Total liabilities | $ 131 |

Goodwill of $17 million was recognized upon consolidation of Sasol-Huntsman, of which approximately $12 million is deductible for income tax purposes. The total amount of goodwill changed approximately $2 million from the date of consolidation to December 31, 2011, due to a change in the foreign currency exchange rate. All other intangible assets are being amortized over an average useful life of 18 years. The net change to goodwill in response to changes in the foreign currency exchange rate during 2012 was $1 million.

Sasol-Huntsman had revenues and earnings of $116 million and $7 million, respectively, for the period from the date of consolidation to December 31, 2011. If this consolidation had occurred on January 1, 2010, the approximate pro forma revenues attributable to both our Company and Huntsman International would have been $11,259 million and $9,337 million for 2011 and 2010, respectively. There would have been no impact to the combined earnings attributable to us or Huntsman International excluding a one-time noncash gain of approximately $12 million recognized upon consolidation included in other operating income in the consolidated statements of operations and comprehensive (loss) income. Upon consolidation we also recognized a one-time noncash income tax expense of approximately $2 million. The fair value of the noncontrolling interest was estimated to be $61 million at April 1, 2011. The noncontrolling interest was valued at 50% of the fair value of the net assets as of April 1, 2011, as dictated by the ownership interest percentages, adjusted for certain tax consequences only applicable to one parent.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8. INTANGIBLE ASSETS

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

**Huntsman Corporation**

| | December 31, 2012 | | | December 31, 2011 | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Accumulated Amortization | Net | Carrying Amount | Accumulated Amortization | Net |
| Patents, trademarks and technology | $ 355 | $ 318 | $ 37 | $ 363 | $ 307 | $ 56 |
| Licenses and other agreements | 41 | 16 | 25 | 39 | 14 | 25 |
| Non-compete agreements | 2 | 2 | – | 2 | 2 | – |
| Other intangibles | 60 | 54 | 6 | 40 | 30 | 10 |
| **Total** | $ 458 | $ 390 | $ 68 | $ 444 | $ 353 | $ 91 |

Amortization expense was $23 million, $29 million and $30 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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

| Year ending December 31 | |
|---|---|
| 2013 | $ 21 |
| 2014 | 13 |
| 2015 | 5 |
| 2016 | 5 |
| 2017 | 4 |

**Huntsman International**

| | December 31, 2012 | | | December 31, 2011 | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Accumulated Amortization | Net | Carrying Amount | Accumulated Amortization | Net |
| Patents, trademarks and technology | $ 355 | $ 318 | $ 37 | $ 363 | $ 307 | $ 56 |
| Licenses and other agreements | 41 | 16 | 25 | 39 | 14 | 25 |
| Non-compete agreements | 2 | 2 | – | 2 | 2 | – |
| Other intangibles | 68 | 60 | 8 | 48 | 36 | 12 |
| **Total** | $ 466 | $ 396 | $ 70 | $ 452 | $ 359 | $ 93 |

Amortization expense for Huntsman International was $23 million, $30 million and $30 million for the years ended December 31, 2012, 2011 and 2010, respectively.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**8. INTANGIBLE ASSETS (Continued)**

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

| Year ending December 31 | | |
|---|---|---|
| 2013 | $ | 21 |
| 2014 | | 13 |
| 2015 | | 5 |
| 2016 | | 5 |
| 2017 | | 4 |

**9. OTHER NONCURRENT ASSETS**

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

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Pension assets | $ 1 | $ 100 |
| Debt issuance costs | 29 | 31 |
| Capitalized turnaround costs | 127 | 141 |
| Spare parts inventory | 93 | 89 |
| Catalyst assets | 25 | 23 |
| Deposits | 33 | 31 |
| Other | 58 | 67 |
| **Total** | $ 366 | $ 482 |

Amortization expense of catalyst assets for the years ended December 31, 2012, 2011 and 2010 was $10 million, $12 million and $12 million, respectively.

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## 10. ACCRUED LIABILITIES

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

**Huntsman Corporation**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Payroll and related costs | $ 149 | $ 158 |
| Interest | 34 | 49 |
| Volume and rebate accruals | 85 | 91 |
| Income taxes | 24 | 46 |
| Taxes other than income taxes | 87 | 61 |
| Restructuring and plant closing costs | 93 | 91 |
| Environmental accruals | 10 | 7 |
| Pension liabilities | 11 | 12 |
| Other postretirement benefits | 12 | 12 |
| Self-insured casualty loss reserves | 11 | 13 |
| Deferred revenue | 16 | 28 |
| Legal reserve | 15 | 15 |
| Other miscellaneous accruals | 158 | 112 |
| **Total** | $ 705 | $ 695 |

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Payroll and related costs | $ 149 | $ 158 |
| Interest | 34 | 49 |
| Volume and rebate accruals | 85 | 91 |
| Income taxes | 44 | 46 |
| Taxes other than income taxes | 87 | 61 |
| Restructuring and plant closing costs | 93 | 91 |
| Environmental accruals | 10 | 7 |
| Pension liabilities | 11 | 12 |
| Other postretirement benefits | 12 | 12 |
| Self-insured casualty loss reserves | 11 | 13 |
| Deferred revenue | 16 | 28 |
| Legal reserve | 15 | 15 |
| Other miscellaneous accruals | 156 | 111 |
| **Total** | $ 723 | $ 694 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

As of December 31, 2012, 2011 and 2010, accrued restructuring, impairment and plant closing costs by type of cost and initiative consisted of the following (dollars in millions):

| | Workforce reductions(1) | Demolition and decommissioning | Non-cancelable lease costs | Other restructuring costs | Total(2) |
|---|---|---|---|---|---|
| Accrued liabilities as of January 1, 2010 | $ 60 | $ 2 | $ 2 | $ 11 | $ 75 |
| 2010 charges for 2005 and prior initiatives | 1 | – | – | – | 1 |
| 2010 charges for 2008 initiatives | 1 | – | – | – | 1 |
| 2010 charges for 2009 initiatives | 4 | – | – | 5 | 9 |
| 2010 charges for 2010 initiatives | 22 | – | – | 1 | 23 |
| Reversal of reserves no longer required | (6) | – | (1) | – | (7) |
| 2010 payments for 2005 and prior initiatives | (1) | (1) | – | – | (2) |
| 2010 payments for 2006 initiatives | (3) | – | – | – | (3) |
| 2010 payments for 2008 initiatives | (7) | – | – | – | (7) |
| 2010 payments for 2009 initiatives | (11) | – | – | (5) | (16) |
| 2010 payments for 2010 initiatives | (1) | – | – | (2) | (3) |
| Net activity of discontinued operations | (26) | – | – | – | (26) |
| Foreign currency effect on liability balance | 3 | – | – | 1 | 4 |
| Accrued liabilities as of December 31, 2010 | 36 | 1 | 1 | 11 | 49 |
| 2011 charges for 2006 and prior initiatives | 1 | – | – | – | 1 |
| 2011 charges for 2009 initiatives | 1 | – | – | 6 | 7 |
| 2011 charges for 2010 initiatives | 2 | 2 | 10 | 1 | 15 |
| 2011 charges for 2011 initiatives | 87 | – | 1 | 1 | 89 |
| Reversal of reserves no longer required | (5) | – | – | – | (5) |
| 2011 payments for 2006 and prior initiatives | (1) | – | (1) | (1) | (3) |
| 2011 payments for 2008 initiatives | (2) | – | – | – | (2) |
| 2011 payments for 2009 initiatives | (6) | – | – | (6) | (12) |
| 2011 payments for 2010 initiatives | (17) | (3) | – | (1) | (21) |
| 2011 payments for 2011 initiatives | (13) | – | – | (1) | (14) |
| Net activity of discontinued operations | – | – | – | (2) | (2) |
| Foreign currency effect on liability balance | (10) | – | – | – | (10) |
| Accrued liabilities as of December 31, 2011 | 73 | – | 11 | 8 | 92 |
| 2012 charges for 2007 and prior initiatives | 2 | – | – | – | 2 |
| 2012 charges for 2009 initiatives | 1 | – | – | 4 | 5 |
| 2012 charges for 2010 initiatives | 2 | – | – | – | 2 |
| 2012 charges for 2011 initiatives | 4 | 5 | – | 6 | 15 |
| 2012 charges for 2012 initiatives | 64 | – | – | 5 | 69 |
| Reversal of reserves no longer required | (15) | – | – | (1) | (16) |
| 2012 payments for 2007 and prior initiatives | (2) | – | – | (1) | (3) |
| 2012 payments for 2009 initiatives | (1) | – | – | (5) | (6) |
| 2012 payments for 2010 initiatives | (3) | – | (1) | – | (4) |
| 2012 payments for 2011 initiatives | (25) | (6) | (1) | (5) | (37) |

| | | | | | |
|---|---|---|---|---|---|
| 2012 payments for 2012 initiatives | (12) | – | – | (6) | (18) |
| Foreign currency effect on liability balance | 2 | 1 | – | 1 | 4 |
| Accrued liabilities as of December 31, 2012 | $ 90 | $ – | $ 9 | $ 6 | $ 105 |

**(1)** The total workforce reduction reserves of $90 million relate to the termination of 831 positions, of which 786 positions had not been terminated as of December 31, 2012.

**(2)** Accrued liabilities remaining at December 31, 2012 and 2011 by year of initiatives were as follows (dollars in millions):

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| 2007 initiatives and prior | $ 2 | $ 2 |
| 2009 initiatives | 7 | 11 |
| 2010 initiatives | 9 | 16 |
| 2011 initiatives | 34 | 63 |
| 2012 initiatives | 53 | – |
| Total | $ 105 | $ 92 |

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

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

| | Polyurethanes | Performance Products | Advanced Materials | Textile Effects | Pigments | Discontinued Operations | Corporate & Other | Total |
|---|---|---|---|---|---|---|---|---|
| Accrued liabilities as of January 1, 2010 | $ 2 | $ – | $ 7 | $ 17 | $ 11 | $ 34 | $ 4 | $ 75 |
| 2010 charges for 2005 initiatives | – | – | – | – | 1 | – | – | 1 |
| 2010 charges for 2008 initiatives | – | – | – | 1 | – | – | – | 1 |
| 2010 charges for 2009 initiatives | – | – | 1 | – | 8 | – | – | 9 |
| 2010 charges for 2010 initiatives | – | 2 | – | 15 | – | – | 6 | 23 |
| Reversal of reserves no longer required | – | – | (3) | (1) | (2) | – | (1) | (7) |
| 2010 payments for 2005 initiatives | (1) | – | – | – | (1) | – | – | (2) |
| 2010 payments for 2006 initiatives | – | – | – | (3) | – | – | – | (3) |
| 2010 payments for 2008 initiatives | (1) | – | – | (5) | (1) | – | – | (7) |
| 2010 payments for 2009 initiatives | – | – | (3) | (2) | (8) | – | (3) | (16) |
| 2010 payments for 2010 initiatives | – | (1) | – | – | – | – | (2) | (3) |
| Net activity of discontinued operations | – | – | – | – | – | (26) | – | (26) |
| Foreign currency effect on liability balance | – | – | – | 3 | – | – | 1 | 4 |
| Accrued liabilities as of December 31, 2010 | – | 1 | 2 | 25 | 8 | 8 | 5 | 49 |
| 2011 charges for 2006 and prior initiatives | – | – | – | 1 | – | – | – | 1 |
| 2011 charges for 2009 Initiatives | – | – | – | – | 7 | – | – | 7 |
| 2011 charges for 2010 Initiatives | – | – | – | 13 | – | – | 2 | 15 |
| 2011 charges for 2011 Initiatives | – | – | 21 | 65 | 3 | – | – | 89 |
| Reversal of reserves no longer required | – | – | (1) | (4) | – | – | – | (5) |
| 2011 payments for 2006 and prior initiatives | – | – | – | (2) | (1) | – | – | (3) |
| 2011 payments for 2008 Initiatives | – | – | – | (1) | (1) | – | – | (2) |
| 2011 payments for 2009 Initiatives | – | – | (1) | – | (11) | – | – | (12) |
| 2011 payments for 2010 Initiatives | – | – | – | (15) | – | – | (6) | (21) |
| 2011 payments for 2011 Initiatives | – | – | (7) | (5) | (2) | – | – | (14) |
| Net activity of discontinued operations | – | – | – | – | – | (2) | – | (2) |
| Foreign currency effect on liability balance | – | – | (2) | (8) | – | – | – | (10) |
| Accrued liabilities as of December 31, 2011 | – | 1 | 12 | 69 | 3 | 6 | 1 | 92 |
| 2012 charges for 2007 and prior initiatives | – | – | – | 2 | – | – | – | 2 |
| 2012 charges for 2009 Initiatives | – | – | 1 | – | 4 | – | – | 5 |
| 2012 charges for 2010 Initiatives | – | 1 | – | – | – | – | 1 | 2 |
| 2012 charges for 2011 Initiatives | – | – | 3 | 12 | – | – | – | 15 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2012 charges for 2012 Initiatives | 38 | – | 30 | – | – | – | 1 | 69 |
| Reversal of reserves no longer required | – | – | – | (16) | – | – | – | (16) |
| 2012 payments for 2007 and prior initiatives | – | – | – | (3) | – | – | – | (3) |
| 2012 payments for 2009 Initiatives | – | – | (1) | – | (5) | – | – | (6) |
| 2012 payments for 2010 Initiatives | – | (2) | – | (1) | – | – | (1) | (4) |
| 2012 payments for 2011 Initiatives | – | – | (14) | (23) | – | – | – | (37) |
| 2012 payments for 2012 Initiatives | (12) | – | (6) | – | – | – | – | (18) |
| Foreign currency effect on liability balance | 1 | – | 2 | 2 | (1) | – | – | 4 |
| Accrued liabilities as of December 31, 2012 | $ 27 | $ – | $ 27 | $ 42 | $ 1 | $ 6 | $ 2 | $ 105 |
| Current portion of restructuring reserves | $ 27 | $ – | $ 26 | $ 31 | $ 1 | $ 6 | $ 2 | $ 93 |
| Long-term portion of restructuring reserve | – | – | 1 | 11 | – | – | – | 12 |
| Estimated additional future charges for current restructuring projects | | | | | | | | |
| Estimated additional charges within one year | $ 3 | $ – | $ 17 | $ 80 | $ – | $ – | $ – | $ 100 |
| Estimated additional charges beyond one year | – | – | 2 | – | – | – | – | 2 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

Details with respect to cash and noncash restructuring charges for the years ended December 31, 2012, 2011 and 2010 by initiative are provided below (dollars in millions):

| | |
|---|---|
| Cash charges: | |
| 2012 charges for 2007 and prior initiatives | $ 2 |
| 2012 charges for 2009 initiatives | 5 |
| 2012 charges for 2010 initiatives | 2 |
| 2012 charges for 2011 initiatives | 15 |
| 2012 charges for 2012 initiatives | 69 |
| Reversal of reserves no longer required | (16) |
| Non-cash charges | 15 |
| Total 2012 Restructuring, Impairment and Plant Closing Costs | $ 92 |
| Cash charges: | |
| 2011 charges for 2006 and prior initiatives | $ 1 |
| 2011 charges for 2009 initiatives | 7 |
| 2011 charges for 2010 initiatives | 15 |
| 2011 charges for 2011 initiatives | 89 |
| Reversal of reserves no longer required | (5) |
| Non-cash charges | 60 |
| Total 2011 Restructuring, Impairment and Plant Closing Costs | $ 167 |
| Cash charges: | |
| 2010 charges for 2005 and prior initiatives | $ 1 |
| 2010 charges for 2008 initiatives | 1 |
| 2010 charges for 2009 initiatives | 9 |
| 2010 charges for 2010 initiatives | 23 |
| Reversal of reserves no longer required | (7) |
| Non-cash charges | 2 |
| Total 2010 Restructuring, Impairment and Plant Closing Costs | $ 29 |

**2012 RESTRUCTURING ACTIVITIES**

During 2012, our Polyurethanes segment implemented a restructuring program to reduce annualized fixed costs by approximately $75 million by the third quarter of 2013. In connection with this program, we recorded restructuring expenses of $38 million during 2012 primarily for workforce reductions. As of December 31, 2012, our Polyurethanes segment restructuring reserve consisted of $27 million related to this program. We expect to incur additional charges of $3 million through 2013 related to our initiative.

During the fourth quarter of 2012, our Advanced Materials segment began implementing a global transformational change program, subject to consultation with relevant employee representatives, designed to improve the segment's manufacturing efficiencies, enhance commercial excellence and ensure its long-term global competitiveness. As of December 31, 2012, our Advanced Materials segment

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

restructuring reserve consisted of $27 million primarily related to this program. During 2012, we recorded charges of $38, million of which $28 million related to our global transformational change program, $3 million related to the reorganization of our global structure and relocation of our divisional headquarters from Basel, Switzerland to The Woodlands, Texas and $3 million related primarily to a redesign of our planning process focused on inventory reduction. Our Advanced Materials segment also recorded noncash charges of $4 million related to pension settlements. We expect to incur additional charges of $19 million through the first half of 2014 related to our initiatives.

During 2011, our Textile Effects segment began implementing a significant restructuring program, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the segment's long-term global competitiveness. In connection with this plan, during 2012, we recorded cash charges of $1 million for workforce reductions, $9 million for decommissioning and other restructuring expenses, and noncash charges of $11 million primarily for pension settlements. We expect to incur additional restructuring and plant closing charges of up to approximately $80 million through 2014 related to the closure of our production facilities and business support offices in Basel, Switzerland. In addition, during 2012, our Textile Effects segment recorded charges of $4 million of which $2 million related to the closure of our St. Fons, France facility and $2 million related to a global transfer pricing initiative. We reversed charges of $16 million which were no longer required for workforce reductions at our production facility in Langweid, Germany, the simplification of the commercial organization and optimization of our distribution network, the consolidation of manufacturing activities and processes at our site in Basel, Switzerland and the closure of our production facilities in Basel, Switzerland.

As of December 31, 2012, our Textile Effects segment restructuring reserve consisted of $42 million, of which $2 million related to opening balance sheet liabilities from the Textile Effects Acquisition, $9 million related to the consolidation of our Switzerland manufacturing facilities and $31 million related to the closure of our production facilities and business support offices in Basel, Switzerland.

As of December 31, 2012, our Pigments segment restructuring reserve consisted of $1 million primarily related to workforce reductions at our Scarlino, Italy plant. During 2012, our Pigments segment recorded charges of $4 million related to the closure of our Grimsby, U.K. plant.

The restructuring reserve related to discontinued operations as of December 31, 2012 of $6 million was associated with the closure of our Australian styrenics business. For more information, see "Note 25. Discontinued Operations−Australian Styrenics Business Shutdown."

As of December 31, 2012, our Corporate and other segment restructuring reserve consisted of $2 million primarily related to a reorganization and regional consolidation of our purchasing activities. During 2012, we recorded charges of $2 million in Corporate and other primarily related to workforce reductions in connection with this project.

**2011 RESTRUCTURING ACTIVITIES**

As of December 31, 2011, our Advanced Materials segment restructuring reserve consisted of $12 million related to workforce reductions in connection with a reorganization of its global structure and relocation of its divisional headquarters from Basel, Switzerland to The Woodlands, Texas. During

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

2011, our Advanced Materials segment recorded net charges of $20 million primarily related this activity.

On September 27, 2011, we announced plans to implement a significant restructuring of our Textile Effects segment, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the Textile Effects segment's long-term global competitiveness. In connection with this plan during 2011, we recorded a charge of $62 million for workforce reduction, a pension curtailment gain of $38 million and a charge of $53 million for the impairment of long-lived assets at our Basel, Switzerland manufacturing facility. For purposes of calculating the impairment charge, the fair value of the Basel, Switzerland manufacturing facility was based on the discounted cash flows of that facility. As of December 31, 2011, our Textile Effects segment restructuring reserve consisted of $69 million, of which $2 million related to opening balance sheet liabilities from the Textile Effects Acquisition, $2 million related to workforce reductions at our production facility in Langweid, Germany, $2 million related to the simplification of the commercial organization and optimization of our distribution network, $15 million related to the consolidation of manufacturing activities and processes at our site in Basel, Switzerland, $47 million related to the closure of our production facilities and business support offices in Basel, Switzerland and $1 million related to the consolidation of our North Carolina sites.

In addition, during 2011, our Textile Effects segment recorded charges of $22 million, of which $5 million related to simplification of our commercial organization and optimization of our distribution network, $12 million related to non-workforce reductions incurred for the consolidation of our Switzerland manufacturing facilities, and $4 million related to the consolidation of our North Carolina sites. We reversed charges of $4 million which were no longer required for workforce reductions at our production facility in Langweid, Germany and the consolidation of manufacturing activities and processes at our site in Basel, Switzerland.

As of December 31, 2011, our Pigments segment restructuring reserve consisted of $3 million primarily related to workforce reductions at our Huelva, Spain and Scarlino, Italy plants. During 2011, our Pigments segment recorded charges of $10 million, of which $7 million related to the closure of our Grimsby, U.K. plant and $3 million related to workforce reductions at our Umbogintwini, South Africa plant.

The restructuring reserve related to discontinued operations as of December 31, 2011 of $6 million was associated with the closure of our Australian styrenics business. For more information, see "Note 25. Discontinued Operations−Australian Styrenics Business Shutdown."

As of December 31, 2011, our Corporate and other segment restructuring reserve consisted of $1 million primarily related to a reorganization and regional consolidation of our transactional accounting activities. During 2011, we recorded charges of $2 million in Corporate and other primarily related to workforce reductions in connection with this project.

**2010 RESTRUCTURING ACTIVITIES**

As of December 31, 2010, our Performance Products segment restructuring reserve consisted of $1 million related to workforce reductions in connection with a new Performance Products

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

organizational structure. During 2010, we recorded charges of $2 million related to workforce reductions in connection with this project.

As of December 31, 2010, our Advanced Materials segment restructuring reserve consisted of $2 million related to workforce reductions in connection with a reorganization designed to implement a regional management structure. During 2010, we recorded net reversals of $2 million primarily related to workforce reductions in connection to this project.

As of December 31, 2010, our Textile Effects segment restructuring reserve consisted of $25 million, of which $2 million related to opening balance sheet liabilities from the Textile Effects Acquisition, $1 million related to the streamlining of the textile effects business into two global strategic business units as announced during the fourth quarter of 2008, $3 million related to workforce reductions at our production facility in Langweid, Germany and $19 million related to the consolidation of manufacturing activities and processes at our site in Basel, Switzerland. During 2010, our Textile Effects segment recorded net charges of $15 million primarily related to the consolidation of manufacturing activities and processes at our site in Basel, Switzerland.

As of December 31, 2010, our Pigments segment restructuring reserve consisted of $8 million primarily related to workforce reductions at our Scarlino, Italy plant. During 2010, our Pigments segment recorded net charges of $7 million primarily related to the closure of our Grimsby, U.K. plant.

The restructuring reserve related to discontinued operations as of December 31, 2010 of $8 million was associated with the closure of our Australian styrenics business. For more information, see "Note 25. Discontinued Operations−Australian Styrenics Business Shutdown."

As of December 31, 2010, our Corporate and other segment restructuring reserve consisted of $5 million primarily related to a reorganization and regional consolidation of our transactional accounting and purchasing activities. During 2010, we recorded net charges of $5 million in Corporate and other primarily related to workforce reductions in connection with these projects.

**12. ASSET RETIREMENT OBLIGATIONS**

Asset retirement obligations consist primarily of landfill capping, closure and post-closure costs and asbestos abatement costs. We are legally required to perform capping and closure and post-closure care on the landfills and asbestos abatement on certain of our premises. For each asset retirement obligation we recognized the estimated fair value of a liability and capitalized the cost as part of the cost basis of the related asset.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 12. ASSET RETIREMENT OBLIGATIONS (Continued)

The following table describes changes to our asset retirement obligation liabilities, all of which were recorded in other noncurrent liabilities on the accompanying balance sheets (dollars in millions):

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Asset retirement obligation at beginning of year | $ 26 | $ 24 |
| Accretion expense | 2 | 2 |
| Liabilities incurred | 2 | – |
| Liabilities assumed in connection with the consolidation of a variable interest entity | – | 2 |
| Liabilities settled | (3) | (1) |
| Foreign currency effect on reserve balance | 1 | (1) |
| Asset retirement obligation at end of year | $ 28 | $ 26 |

## 13. OTHER NONCURRENT LIABILITIES

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

**Huntsman Corporation**

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Pension liabilities | $ 830 | $ 689 |
| Other postretirement benefits | 131 | 122 |
| Environmental accruals | 24 | 29 |
| Restructuring and plant closing costs | 12 | 1 |
| Asset retirement obligations | 28 | 26 |
| Employee benefit accrual | 34 | 22 |
| Legal reserve | 11 | 22 |
| Other | 91 | 101 |
| **Total** | $ 1,161 | $ 1,012 |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**13. OTHER NONCURRENT LIABILITIES (Continued)**

**Huntsman International**

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Pension liabilities | $ 830 | $ 689 |
| Other postretirement benefits | 131 | 122 |
| Environmental accruals | 24 | 29 |
| Restructuring and plant closing costs | 12 | 1 |
| Asset retirement obligations | 28 | 26 |
| Employee benefit accrual | 34 | 22 |
| Legal reserve | 11 | 22 |
| Other | 87 | 92 |
| **Total** | $ 1,157 | $ 1,003 |

**14. DEBT**

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

**Huntsman Corporation**

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Senior Credit Facilities: | | |
| Term loans | $ 1,565 | $ 1,696 |
| Amounts outstanding under A/R programs | 241 | 237 |
| Senior notes | 568 | 472 |
| Senior subordinated notes | 892 | 976 |
| HPS (China) debt | 94 | 167 |
| Variable interest entities | 270 | 281 |
| Other | 72 | 113 |
| Total debt−excluding debt to affiliates | $ 3,702 | $ 3,942 |
| Total current portion of debt | $ 288 | $ 212 |
| Long-term portion | 3,414 | 3,730 |
| Total debt−excluding debt to affiliates | $ 3,702 | $ 3,942 |
| Total debt−excluding debt to affiliates | $ 3,702 | $ 3,942 |
| Notes payable to affiliates-noncurrent | 4 | 4 |
| Total debt | $ 3,706 | $ 3,946 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. DEBT (Continued)**

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Senior Credit Facilities: | | |
| Term loans | $ 1,565 | $ 1,696 |
| Amounts outstanding under A/R programs | 241 | 237 |
| Senior notes | 568 | 472 |
| Senior subordinated notes | 892 | 976 |
| HPS (China) debt | 94 | 167 |
| Variable interest entities | 270 | 281 |
| Other | 72 | 113 |
| Total debt−excluding debt to affiliates | $ 3,702 | $ 3,942 |
| Total current portion of debt | $ 288 | $ 212 |
| Long-term portion | 3,414 | 3,730 |
| Total debt−excluding debt to affiliates | $ 3,702 | $ 3,942 |
| Total debt−excluding debt to affiliates | $ 3,702 | $ 3,942 |
| Notes payable to affiliates-current | 100 | 100 |
| Notes payable to affiliates-noncurrent | 599 | 439 |
| Total debt | $ 4,401 | $ 4,481 |

**DIRECT AND SUBSIDIARY DEBT**

Huntsman Corporation's 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); Huntsman Corporation is 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.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. DEBT (Continued)**

***Senior Credit Facilities***

As of December 31, 2012, our Senior Credit Facilities consisted of our Revolving Facility, our Term Loan B, our Extended Term Loan B, our Extended Term Loan B−Series 2, and our Term Loan C as follows (dollars in millions):

| Facility | Committed Amount | Principal Outstanding | Carrying Value | Interest Rate(2) | Maturity |
|---|---|---|---|---|---|
| Revolving Facility | $400 | $ −(1) | $ −(1) | USD LIBOR plus 2.50% | 2017(3) |
| Term Loan B | NA | 193 | 193 | USD LIBOR plus 1.50% | 2014 |
| Extended Term Loan B | NA | 637 | 637 | USD LIBOR plus 2.50% | 2017(3) |
| Extended Term Loan B−Series 2 | NA | 342 | 342 | USD LIBOR plus 2.75% | 2017(3) |
| Term Loan C | NA | 419 | 393 | USD LIBOR plus 2.25% | 2016 |

**(1)** We had no borrowings outstanding under our Revolving Facility; we had approximately $19 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 Senior Credit Facilities is subject to certain secured leverage ratio thresholds. As of December 31, 2012, the weighted average interest rate on our outstanding balances under the Senior Credit Facilities was approximately 3.0%.

**(3)** The maturity of the Revolving Facility commitments will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to repay our 2016 Senior Notes, Term Loan B due April 19, 2014 and Term Loan C due June 30, 2016. The maturity of Extended Term Loan B and Extended Term Loan B−Series 2 will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to refinance or repay our 2016 Senior Notes that remain outstanding during the three months prior to the maturity date of such notes.

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

During the year ended December 31, 2012, we made the following payments on our Senior Credit Facilities:

On October 31, 2012, we prepaid $50 million on our Term Loan B.

On September 24, 2012, we prepaid $58 million on our Term Loan B.

On September 7, 2012, we prepaid $3 million on our Term Loan B, $6 million on our Extended Term Loan B, $4 million on our Extended Term Loan B−Series 2 and $4 million on our Term Loan C.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. DEBT (Continued)**

On April 2, 2012, we paid the annual scheduled repayment of $3 million on our Term Loan B, $7 million on our Extended Term Loan B and $4 million on our Term Loan C.

In connection with these debt repayments, we recognized a loss on early extinguishment of debt of approximately $2 million during the year ended December 31, 2012.

***Amendment to Credit Agreement***

On March 6, 2012, Huntsman International entered into a seventh amendment to the Senior Credit Facilities. Among other things, the amendment:

extended the stated termination date of the Revolving Facility commitments from March 9, 2014 to March 20, 2017;

reduced the applicable interest rate margin on the Revolving Facility commitments by 0.50%;

set the undrawn commitment fee on the Revolving Facility at 0.50%;

increased the capacity for the Revolving Facility commitments from $300 million to $400 million;

extended the stated maturity date of $346 million aggregate principal amount of Term Loan B from April 19, 2014 to April 19, 2017 (now referred to as Extended Term Loan B−Series 2);

increased the interest rate margin with respect to Extended Term Loan B−Series 2 to LIBOR plus 3.00% (the interest rate margin is subject to a leverage-based step-down, which has been achieved based upon our recent results); and

set the amortization on the Extended Term Loan B−Series 2 at 1% of the principal amount.

On March 7, 2011, Huntsman International entered into a sixth amendment to its credit agreement. The amendment, among other things, extended $650 million of aggregate principal of Term Loan B to a stated maturity of April 2017 (now referred to as Extended Term Loan B) and increased the interest rate on the Extended Term Loan B to LIBOR plus 2.50%.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. DEBT (Continued)**

***A/R Programs***

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

**December 31, 2012**

| Facility | Maturity | Maximum Funding Availability(1) | Amount Outstanding | Interest Rate(2)(3) |
|---|---|---|---|---|
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $297) | €114 (approximately $151) | Applicable Rate plus 2.0% |

**December 31, 2011**

| Facility | Maturity | Maximum Funding Availability(1) | Amount Outstanding | Interest Rate(2)(3) |
|---|---|---|---|---|
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $291) | €114 (approximately $147) | Applicable Rate plus 2.0% |

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

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

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

**(4)** As of December 31, 2012, we had approximately $5 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

As of December 31, 2012 and December 31, 2011, $520 million and $633 million, respectively, of accounts receivable were pledged as collateral under the A/R Programs.

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**14. DEBT (Continued)**

On April 15, 2011, Huntsman International entered into an amendment to the EU A/R Program. This amendment, among other things, extended the scheduled commitment termination date of the program to April 2014, added an additional lender to the program and reduced the applicable margin on borrowings to 2.0%.

On April 18, 2011, Huntsman International entered into an amendment to the U.S. A/R Program. This amendment, among other things, extended the scheduled commitment termination date of the program to April 2014, added an additional lender to the program and reduced the applicable margin on borrowings to a range of 1.50% to 1.65%.

***Notes***

As of December 31, 2012, we had outstanding the following notes (monetary amounts in millions):

| Notes | Maturity | Interest Rate | Amount Outstanding |
|---|---|---|---|
| 2016 Senior Notes | June 2016 | 5.50%(1) | $200 ($168 carrying value) |
| 2020 Senior Notes | November 2020 | 4.875% | $400 |
| Senior Subordinated Notes | March 2020 | 8.625% | $350 |
| Senior Subordinated Notes | March 2021 | 8.625% | $530 ($542 carrying value) |

**(1)** The effective interest rate at issuance was 11.73%.

Our notes are governed by indentures which impose certain limitations on Huntsman International including, among other things limitations on the incurrence of debt, distributions, certain restricted payments, asset sales, and affiliate transactions. The notes are unsecured obligations and are guaranteed by certain subsidiaries named as guarantors.

On November 19, 2012, Huntsman International completed a $400 million offering of the 2020 Senior Notes. We used the net proceeds to redeem a portion of the 2016 Senior Notes. See "−Redemption of Notes and Loss on Early Extinguishment of Debt."

The 2020 Senior Notes bear interest at the rate of 4.875% per year payable semi-annually on May 15 and November 15 of each year, beginning on May 15, 2013 and are due on November 15, 2020. Huntsman International may redeem the 2020 Senior Notes in whole or in part at any time prior to August 17, 2020 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest. Huntsman International may redeem the 2020 Senior Notes in whole or in part on or after August 17, 2020 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest.

The 2020 Senior Notes are general unsecured senior obligations of Huntsman International and are guaranteed on a general unsecured senior basis by the Guarantors. The indenture with respect to the 2020 Senior Notes imposes 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 Senior Notes will have the right to require that Huntsman

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. DEBT (Continued)**

International purchase all or a portion of such holder's 2020 Senior Notes in cash at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase.

***Redemption of Notes and Loss on Early Extinguishment of Debt***

During the years ended December 31, 2012 and 2011, we redeemed or repurchased the following notes (monetary amounts in millions):

| Date of Redemption | Notes | Principal Amount of Notes Redeemed | Amount Paid (Excluding Accrued Interest) | Loss on Early Extinguishment of Debt |
|---|---|---|---|---|
| December 3, 2012 | 5.50% Senior Notes due 2016 | $400 | $400 | $ 77 |
| March 26, 2012 | 7.50% Senior Subordinated Notes due 2015 | €64 (approximately $86) | €65 (approximately $87) | $ 1 |
| Three months ended December 31, 2011 | 6.875% Senior Subordinated Notes due 2013 | €70 (approximately $94) | €71 (approximately $96) | $ 2 |
| Three months ended September 30, 2011 | 6.875% Senior Subordinated Notes due 2013 | €14 (approximately $19) | €14 (approximately $19) | $ – |
| Three months ended September 30, 2011 | 7.50% Senior Subordinated Notes due 2015 | €12 (approximately $17) | €12 (approximately $17) | $ – |
| July 25, 2011 | 7.375% Senior Subordinated Notes due 2015 | $75 | $77 | $ 2 |
| January 18, 2011 | 7.375% Senior Subordinated Notes due 2015 | $100 | $102 | $ 3 |

***Variable Interest Entity Debt***

As of December 31, 2012, Arabian Amines Company had $180 million outstanding under its loan commitments and debt financing arrangements described below. Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with certain financial covenants contained under these loan commitments. We do not guaranty these loan commitments and Arabian Amines Company is not a guarantor of any of our other debt obligations, and the noncompliance with these financial covenants does not affect any of our other debt obligations. Arabian Amines Company is currently in discussions with the lenders under these loan commitments and expects to resolve the noncompliance. The amounts outstanding under these loan commitments were classified as current on the accompanying consolidated balance sheets as of December 31, 2012.

A loan facility from Saudi Industrial Development Fund with SAR 472 million (approximately $126 million) outstanding. Repayment of the loan is to be made in semiannual installments that began in 2012, with final maturity in 2019. The loan is secured by a mortgage over the fixed

**14. DEBT (Continued)**

assets of the project and is 100% guaranteed by the Zamil Group, our 50% joint venture partner.

A multipurpose Islamic term facility with $54 million outstanding. This facility is scheduled to be repaid in semiannual installments that began in 2011, with final maturity in 2022.

As of December 31, 2012, Sasol-Huntsman had a facility agreement which included a €5 million (approximately $6 million) revolving facility and €68 million (approximately $90 million) outstanding under the term loan facility. The facility will be repaid over semiannual installments that began in 2011, with the final repayment scheduled for December 2018. Obligations under the facility agreement are secured by, among other things, first priority right on the property, plant and equipment of Sasol-Huntsman

***Other Debt***

During the year ended December 31, 2012, HPS repaid $4 million and RMB 120 million (approximately $19 million) on term loans and working capital loans under its secured facilities. As of December 31, 2012, HPS had $8 million and RMB 354 million (approximately $56 million) outstanding under its secured facilities. The interest rate on these facilities is LIBOR plus 0.48% for U.S. dollar borrowings and approximately 90% of the Peoples Bank of China rate for RMB borrowings. As of December 31, 2012, the interest rate was approximately 1% for the U.S. dollar borrowings and approximately 6% for RMB borrowings. During 2012, the lenders released our Company as a guarantor.

During the year ended December 31, 2012, HPS repaid RMB 309 million (approximately $50 million) under its loan facility for working capital loans and discounting of commercial drafts. As of December 31, 2012, HPS had RMB 190 million (approximately $30 million) outstanding, which is classified as current portion of debt on the accompanying consolidated balance sheets . Interest is calculated using a Peoples Bank of China rate plus the applicable margin. The average all-in rate as of December 31, 2012 was approximately 6%.

On March 30, 2012, we repaid the remaining A$26 million (approximately $27 million) outstanding under our Australian Credit Facility, which represents repayment of A$14 million (approximately $15 million) under the revolving facility and A$12 million (approximately $12 million) under the term loan facility.

***Note Payable from Huntsman International to Huntsman Corporation***

As of December 31, 2012, we had a loan of $695 million to our subsidiary, Huntsman International. The Intercompany Note is unsecured and $100 million of the outstanding amount is classified as current as of December 31, 2012 on the accompanying consolidated balance sheets. As of December 31, 2012, under the terms of the Intercompany Note, Huntsman International promises to pay us interest on the unpaid principal amount at a rate per annum based on the previous monthly average borrowing rate obtained under our U.S. A/R Program, less 10 basis points (provided that the rate shall not exceed an amount that is 25 basis points less than the monthly average borrowing rate obtained for the U.S. LIBOR-based borrowings under our Revolving Facility).

**14. 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. However, Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with certain financial covenants under its loan commitments. See "−Variable Interest Entity Debt" above.

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

Our Senior Credit Facilities are subject to the Leverage Covenant which applies only to the Revolving Facility and is tested 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**14. DEBT (Continued)**

**MATURITIES**

The scheduled maturities of our debt (excluding debt to affiliates) by year as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | | |
|---|---|---|
| 2013 | $ | 288 |
| 2014 | | 522 |
| 2015 | | 32 |
| 2016 | | 577 |
| 2017 | | 967 |
| Thereafter | | 1,316 |
| | $ | 3,702 |

**15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

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

**INTEREST RATE RISKS**

Through our borrowing activities, we are exposed to interest rate risk. Such risk arises due to the structure of our debt portfolio, including the duration of the portfolio and 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 interest rate collars 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. The collars entitle us to receive from the counterparties (major banks) the amounts, if any, by which our interest payments on certain of our floating-rate borrowings exceed a certain rate, and require us to pay to the counterparties (major banks) the amount, if any, by which our interest payments on certain of our floating-rate borrowings are less than a certain rate.

On December 9, 2009, we entered into a five-year interest rate contract to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities. The notional value of the contract is $50 million, and it has been designated as a cash flow hedge. The effective portion of the changes in the fair value of the swap was recorded in other comprehensive loss. We will pay a fixed 2.6% on the hedge and receive the one-month LIBOR rate. As of December 31, 2012 and 2011 the fair value of the hedge was $2 million and $3 million, respectively, and was recorded in other noncurrent liabilities.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)**

On January 19, 2010, we entered into an additional five-year interest rate contract to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities. The notional value of the contract is $50 million, and it has been designated as a cash flow hedge. The effective portion of the changes in the fair value of the swap was recorded as other comprehensive loss. We will pay a fixed 2.8% on the hedge and receive the one-month LIBOR rate. As of December 31, 2012 and 2011, the fair value of the hedge was $3 million and $3 million, respectively, and was recorded in other noncurrent liabilities.

On September 1, 2011, we entered into a $50 million forward interest rate contract that will begin in December 2014 with maturity in April 2017 and a $50 million forward interest rate contract that will begin in January 2015 with maturity in April 2017. These two forward contracts are to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities once our existing interest rate hedges mature. These swaps are designated as a cash flow hedges and the effective portion of the changes in the fair value of the swaps were recorded in other comprehensive income. Both interest rate contracts will pay a fixed 2.5% on the hedge and receive the one-month LIBOR rate once the contracts begin in 2014 and 2015, respectively. As of December 31, 2012 and 2011, the combined fair value of these two hedges was $4 million and $1 million, respectively and was recorded in other noncurrent liabilities.

In 2009, Sasol-Huntsman entered into derivative transactions to hedge the variable interest rate associated with its local credit facility. These derivative rate hedges include a floating to fixed interest rate contract providing Sasol-Huntsman with EURIBOR interest payments for a fixed payment of 3.62% and a cap for future periods with a strike price of 3.62%. In connection with the consolidation of Sasol-Huntsman as of April 1, 2011, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the hedge as of December 31, 2012 was €47 million (approximately $62 million) and the derivative transactions do not qualify for hedge accounting. As of December 31, 2012 and 2011, the fair value of this hedge was €2 million (approximately $3 million) and €3 million (approximately $3 million), respectively, and was recorded in other noncurrent liabilities on the accompanying consolidated balance sheets. For 2012 and 2011, we recorded additional (reduction of) interest expense of less than €(1) million (approximately $(1) million) and €2 million (approximately $2 million) respectively, due to changes in the fair value of the swap.

Beginning in 2009, Arabian Amines Company entered into a 12-year floating to fixed interest rate contract providing for a receipt of LIBOR interest payments for a fixed payment of 5.02%. In connection with the consolidation of Arabian Amines Company as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the swap as of December 31, 2012 was $36 million, and the interest rate contract is not designated as a cash flow hedge. As of December 31, 2012 and 2011, the fair value of the swap was $6 million and $6 million, respectively, and was recorded as other noncurrent liabilities on the accompanying consolidated balance sheets. For 2012 and 2011, we recorded additional (reduction of) interest expense of less than $(1) million and $1 million, respectively, due to changes in fair value of the swap. As of December 31, 2012 Arabian Amines Company was not in compliance with certain financial covenants contained in its loan commitments. For more information, see "Note 14. Debt−Direct and Subsidiary Debt−Variable Interest Entity Debt."

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)**

For the years ended December 31, 2012 and 2011, the changes in accumulated other comprehensive loss associated with these cash flow hedging activities was approximately $1 million and $4 million, respectively.

During 2013, accumulated other comprehensive loss of nil is expected to be reclassified to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

**FOREIGN EXCHANGE RATE RISK**

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2012 and 2011, we had approximately $217 million and $263 million notional amount (in U.S. dollar equivalents) outstanding, respectively, in foreign currency contracts with a term of approximately one month.

In conjunction with the issuance of our 8.625% senior subordinated notes due 2020, we entered into cross-currency interest rate contracts with three counterparties. On March 17, 2010, we made payments of $350 million to these counterparties and received €255 million from these counterparties, and on maturity (March 15, 2015) we are required to pay €255 million to these counterparties and will receive $350 million from these counterparties. On March 15 and September 15 of each year, we will receive U.S. dollar interest payments of approximately $15 million (equivalent to an annual rate of 8.625%) and make interest payments of approximately €11 million (equivalent to an annual rate of approximately 8.41%). This swap is designated as a hedge of net investment for financial reporting purposes. As of December 31, 2012 and 2011, the fair value of this swap was $18 million and $27 million, respectively, and was recorded in noncurrent assets.

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Continued)**

intercompany loans that are designated as permanent loans are recorded in other comprehensive income. From time to time, we review such designation of intercompany loans.

We review our non-U.S. dollar denominated debt and derivative instruments to determine the appropriate amounts designated as hedges. As of December 31, 2012, we have designated approximately €255 million (approximately $336 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2012, 2011 and 2010, the amount of gain (loss) recognized on the hedge of our net investment was $(11) million, $5 million and $34 million, respectively, and was recorded in other comprehensive (loss) income. As of December 31, 2012, we had approximately €1,083 million (approximately $1,431 million) in net euro assets.

**COMMODITY PRICES RISK**

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

**16. FAIR VALUE**

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

| | December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 | |
| | Carrying Value | Estimated Fair Value | Carrying Value | Estimated Fair Value |
| Non-qualified employee benefit plan investments | $ 14 | $ 14 | $ 12 | $ 12 |
| Cross-currency interest rate contacts | 18 | 18 | 27 | 27 |
| Interest rate contracts | (18) | (18) | (17) | (17) |
| Long-term debt (including current portion) | (3,702) | (3,869) | (3,942) | (4,061) |

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

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2012 and 2011. 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, 2012, and current estimates of fair value may differ significantly from the amounts presented herein.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**16. FAIR VALUE (Continued)**

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

| Description | December 31, 2012 | Fair Value Amounts Using: Quoted prices in active markets for identical assets (Level 1)(3) | Significant other observable inputs (Level 2)(3) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Assets:** | | | | |
| Available-for sale equity securities: | | | | |
| Equity mutual funds | $ 14 | $ 14 | $ – | $ – |
| Derivatives: | | | | |
| Cross-currency interest rate contracts(1) | 18 | – | 18 | – |
| **Total assets** | $ 32 | $ 14 | $ 18 | $ – |
| **Liabilities:** | | | | |
| Derivatives: | | | | |
| Interest rate contracts(2) | $ (18) | $ – | $ (18) | $ – |

| Description | December 31, 2011 | Fair Value Amounts Using: Quoted prices in active markets for identical assets (Level 1)(3) | Significant other observable inputs (Level 2)(3) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| **Assets:** | | | | |
| Available-for sale equity securities: | | | | |
| Equity mutual funds | $ 12 | $ 12 | $ – | $ – |
| Derivatives: | | | | |
| Cross-currency interest rate contracts(1) | 27 | – | – | 27 |
| **Total assets** | $ 39 | $ 12 | $ – | $ 27 |
| **Liabilities:** | | | | |
| Derivatives: | | | | |
| Interest rate contracts(2) | $ (17) | $ – | $ (17) | $ – |

**(1)** The income approach is used to calculate the fair value of these instruments. Fair value represents the present value of estimated future cash flows, calculated using relevant interest rates, exchange rates, and yield curves at stated intervals.

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

(3) There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2012 and 2011.

HUNTSMAN CORPORATION AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**16. FAIR VALUE (Continued)**

During the year ended December 31, 2012, no material changes were made to the valuation methods or assumptions used to determine fair value.

The following table shows a reconciliation of beginning and ending balances 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, January 1, 2012 | $ 27 |
| Transfers into Level 3 | – |
| Transfers out of Level 3(1) | (27) |
| Total gains (losses): | |
| Included in earnings | – |
| Included in other comprehensive income (loss) | – |
| Purchases, sales, issuances and settlements | – |
| Ending balance, December 31, 2012 | $ – |
| 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, 2012 | $ – |

| Fair Value Measurements Using Significant Unobservable Inputs (Level 3) | Cross-Currency Interest Rate Contracts |
|---|---|
| Beginning balance, January 1, 2011 | $ 19 |
| Transfers into or out of Level 3 | – |
| Total gains (losses): | |
| Included in earnings | – |
| Included in other comprehensive income (loss) | 8 |
| Purchases, sales, issuances and settlements | – |
| Ending balance, December 31, 2011 | $ 27 |
| 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, 2011 | $ – |

**(1)** We are party to cross-currency interest rate contracts that are measured at fair value in our consolidated financial statements. These instruments have historically been categorized by us as Level 3 within the fair value hierarchy due to an unobservable input associated with the credit valuation adjustment, which we deemed to be a significant input to the overall measurement of fair value at inception. During 2012, this credit valuation adjustment has ceased to be a significant input to the entire fair value measurement of these instruments. The remaining inputs which are significant to the fair value

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**16. FAIR VALUE (Continued)**

measurement of these instruments represent observable market inputs that are inputs other than quoted prices (Level 2 inputs).

Our policy is to recognize transfers between levels within the fair value hierarchy as of the beginning of the reporting period. Due to the change in significance of the credit valuation adjustment to the entire fair value measurement of these instruments, effective January 1, 2012, we have categorized our cross-currency interest rate contracts as Level 2 within the fair value hierarchy.

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

| | Interest expense | Other comprehensive income (loss) |
|---|---|---|
| ***2012*** | | |
| Total net gains included in earnings | $ – | $ – |
| Changes in unrealized gains relating to assets still held at December 31, 2012 | – | – |

| | Interest expense | Other comprehensive income (loss) |
|---|---|---|
| ***2011*** | | |
| Total net gains included in earnings | $ – | $ – |
| Changes in unrealized gains relating to assets still held at December 31, 2011 | – | 8 |

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 2012, we had no impairments related to these assets. During 2011, in connection with the restructuring of our Textile Effects segment we recorded a charge of $53 million for the impairment of long-lived assets at our Basel, Switzerland manufacturing facility.

**17. EMPLOYEE BENEFIT PLANS**

**DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS**

Our employees participate in a trusteed, non-contributory defined benefit pension plan (the "Plan") that covers substantially all of our full-time U.S. employees. Effective July 1, 2004, the Plan formula for employees not covered by a collective bargaining agreement was converted to a cash balance design. For represented employees, participation in the cash balance design is subject to the terms of negotiated contracts. For participating employees, benefits accrued under the prior formula were converted to opening cash balance accounts. The new cash balance benefit formula provides annual pay credits from 4% to 12% of eligible pay, depending on age and service, plus accrued

**17. EMPLOYEE BENEFIT PLANS (Continued)**

interest. Participants in the plan on July 1, 2004 may be eligible for additional annual pay credits from 1% to 8%, depending on their age and service as of that date, for up to five years. The conversion to the cash balance plan did not have a significant impact on the accrued benefit liability, the funded status or ongoing pension expense.

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

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

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

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

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. EMPLOYEE BENEFIT PLANS (Continued)**

The following table sets forth the funded status of the plans for us and Huntsman International and the amounts recognized in the consolidated balance sheets at December 31, 2012 and 2011 (dollars in millions):

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $ 834 | $ 2,331 | $ 761 | $ 2,255 | $ 128 | $ 7 | $ 129 | $ 7 |
| Service cost | 26 | 32 | 23 | 44 | 4 | – | 3 | – |
| Interest cost | 42 | 102 | 44 | 110 | 6 | – | 7 | 1 |
| Participant contributions | – | 9 | – | 14 | 5 | – | 5 | – |
| Plan amendments | (26) | – | – | (1) | – | – | – | – |
| Foreign currency exchange rate changes | – | 80 | – | (13) | – | – | – | (1) |
| Settlements/transfers | – | (2) | – | (20) | – | – | – | – |
| Curtailments | – | – | – | (38) | – | – | – | – |
| Special termination benefits | – | – | – | 8 | – | – | – | – |
| Actuarial loss | 127 | 360 | 47 | 83 | 9 | – | 1 | – |
| Benefits paid | (45) | (157) | (41) | (111) | (16) | – | (17) | (1) |
| Benefit obligation at end of year | $ 958 | $ 2,755 | $ 834 | $ 2,331 | $ 136 | $ 7 | $ 128 | $ 6 |
| **Change in plan assets** | | | | | | | | |
| Fair value of plan assets at beginning of year | $ 538 | $ 2,026 | $ 517 | $ 2,025 | $ – | $ – | $ – | $ – |
| Actual return on plan assets | 71 | 221 | (7) | 43 | – | – | – | – |
| Foreign currency exchange rate changes | – | 65 | – | (10) | – | – | – | – |
| Participant contributions | – | 9 | – | 14 | 5 | – | 5 | – |
| Other | – | – | – | (1) | – | – | – | – |
| Company contributions | 72 | 75 | 69 | 86 | 11 | 1 | 12 | 1 |
| Settlements/transfers | – | (2) | – | (20) | – | – | – | – |
| Benefits paid | (45) | (157) | (41) | (111) | (16) | (1) | (17) | (1) |
| Fair value of plan assets at end of year | $ 636 | $ 2,237 | $ 538 | $ 2,026 | $ – | $ – | $ – | $ – |
| **Funded status** | | | | | | | | |
| Fair value of plan assets | $ 636 | $ 2,237 | $ 538 | $ 2,026 | $ – | $ – | $ – | $ – |
| Benefit obligation | 958 | 2,755 | 834 | 2,331 | 136 | 7 | 128 | 6 |
| Accrued benefit cost | $(322) | $ (518) | $(296) | $ (305) | $ (136) | $ (7) | $ (128) | $ (6) |
| **Amounts recognized in balance sheet:** | | | | | | | | |
| Noncurrent asset | $ – | $ 1 | $ – | $ 100 | $ – | $ – | $ – | $ – |
| Current liability | (6) | (5) | (6) | (6) | (11) | (1) | (12) | – |
| Noncurrent liability | (316) | (514) | (290) | (399) | (125) | (6) | (116) | (6) |
| | $(322) | $ (518) | $(296) | $ (305) | $ (136) | $ (7) | $ (128) | $ (6) |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**17. EMPLOYEE BENEFIT PLANS (Continued)**

**Huntsman Corporation**

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $448 | $ 797 | $366 | $ 562 | $ 32 | $ 1 | $ 25 | $ 1 |
| Prior service cost | (42) | 4 | (22) | 2 | (8) | – | (10) | – |
| Transition obligation | 1 | – | 1 | – | – | – | – | – |
| | $407 | $ 801 | $345 | $ 564 | $ 24 | $ 1 | $ 15 | $ 1 |

**Huntsman International**

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $449 | $ 867 | $368 | $ 636 | $ 32 | $ 1 | $ 25 | $ 1 |
| Prior service cost | (42) | 4 | (22) | 2 | (8) | – | (10) | – |
| Transition obligation | 1 | – | 1 | – | – | – | – | – |
| | $408 | $ 871 | $347 | $ 638 | $ 24 | $ 1 | $ 15 | $ 1 |

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

**Huntsman Corporation**

| | Defined Benefit Plans | | Other Postretirement Benefit Plans | |
|---|---|---|---|---|
| | U.S. Plans | Non-U.S. Plans | U.S. Plans | Non-U.S. Plans |
| Actuarial loss | $ 34 | $ 46 | $ 2 | $ – |
| Prior service cost | (6) | – | (3) | – |
| Total | $ 28 | $ 46 | $ (1) | $ – |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. EMPLOYEE BENEFIT PLANS (Continued)**

**Huntsman International**

| | Defined Benefit Plans | | Other Postretirement | |
|---|---|---|---|---|
| | U.S. Plans | Non-U.S. Plans | U.S. Plans | Non-U.S. |
| Actuarial loss | $ 34 | $ 50 | $ 2 | $ – |
| Prior service cost | (6) | 1 | (3) | – |
| Total | $ 28 | $ 51 | $ (1) | $ – |

Components of net periodic benefit costs for the years ended December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

**Huntsman Corporation**

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $ 26 | $ 23 | $ 21 | $ 32 | $ 44 | $ 44 |
| Interest cost | 42 | 44 | 40 | 102 | 110 | 102 |
| Expected return on plan assets | (48) | (47) | (42) | (133) | (140) | (121) |
| Amortization of prior service cost | (6) | (4) | (5) | (1) | (2) | (1) |
| Amortization of actuarial loss | 21 | 16 | 11 | 23 | 16 | 14 |
| Settlement loss | – | – | – | 13 | – | – |
| Special termination benefits | – | – | – | – | 8 | – |
| Net periodic benefit cost | $ 35 | $ 32 | $ 25 | $ 36 | $ 36 | $ 38 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $ 4 | $ 3 | $ 3 | $ – | $ – | $ – |
| Interest cost | 7 | 7 | 7 | 1 | 1 | – |
| Amortization of prior service cost | (3) | (3) | (3) | – | – | – |
| Amortization of actuarial loss | 2 | 2 | 1 | – | – | – |
| Net periodic benefit cost | $ 10 | $ 9 | $ 8 | $ 1 | $ 1 | $ – |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. EMPLOYEE BENEFIT PLANS (Continued)**

**Huntsman International**

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $ 26 | $ 23 | $ 21 | $ 32 | $ 44 | $ 44 |
| Interest cost | 42 | 44 | 40 | 102 | 110 | 102 |
| Expected return on plan assets | (48) | (47) | (42) | (133) | (140) | (121) |
| Amortization of prior service cost | (6) | (4) | (5) | (1) | (2) | (1) |
| Amortization of actuarial loss | 21 | 16 | 11 | 28 | 21 | 19 |
| Settlement loss | – | – | – | 13 | – | – |
| Special termination benefits | – | – | – | | 8 | – |
| Net periodic benefit cost | $ 35 | $ 32 | $ 25 | $ 41 | $ 41 | $ 43 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $ 4 | $ 3 | $ 3 | $ – | $ – | $ – |
| Interest cost | 7 | 7 | 7 | 1 | 1 | – |
| Amortization of prior service cost | (3) | (3) | (3) | – | – | – |
| Amortization of actuarial loss | 2 | 2 | 1 | – | – | – |
| Net periodic benefit cost | $ 10 | $ 9 | $ 8 | $ 1 | $ 1 | $ – |

The amounts recognized in net periodic benefit cost and other comprehensive loss as of December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

**Huntsman Corporation**

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $103 | $101 | $ 16 | $272 | $182 | $ 20 |
| Amortization of actuarial gain | (21) | (16) | (11) | (23) | (16) | (14) |
| Current year prior service cost | (26) | – | – | – | (2) | – |
| Amortization of prior service cost | 6 | 4 | 4 | 1 | 2 | 1 |
| Curtailment effects | – | – | – | – | (38) | – |
| Settlements | – | – | – | (13) | – | – |
| Total recognized in other comprehensive loss | 62 | 89 | 9 | 237 | 128 | 7 |
| Net periodic benefit cost | 35 | 32 | 25 | 36 | 36 | 38 |
| Total recognized in net periodic benefit cost and other comprehensive loss | $ 97 | $121 | $ 34 | $273 | $164 | $ 45 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. EMPLOYEE BENEFIT PLANS (Continued)**

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $ 9 | $ 1 | $ 5 | $ – | $ – | $ – |
| Amortization of actuarial gain | (2) | (1) | (2) | – | – | – |
| Amortization of prior service cost | 3 | 2 | 3 | – | – | – |
| Total recognized in other comprehensive loss | 10 | 2 | 6 | – | – | – |
| Net periodic benefit cost | 10 | 9 | 8 | 1 | 1 | – |
| Total recognized in net periodic benefit cost and other comprehensive loss | $ 20 | $ 11 | $ 14 | $ 1 | $ 1 | $ – |

**Huntsman International**

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $103 | $101 | $ 16 | $272 | $182 | $ 20 |
| Amortization of actuarial gain | (21) | (16) | (11) | (28) | (21) | (19) |
| Current year prior service cost | (26) | – | – | – | (2) | – |
| Amortization of prior service cost | 6 | 4 | 4 | 1 | 2 | 1 |
| Curtailment effects | – | – | – | – | (38) | – |
| Settlements | – | – | – | (13) | – | – |
| Total recognized in other comprehensive loss | 62 | 89 | 9 | 232 | 123 | 2 |
| Net periodic benefit cost | 35 | 32 | 25 | 41 | 41 | 43 |
| Total recognized in net periodic benefit cost and other comprehensive loss | $ 97 | $121 | $ 34 | $273 | $164 | $ 45 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $ 9 | $ 1 | $ 5 | $ – | $ – | $ – |
| Amortization of actuarial gain | (2) | (1) | (2) | – | – | – |
| Amortization of prior service cost | 3 | 2 | 3 | – | – | – |
| Total recognized in other comprehensive loss | 10 | 2 | 6 | – | – | – |
| Net periodic benefit cost | 10 | 9 | 8 | 1 | 1 | – |
| Total recognized in net periodic benefit cost and other comprehensive loss | $ 20 | $ 11 | $ 14 | $ 1 | $ 1 | $ – |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. EMPLOYEE BENEFIT PLANS (Continued)**

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

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Projected benefit obligation** | | | | | | |
| Discount rate | 4.18% | 5.30% | 5.70% | 3.38% | 4.39% | 4.69% |
| Rate of compensation increase | 4.19% | 3.88% | 3.88% | 3.34% | 3.44% | 3.38% |
| **Net periodic pension cost** | | | | | | |
| Discount rate | 5.30% | 5.70% | 5.90% | 4.39% | 4.69% | 4.94% |
| Rate of compensation increase | 3.88% | 3.88% | 3.88% | 3.44% | 3.38% | 3.23% |
| Expected return on plan assets | 8.00% | 8.19% | 8.20% | 6.52% | 6.62% | 6.65% |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Projected benefit obligation** | | | | | | |
| Discount rate | 3.89% | 5.09% | 5.46% | 5.79% | 6.09% | 6.69% |
| **Net periodic pension cost** | | | | | | |
| Discount rate | 5.09% | 5.46% | 5.59% | 6.09% | 6.69% | 7.47% |

In both 2012 and 2011, the health care trend rate used to measure the expected increase in the cost of benefits was assumed to be 7.5% decreasing to 5% after 2017. 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 | 3.6 | (3.1) |

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, 2012 and 2011 were as follows (dollars in millions):

| | U.S. plans | | Non-U.S. plans | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| **Projected benefit obligation in excess of plan assets** | | | | |
| Projected benefit obligation | $ 958 | $ 834 | $ 2,742 | $ 1,897 |
| Fair value of plan assets | 636 | 538 | 2,223 | 1,492 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. EMPLOYEE BENEFIT PLANS (Continued)**

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the defined benefit plans with an accumulated benefit obligation in excess of plan assets as of December 31, 2012 and 2011 were as follows (dollars in millions):

| | U.S. plans | | Non-U.S. plans | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| **Accumulated benefit obligation in excess of plan assets** | | | | |
| Projected benefit obligation | $ 958 | $ 834 | $ 1,751 | $ 1,618 |
| Accumulated benefit obligation | 925 | 789 | 1,603 | 1,500 |
| Fair value of plan assets | 636 | 538 | 1,266 | 1,251 |

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

| | U.S. Plans | | Non-U.S. Plans | |
|---|---|---|---|---|
| | Defined Benefit Plans | Other Postretirement Benefit Plans | Defined Benefit Plans | Other Postretirement Benefit Plans |
| **2013 expected employer contributions** | | | | |
| To plan trusts | $ 73 | $ 11 | $ 81 | $ 1 |
| **Expected benefit payments** | | | | |
| 2013 | 58 | 11 | 175 | 1 |
| 2014 | 54 | 11 | 98 | 1 |
| 2015 | 53 | 11 | 103 | 1 |
| 2016 | 55 | 11 | 105 | 1 |
| 2017 | 59 | 11 | 107 | 1 |
| 2018 - 2022 | 325 | 49 | 578 | 2 |

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

Our pension plan assets are managed by outside investment managers. The investment managers value our plan assets using quoted market prices, other observable inputs or unobservable inputs. For certain assets, the investment managers obtain third-party appraisals at least annually, which use valuation techniques and inputs specific to the applicable property, market, or geographic location. During 2012, there was a net transfer out of Level 3 assets of $7 million due to a change in the

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**17. EMPLOYEE BENEFIT PLANS (Continued)**

significance of unobservable inputs for several investments, which are immaterial both individually and in the aggregate. These assets are all contained within the real estate/other category.

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

The fair value of plan assets for the pension plans was $2.9 billion and $2.6 billion at December 31, 2012 and 2011, 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, 2012 | 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 | $ 340 | $ 195 | $ 145 | $ – |
| Fixed income | 196 | 116 | 80 | – |
| Real estate/other | 89 | 48 | – | 41 |
| Cash | 11 | 11 | – | – |
| Total U.S. pension plan assets | $ 636 | $ 370 | $ 225 | $ 41 |
| Non-U.S. pension plans: | | | | |
| Equities | $ 862 | $ 649 | $ 213 | $ – |
| Fixed income | 905 | 632 | 273 | – |
| Real estate/other | 357 | 27 | 303 | 27 |
| Cash | 113 | 112 | 1 | – |
| Total non-U.S. pension plan assets | $ 2,237 | $ 1,420 | $ 790 | $ 27 |

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| Asset category | December 31, 2011 | 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 | $ 294 | $ 166 | $ 128 | $ – |
| Fixed income | 170 | 106 | 64 | – |
| Real estate/other | 72 | 45 | – | 27 |
| Cash | 2 | 2 | – | – |
| Total U.S. pension plan assets | $ 538 | $ 319 | $ 192 | $ 27 |
| Non-U.S. pension plans: | | | | |
| Equities | $ 771 | $ 361 | $ 410 | $ – |
| Fixed income | 923 | 304 | 619 | – |
| Real estate/other | 316 | 1 | 281 | 34 |
| Cash | 16 | 16 | – | – |
| Total non-U.S. pension plan assets | $ 2,026 | $ 682 | $ 1,310 | $ 34 |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**17. EMPLOYEE BENEFIT PLANS (Continued)**

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

| Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3) | Real Estate/Other Year ended December 31, 2012 | Real Estate/Other Year ended December 31, 2011 |
|---|---|---|
| Balance at beginning of period | $ 61 | $ 52 |
| Return on pension plan assets | 4 | (1) |
| Purchases, sales and settlements | 10 | 10 |
| Transfers in (out) of Level 3 | (7) | – |
| Balance at end of period | $ 68 | $ 61 |

| Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3) | Fixed Income Year ended December 31, 2012 | Fixed Income Year ended December 31, 2011 |
|---|---|---|
| Balance at beginning of period | $ – | $ 1 |
| Purchases, sales and settlements | – | (1) |
| Balance at end of period | $ – | $ – |

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 6.52% and 8.20%. The asset allocation for our pension plans at December 31, 2012 and 2011 and the target allocation for 2013, by asset category are as follows:

| Asset category | Target Allocation 2013 | Allocation at December 31, 2012 | Allocation at December 31, 2011 |
|---|---|---|---|
| U.S. pension plans: | | | |
| Equities | 54% | 53% | 55% |
| Fixed income | 32% | 31% | 32% |
| Real estate/other | 14% | 14% | 13% |
| Cash | – | 2% | – |
| Total U.S. pension plans | 100% | 100% | 100% |
| Non-U.S. pension plans: | | | |
| Equities | 40% | 38% | 38% |
| Fixed income | 40% | 41% | 46% |
| Real estate/other | 19% | 20% | 15% |
| Cash | 1% | 1% | 1% |
| Total non-U.S. pension plans | 100% | 100% | 100% |

**17. EMPLOYEE BENEFIT PLANS (Continued)**

Equity securities in our pension plans did not include any equity securities of our Company or our affiliates at the end of 2012.

**DEFINED CONTRIBUTION PLANS**

We have a money purchase pension plan covering substantially all of our domestic employees who were hired prior to January 1, 2004. Employer contributions are made based on a percentage of employees' earnings (ranging up to 8%).

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

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

Our total combined expense for the above defined contribution plans for each of the years ended December 31, 2012, 2011 and 2010 was $14 million.

**SUPPLEMENTAL SALARY DEFERRAL PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

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

The 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, 2012 and 2011 were $14 million and $12 million, respectively. During each of the years ended December 31, 2012, 2011 and 2010 we expensed a total of $1 million as contributions to the Huntsman SSP and the SERP.

**STOCK-BASED INCENTIVE PLAN**

In connection with the initial public offering of common and preferred stock on February 16, 2005, we adopted the Huntsman Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan permits the grant of non-qualified stock options, incentive stock options, stock appreciation rights,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**17. EMPLOYEE BENEFIT PLANS (Continued)**

nonvested stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. As of December 31, 2012 we are authorized to grant up to 32.6 million shares under the Stock Incentive Plan. See "Note 22. 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 the consolidated financial statements in other long-term liabilities.

**18. INCOME TAXES**

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

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income tax expense (benefit): | | | |
| U.S. | | | |
| Current | $ 156 | $ 69 | $ (35) |
| Deferred | 17 | 4 | 47 |
| Non-U.S. | | | |
| Current | 51 | 63 | 41 |
| Deferred | (55) | (27) | (24) |
| Total | $ 169 | $ 109 | $ 29 |

**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income tax expense (benefit): | | | |
| U.S. | | | |
| Current | $ 52 | $ 7 | $ (23) |
| Deferred | 129 | 69 | 45 |
| Non-U.S. | | | |
| Current | 51 | 63 | 41 |
| Deferred | (53) | (26) | (23) |
| Total | $ 179 | $ 113 | $ 40 |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**18. 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 (benefit) for income taxes (dollars in millions):

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income from continuing operations before income taxes | $547 | $360 | $ 20 |
| Expected tax expense at U.S. statutory rate of 35% | $192 | $126 | $ 7 |
| Change resulting from: | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4) |
| Non-U.S. tax rate differentials | 1 | 6 | (16) |
| Effects of non-U.S. operations | (2) | 8 | 22 |
| U.S. domestic manufacturing deduction | (16) | (5) | − |
| Unrealized currency exchange gains and losses | 11 | (5) | (6) |
| Effect of tax holidays | (12) | (1) | 2 |
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | − |
| Portion of Convertible Note loss on early extinguishment of debt treated as equity repurchase for tax purposes | − | − | 43 |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) |
| Change in valuation allowance | (11) | (16) | (19) |
| Other, net | 7 | (11) | 16 |
| Total income tax expense | $169 | $109 | $ 29 |

**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income from continuing operations before income taxes | $ 559 | $ 370 | $ 184 |
| Expected tax expense at U.S. statutory rate of 35% | $ 196 | $ 130 | $ 64 |
| Change resulting from: | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4) |
| Non-U.S. tax rate differentials | 1 | 6 | (16) |
| Effects of non-U.S. operations | (1) | 8 | 22 |
| U.S. domestic manufacturing deduction | (8) | − | − |
| Unrealized currency exchange gains and losses | 11 | (5) | (6) |
| Effect of tax holidays | (12) | (1) | 2 |
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | − |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) |
| Change in valuation allowance | (14) | (19) | (22) |
| Other, net | 7 | (13) | 16 |
| Total income tax expense | $ 179 | $ 113 | $ 40 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**18. INCOME TAXES (Continued)**

On September 8, 2009, we announced the closure of our Australia styrenics operations. U.S. tax law, under our relevant facts, provides for a deduction on investments that are "worthless" for U.S. tax purposes. Therefore, during 2012, 2011, and 2010, we recorded tax benefits of $3 million, $2 million and $28 million, respectively, in discontinued operations related to the closure of and the cumulative U.S. investments in our Australia styrenics business.

We operate in 42 non-U.S. tax jurisdictions, and there is no specific country where our operations earn a predominant amount of our off-shore earnings. While the vast majority of these countries have income tax rates that are lower than the U.S. statutory rate, the operating losses we incur in some of our non-U.S. jurisdictions mitigate the amount of tax rate benefit we would otherwise realize from these tax rate differentials.

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

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

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| U.S. | $ 482 | $ 256 | $ (126) |
| Non-U.S. | 65 | 104 | 146 |
| Total | $ 547 | $ 360 | $ 20 |

**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| U.S. | $ 494 | $ 255 | $ 38 |
| Non-U.S. | 65 | 115 | 146 |
| Total | $ 559 | $ 370 | $ 184 |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**18. INCOME TAXES (Continued)**

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

**Huntsman Corporation**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Deferred income tax assets: | | |
| Net operating loss carryforwards | $ 819 | $ 783 |
| Pension and other employee compensation | 289 | 256 |
| Property, plant and equipment | 69 | 77 |
| Intangible assets | 34 | 36 |
| Foreign tax credits | 71 | 46 |
| Other, net | 107 | 139 |
| Total | $ 1,389 | $ 1,337 |
| Deferred income tax liabilities: | | |
| Property, plant and equipment | $ (551) | $ (549) |
| Pension and other employee compensation | − | (25) |
| Other, net | (88) | (108) |
| Total | $ (639) | $ (682) |
| Net deferred tax asset before valuation allowance | $ 750 | $ 655 |
| Valuation allowance | (736) | (756) |
| Net deferred tax asset (liability) | $ 14 | $ (101) |
| Current deferred tax asset | $ 51 | $ 20 |
| Current deferred tax liability | (38) | (7) |
| Non-current deferred tax asset | 229 | 195 |
| Non-current deferred tax liability | (228) | (309) |
| Net deferred tax asset (liability) | $ 14 | $ (101) |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**18. INCOME TAXES (Continued)**

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Deferred income tax assets: | | |
| Net operating loss and AMT credit carryforwards | $ 819 | $ 895 |
| Pension and other employee compensation | 288 | 254 |
| Property, plant and equipment | 69 | 77 |
| Intangible assets | 33 | 35 |
| Foreign tax credits | 113 | 82 |
| Other, net | 106 | 140 |
| Total | $ 1,428 | $ 1,483 |
| Deferred income tax liabilities: | | |
| Property, plant and equipment | $ (524) | $ (515) |
| Pension and other employee compensation | – | (25) |
| Other, net | (88) | (107) |
| Total | $ (612) | $ (647) |
| Net deferred tax asset before valuation allowance | $ 816 | $ 836 |
| Valuation allowance | (745) | (768) |
| Net deferred tax asset | $ 71 | $ 68 |
| Current deferred tax asset | $ 51 | $ 40 |
| Current deferred tax liability | (39) | (29) |
| Non-current deferred tax asset | 229 | 163 |
| Non-current deferred tax liability | (170) | (106) |
| Net deferred tax asset | $ 71 | $ 68 |

We have net operating loss carryforwards ("NOLs") of $2,893 million in various non-U.S. jurisdictions. While the majority of the non-U.S. NOLs have no expiration date, $1,327 million have a limited life (of which $1,127 million are subject to a valuation allowance) and $17 million are scheduled to expire in 2013 (all of which are subject to a valuation allowance). We had no NOLs expire unused in 2012.

Included in the $2,893 million of non-U.S. NOLs is $860 million attributable to our Luxembourg entities. As of December 31, 2012, there is a valuation allowance of $222 million against these net tax-effected NOLs of $247 million. Due to the uncertainty surrounding the realization of the benefits of these losses, we have reduced substantially all of the related deferred tax asset with a valuation allowance.

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

**18. INCOME TAXES (Continued)**

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.

During 2012, we released valuation allowances of $24 million on a portion of our net deferred tax assets in China, in certain U.S. states and in Luxembourg, and we established valuation allowances of $23 million on certain net deferred tax assets in the U.S., India and Indonesia.

Primarily as a result of a cumulative history of operating profits, we released certain valuation allowances in China and in certain U.S. state tax jurisdictions of $9 million and $2 million, respectively. Additionally, a partial valuation allowance release was recognized in Luxembourg for $12 million as a result of significant changes in estimated future taxable income resulting from changed circumstances.

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

During 2011, we released valuation allowances of $27 million on certain net deferred tax assets in France and Spain (as a result of recent profitability in our Pigments business), Singapore (as a result of a cumulative history of operating profits), Australia (as a result of discontinuing the unprofitable portion of the business operations in that country) and Luxembourg (as a result of restructuring our internal treasury activities such that a portion of the deferred tax assets is more likely than not to be realized). During 2010, we released valuation allowances of $20 million on certain net deferred tax assets, principally in Australia (as a result of discontinuing the unprofitable portion of the business operations in that country) and Luxembourg (as a result of restructuring our internal treasury activities such that a portion of the deferred tax assets is more likely than not to be realized).

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.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**18. INCOME TAXES (Continued)**

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

**Huntsman Corporation**

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Valuation allowance as of January 1 | $756 | $797 | $842 |
| Valuation allowance as of December 31 | 736 | 756 | 797 |
| Net decrease | 20 | 41 | 45 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 5 | (27) |
| Change in valuation allowance per rate reconciliation | $ 11 | $ 16 | $ 19 |
| Components of change in valuation allowance affecting tax expense: | | | |
| Pre-tax losses in jurisdictions with valuation allowances resulting in no tax expense or benefit | $ 10 | $ (6) | $ (1) |
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | − |
| Change in valuation allowance per rate reconciliation | $ 11 | $ 16 | $ 19 |

**Huntsman International**

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Valuation allowance as of January 1 | $768 | $813 | $861 |
| Valuation allowance as of December 31 | 745 | 768 | 813 |
| Net decrease | 23 | 45 | 48 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 4 | (27) |
| Change in valuation allowance per rate reconciliation | $ 14 | $ 19 | $ 22 |
| Components of change in valuation allowance affecting tax expense: | | | |
| Pre-tax income (losses) in jurisdictions with valuation allowances resulting in no tax expense or benefit | $ 13 | $ (3) | $ 2 |
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | − |
| Change in valuation allowance per rate reconciliation | $ 14 | $ 19 | $ 22 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**18. INCOME TAXES (Continued)**

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

| | 2012 | 2011 |
|---|---|---|
| Unrecognized tax benefits as of January 1 | $ 39 | $ 43 |
| Gross increases and decreases−tax positions taken during a prior period | 15 | (3) |
| Gross increases and decreases−tax positions taken during the current period | 9 | 3 |
| Decreases related to settlements of amounts due to tax authorities | (3) | − |
| Reductions resulting from the lapse of statutes of limitation | (3) | (4) |
| Foreign currency movements | − | − |
| Unrecognized tax benefits as of December 31 | $ 57 | $ 39 |

As of December 31, 2012 and 2011, the amount of unrecognized tax benefits which, if recognized, would affect the effective tax rate is $37 million and $31 million, respectively.

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, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Interest expense included in tax expense | $ (1) | $ 5 | $ 1 |
| Penalties expense included in tax expense | − | − | − |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Accrued liability for interest | $ 10 | $ 13 |
| Accrued liability for penalties | 1 | 2 |

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 | 2001 and later |
| France | 2002 and later |
| India | 2004 and later |
| Italy | 2008 and later |
| Malaysia | 2003 and later |
| Switzerland | 2006 and later |
| The Netherlands | 2007 and later |
| United Kingdom | 2009 and later |
| United States federal | 2011 and later |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**18. INCOME TAXES (Continued)**

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 $1 million to $19 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 no corresponding benefit to our income tax expense.

During 2012, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, Hong Kong, Thailand and Japan. During 2011, 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, Australia, China, France and Germany. During 2010, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, Belgium, Spain, Indonesia, Thailand and the U.K.

For non-U.S. entities that were not treated as branches for U.S. tax purposes, we do not provide for income taxes on the undistributed earnings of these subsidiaries as earnings are reinvested and, in the opinion of management, will continue to be reinvested indefinitely. The undistributed earnings of foreign subsidiaries that are deemed to be permanently invested were approximately $215 million at December 31, 2012. It is not practicable to determine the unrecognized deferred tax liability on those earnings. We have material inter-company debt obligations owed by our non-U.S. subsidiaries to the U.S. We do not intend to repatriate earnings to the U.S. via dividend based on estimates of future domestic cash generation and our ability to return cash to the U.S. through payments of inter-company debt owned by our non-U.S. subsidiaries to the U.S. To the extent that cash is required in the U.S., rather than repatriate earnings to the U.S. via dividend, we expect to utilize our inter-company debt. If any earnings were repatriated via dividend, we would need to accrue and pay taxes on the distributions.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

## 19. COMMITMENTS AND CONTINGENCIES

### PURCHASE COMMITMENTS

We have various purchase commitments extending through 2023 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 2012. 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 2012 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 each of the years ended December 31, 2012, 2011 and 2010, we made minimum payments of nil under such take or pay contracts without taking the property.

Total purchase commitments as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | |
|---|---|
| 2013 | $ 1,138 |
| 2014 | 435 |
| 2015 | 237 |
| 2016 | 59 |
| 2017 | 59 |
| Thereafter | 30 |
| | $ 1,958 |

### OPERATING LEASES

We lease certain railcars, aircraft, equipment and facilities under long-term lease agreements. The total expense recorded under operating lease agreements in the accompanying consolidated statements of operations is approximately $79 million, $83 million and $62 million for 2012, 2011 and 2010, respectively, net of sublease rentals of approximately $4 million for each of 2012, 2011 and 2010, respectively.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. COMMITMENTS AND CONTINGENCIES (Continued)**

Future minimum lease payments under operating leases as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | | |
|---|---|---|
| 2013 | $ | 79 |
| 2014 | | 68 |
| 2015 | | 53 |
| 2016 | | 45 |
| 2017 | | 40 |
| Thereafter | | 60 |
| | $ | 345 |

Future minimum lease payments have not been reduced by minimum sublease rentals of $57 million due in the future under noncancelable subleases.

**LEGAL MATTERS**

**Asbestos Litigation**

We have been named as a "premises defendant" in a number of asbestos exposure cases, typically claims by nonemployees of exposure to asbestos while at a facility. In the past, these cases typically have involved multiple plaintiffs bringing actions against multiple defendants, and the complaints have not indicated which plaintiffs were making claims against which defendants, where or how the alleged injuries occurred or what injuries each plaintiff claimed. These facts, which would be central to any estimate of probable loss, generally have been learned only through discovery.

Where a claimant's alleged exposure occurred prior to our ownership of the relevant "premises," the prior owners generally have contractually agreed to retain liability for, and to indemnify us against, asbestos exposure claims. This indemnification is not subject to any time or dollar amount limitations. Upon service of a complaint in one of these cases, we tender it to the prior owner. Rarely do the complaints in these cases state the amount of damages being sought. The prior owner accepts responsibility for the conduct of the defense of the cases and payment of any amounts due to the claimants. In our nineteen-year experience with tendering these cases, we have not made any payment with respect to any tendered asbestos cases. We believe that the prior owners have the intention and ability to continue to honor their indemnity obligations, although we cannot assure you that they will continue to do so or that we will not be liable for these cases if they do not.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**19. COMMITMENTS AND CONTINGENCIES (Continued)**

The following table presents for the periods indicated certain information about cases for which service has been received that we have tendered to the prior owner, all of which have been accepted.

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 1,080 | 1,116 | 1,138 |
| Tendered during period | 3 | 10 | 24 |
| Resolved during period(1) | 3 | 46 | 46 |
| Unresolved at end of period | 1,080 | 1,080 | 1,116 |

**(1)** Although the indemnifying party informs us when tendered cases have been resolved, it generally does not inform us of the settlement amounts relating to such cases, if any. The indemnifying party has informed us that it typically manages our defense together with the defense of other entities in such cases and resolves claims involving multiple defendants simultaneously, and that it considers the allocation of settlement amounts, if any, among defendants to be confidential and proprietary. Consequently, we are not able to provide the number of cases resolved with payment by the indemnifying party or the amount of such payments.

We have never made any payments with respect to these cases. As of December 31, 2012, we had an accrued liability of approximately $10 million relating to these cases and a corresponding receivable of approximately $10 million relating to our indemnity protection with respect to these cases. We cannot assure you that our liability will not exceed our accruals or that our liability associated with these cases would not be material to our financial condition, results of operations or liquidity; accordingly, we are not able to estimate the amount or range of loss in excess of our accruals. Additional asbestos exposure claims may be made against us in the future, and such claims could be material. However, because we are not able to estimate the amount or range of losses associated with such claims, we have made no accruals with respect to unasserted asbestos exposure claims as of December 31, 2012.

Certain cases in which we are a premises defendant are not subject to indemnification by prior owners or operators. However, we may be entitled to insurance or other recoveries in some of these cases. The following table presents for the periods indicated certain information about these cases. Cases include all cases for which service has been received by us. Certain prior cases that were filed in error against us have been dismissed.

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 36 | 37 | 39 |
| Filed during period | 21 | 11 | 5 |
| Resolved during period | 7 | 12 | 7 |
| Unresolved at end of period | 50 | 36 | 37 |

**19. COMMITMENTS AND CONTINGENCIES (Continued)**

We paid gross settlement costs for asbestos exposure cases that are not subject to indemnification of $559,000, $584,000 and $201,000 during the years ended December 31, 2012, 2011 and 2010, respectively. As of December 31, 2012, we had no accrual relating to these cases. We cannot assure you that our liability will not exceed our accruals or that our liability associated with these cases would not be material to our financial condition, results of operations or liquidity; accordingly, we are not able to estimate the amount or range of loss in excess of our accruals. Additional asbestos exposure claims may be made against us in the future, and such claims could be material. However, because we are not able to estimate the amount or range of losses associated with such claims, we have made no accruals with respect to unasserted asbestos exposure claims as of December 31, 2012.

**Antitrust Matters**

We have been named as a defendant in two class action civil antitrust suits filed on February 9 and 12, 2010 in the U.S. District Court for the District of Maryland alleging that we and our co-defendants and other co-conspirators conspired to fix prices of titanium dioxide sold in the U.S. between at least March 1, 2002 and the present. The suits were subsequently consolidated. The other defendants named in this matter are DuPont, Kronos and Millennium. On August 28, 2012, the court certified a class consisting of all U.S. customers who purchased titanium dioxide directly from defendants since February 1, 2003, and notice was given to putative class members the week of January 14, 2013 after the Court of Appeals for the Fourth Circuit denied our petition to appeal the order certifying the class. Trial is set to begin September 9, 2013.

The plaintiffs seek to recover on behalf of the class injunctive relief, treble damages, costs of suit and attorneys fees. We are not aware of any illegal conduct by us or any of our employees. Nevertheless, we have incurred costs relating to these claims and could incur additional costs in amounts material to us. Because of the overall complexity of these cases, we are unable to reasonably estimate any possible loss or range of loss with respect to these claims.

**Product Delivery Claim**

We have been notified by a customer of potential claims related to our allegedly delivering a different product from that which it had ordered. Our customer claims that it was unaware that the different product had been delivered until after it had been used to manufacture materials which were subsequently sold. Originally, the customer stated that it had been notified of claims of up to an aggregate of €153 million (approximately $202 million) relating to this matter and believed that we may be responsible for all or a portion of these potential claims. Our customer has since resolved some of these claims and the aggregate amount of the current claims is now approximately €113 million (approximately $149 million). Based on the facts currently available to us, we believe that we are insured for any liability we may ultimately have in excess of $10 million. However, no assurance can be given regarding our ultimate liability or costs to us. We believe the range of possible loss to our Company in this matter to be between €0 and €113 million and have made no accrual with respect to this matter.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**19. COMMITMENTS AND CONTINGENCIES (Continued)**

**Indemnification Matter**

On July 3, 2012, Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC, or the banks, demanded that we indemnify them for claims brought by certain MatlinPatterson entities that were formerly our shareholders, the plaintiffs, in litigation filed June 19, 2012 in the 9th District Court in Montgomery County, Texas. The banks assert that they are entitled to indemnification pursuant to the Agreement of Compromise and Settlement between the banks and our Company, dated June 22, 2009, wherein the banks and our Company settled claims that we brought relating to the failed merger with Hexion. The plaintiffs claim that the banks knowingly made materially false representations about the nature of the financing for the acquisition of our Company by Hexion and that they suffered substantial losses to their 19 million shares of our common stock as a result of the banks' misrepresentations. The plaintiffs are asserting statutory fraud, common law fraud and aiding and abetting statutory fraud and are seeking actual damages, exemplary damages, costs and attorney's fees, pre-judgment and post-judgment interest. We denied the banks' indemnification demand. On December 21, 2012, the court dismissed the plaintiffs' claims, and the appeal deadline is 90 days after entry of the order. The plaintiffs filed a motion for reconsideration before the trial court on January 18, 2013.

**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.

**20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS**

**ENVIRONMENTAL, HEALTH AND SAFETY MATTERS**

**General**

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

**20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)**

**Environmental, Health and Safety Systems**

We are committed to achieving and maintaining compliance with all applicable EHS legal requirements, and we have developed policies and management systems that are intended to identify the multitude of EHS legal requirements applicable to our operations, enhance compliance with applicable legal requirements, ensure the safety of our employees, contractors, community neighbors and customers and minimize the production and emission of wastes and other pollutants. Although EHS legal requirements are constantly changing and are frequently difficult to comply with, these EHS management systems are designed to assist us in our compliance goals while also fostering efficiency and improvement and reducing overall risk to us.

**EHS Capital Expenditures**

We may incur future costs for capital improvements and general compliance under EHS laws, including costs to acquire, maintain and repair pollution control equipment. For the years ended December 31, 2012, 2011 and 2010, our capital expenditures for EHS matters totaled $105 million, $92 million, and $85 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.

**Remediation Liabilities**

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

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

One of these sites, the North Maybe Canyon Mine site, involves a former phosphorous mine near Soda Springs, Idaho, which is believed to have been operated by a predecessor company to us. In 2004, the U.S. Forest Service notified us that we are a CERCLA PRP for contaminated surface water at the site. In February 2010, we and Wells Cargo (another PRP) agreed to conduct a Remedial

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)**

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.

In addition, under RCRA 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.

By letter dated March 7, 2006, our former Base Chemicals and Polymers facility in West Footscray, Australia, was issued a clean-up notice by EPA Victoria due to concerns about soil and groundwater contamination emanating from the site. On August 23, 2010, EPA Victoria revoked the second clean-up notice and issued a revised notice that included a requirement for financial assurance for the remediation. We have reached agreement with the agency that a mortgage on the land will be held by the agency as financial surety during the period covered by the current clean-up notice, which ends on July 30, 2014. As of December 31, 2012, we had an accrued liability of $29 million related to estimated environmental remediation costs at this site. We can provide no assurance that the agency will not seek to institute additional requirements for the site or that additional costs will not be associated with the clean up.

**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 $34 million and $36 million for environmental liabilities as of December 31, 2012 and 2011, respectively. Of these amounts, $10 million and $7 million were classified as accrued liabilities in our consolidated balance sheets as of December 31, 2012 and 2011, respectively, and $24 million and $29 million were classified as other noncurrent liabilities in our consolidated balance sheets as of December 31, 2012 and 2011, respectively. 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.

**REGULATORY DEVELOPMENTS**

The EU regulatory framework for chemicals, called "REACH", became effective in 2007 and is designed to be phased in gradually over 11 years. As a REACH-regulated company that manufactures in or imports more than one metric ton per year of a chemical substance into the European Economic Area, we were required to pre-register with the ECHA, such chemical substances and isolated

**20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)**

intermediates to take advantage of the 11 year phase-in period. To meet our compliance obligations, a cross-business REACH team was established, through which we were able to fulfill all required pre-registrations and our first phase registrations by the November 30, 2010 deadline. While we continue our registration efforts to meet the next registration deadline of May 31, 2013, our REACH implementation team is now strategically focused on the authorization phase of the REACH process, directing its efforts to address "Substances of Very High Concern" and evaluating potential business implications. Where warranted, evaluation of substitute chemicals will be an important element of our ongoing manufacturing sustainability efforts. As a chemical manufacturer with global operations, we are also actively monitoring and addressing analogous regulatory regimes being considered or implemented outside of the EU, e.g. Korea and Taiwan.

Although the total long-term cost for REACH compliance is unknown at this time, we spent approximately $8 million, $5 million and $9 million in 2012, 2011 and 2010, respectively, to meet the initial REACH requirements. We cannot provide assurance that these recent expenditures are indicative of future amounts that we may be required to spend for REACH compliance.

**GREENHOUSE GAS REGULATION**

Globally, our operations are increasingly subject to regulations that seek to reduce emissions of GHGs, such as carbon dioxide and methane, which may be contributing to changes in the Earth's climate. At the most recent negotiations of the Conference of the Parties to the Kyoto Protocol, a limited group of nations, including the EU, agreed to a second commitment period for the Kyoto Protocol, an international treaty that provides for reductions in GHG emissions. More significantly, the European Union GHG Emissions Trading System, established pursuant to the Kyoto Protocol to reduce GHG emissions in the EU, has just entered its third phase and ongoing reforms at the EU level−including measures to prop up carbon credit prices and ban the use of certain types of certified emission reductions−may increase our operating costs. Australia has also adopted a carbon trading system that has been recognized for formal linkage with the EU trading system by 2018. Australia's GHG cap-and-trade program may impose compliance obligations upon our operations that may increase our operating costs. In the United States, California has commenced the first compliance period of its cap-and-trade program.

Federal climate change legislation in the United States appears unlikely in the near-term. As a result, domestic efforts to curb GHG emissions will be led by the EPA's GHG regulations and the efforts of states. To the extent that our domestic operations are subject to the EPA's GHG regulations, we may face increased capital and operating costs associated with new or expanded facilities. Expansions of our existing facilities or construction of new facilities may be subject to the Clean Air Act's Prevention of Significant Deterioration requirements under the EPA's GHG "Tailoring Rule." Our facilities are also subject to the EPA's Mandatory Reporting of Greenhouse Gases rule, and the collection and reporting of GHG data may increase our operational costs.

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

**20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Continued)**

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

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

**PORT NECHES FLARING MATTER**

As part of the EPA's national enforcement initiative on flaring operations and by letter dated October 12, 2012, the DOJ notified us that we were in violation of the CAA based on our response to a 2010 CAA Section 114 Information Request. The EPA has used the enforcement initiative to bring similar actions against refiners and other chemical manufacturers. Specifically, the EPA alleged violations of flare operations at our Port Neches, Texas facility from 2007-2012 against us that were not consistent with good pollution control practice and not in compliance with certain flare-related regulations. As a result of these findings, EPA referred this matter to the DOJ. We have been engaged in discussions with the DOJ and the EPA regarding these violations and are in the process of reviewing their allegations and assessing their claims. We are currently unable to determine the likelihood or magnitude of potential penalty or injunctive relief that may be incurred in resolving this matter.

**21. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY**

**SHARE REPURCHASE PROGRAM**

Effective August 5, 2011, our Board of Directors authorized our Company to repurchase up to $100 million in shares of our common stock. Repurchases under this program 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. During 2011, we acquired approximately four million shares of our outstanding common stock for approximately $50 million under the repurchase program. During 2012, we did not repurchase any shares of our outstanding common stock under the repurchase program. As of December 31, 2012, there remained approximately $50 million of the amount authorized under the program that could be used for stock repurchases.

## 21. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY (Continued)

### DIVIDENDS ON COMMON STOCK

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

| | 2012 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 30, 2012 | March 15, 2012 | $ 0.10 | $ 24 |
| June 29, 2012 | June 15, 2012 | 0.10 | 24 |
| September 28, 2012 | September 14, 2012 | 0.10 | 24 |
| December 31, 2012 | December 14, 2012 | 0.10 | 24 |
| Total | | | $ 96 |

| | 2011 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2011 | March 15, 2011 | $ 0.10 | $ 24 |
| June 30, 2011 | June 15, 2011 | 0.10 | 24 |
| September 30, 2011 | September 15, 2011 | 0.10 | 24 |
| December 30, 2011 | December 15, 2011 | 0.10 | 24 |
| Total | | | $ 96 |

| | 2010 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2010 | March 15, 2010 | $ 0.10 | $ 24 |
| June 30, 2010 | June 15, 2010 | 0.10 | 24 |
| September 30, 2010 | September 15, 2010 | 0.10 | 24 |
| December 31, 2010 | December 15, 2010 | 0.10 | 24 |
| Total | | | $ 96 |

## 22. STOCK-BASED COMPENSATION PLAN

Under the Stock Incentive Plan, a plan approved by stockholders, we may grant non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. The terms of the grants are fixed at the grant date. As of December 31, 2012 we were authorized to grant up to 32.6 million shares under the Stock Incentive Plan. As of December 31, 2012, we had 8 million shares remaining under the Stock Incentive Plan available for grant. Option awards have a maximum contractual term of 10 years and generally must have an exercise price at least equal to the market price of our common stock on the date the option award is granted. Stock- based awards generally vest over a three-year period.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**22. STOCK-BASED COMPENSATION PLAN (Continued)**

The compensation cost from continuing operations under the Stock Incentive Plan for our Company and Huntsman International were as follows (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Huntsman Corporation compensation cost | $ 27 | $ 24 | $ 27 |
| Huntsman International compensation cost | 26 | 22 | 24 |

The total income tax benefit recognized in the statement of operations for stock-based compensation arrangements was $6 million, $6 million and $8 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Dividend yield | 3.0% | 2.3% | 3.0% |
| Expected volatility | 65.3% | 65.6% | 69.0% |
| Risk-free interest rate | 1.3% | 2.8% | 3.1% |
| Expected life of stock options granted during the period | 6.6 years | 6.6 years | 6.6 years |

**STOCK OPTIONS**

A summary of stock option activity under the Stock Incentive Plan as of December 31, 2012 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, 2012 | 10,345 | $ 13.83 | | |
| Granted | 1,363 | 13.41 | | |
| Exercised | (902) | 3.37 | | |
| Forfeited | (289) | 19.48 | | |
| Outstanding at December 31, 2012 | 10,517 | 14.52 | 5.4 | $ 42 |
| Exercisable at December 31, 2012 | 8,390 | 14.56 | 4.5 | 39 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**22. STOCK-BASED COMPENSATION PLAN (Continued)**

The weighted-average grant-date fair value of stock options granted during 2012, 2011 and 2010 was $6.36, $9.17 and $6.97 per option, respectively. As of December 31, 2012, there was $9 million of total unrecognized compensation cost related to nonvested stock option arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.4 years.

During the years ended December 31, 2012, 2011 and 2010, the total intrinsic value of stock options exercised was $10 million, $19 million and $14 million, respectively.

**NONVESTED SHARES**

Nonvested shares granted under the Stock Incentive Plan consist of restricted stock, which is accounted for as an equity award, and phantom stock, which is accounted for as a liability award because it can be settled in either stock or cash. A summary of the status of our nonvested shares as of December 31, 2011 and changes during the year then ended is presented below:

| | Equity Awards | | Liability Awards | |
|---|---|---|---|---|
| | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value |
| | (in thousands) | | (in thousands) | |
| Nonvested at January 1, 2012 | 2,287 | $ 9.92 | 1,100 | $ 9.42 |
| Granted | 934 | 13.41 | 383 | 13.41 |
| Vested | (1,402)(1) | 7.09 | (760) | 6.53 |
| Forfeited | (30) | 15.27 | (85) | 15.16 |
| Nonvested at December 31, 2012 | 1,789 | 13.87 | 638 | 14.50 |

**(1)** As of December 31, 2012, a total of 516,338 restricted stock units were vested, of which 72,161 vested during 2012. Only 176,327 of these shares have 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, 2012, there was $18 million of total unrecognized compensation cost related to nonvested share compensation arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.5 years. The value of share awards that vested during the years ended December 31, 2012, 2011 and 2010 was $21 million, $23 million and $18 million, respectively.

## 23. OTHER COMPREHENSIVE LOSS

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

**Huntsman Corporation**

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 |
| | Accumulated loss | Loss | Accumulated loss | Loss | Loss |
| Foreign currency translation adjustments, net of tax of $20 and $24 as of December 31, 2012 and 2011, respectively | $ 269 | $ 51 | $ 218 | $ (80) | $ 24 |
| Pension and other postretirement benefits adjustments, net of tax of $197 and $124 as of December 31, 2012 and 2011, respectively | (1,036) | (236) | (800) | (187) | (33) |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | (1) | 8 | 1 | – |
| Other, net | 3 | – | 3 | (1) | (2) |
| Total | (757) | (186) | (571) | (267) | (11) |
| Amounts attributable to noncontrolling interests | 13 | 1 | 12 | 5 | 1 |
| Amounts attributable to Huntsman Corporation | $ (744) | $(185) | $ (559) | $(262) | $(10) |

**Huntsman International**

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 |
| | Accumulated loss | Loss | Accumulated loss | Loss | Loss |
| Foreign currency translation adjustments, net of tax of $7 and $11 as of December 31, 2012 and 2011, respectively | $ 268 | $ 51 | $ 217 | $ (79) | $ 23 |
| Pension and other postretirement benefits adjustments, net of tax of $228 and $155 as of December 31, 2012 and 2011, respectively | (1,076) | (231) | (845) | (182) | (28) |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | (1) | 8 | 1 | – |
| Other, net | (3) | – | (3) | (2) | (2) |
| Total | (804) | (181) | (623) | (262) | (7) |
| Amounts attributable to noncontrolling interests | 13 | 1 | 12 | 5 | 1 |
| Amounts attributable to Huntsman International LLC | $ (791) | $(180) | $ (611) | $(257) | $ (6) |

Items of other comprehensive 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.

## 24. EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION

Total expenses associated with the Terminated Merger and related litigation were as follows (dollars in millions):

| | December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Directors' fees | $ − | $ − | $ 3 |
| Legal fees and other | − | − | 1 |
| Total expenses | $ − | $ − | $ 4 |

On July 12, 2007, we entered into an agreement and plan of merger with Hexion (the "Hexion Merger Agreement"). On June 18, 2008, Hexion, Apollo and certain of their affiliates filed an action in Delaware Chancery Court seeking to terminate the Hexion Merger. We countersued Hexion and Apollo in the Delaware Chancery Court and filed a separate action against Apollo and certain of its affiliates in the District Court of Montgomery County, Texas. On December 13, 2008, we terminated the Hexion Merger Agreement and, on December 14, 2008, we entered into the Apollo Settlement Agreement to settle the Terminated Merger-related litigation and certain other related matters. Pursuant to the Apollo Settlement Agreement, Hexion and certain Apollo affiliates have paid us an aggregate of $1 billion.

On September 30, 2008, we filed suit in the 9th Judicial District Court in Montgomery County, Texas against the banks that had entered into a commitment letter to provide funding for the Hexion Merger. On June 22, 2009, we entered into the Texas Bank Litigation Settlement Agreement with such banks. This litigation was dismissed with prejudice on June 23, 2009. In accordance with the Texas Bank Litigation Settlement Agreement, the banks paid us a cash payment of $632 million, purchased the $600 million aggregate principal amount 5.50% 2016 Senior Notes from Huntsman International, and provided Huntsman International with Term Loan C in the principal amount of $500 million. The 2016 Senior Notes and Term Loan C borrowings were at favorable rates to us and were recorded at a combined fair value of $864 million. Accordingly, we recognized a gain of $868 million in connection with the Texas Bank Litigation Settlement Agreement. On September 21, 2010, the Board of Directors approved bonuses totaling $3 million to certain members of the Board of Directors, upon the recommendation of an independent committee of the Board of Directors, for their efforts in connection with the litigation with Hexion and Apollo following the Terminated Merger.

## 25. DISCONTINUED OPERATIONS

### AUSTRALIA STYRENICS BUSINESS SHUTDOWN

During the first quarter of 2010, we ceased operation of our former Australian styrenics business. During 2010, we recorded additional closure costs of $6 million. Also during 2010, we recorded a $19 million loss from the recognition of cumulative currency translation losses upon the liquidation and substantial liquidation of foreign entities related to this business. Furthermore, we recorded an additional tax benefit of $28 million in 2010 related to the closure of this business. The following

**25. DISCONTINUED OPERATIONS (Continued)**

results of operations of our former Australian styrenics business have been presented as discontinued operations in the accompanying consolidated statements of operations (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Revenues | $ 37 | $ 38 | $ 52 |
| Operating costs and expenses, net of credits | (47) | (44) | (85) |
| Nonoperating expenses | | – | (19) |
| Operating loss | (10) | (6) | (52) |
| Income tax benefit | 3 | 2 | 28 |
| Loss from discontinued operations, net of tax | $ (7) | $ (4) | $ (24) |

In 2006, product defect actions were filed against HCCA in Australian courts relating to the sale and supply of vinyl ester resins that were used in the manufacture of fiberglass swimming pools. HCCA ceased manufacturing these specific resin formulations by 2004 and sold the business that manufactured and sold these resins in 2007.

During the first quarter of 2011, HCCA increased its estimate of probable loss related to these claims and recorded a liability for the full estimated value of the claims and a corresponding receivable relating to our indemnity protection with a net charge to discontinued operations for any potential shortfall in insurance coverage. Following mediation held in August 2011, HCCA and its insurers reached an agreement with two claimants to settle their claims for amounts within our insurance coverage after our self-insured retention was satisfied. Accordingly, during the third quarter of 2011, HCCA reduced its estimate of probable loss proportionately and reversed a portion of the liability related to this matter. The settlements were paid in the fourth quarter of 2011.

The results of our former Australian styrenics business were previously included in our Corporate and other segment and have been presented as discontinued operations in the accompanying consolidated statements of operations for all periods presented.

**U.S. BASE CHEMICALS BUSINESS**

On November 5, 2007, we completed a disposition of our U.S. base chemicals businesses, which included our former olefins manufacturing assets located at Port Arthur, Texas. A captive ethylene unit at the retained Port Neches, Texas site of our Performance Products segment operations was not included in the sale. This asset, along with a long-term post-closing arrangement for the supply of ethylene and propylene from Flint Hills Resources to us, will continue to provide feedstock for our downstream derivative units.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**25. DISCONTINUED OPERATIONS (Continued)**

The following results of our former U.S base chemicals business have been presented as discontinued operations in the accompanying consolidated statements of operations (dollars in millions):

| | Year ended December 31, 2012 | 2011 | 2010 |
|---|---|---|---|
| Other expenses | $ – | $ (1) | $ (6) |
| Gain on insurance settlements, net | – | – | 110 |
| (Loss) income before income taxes | – | (1) | 104 |
| Income tax expense | – | – | (38) |
| (Loss) income from discontinued operations, net of tax | $ – | $ (1) | $ 66 |

During 2010, we recorded a $110 million pretax gain in connection with the final settlement of insurance claims related to the 2006 fire at our former Port Arthur, Texas plant and a pretax gain of $7 million from the settlement of insurance claims related to the 2005 gulf coast storms. Of the $110 million payment, $34 million was reflected within the statement of cash flows as cash flows from investing activities and the remaining $76 million was reflected as cash flows from operating activities. The results of our former U.S. base chemicals business are included in discontinued operations for all periods presented. These 2010 insurance settlement gains were offset in part by income taxes and legal fees related to the arbitration of the fire insurance claim.

**26. RELATED PARTY TRANSACTIONS**

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

| | Year ended December 31, 2012 | 2011 | 2010 |
|---|---|---|---|
| Sales to: | | | |
| Unconsolidated affiliates | $ 223 | $ 180 | $ 201 |
| Inventory purchases from: | | | |
| Unconsolidated affiliates | 565 | 465 | 369 |

Pursuant to an agreement entered into in 2001, our subsidiary Airstar Corporation ("Airstar") subleases a Gulfstream IV-SP Aircraft (the "Aircraft") from Jstar Corporation ("Jstar"), a corporation wholly owned by Jon M. Huntsman. Jon M. Huntsman is the Executive Chairman and the father of our Chief Executive Officer, Peter R. Huntsman, and our director, Jon M. Huntsman, Jr. In 2011, this arrangement was extended for an additional 10 year period. In connection with this extension, monthly sublease payments from Airstar to Jstar were reduced from approximately $193,000 to approximately $115,000 and an aggregate of $13.8 million is payable through the end of the current 10 year lease term. These monthly sublease payments are used to fund financing costs paid by Jstar to a leasing company. An unrelated third party pays $2.4 million per year to our subsidiary for such third party's part-time use of the Aircraft (or an alternate owned by us if the Aircraft is unavailable), subject to an annual adjustment, which typically has been at least fair market value for the number of flight hours

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**26. RELATED PARTY TRANSACTIONS (Continued)**

used by such third party. We bear all other costs of operating the Aircraft. In accordance with our Aircraft Use Policy, we have entered into aircraft time-sharing agreements with certain members of the Huntsman family, pursuant to which these persons pay for the costs of any personal use of the Aircraft by them.

An agreement was reached prior to the initial public offering of our common stock in February 2005 with the Huntsman Foundation, a private charitable foundation established by Jon M. and Karen H. Huntsman, to further the charitable interests of the Huntsman family, that we would donate our Salt Lake City office building and our option to acquire an adjacent undeveloped parcel of land to the foundation free of debt. On March 24, 2010, we completed this donation. At the time of the donation, the building had an appraised value of approximately $10 million. We continue to occupy and use a portion of the building under a lease pursuant to which we make annual lease payments of approximately $2 million to the Huntsman Foundation. During both 2012 and 2011, we made payments of approximately $2 million to the Huntsman Foundation under the lease. The lease expires on December 31, 2013, subject to two five-year extensions, at our option.

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

**27. OPERATING SEGMENT INFORMATION**

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

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 | epoxy resin compounds and formulations; cross-linking, matting and curing agents; epoxy, acrylic and polyurethane-based adhesives and tooling resin formulations |
| Textile Effects | textile chemicals and dyes |
| Pigments | titanium dioxide |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**27. OPERATING SEGMENT INFORMATION (Continued)**

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

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Revenues:** | | | |
| Polyurethanes | $ 4,894 | $ 4,434 | $ 3,605 |
| Performance Products | 3,065 | 3,301 | 2,659 |
| Advanced Materials | 1,325 | 1,372 | 1,244 |
| Textile Effects | 752 | 737 | 787 |
| Pigments | 1,436 | 1,642 | 1,213 |
| Eliminations | (285) | (265) | (258) |
| Total | $ 11,187 | $ 11,221 | $ 9,250 |
| **Huntsman Corporation:** | | | |
| **Segment EBITDA(1):** | | | |
| Polyurethanes | $ 726 | $ 469 | $ 319 |
| Performance Products | 360 | 385 | 363 |
| Advanced Materials | 54 | 125 | 143 |
| Textile Effects | (49) | (199) | 1 |
| Pigments | 352 | 501 | 205 |
| Corporate and other(2) | (251) | (236) | (384) |
| Subtotal | 1,192 | 1,045 | 647 |
| Discontinued Operations(3) | (5) | (6) | 53 |
| Total | 1,187 | 1,039 | 700 |
| Interest expense, net | (226) | (249) | (229) |
| Income tax expense–continuing operations | (169) | (109) | (29) |
| Income tax benefit (expense)–discontinued operations | 3 | 5 | (10) |
| Depreciation and amortization | (432) | (439) | (405) |
| Net income attributable to Huntsman Corporation | $ 363 | $ 247 | $ 27 |
| **Depreciation and Amortization:** | | | |
| Polyurethanes | $ 152 | $ 160 | $ 155 |
| Performance Products | 113 | 110 | 92 |
| Advanced Materials | 31 | 33 | 33 |
| Textile Effects | 23 | 27 | 26 |
| Pigments | 69 | 74 | 67 |
| Corporate and other(2) | 39 | 35 | 31 |
| Subtotal | 427 | 439 | 404 |
| Discontinued Operations | 5 | – | 1 |
| Total | $ 432 | $ 439 | $ 405 |

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**27. OPERATING SEGMENT INFORMATION (Continued)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Capital Expenditures:** | | | |
| Polyurethanes | $ 107 | $ 85 | $ 59 |
| Performance Products | 117 | 96 | 66 |
| Advanced Materials | 41 | 39 | 24 |
| Textile Effects | 27 | 34 | 23 |
| Pigments | 98 | 57 | 49 |
| Corporate and other | 22 | 19 | 15 |
| Total | $ 412 | $ 330 | $ 236 |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **Total Assets:** | | |
| Polyurethanes | $ 3,268 | $ 3,144 |
| Performance Products | 2,455 | 2,348 |
| Advanced Materials | 1,366 | 1,307 |
| Textile Effects | 745 | 686 |
| Pigments | 1,597 | 1,428 |
| Corporate and other | (547) | (256) |
| Total | $ 8,884 | $ 8,657 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**27. OPERATING SEGMENT INFORMATION (Continued)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Huntsman International:** | | | |
| **Segment EBITDA(1):** | | | |
| Polyurethanes | $ 726 | $ 469 | $ 319 |
| Performance Products | 360 | 385 | 363 |
| Advanced Materials | 54 | 125 | 143 |
| Textile Effects | (49) | (199) | 1 |
| Pigments | 352 | 501 | 205 |
| Corporate and other(2) | (251) | (236) | (224) |
| Subtotal | 1,192 | 1,045 | 807 |
| Discontinued Operations(3) | (5) | (6) | 53 |
| Total | 1,187 | 1,039 | 860 |
| Interest expense, net | (238) | (262) | (248) |
| Income tax expense–continuing operations | (179) | (113) | (40) |
| Income tax benefit (expense)–discontinued operations | 3 | 5 | (10) |
| Depreciation and amortization | (408) | (416) | (382) |
| Net income attributable to Huntsman International LLC | $ 365 | $ 253 | $ 180 |
| **Depreciation and Amortization:** | | | |
| Polyurethanes | $ 152 | $ 160 | $ 155 |
| Performance Products | 113 | 110 | 92 |
| Advanced Materials | 31 | 33 | 33 |
| Textile Effects | 23 | 27 | 26 |
| Pigments | 69 | 74 | 67 |
| Corporate and other(2) | 15 | 12 | 8 |
| Subtotal | 403 | 416 | 381 |
| Discontinued Operations | 5 | – | 1 |
| Total | $ 408 | $ 416 | $ 382 |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Capital Expenditures:** | | | |
| Polyurethanes | $ 107 | $ 85 | $ 59 |
| Performance Products | 117 | 96 | 66 |
| Advanced Materials | 41 | 39 | 24 |
| Textile Effects | 27 | 34 | 23 |
| Pigments | 98 | 57 | 49 |
| Corporate and other | 22 | 19 | 15 |
| Total | $ 412 | $ 330 | $ 236 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**27. OPERATING SEGMENT INFORMATION (Continued)**

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **Total Assets:** | | |
| Polyurethanes | $ 3,221 | $ 3,086 |
| Performance Products | 2,449 | 2,340 |
| Advanced Materials | 1,366 | 1,307 |
| Textile Effects | 745 | 686 |
| Pigments | 1,562 | 1,384 |
| Corporate and other | (473) | (473) |
| Total | $ 8,870 | $ 8,330 |

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

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

**(3)** The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded for all periods presented. The EBITDA of our former polymers, base chemicals and Australian styrenics businesses are included in discontinued operations for all periods presented. For more information, see "Note 25. Discontinued Operations."

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **By Geographic Area** | | | |
| **Revenues(1):** | | | |
| United States | $ 3,347 | $ 3,470 | $ 2,777 |
| China | 1,040 | 944 | 881 |
| Mexico | 954 | 723 | 485 |
| Germany | 600 | 638 | 519 |
| Italy | 465 | 558 | 474 |
| Other nations | 4,781 | 4,888 | 4,114 |
| **Total** | $ 11,187 | $ 11,221 | $ 9,250 |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**27. OPERATING SEGMENT INFORMATION (Continued)**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| **Long-lived assets(2):** | | |
| **Huntsman Corporation** | | |
| United States | $ 1,387 | $ 1,390 |
| The Netherlands | 351 | 310 |
| United Kingdom | 314 | 306 |
| Saudi Arabia | 231 | 243 |
| Germany | 201 | 205 |
| China | 169 | 162 |
| Italy | 164 | 152 |
| Switzerland | 163 | 166 |
| France | 154 | 126 |
| Spain | 147 | 157 |
| Other nations | 464 | 405 |
| **Total** | $ 3,745 | $ 3,622 |
| **Huntsman International** | | |
| United States | $ 1,299 | $ 1,278 |
| The Netherlands | 351 | 310 |
| United Kingdom | 314 | 306 |
| Saudi Arabia | 231 | 243 |
| Germany | 201 | 205 |
| China | 169 | 162 |
| Italy | 164 | 152 |
| Switzerland | 163 | 166 |
| France | 154 | 126 |
| Spain | 147 | 157 |
| Other nations | 463 | 405 |
| **Total** | $ 3,656 | $ 3,510 |

**(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.

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL**

The following condensed consolidating financial statements present, in separate columns, financial information for the following: Huntsman International (on a parent only basis), with its investment in subsidiaries recorded under the equity method; the Guarantors on a combined, and where appropriate, consolidated basis; and the nongurantors on a combined, and where appropriate, consolidated basis. Additional columns present eliminating adjustments and consolidated totals as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010. There are no contractual restrictions limiting transfers of cash from Guarantor subsidiaries to Huntsman International. Each of the Guarantors is 100% owned by Huntsman International and has fully and unconditionally guaranteed Huntsman International's outstanding notes on a joint and several basis.

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2012
(Dollars in Millions)

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets:** | | | | | |
| Cash and cash equivalents | $ 7 | $ 2 | $ 201 | $ – | $ 210 |
| Restricted cash | – | – | 9 | – | 9 |
| Accounts and notes receivable, net | 16 | 182 | 1,336 | – | 1,534 |
| Accounts receivable from affiliates | 1,733 | 3,907 | 101 | (5,442) | 299 |
| Inventories | 111 | 309 | 1,404 | (5) | 1,819 |
| Prepaid expenses | 10 | 7 | 43 | (12) | 48 |
| Deferred income taxes | 7 | – | 57 | (13) | 51 |
| Other current assets | 203 | 5 | 225 | (211) | 222 |
| **Total current assets** | 2,087 | 4,412 | 3,376 | (5,683) | 4,192 |
| Property, plant and equipment, net | 371 | 898 | 2,386 | 1 | 3,656 |
| Investment in unconsolidated affiliates | 5,413 | 1,360 | 159 | (6,694) | 238 |
| Intangible assets, net | 27 | 2 | 42 | (1) | 70 |
| Goodwill | (18) | 82 | 53 | – | 117 |
| Deferred income taxes | 248 | – | 224 | (243) | 229 |
| Notes receivable from affiliates | 21 | 941 | 2 | (962) | 2 |
| Other noncurrent assets | 72 | 139 | 156 | (1) | 366 |
| **Total assets** | $ 8,221 | $ 7,834 | $ 6,398 | $ (13,583) | $ 8,870 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts payable | $ 87 | $ 280 | $ 734 | $ – | $ 1,101 |
| Accounts payable to affiliates | 2,987 | 1,111 | 1,406 | (5,442) | 62 |
| Accrued liabilities | 87 | 342 | 518 | (224) | 723 |
| Deferred income taxes | – | 45 | 9 | (15) | 39 |
| Note payable to affiliate | 100 | – | – | – | 100 |
| Current portion of debt | 15 | – | 273 | – | 288 |
| **Total current liabilities** | 3,276 | 1,778 | 2,940 | (5,681) | 2,313 |
| Long-term debt | 3,026 | – | 388 | – | 3,414 |
| Notes payable to affiliates | 595 | – | 965 | (961) | 599 |
| Deferred income taxes | 14 | 169 | 49 | (62) | 170 |
| Other noncurrent liabilities | 216 | 190 | 751 | – | 1,157 |
| **Total liabilities** | 7,127 | 2,137 | 5,093 | (6,704) | 7,653 |

| | | | | | |
|---|---|---|---|---|---|
| **Equity** | | | | | |
| **Huntsman International LLC members' equity** | | | | | |
| Members' equity | 3,109 | 4,689 | 2,262 | (6,951) | 3,109 |
| Accumulated deficit | (1,224) | (243) | (354) | 597 | (1,224) |
| Accumulated other comprehensive (loss) income | (791) | 1,251 | (692) | (559) | (791) |
| **Total Huntsman International LLC members' equity** | 1,094 | 5,697 | 1,216 | (6,913) | 1,094 |
| Noncontrolling interests in subsidiaries | – | – | 89 | 34 | 123 |
| **Total equity** | 1,094 | 5,697 | 1,305 | (6,879) | 1,217 |
| **Total liabilities and equity** | $ 8,221 | $ 7,834 | $ 6,398 | $ (13,583) | $ 8,870 |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2011
(Dollars in Millions)

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets:** | | | | | |
| Cash and cash equivalents | $ 4 | $ – | $ 227 | $ – | $ 231 |
| Restricted cash | – | – | 8 | – | 8 |
| Accounts and notes receivable, net | 13 | 151 | 1,365 | – | 1,529 |
| Accounts receivable from affiliates | 1,105 | 3,041 | 93 | (4,091) | 148 |
| Inventories | 105 | 271 | 1,167 | (4) | 1,539 |
| Prepaid expenses | 9 | 7 | 43 | (13) | 46 |
| Deferred income taxes | 6 | – | 49 | (15) | 40 |
| Other current assets | 90 | 9 | 222 | (101) | 220 |
| **Total current assets** | 1,332 | 3,479 | 3,174 | (4,224) | 3,761 |
| Property, plant and equipment, net | 393 | 868 | 2,247 | 2 | 3,510 |
| Investment in unconsolidated affiliates | 5,286 | 1,460 | 147 | (6,691) | 202 |
| Intangible assets, net | 42 | 2 | 52 | (3) | 93 |
| Goodwill | (16) | 82 | 48 | – | 114 |
| Deferred income taxes | 154 | – | 191 | (182) | 163 |
| Notes receivable from affiliates | 20 | 920 | 5 | (940) | 5 |
| Other noncurrent assets | 81 | 137 | 264 | – | 482 |
| **Total assets** | $ 7,292 | $ 6,948 | $ 6,128 | $ (12,038) | $ 8,330 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts payable | $ 53 | $ 205 | $ 604 | $ – | $ 862 |
| Accounts payable to affiliates | 2,244 | 822 | 1,089 | (4,091) | 64 |
| Accrued liabilities | 117 | 204 | 487 | (114) | 694 |
| Deferred income taxes | – | 39 | 7 | (17) | 29 |
| Note payable to affiliate | 100 | – | – | – | 100 |
| Current portion of debt | 33 | – | 179 | – | 212 |
| **Total current liabilities** | 2,547 | 1,270 | 2,366 | (4,222) | 1,961 |
| Long-term debt | 3,128 | – | 602 | – | 3,730 |
| Notes payable to affiliates | 435 | – | 944 | (940) | 439 |
| Deferred income taxes | 9 | 79 | 98 | (80) | 106 |
| Other noncurrent liabilities | 196 | 163 | 644 | – | 1,003 |
| **Total liabilities** | 6,315 | 1,512 | 4,654 | (5,242) | 7,239 |

| | | | | | |
|---|---|---|---|---|---|
| **Equity** | | | | | |
| **Huntsman International LLC members' equity:** | | | | | |
| Members' equity | 3,081 | 4,754 | 2,343 | (7,097) | 3,081 |
| Accumulated deficit | (1,493) | (820) | (396) | 1,216 | (1,493) |
| Accumulated other comprehensive (loss) income | (611) | 1,502 | (546) | (956) | (611) |
| **Total Huntsman International LLC members' equity** | 977 | 5,436 | 1,401 | (6,837) | 977 |
| Noncontrolling interests in subsidiaries | – | – | 73 | 41 | 114 |
| **Total equity** | 977 | 5,436 | 1,474 | (6,796) | 1,091 |
| **Total liabilities and equity** | $ 7,292 | $ 6,948 | $ 6,128 | $ (12,038) | $ 8,330 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $ 932 | $ 3,443 | $ 6,589 | $ – | $ 10,964 |
| Related party sales | 745 | 447 | 1,161 | (2,130) | 223 |
| **Total revenues** | 1,677 | 3,890 | 7,750 | (2,130) | 11,187 |
| **Cost of goods sold** | 1,424 | 3,003 | 6,849 | (2,130) | 9,146 |
| **Gross profit** | 253 | 887 | 901 | – | 2,041 |
| Selling, general and administrative | 191 | 120 | 623 | – | 934 |
| Research and development | 47 | 36 | 69 | – | 152 |
| Other operating (income) expense | (5) | 2 | (3) | – | (6) |
| Restructuring, impairment and plant closing costs | 4 | 7 | 81 | – | 92 |
| **Operating income** | 16 | 722 | 131 | – | 869 |
| Interest (expense) income, net | (207) | 42 | (73) | – | (238) |
| Equity in income of investment in affiliates and subsidiaries | 503 | 40 | 9 | (545) | 7 |
| Loss on early extinguishment of debt | (80) | – | – | – | (80) |
| Other (expense) income | (12) | 14 | (1) | – | 1 |
| **Income from continuing operations before income taxes** | 220 | 818 | 66 | (545) | 559 |
| Income tax benefit (expense) | 141 | (243) | 1 | (78) | (179) |
| **Income from continuing operations** | 361 | 575 | 67 | (623) | 380 |
| Income (loss) from discontinued operations, net of tax | 4 | 1 | (12) | – | (7) |
| **Income before extraordinary gain** | 365 | 576 | 55 | (623) | 373 |
| Extraordinary gain on the acquisition of a business, net of tax of nil | – | – | 2 | – | 2 |
| **Net income** | 365 | 576 | 57 | (623) | 375 |
| Net income attributable to noncontrolling interests | – | – | (16) | 6 | (10) |
| **Net income attributable to Huntsman International LLC** | $ 365 | $ 576 | $ 41 | $ (617) | $ 365 |
| **Net income** | $ 365 | $ 576 | $ 57 | $ (623) | $ 375 |

| | | | | | |
|---|---|---|---|---|---|
| Other comprehensive loss | (180) | (250) | (148) | 397 | (181) |
| Comprehensive income attributable to noncontrolling interests | – | – | (16) | 7 | (9) |
| Comprehensive income (loss) attributable to Huntsman International LLC | $ 185 | $ 326 | $ (107) | $ (219) | $ 185 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2011**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $ 885 | $ 3,349 | $ 6,807 | $ – | $ 11,041 |
| Related party sales | 453 | 493 | 1,098 | (1,864) | 180 |
| **Total revenues** | 1,338 | 3,842 | 7,905 | (1,864) | 11,221 |
| **Cost of goods sold** | 1,178 | 3,160 | 6,855 | (1,830) | 9,363 |
| **Gross profit** | 160 | 682 | 1,050 | (34) | 1,858 |
| Selling, general and administrative | 182 | 97 | 637 | – | 916 |
| Research and development | 50 | 34 | 82 | – | 166 |
| Other operating expense (income) | 35 | (18) | (37) | – | (20) |
| Restructuring, impairment and plant closing costs | 1 | – | 166 | – | 167 |
| **Operating (loss) income** | (108) | 569 | 202 | (34) | 629 |
| Interest (expense) income, net | (216) | 43 | (89) | – | (262) |
| Equity in income of investment in affiliates and subsidiaries | 381 | 77 | 9 | (459) | 8 |
| Loss on early extinguishment of debt | (7) | – | – | – | (7) |
| Other (expense) income | (35) | – | 1 | 36 | 2 |
| **Income from continuing operations before income taxes** | 15 | 689 | 123 | (457) | 370 |
| Income tax benefit (expense) | 232 | (210) | (35) | (100) | (113) |
| **Income from continuing operations** | 247 | 479 | 88 | (557) | 257 |
| Income (loss) from discontinued operations, net of tax | 6 | (1) | (6) | – | (1) |
| **Income before extraordinary gain** | 253 | 478 | 82 | (557) | 256 |
| Extraordinary gain on the acquisition of a business, net of tax of nil | – | – | 4 | – | 4 |
| **Net income** | 253 | 478 | 86 | (557) | 260 |
| Net income attributable to noncontrolling interests | – | (2) | (6) | 1 | (7) |
| **Net income attributable to Huntsman International LLC** | $ 253 | $ 476 | $ 80 | $ (556) | $ 253 |
| **Net income** | $ 253 | $ 478 | $ 86 | $ (557) | $ 260 |

| | | | | | |
|---|---|---|---|---|---|
| Other comprehensive loss | (257) | (98) | (232) | 325 | (262) |
| Comprehensive income attributable to noncontrolling interests | – | (3) | (1) | 2 | (2) |
| **Comprehensive (loss) income attributable to Huntsman International LLC** | $ (4) | 377 | $ (147) | $ (230) | $ (4) |

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**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2010**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $ 790 | $ 2,514 | $ 5,745 | $ – | $ 9,049 |
| Related party sales | 262 | 513 | 958 | (1,532) | 201 |
| **Total revenues** | 1,052 | 3,027 | 6,703 | (1,532) | 9,250 |
| **Cost of goods sold** | 869 | 2,594 | 5,815 | (1,506) | 7,772 |
| **Gross profit** | 183 | 433 | 888 | (26) | 1,478 |
| **Operating expenses:** | | | | | |
| Selling, general and administrative | 185 | 88 | 582 | – | 855 |
| Research and development | 52 | 30 | 69 | – | 151 |
| Other operating (income) expense | (34) | 11 | 23 | – | – |
| Restructuring, impairment and plant closing costs | 1 | 3 | 25 | – | 29 |
| **Operating income** | (21) | 301 | 189 | (26) | 443 |
| Interest (expense) income, net | (215) | 38 | (71) | – | (248) |
| Equity in (loss) income of investment in affiliates and subsidiaries | (1,199) | 91 | 24 | 1,108 | 24 |
| Loss on early extinguishment of debt | (37) | – | – | – | (37) |
| Dividends income | 1,569 | – | – | (1,569) | – |
| Other (expense) income | (25) | – | 2 | 25 | 2 |
| **Income from continuing operations before income taxes** | 72 | 430 | 144 | (462) | 184 |
| Income tax benefit (expense) | 101 | (127) | (14) | – | (40) |
| **Income from continuing operations** | 173 | 303 | 130 | (462) | 144 |
| Income (loss) from discontinued operations, net of tax | 7 | 68 | (33) | – | 42 |
| **Income before extraordinary loss** | 180 | 371 | 97 | (462) | 186 |
| Extraordinary loss on the acquisition of a business, net of tax of nil | – | – | (1) | – | (1) |
| **Net income** | 180 | 371 | 96 | (462) | 185 |
| Net income attributable to noncontrolling interests | – | (2) | (4) | 1 | (5) |

| | | | | | |
|---|---|---|---|---|---|
| **Net income attributable to Huntsman International LLC** | $ 180 | $ 369 | $ 92 | $ (461) | $ 180 |
| **Net income** | $ 180 | $ 371 | $ 96 | $ (462) | $ 185 |
| Other comprehensive (loss) income | (7) | 1,539 | – | (1,539) | (7) |
| Comprehensive income attributable to noncontrolling interests | – | (1) | (5) | 2 | (4) |
| **Comprehensive income attributable to Huntsman International LLC** | $ 173 | 1,909 | $ 91 | $ (1,999) | $ 174 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash provided by operating activities** | $ 85 | 269 | $ 508 | $ (2) | $ 860 |
| **Investing activities:** | | | | | |
| Capital expenditures | (23) | (111) | (278) | – | (412) |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | – | – | (18) | – | (18) |
| Proceeds from sale of businesses/assets | – | – | 6 | – | 6 |
| Increase in receivable from affiliate | (108) | – | – | – | (108) |
| Investment in affiliate | 225 | (62) | 48 | (211) | – |
| Investment in unconsolidated affiliates | (3) | (100) | (24) | – | (127) |
| Cash received from unconsolidated affiliates | – | 80 | 2 | – | 82 |
| Other, net | – | 1 | (1) | (1) | (1) |
| **Net cash provided by (used in) investing activities** | 91 | (192) | (265) | (212) | (578) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | – | – | (15) | – | (15) |
| Net borrowings on overdraft facilities | – | – | 2 | – | 2 |
| Repayments of short-term debt | – | – | (53) | – | (53) |
| Repayments of long-term debt | (625) | – | (69) | – | (694) |
| Proceeds from issuance of long-term debt | 400 | – | 5 | – | 405 |
| Repayments of notes payable to affiliate | (139) | – | – | – | (139) |
| Proceeds from notes payable to affiliate | 299 | – | – | – | 299 |
| Repayments of notes payable | (33) | – | (4) | – | (37) |
| Borrowings on notes payable | 33 | – | 1 | – | 34 |
| Debt issuance costs paid | (11) | – | – | – | (11) |
| Call premiums related to early extinguishment of debt | (2) | – | – | – | (2) |
| Contribution from parent | – | 14 | – | (14) | – |
| Distribution to parent | – | (87) | (138) | 225 | – |
| Dividends paid to parent | (96) | (2) | (1) | 3 | (96) |
| Excess tax benefit related to stock-based compensation | 4 | – | – | – | 4 |
| Other, net | (3) | – | – | – | (3) |
| **Net cash used in financing activities** | (173) | (75) | (272) | 214 | (306) |
| Effect of exchange rate changes on cash | – | – | 3 | – | 3 |

| | | | | | |
|---|---|---|---|---|---|
| Increase (decrease) in cash and cash equivalents | 3 | 2 | (26) | – | (21) |
| Cash and cash equivalents at beginning of period | 4 | – | 227 | – | 231 |
| Cash and cash equivalents at end of period | $ 7 | 2 | $ 201 | $ – | $ 210 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2011**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash provided by operating activities** | $ 304 | $ 99 | $ 34 | $ (5) | $ 432 |
| **Investing activities:** | | | | | |
| Capital expenditures | (21) | (70) | (239) | – | (330) |
| Proceeds from settlements treated as reimbursement of capital expenditures | – | – | 3 | – | 3 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | – | – | (34) | – | (34) |
| Cash assumed in connection with the initial consolidation of a variable interest entity | – | – | 28 | – | 28 |
| Proceeds from sale of businesses/assets | – | 8 | 40 | – | 48 |
| Increase in receivable from affiliate | (57) | – | – | – | (57) |
| Investment in affiliates | (56) | (16) | – | 72 | – |
| Investment in unconsolidated affiliate | – | (26) | – | – | (26) |
| Cash received from unconsolidated affiliates | – | 30 | 2 | – | 32 |
| Other, net | – | – | (4) | 3 | (1) |
| **Net cash used in investing activities** | (134) | (74) | (204) | 75 | (337) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | – | – | (2) | – | (2) |
| Net borrowings on overdraft facilities | – | – | 9 | – | 9 |
| Repayments of short-term debt | – | – | (187) | – | (187) |
| Borrowings on short-term debt | – | – | 162 | – | 162 |
| Repayments of long-term debt | (305) | – | (103) | – | (408) |
| Proceeds from issuance of long-term debt | – | – | 98 | – | 98 |
| Repayments of notes payable to affiliate | (105) | – | – | – | (105) |
| Proceeds from notes payable to affiliate | 105 | – | – | – | 105 |
| Repayments of notes payable | (32) | – | (2) | – | (34) |
| Borrowings on notes payable | 33 | – | 2 | – | 35 |
| Debt issuance costs paid | (7) | – | – | – | (7) |
| Call premiums related to early extinguishment of debt | (6) | – | – | – | (6) |
| Contribution from parent | – | (32) | 104 | (72) | – |
| Dividends paid to parent | (79) | (2) | – | 2 | (79) |
| Dividends paid to noncontrolling interests | – | – | (9) | – | (9) |

| | | | | | |
|---|---|---|---|---|---|
| Excess tax benefit related to stock-based compensation | 10 | – | – | – | 10 |
| Other, net | – | – | – | – | – |
| **Net cash (used in) provided by financing activities** | (386) | (34) | 72 | (70) | (418) |
| Effect of exchange rate changes on cash | – | – | (7) | – | (7) |
| Decrease in cash and cash equivalents | (216) | (9) | (105) | – | (330) |
| Cash and cash equivalents at beginning of period | 220 | 9 | 332 | – | 561 |
| Cash and cash equivalents at end of period | $ 4 | $ – | $ 227 | $ – | $ 231 |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION–HUNTSMAN INTERNATIONAL (Continued)**

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2010**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash (used in) provided by operating activities** | $ (241) | $ 15 | $ 182 | $ (2) | $ (46) |
| **Investing activities:** | | | | | |
| Capital expenditures | (26) | (51) | (159) | – | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | – | 34 | – | – | 34 |
| Cash assumed in connection with the initial consolidation of a variable interest entity | – | – | 14 | – | 14 |
| Proceeds from sale of businesses/assets | – | – | 2 | – | 2 |
| Increase in receivable from affiliate | (57) | – | – | – | (57) |
| Investment in affiliate | (65) | (13) | – | 78 | – |
| Investment in unconsolidated affiliates | – | (24) | (3) | – | (27) |
| Cash received from unconsolidated affiliates | – | 26 | 5 | – | 31 |
| Other, net | – | – | 1 | – | 1 |
| **Net cash used in investing activities** | (148) | (28) | (140) | 78 | (238) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | – | – | (6) | – | (6) |
| Revolving loan facility from A/R Programs | 254 | – | – | – | 254 |
| Net borrowings on overdraft facilities | – | – | (2) | – | (2) |
| Repayments of short-term debt | – | – | (175) | – | (175) |
| Borrowings on short-term debt | – | – | 212 | – | 212 |
| Repayments of long-term debt | (1,154) | – | (53) | – | (1,207) |
| Proceeds from issuance of long-term debt | 894 | – | 29 | – | 923 |
| Repayments of note payable to affiliate | (125) | – | – | – | (125) |
| Proceeds from notes payable to affiliate | 110 | – | – | – | 110 |
| Intercompany repayments | – | – | (5) | 5 | – |
| Repayments of notes payable | (38) | – | (15) | – | (53) |
| Borrowings on notes payable | 33 | – | 13 | – | 46 |
| Debt issuance costs paid | (29) | – | – | – | (29) |
| Call premiums paid related to early extinguishment of debt | (28) | – | – | – | (28) |
| Contribution from parent | – | – | 83 | (83) | – |
| Dividends paid to parent | – | (2) | – | 2 | – |

| | | | | | |
|---|---|---|---|---|---|
| Excess tax benefit related to stock-based compensation | 4 | – | – | – | 4 |
| Other, net | – | – | (2) | – | (2) |
| **Net cash (used in) provided by financing activities** | (79) | (2) | 79 | (76) | (78) |
| Effect of exchange rate changes on cash | – | – | 4 | – | 4 |
| (Decrease) increase in cash and cash equivalents | (468) | (15) | 125 | – | (358) |
| Cash and cash equivalents at beginning of period | 688 | 24 | 207 | – | 919 |
| Cash and cash equivalents at end of period | $ 220 | $ 9 | $ 332 | $ – | $ 561 |

HUNTSMAN CORPORATION AND SUBSIDIARIES
HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**29. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA**

A summary of selected unaudited quarterly financial data for the years ended December 31, 2012 and 2011 is as follows (dollars in millions, except per share amounts):

**Huntsman Corporation**

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2012(1) | June 30, 2012 | September 30, 2012(1) | December 31, 2012(1)(2) |
| Revenues | $ 2,913 | $2,914 | $ 2,741 | $ 2,619 |
| Gross profit | 550 | 527 | 537 | 420 |
| Restructuring, impairment and plant closing costs | – | 5 | 47 | 40 |
| Income (loss) from continuing operations | 167 | 130 | 120 | (39) |
| Income (loss) before extraordinary gain | 163 | 128 | 119 | (39) |
| Net income (loss) | 163 | 128 | 120 | (38) |
| Net income (loss) attributable to Huntsman Corporation | 163 | 124 | 116 | (40) |
| Basic income (loss) per share(1): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.71 | 0.53 | 0.49 | (0.17) |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.69 | 0.52 | 0.49 | (0.17) |
| Diluted income (loss) per share(1): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.70 | 0.52 | 0.48 | (0.17) |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.68 | 0.52 | 0.48 | (0.17) |

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**29. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Continued)**

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2011 | June 30, 2011 | September 30, 2011(4) | December 31, 2011(5) |
| Revenues | $ 2,679 | $ 2,934 | $ 2,976 | $ 2,632 |
| Gross profit | 460 | 501 | 490 | 389 |
| Restructuring, impairment and plant closing costs (credits) | 7 | 9 | 155 | (4) |
| Income (loss) from continuing operations | 80 | 124 | (42) | 89 |
| Income (loss) before extraordinary gain | 66 | 123 | (32) | 93 |
| Net income (loss) | 67 | 124 | (32) | 95 |
| Net income (loss) attributable to Huntsman Corporation | 62 | 114 | (34) | 105 |
| Basic income (loss) per share(3): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.32 | 0.48 | (0.19) | 0.42 |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.26 | 0.48 | (0.14) | 0.45 |
| Diluted income (loss) per share(3): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.31 | 0.47 | (0.19) | 0.41 |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.26 | 0.47 | (0.14) | 0.44 |

**Huntsman International**

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2012(1) | June 30, 2012 | September 30, 2012(1) | December 31, 2012(1)(2) |
| Revenues | $ 2,913 | $ 2,914 | $ 2,741 | $ 2,619 |
| Gross profit | 554 | 532 | 542 | 413 |
| Restructuring, impairment and plant closing costs | – | 5 | 47 | 40 |
| Income (loss) from continuing operations | 170 | 133 | 121 | (44) |
| Income (loss) before extraordinary gain | 166 | 131 | 120 | (44) |
| Net income (loss) | 166 | 131 | 121 | (43) |
| Net income (loss) attributable to Huntsman International LLC | 166 | 127 | 117 | (45) |

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**29. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Continued)**

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2011 | June 30, 2011 | September 30, 2011(4) | December 31, 2011(5) |
| Revenues | $ 2,679 | $ 2,934 | $ 2,976 | $ 2,632 |
| Gross profit | 465 | 505 | 495 | 393 |
| Restructuring, impairment and plant closing costs | 7 | 9 | 155 | (4) |
| Income (loss) from continuing operations | 81 | 127 | (39) | 88 |
| Income (loss) before extraordinary gain | 67 | 126 | (29) | 92 |
| Net income (loss) | 68 | 127 | (29) | 94 |
| Net income (loss) attributable to Huntsman International LLC | 63 | 117 | (31) | 104 |

**(1)** During 2012, our Polyurethanes segment implemented a restructuring program to reduce annualized fixed costs by $75 million by the third quarter of 2013. In connection with this program, we recorded restructuring expenses of $5 million, $32 million and $1 million in the first, third and fourth quarters of 2012, respectively.

**(2)** During the fourth quarter of 2012, our Advanced Materials segment began implementing a global transformational change program, subject to consultation with relevant employee representatives, designed to improve the segment's manufacturing efficiencies, enhance commercial excellence and ensure its long-term global competitiveness. In connection with this global transformational change program, we recorded charges of $28 million related primarily to workforce reduction costs.
Also during the fourth quarter of 2012, we recorded a loss on early extinguishment of debt of $77 million in connection with the redemption of $400 million of our 2016 Senior Notes.

**(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)** During the quarter ended September 30, 2011, we announced plans to implement a significant restructuring of our Textile Effects business, including the closure of our production facilities and business support offices in Basel, Switzerland. In connection with this plan during 2011, we recorded a charge of $62 million for workforce reduction and a noncash $53 million charge for the impairment of long-lived assets at our Basel, Switzerland manufacturing facility.

**(5)** During the quarter ended December 31, 2011, our Advanced Materials division completed the sale of its stereolithography resin and Digitalis® machine manufacturing businesses to 3D Systems Corporation and recognized a pre-tax gain of $34 million.

**HUNTSMAN CORPORATION (PARENT ONLY)**
**Schedule I–Condensed Financial Information of Registrant**
**HUNTSMAN CORPORATION (Parent Only)**
**BALANCE SHEETS**
**(Dollars in Millions)**

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **ASSETS** | | |
| Cash and cash equivalents | $ 177 | $ 323 |
| Receivable from affiliate | 13 | 14 |
| Note receivable from affiliate | 100 | 100 |
| **Total current assets** | 290 | 437 |
| Note receivable from affiliate-long-term | 595 | 435 |
| Investment in and advances to affiliates | 1,146 | 944 |
| **Total assets** | $2,031 | $1,816 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Payable to affiliate | $ 250 | $ 143 |
| Accrued liabilities | 2 | 2 |
| **Total current liabilities** | 252 | 145 |
| Other long-term liabilities | 6 | 9 |
| **Total liabilities** | 258 | 154 |
| **STOCKHOLDERS' EQUITY** | | |
| Common stock, $0.01 par value, 1,200,000,000 shares authorized, 243,813,779 and 241,836,001 issued and 238,273,422 and 235,746,087 outstanding as of December 31, 2012 and 2011, respectively | 2 | 2 |
| Additional paid-in capital | 3,264 | 3,228 |
| Treasury stock, 4,043,526 shares at both December 31, 2012 and 2011 | (50) | (50) |
| Unearned stock-based compensation | (12) | (12) |
| Accumulated deficit | (687) | (947) |
| Accumulated other comprehensive loss | (744) | (559) |
| **Total stockholders' equity** | 1,773 | 1,662 |
| **Total liabilities and stockholders' equity** | $2,031 | $1,816 |

This statement should be read in conjunction with the notes to the consolidated financial statements.

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**HUNTSMAN CORPORATION (Parent Only)**
**STATEMENTS OF OPERATIONS**
**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| Selling, general and administrative | $ (3) | $ (15) | $ (15) |
| Interest income, net | 13 | 13 | 19 |
| Equity in income of subsidiaries | 257 | 170 | 165 |
| Dividend income−affiliate | 96 | 79 | − |
| Expense associated with the Terminated Merger | − | − | (4) |
| Loss on early extinguishment of debt | − | − | (146) |
| Income tax benefit | − | − | 8 |
| **Net income** | $ 363 | $ 247 | $ 27 |

This statement should be read in conjunction with the notes to the consolidated financial statements.

**HUNTSMAN CORPORATION (Parent Only)**
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Net income** | $ 363 | $ 247 | $ 27 |
| **Other comprehensive loss, net of tax:** | – | | |
| Foreign currency translations adjustments | 51 | (80) | 24 |
| Pension and other postretirement benefits adjustments | (236) | (187) | (33) |
| Other, net | 9 | 7 | 3 |
| **Other comprehensive loss** | (176) | (260) | (6) |
| **Comprehensive income (loss)** | 187 | (13) | 21 |
| Comprehensive income attributable to noncontrolling interests | (9) | (2) | (4) |
| **Comprehensive income (loss) attributable to Huntsman Corporation** | $ 178 | $ (15) | $ 17 |

This statement should be read in conjunction with the notes to the consolidated financial statements.

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**HUNTSMAN CORPORATION (Parent Only)**
**STATEMENTS OF STOCKHOLDERS' EQUITY**
**(Dollars in Millions)**

| | Huntsman Corporation Stockholders | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | | | | | | | |
| | Common stock | Common stock | Additional paid-in capital | Treasury stock | Unearned stock-based compensation | Accumulated deficit | Accumulated other comprehensive loss | Total equity |
| Balance, January1, 2010 | 234,081,490 | 2 | 3,155 | – | (11) | (1,015) | (287) | 1,844 |
| Net income | – | – | – | – | – | 27 | – | 27 |
| Other comprehensive loss | – | – | – | – | – | – | (10) | (10) |
| Issuance of nonvested stock awards | – | – | 12 | – | (12) | – | – | – |
| Vesting of stock awards | 1,939,524 | – | 9 | – | – | – | – | 9 |
| Recognition of stock-based compensation | – | – | 3 | – | 12 | – | – | 15 |
| Repurchase and cancellation of stock awards | (431,052) | – | – | – | – | (6) | – | (6) |
| Stock options exercised | 1,209,493 | – | 3 | – | – | – | – | 3 |
| Excess tax benefit related to stock-based compensation | – | – | 4 | – | – | – | – | 4 |
| Dividends declared on common stock | – | – | – | – | – | (96) | – | (96) |
| Balance, December 31, 2010 | 236,799,455 | 2 | 3,186 | – | (11) | (1,090) | (297) | 1,790 |
| Net income | – | – | – | – | – | 247 | – | 247 |
| Other comprehensive loss | – | – | – | – | – | – | (262) | (262) |
| Issuance of nonvested stock awards | – | – | 11 | – | (11) | – | – | – |
| Vesting of stock awards | 2,229,418 | – | 13 | – | – | – | – | 13 |
| Recognition of stock-based compensation | – | – | 5 | – | 10 | – | – | 15 |
| Repurchase of common stock | (4,043,526) | – | – | (50) | – | – | – | (50) |
| Repurchase and cancellation of stock awards | (507,624) | – | – | – | – | (8) | – | (8) |
| Stock options exercised | 1,268,364 | – | 3 | – | – | – | – | 3 |
| Excess tax benefit related to stock-based compensation | – | – | 10 | – | – | – | – | 10 |
| Dividends declared on common stock | – | – | – | – | – | (96) | – | (96) |
| Balance, December 31, 2011 | 235,746,087 | 2 | 3,228 | (50) | (12) | (947) | (559) | 1,662 |
| Net income | – | – | – | – | – | 363 | – | 363 |
| Other comprehensive loss | – | – | – | – | – | – | (185) | (185) |
| Issuance of nonvested stock awards | – | – | 12 | – | (12) | – | – | – |
| Vesting of stock awards | 2,162,043 | – | 10 | – | – | – | – | 10 |
| Recognition of stock-based compensation | – | – | 9 | – | 12 | – | – | 21 |
| Repurchase and cancellation of stock awards | (537,039) | – | – | – | – | (7) | – | (7) |
| Stock options exercised | 902,331 | – | 3 | – | – | – | – | 3 |
| Excess tax benefit related to stock-based compensation | – | – | 4 | – | – | – | – | 4 |
| Acquisition of a business | – | – | (2) | – | – | – | – | (2) |
| Dividends declared on common stock | – | – | – | – | – | (96) | – | (96) |
| Balance, December 31, 2012 | 238,273,422 | $ 2 | $ 3,264 | $ (50) | $ (12) | $ (687) | $ (744) | $1,773 |

This statement should be read in conjunction with the notes to the consolidated financial statements.

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**HUNTSMAN CORPORATION (Parent Only)**

**STATEMENTS OF CASH FLOWS**

**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Operating Activities:** | | | |
| Net income | $ 363 | $ 247 | $ 27 |
| Equity in income of subsidiaries | (257) | (170) | (165) |
| Loss on early extinguishment of debt | – | – | 146 |
| Stock-based compensation | 1 | 1 | 3 |
| Noncash interest income | (13) | (13) | (19) |
| Changes in operating assets and liabilities | 128 | 62 | (4) |
| **Net cash provided by (used in) operating activities** | 222 | 127 | (12) |
| **Investing Activities:** | | | |
| Loan to affiliate | (299) | (105) | (110) |
| Repayments of loan by affiliate | 139 | 105 | 125 |
| **Net cash (used in) provided by investing activities** | (160) | – | 15 |
| **Financing Activities:** | | | |
| Repayments of Convertible Note | – | – | (250) |
| Call premiums related to early extinguishment of debt | – | – | (132) |
| Dividends paid to common stockholders | (96) | (96) | (96) |
| Repurchase and cancellation of stock awards | (7) | (8) | (6) |
| Proceeds from issuance of common stock | 3 | 3 | 3 |
| Repuchase of common stock | – | (50) | – |
| Increase in payable to affiliates | (108) | (57) | 57 |
| Other, net | – | (1) | – |
| **Net cash used in financing activities** | (208) | (209) | (424) |
| Decrease in cash and cash equivalents | (146) | (82) | (421) |
| Cash and cash equivalents at beginning of period | 323 | 405 | 826 |
| **Cash and cash equivalents at end of period** | $ 177 | $ 323 | $ 405 |

This statement should be read in conjunction with the notes to the consolidated financial statements.

### HUNTSMAN CORPORATION AND SUBSIDIARIES
### Schedule II–Valuation and Qualifying Accounts
### (Dollars in Millions)

| Column A | Column B | Column C | | Column D | Column E |
|---|---|---|---|---|---|
| | | Additions | | | |
| Description | Balance at Beginning of Period | Charges (credits) to cost and expenses | Charged to other accounts | Deductions | Balance at End of Period |
| Allowance for Doubtful Accounts: | | | | | |
| Year ended December 31, 2012 | $ 46 | $ 4 | $ (3) | $ – | $ 47 |
| Year ended December 31, 2011 | 52 | (4) | (2) | – | 46 |
| Year ended December 31, 2010 | 56 | 6 | (10) | – | 52 |

### HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES
### Schedule II–Valuation and Qualifying Accounts
### (Dollars in Millions)

| Column A | Column B | Column C | | Column D | Column E |
|---|---|---|---|---|---|
| | | Additions | | | |
| Description | Balance at Beginning of Period | Charges (Credits) to cost and expenses | Charged to other accounts | Deductions | Balance at End of Period |
| Allowance for Doubtful Accounts: | | | | | |
| Year ended December 31, 2012 | $ 46 | $ 4 | $ (3) | $ – | $ 47 |
| Year ended December 31, 2011 | 52 | (4) | (2) | – | 46 |
| Year ended December 31, 2010 | 56 | 6 | (10) | – | 52 |

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**EXHIBIT INDEX**

| Number | Description |
|---|---|
| 3.1 | Second Amended and Restated Certificate of Incorporation of Huntsman Corporation (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-1/A filed on February 9, 2005) |
| 3.2 | Third Amended and Restated Bylaws of Huntsman Corporation effective March 24, 2010 (incorporated by reference to Exhibit 3.1(i) to our current report on Form 8-K filed on March 26, 2010) |
| 4.1 | Registration Rights Agreement dated as of February 10, 2005, by and among Huntsman Corporation and the stockholders signatory thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on February 16, 2005 (File No. 001-32427)) |
| 4.2 | Form of stock certificate of Huntsman Corporation (incorporated by reference to Exhibit 4.68 to amendment No. 3 to our registration statement on Form S-1 filed on February 8, 2005) |
| 4.3 | Form of Restricted Stock Agreement for Outside Directors, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 4.7 to our registration statement on Form S-8 filed on February 10, 2006) |
| 4.4 | Form of Restricted Stock Unit Agreement for Outside Directors, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 4.8 of our registration statement on Form S-8 filed on February 10, 2006) |
| 4.5 | Form of Restricted Stock Agreement for Outside Directors (incorporated by reference to Exhibit 4.31 to our annual report on Form 10-K filed on February 22, 2008) |
| 4.6 | Form of Restricted Stock Unit Agreement for Outside Directors, effective for grants from February 6, 2008 to September 21, 2010 (incorporated by reference to Exhibit 4.32 to our annual report on Form 10-K filed on February 22, 2008) |
| 4.7 | Indenture, dated as of July 6, 2009, by and among Huntsman International LLC, the subsidiary guarantors named therein and Wilmington Trust FSB, a federal savings bank, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on July 8, 2009) |
| 4.8 | Form of 5.5% Senior Note due 2016 (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed on July 8, 2009) |
| 4.9 | Form of Guarantee (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed on July 8, 2009) |
| 4.10 | Amended and Restated Indenture, dated as of September 10, 2009, by and among Huntsman International LLC, the subsidiary guarantors named therein and Wilmington Trust FSB, a federal savings bank, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on September 14, 2009) |
| 4.11 | Indenture, dated as of March 17, 2010, by and among Huntsman International LLC, the subsidiary |

| | |
|---|---|
| | guarantors therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on March 19, 2010) |
| 4.12 | Form of 8.625% Senior Subordinated Note due 2020 (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed on March 19, 2010) |
| 4.13 | Form of Guarantee (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed on March 19, 2010) |

| Number | Description |
|---|---|
| 4.14 | Indenture, dated as of September 24, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed on September 30, 2010) |
| 4.15 | Form of 8.625% Senior Subordinated Note due 2021 (included as Exhibit A to Exhibit 4.24) (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed on September 30, 2010) |
| 4.16 | Form of Guarantee (included as Exhibit E to Exhibit 4.24) (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed on September 30, 2010) |
| 4.17 | Indenture, dated as of November 19, 2012, by and among Huntsman International LLC, the guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our current report on Form 8-K filed November 19, 2012) |
| 4.18 | Form of 4.875% Senior Note due 2020 (included as Exhibit A to Exhibit 4.24) (incorporated by reference to Exhibit 4.2 to our current report on Form 8-K filed November 19, 2012) |
| 4.19 | Form of Notation of Guarantee (included as Exhibit D to Exhibit 4.24) (incorporated by reference to Exhibit 4.3 to our current report on Form 8-K filed November 19, 2012) |
| 10.1 | Employment Agreement with Anthony Hankins (incorporated by reference to Exhibit 10.27 to amendment No. 2 to our registration statement on Form S-1 filed on January 28, 2005) |
| 10.2 | Huntsman Corporation Stock Incentive Plan (incorporated by reference to Exhibit 10.19 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.3 | Form of Nonqualified Stock Option Agreement, effective for grants prior to February 21, 2011 (incorporated by reference to Exhibit 10.20 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.4 | Form of Restricted Stock Agreement, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 10.21 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.5 | Form of Stock Appreciation Rights Agreement (incorporated by reference to Exhibit 10.22 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.6 | Form of Phantom Share Agreement, effective for grants prior to February 6, 2008 (incorporated by reference to Exhibit 10.23 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.7 | Form of Executive Severance Plan (as amended and restated) (incorporated by reference to Exhibit 10.24 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |

| | |
|---|---|
| 10.8 | Form of Indemnification Agreement (incorporated by reference to Exhibit 10.25 to amendment No. 4 to our registration statement on Form S-1 filed on February 8, 2005) |
| 10.9 | Credit Agreement dated August 16, 2005 among Huntsman International LLC, Deutsche Bank AG New York Branch as Administrative Agent and the other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Huntsman International LLC's current report on Form 8-K filed August 22, 2005 (File No. 333-85141)) |

| Number | Description |
|---|---|
| 10.10 | Form of Non-qualified Stock Option Agreement for Outside Directors (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed November 8, 2005 (File No. 001-32427) |
| 10.11 | Consent and First Amendment to Credit Agreement dated December 12, 2005 among Huntsman International LLC, Deutsche Bank AG New York Branch as Administrative Agent and the other financial institutions named therein (incorporated by reference to Exhibit 10.1 to Huntsman International LLC's current report on Form 8-K filed December 27, 2005 (File No. 333-85141)) |
| 10.12 | Amended and Restated Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |
| 10.13 | Huntsman Supplemental Executive MPP Plan (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |
| 10.14 | Amended and Restated Huntsman Supplemental Savings Plan (incorporated by reference to Exhibit 10.3 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |
| 10.15 | Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.4 to our current report on Form 8-K filed December 30, 2005 (File No. 001-32427)) |
| 10.16 | Consent and Second Amendment to Credit Agreement and Amendment to Security Documents, dated June 30, 2006, by and among Huntsman International LLC, as Borrower, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent, and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on July 7, 2006 (File No. 001-32427)) |
| 10.17 | Third Amendment to Credit Agreement dated April 19, 2007 by and among Huntsman International LLC, as Borrower, Deutsche Bank AG New York Branch, as Administrative Agent and Collateral Agent, and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on April 24, 2007 (File No. 001-32427)) |
| 10.18 | First Amendment to Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.32 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.19 | First Amendment to Huntsman Supplemental Executive MPP Plan (incorporated by reference to Exhibit 10.33 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.20 | First Amendment to Huntsman Supplemental Savings Plan (incorporated by reference to Exhibit 10.34 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.21 | Second Amendment to Huntsman Supplemental Savings Plan (incorporated by reference to Exhibit 10.35 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.22 | First Amendment to Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.36 to our annual report on Form 10-K filed on February 22, 2008) |

| | |
|---|---|
| 10.23 | Form of Restricted Stock Agreement effective for grants from February 6, 2008 to September 21, 2010 (incorporated by reference to Exhibit 10.37 to our annual report on Form 10-K filed on February 22, 2008) |
| 10.24 | Form of Phantom Share Agreement effective for grants from February 6, 2008 to February 23, 2010 (incorporated by reference to Exhibit 10.38 to our annual report on Form 10-K filed on February 22, 2008) |

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| Number | Description |
| --- | --- |
| 10.25 | Letter Agreement, dated June 15, 2009, among Huntsman Polyurethanes (UK) Ltd. and Paul G. Hulme (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on June 17, 2009) |
| 10.26 | Fourth Amendment to Credit Agreement, dated as of June 22, 2009, by and among Huntsman International LLC and Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. (incorporated by reference to Exhibit 10.3 to our current report on Form 8-K filed on June 23, 2009) |
| 10.27 | Form of Registration Rights Agreement dated as of June 23, 2009, by and among Huntsman International LLC, the subsidiary guarantors party thereto and Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. (incorporated by reference to Exhibit 10.4 to our current report on Form 8-K filed on June 23, 2009) |
| 10.28 | Voting Agreement, dated as of June 22, 2009, by and among Huntsman International LLC, Deutsche Bank AG New York Branch and Credit Suisse, Cayman Islands Branch (incorporated by reference to Exhibit 10.5 to our current report on Form 8-K filed on June 23, 2009) |
| 10.29 | U.S. Receivables Loan Agreement dated as of October 16, 2009 among Huntsman Receivables Finance II LLC, Huntsman (Europe) BVBA, the several entities party thereto as lenders, the several financial institutions party thereto as funding agents, the several commercial paper conduits party thereto as conduit lenders, the several financial institutions party thereto as committed lenders, Wachovia Bank National Association, as administrative agent, and Wachovia Bank National Association, as collateral Agent (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on October 22, 2009) |
| 10.30 | U.S. Contribution Agreement dated as of October 16, 2009 between Huntsman International LLC and Huntsman Receivables Finance II LLC (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed on October 22, 2009) |
| 10.31 | European Receivables Loan Agreement dated as of October 16, 2009 between Huntsman Receivables Finance LLC, Huntsman (Europe) BVBA, the several entities party thereto as lenders, the several financial institutions party thereto as funding agents, Barclays Bank Plc, as administrative agent, and Barclays Bank Plc, as collateral agent (incorporated by reference to Exhibit 10.3 to our current report on Form 8-K filed on October 22, 2009) |
| 10.32 | European Contribution Agreement dated as of October 16, 2009 between Huntsman International LLC and Huntsman Receivables Finance LLC (incorporated by reference to Exhibit 10.4 to our current report on Form 8-K filed on October 22, 2009) |
| 10.33 | Fifth Amendment to Credit Agreement, dated as of March 9, 2010, by and among Huntsman International LLC, JPMorgan Chase Bank, N.A. and the other financial institutions party thereto (incorporated by reference to Exhibit 10.1 to our current report on Form 10-Q filed on May 7, 2010) |
| 10.34 | Registration Rights Agreement, dated as of March 17, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Goldman, Sachs & Co., J.P. Morgan Securities Inc., Barclays Capital Inc., Banc of America Securities LLC, Citigroup Global |

Markets Inc. and Credit Suisse Securities (USA) LLC (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on March 19, 2010)

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| Number | Description |
|---|---|
| 10.35 | Registration Rights Agreement, dated as of September 24, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Goldman, Sachs & Co., J.P. Morgan Securities LLC, Barclays Capital Inc., Banc of America Securities LLC, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and HSBC Securities (USA) Inc. (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on September 30, 2010) |
| 10.36 | Certain exhibits and schedules to Exhibit A to the Fifth Amendment to Credit Agreement, dated as of March 9, 2010, which was previously filed as Exhibit 10.1 to our quarterly report on Form 10-Q filed May 7, 2010 (incorporated by reference to Exhibit 10.2 to our current report on Form 10-Q filed on November 4, 2010) |
| 10.37 | Registration Rights Agreement, dated as of November 12, 2010, by and among Huntsman International LLC, the subsidiary guarantors named therein and Citigroup Global Markets Inc. (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on November 15, 2010) |
| 10.38 | Second Amendment to Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.38 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.39 | Third Amendment to Huntsman Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.39 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.40 | Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.40 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.41 | Form of Phantom Share Agreement (incorporated by reference to Exhibit 10.41 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.42 | Form of Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.42 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.43 | Form of Restricted Stock Unit Agreement for Outside Directors (incorporated by reference to Exhibit 10.43 to our annual report on Form 10-K filed on February 17, 2011) |
| 10.44 | Sixth Amendment, dated as of March 7, 2011, to the Credit Agreement, dated as of August 16, 2005, among Huntsman International LLC, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on March 9, 2011) |
| 10.45 | Master Amendment No. 2 to the U.S. Receivables Loan Agreement, U.S. Servicing Agreement and Transaction Documents dated as of April 18, 2011 (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on April 20, 2011) |
| 10.46 | Master Amendment No. 2 to the European Receivables Loan Agreement, European Servicing Agreement and Transaction Documents dated as of April 15, 2011 (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed on April 20, 2011) |

| | |
|---|---|
| 10.47 | Huntsman Executive Severance Plan (as amended and restated) (incorporated by reference to Exhibit 10.4 to our current report on Form 10-Q filed on May 5, 2011) |
| 10.48 | Second Amendment to Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.5 to our current report on Form 10-Q filed on May 5, 2011) |
| 10.49 | Third Amendment to Huntsman Outside Directors Elective Deferral Plan (incorporated by reference to Exhibit 10.6 to our current report on Form 10-Q filed on May 5, 2011) |

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| Number | Description |
| --- | --- |
| 10.50 | Huntsman Corporation Stock Incentive Plan (amended and restated) (incorporated by reference to Exhibit 4.1 to our registration statement on Form S-8 filed on May 10, 2011) |
| 10.51 | Seventh Amendment, dated as of March 6, 2012, to Credit Agreement, dated as of August 16, 2005, among Huntsman International LLC, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on March 6, 2012) |
| 10.52 | Consulting Agreement dated May 1, 2012 between Huntsman International LLC and Jon M. Huntsman, Jr. (incorporated by reference to Exhibit 10.1 to our quarterly report on Form 10-Q for the quarter ended June 30, 2012) |
| 10.53 | Registration Rights Agreement, dated as of November 19, 2012, by and among Huntsman International LLC, the guarantors named therein and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, RBC Capital Markets, LLC, Wells Fargo Securities, LLC, PNC Capital Markets LLC and RBS Securities Inc. (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed November 19, 2012) |
| 10.54 | Severance Agreement dated January 1, 2013 between Huntsman Corporation and Jon M. Huntsman (incorporated by reference to Exhibit 10.1 to our current report on Form 8-K filed on January 4, 2013) |
| 10.55 | Severance Agreement dated January 1, 2013 between Huntsman Corporation and Peter R. Huntsman (incorporated by reference to Exhibit 10.2 to our current report on Form 8-K filed on January 4, 2013) |
| 10.56* | First Amendment to the Huntsman Corporation Stock Incentive Plan (as amended and restated) |
| 21.1* | Subsidiaries of Huntsman Corporation |
| 23.1* | Consent of Independent Registered Public Accounting Firm |
| 31.1* | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2* | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1* | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

* Filed herewith.

**Exhibit 10.56**

**FIRST AMENDMENT TO THE**
**HUNTSMAN CORPORATION STOCK INCENTIVE PLAN**
**(AS AMENDED AND RESTATED)**

THIS FIRST AMENDMENT (the "***First Amendment***") to the Huntsman Corporation Stock Incentive Plan, as amended from time to time (the "***Plan***"), is made by Huntsman Corporation (the "***Company***") and is effective as of December 17, 2012 (the "***Amendment Effective Date***").

**W I T N E S S E T H:**

**WHEREAS**, the Company previously established the Plan, under which the Company is authorized to grant incentive awards to certain employees, non-employee directors and other service providers of the Company and its subsidiaries;

**WHEREAS**, Section 7(i) of the Plan provides that the [compensation committee] of the Company' s board of directors (the "***Committee***") may amend the Plan under certain circumstances; and

**WHEREAS**, the Committee has determined that it is desirable to amend the Plan in the manner contemplated hereby.

**NOW, THEREFORE**, the Plan shall be amended as of the Amendment Effective Date as set forth below:

1. Section 6(c)(ii) of the Plan is hereby deleted and replaced in its entirety with the following:

(ii) Payment of Performance Awards. Performance Awards are earned as of the date the Committee determines the applicable performance objectives have been satisfied. Performance Awards may be paid (in cash and/or in Shares, in the sole discretion of the Committee) in a lump sum or in installments promptly as of or following the date the Committee determines the applicable performance objectives have been satisfied, in accordance with procedures established by the Committee with respect to such Award.

2. Except as provided above, the Plan shall continue to read in its current state.

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**IN WITNESS WHEREOF**, the Company has caused the execution of this First Amendment by its duly authorized officer, effective as of the Amendment Effective Date.

HUNTSMAN CORPORATION

By: /s/ Wade Rogers
Wade Rogers, SVP Global Human Resources

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QuickLinks -- Click here to rapidly navigate through this document

**Exhibit 21.1**

**SUBSIDIARIES OF HUNTSMAN CORPORATION**

| Company | JURISDICTION |
|---|---|
| Huntsman (Argentina) S.r.l. | Argentina |
| HCA Finance Pty Limited | Australia |
| HCPH Holdings Pty Limited | Australia |
| Huntsman Advanced Materials (Australia) Pty Ltd | Australia |
| Huntsman Chemical Australia Holdings Pty Limited | Australia |
| Huntsman Chemical Australia Property Trust | Australia |
| Huntsman Chemical Australia Unit Trust | Australia |
| Huntsman Chemical Company Australia (Holdings) Pty Limited | Australia |
| Huntsman Chemical Company Australia Pty Limited | Australia |
| Huntsman Corporation Australia Pty Limited | Australia |
| Huntsman Polyurethanes (Australia) Pty Limited | Australia |
| Huntsman Advanced Materials (Austria) GmbH | Austria |
| Huntsman Advanced Materials (Europe) BVBA | Belgium |
| Huntsman (Belgium) BVBA | Belgium |
| Huntsman (Europe) BVBA | Belgium |
| Huntsman Textile Effects (Belgium) BVBA | Belgium |
| Huntsman Quimica Brasil Ltda | Brazil |
| Huntsman Corporation Canada Inc. | Canada |
| Huntsman International (Canada) Corporation | Canada |
| Tioxide Canada Inc. | Canada |
| Tioxide Americas LLC | Cayman Islands |
| Huntsman Advanced Materials (Guangdong) Company Limited | China |
| Huntsman Advanced Materials (Nanjing) Co., Ltd. | China |
| Huntsman Advanced Materials Technology Research (Shanghai) Co., Ltd. | China |
| Huntsman Chemical Trading (Shanghai) Ltd. | China |
| Huntsman Chemistry R&D Center (Shanghai) Co., Ltd. | China |
| Huntsman Polyurethanes (China) Limited | China |
| Huntsman Polyurethanes Shanghai Ltd. | China |
| Huntsman Textile Effects (China) Co. Ltd. | China |
| Huntsman Textile Effects (Qingdao) Co., Ltd | China |
| Jurong Ningwu New Materials Development Co., Ltd | China |
| Nanjing Jinling Huntsman New Material Co., Ltd. | China |
| Shanghai Huntsman Polyurethanes Specialties Co., Ltd. | China |
| Shanghai Lienheng Isocyanate Company Ltd. | China |
| Charwell Enterprises Limited | Hong Kong, China |
| Ever Wax Limited | Hong Kong, China |
| Huntsman Advanced Materials (Hong Kong) Ltd | Hong Kong, China |
| Huntsman International (Hong Kong) Ltd | Hong Kong, China |
| Hypogain Investments Limited | Hong Kong, China |
| Key Fame Enterprises Limited | Hong Kong, China |
| Top Morale Limited | Hong Kong, China |
| Vigor Rich Limited | Hong Kong, China |
| Wiry Enterprises Limited | Hong Kong, China |

| | |
|---|---|
| Huntsman (Colombia) Limitada | Colombia |
| Huntsman (Czech Republic) Spol.sr.o | Czech Republic |
| Huntsman Advanced Materials Specialty Chemicals (Egypt) S.A.E. | Egypt |
| Huntsman Advanced Materials (France) S.A.S. | France |
| Huntsman Saint Mihiel SAS | France |

| Company | JURISDICTION |
|---|---|
| Huntsman Surface Sciences France SAS | France |
| Tioxide Europe SAS | France |
| Huntsman Advanced Materials (Deutschland) GmbH | Germany |
| Huntsman Advanced Materials Hamburg GmbH | Germany |
| Huntsman (Germany) GmbH | Germany |
| Huntsman (Holdings) Germany GmbH | Germany |
| Huntsman International Trading Deutschland GmbH | Germany |
| Huntsman Textile Effects (Germany) GmbH | Germany |
| HUNTSMAN Verwaltungs GmbH | Germany |
| IRO Chemie Verwaltungsgesellschaft mbH | Germany |
| PUR-SYSTEMS GmbH & Co. KG | Germany |
| PUR-SYSTEMS Verwantungsgesellschaft mbH | Germany |
| SASOL-HUNTSMAN GmbH & Co. KG | Germany |
| SASOL-HUNTSMAN Verwaltungs-GmbH | Germany |
| Huntsman Textile Effects (Guatemala) Ltda. | Guatemala |
| Huntsman Corporation Hungary Rt. | Hungary |
| Optivill Ltd. | Hungary |
| Baroda Textile Effects Limited | India |
| Huntsman Advanced Materials (India) Private Limited | India |
| Huntsman International (India) Private Limited | India |
| Huntsman Performance Products (India) Private Limited | India |
| Petro Araldite Private Limited | India |
| Swathi Organics and Specialties Private Limited | India |
| PT Huntsman Indonesia | Indonesia |
| Huntsman Advanced Materials (Italy) Srl | Italy |
| Huntsman Italian Receivables Finance Srl | Italy |
| Huntsman Patrica S.r.l. | Italy |
| Huntsman Surface Sciences Italia S.r.l. | Italy |
| Tioxide Europe S.r.l. | Italy |
| Huntsman Japan K.K. | Japan |
| Huntsman (Korea) Limited | Korea |
| Vantico Group S.à r.l. | Luxembourg |
| Vantico International S.à r.l. | Luxembourg |
| Pacific Iron Products Sdn Bhd | Malaysia |
| Tioxide (Malaysia) Sdn Bhd | Malaysia |
| Huntsman de Mexico, S.A. de C.V. | Mexico |
| Huntsman International de Mexico S. de R.L. de C.V. | Mexico |
| Huntsman Servicios Mexico S. de R.L. de C.V. | Mexico |
| Huntsman Textile Effects (Mexico) S. de R.L. de C.V. | Mexico |
| BASF Huntsman Shanghai Isocyanate Investment BV | Netherlands |
| Chemical Blending Holland BV | Netherlands |
| Eurogen C.V. | Netherlands |
| Huntsman Advanced Materials (Netherlands) B.V. | Netherlands |
| Huntsman China Investments BV | Netherlands |
| Huntsman (Holdings) Netherlands B.V. | Netherlands |
| Huntsman Holland B.V. | Netherlands |
| Huntsman Holland Iota BV | Netherlands |
| Huntsman Investments (Netherlands) B.V. | Netherlands |

| | |
|---|---|
| Huntsman MA Investments (Netherlands) CV | Netherlands |
| Huntsman (Netherlands) BV | Netherlands, Greece, Lithuania, Russia, Ukraine |
| Huntsman (Russia Investments) B.V. | Netherlands |
| Huntsman (Saudi Industries) B.V. | Netherlands |

| Company | JURISDICTION |
|---|---|
| Huntsman (Saudi Investments) B.V. | Netherlands |
| Huntsman Shanghai China Investments B.V. | Netherlands |
| Huntsman Textile Effects (Netherlands) B.V. | Netherlands |
| International Polyurethane Investments B.V. | Netherlands |
| Steamelec B.V. | Netherlands |
| Chemplex (NZ) Holdings Pty Ltd. | New Zealand |
| Huntsman Chemical Company New Zealand Limited | New Zealand |
| Huntsman Textile Effects Pakistan (Private) Limited | Pakistan |
| Huntsman Textile Effects (Panama) S. de R.L. | Panama |
| Huntsman (Poland) Sp.zo.o | Poland |
| ZAO Huntsman–NMG | Russia |
| Limited Liability Company "Huntsman CIS" | Russia |
| Arabian Amines Company | Saudi Arabia |
| Huntsman APC Limited | Saudi Arabia |
| International Diol Company | Saudi Arabia |
| Huntsman Advanced Materials (Singapore) Pte Limited | Singapore |
| Huntsman (Asia Pacific) Pte Limited | Singapore |
| Huntsman (Singapore) Pte Ltd | Singapore, Viet Nam |
| Sealing Technologies Pte Ltd | Singapore |
| Huntsman Investments South Africa (Proprietary) Limited | South Africa |
| Tioxide Southern Africa (Pty) Limited | South Africa |
| Huntsman Advanced Materials (Spain) S.L. | Spain |
| Huntsman Performance Products Spain, S.L. | Spain, Portugal |
| Oligo SA | Spain |
| Tioxide Europe S.L. | Spain |
| Huntsman Norden AB | Sweden, Denmark, Finland |
| Huntsman Advanced Materials (Switzerland) GmbH | Switzerland, South Africa |
| Pensionskasse Huntsman (Switzerland) | Switzerland |
| Huntsman Advanced Materials (Taiwan) Corporation | Taiwan |
| Huntsman (Taiwan) Limited | Taiwan |
| Huntsman (Thailand) Limited | Thailand |
| Huntsman Ileri Teknoloji Ürünleri Sanayi ve Ticaret Ltd. Sirketi | Turkey |
| Huntsman Tekstil Ürünleri, Kimya ve Dis Ticaret Limited Sirketi | Turkey |
| Tioxide Europe Titanium Pigmentleri Ticaret Ltd. Sirketi | Turkey |
| Huntsman (Ukraine) LLC | Ukraine |
| Huntsman Advanced Materials (UAE) FZE | United Arab Emirates |
| Huntsman Advanced Materials Holdings (UK) Limited | U.K. |
| Huntsman Advanced Materials (UK) Limited | U.K. |
| Huntsman Corporation UK Limited | U.K. |
| Huntsman Europe Limited | U.K. |
| Huntsman (Holdings) UK | U.K. |
| Huntsman International Europe Limited | U.K. |
| Huntsman Nominees (UK) Limited | U.K. |
| Huntsman Offshore Investments Limited | U.K. |
| Huntsman Pension Trustees Limited | U.K. |
| Huntsman Petrochemicals (UK) Holdings | U.K. |
| Huntsman Polyurethanes Sales Limited | U.K. |
| Huntsman Polyurethanes (UK) Limited | U.K. |

| | |
|---|---|
| Huntsman Polyurethanes (UK) Ventures Limited | U.K. |
| Huntsman Surface Sciences Overseas Limited | U.K. |
| Huntsman Surface Sciences UK Limited | U.K. |
| Huntsman Trustees Limited | U.K. |
| Huntsman Vantico Limited | U.K. |

| Company | JURISDICTION |
| --- | --- |
| Huntsman (UK) Limited | U.K. |
| Tioxide Europe Limited | U.K. |
| Tioxide Group | U.K. |
| Tioxide Group Services Limited | U.K. |
| Tioxide Overseas Holdings Limited | U.K. |
| Airstar Corporation | USA−Utah |
| Alta One Inc. | USA−Delaware |
| HF II Australia Holdings Company LLC | USA−Utah |
| Huntsman Advanced Materials Americas LLC | USA−Delaware |
| Huntsman Advanced Materials LLC | USA−Delaware |
| Huntsman Australia Holdings LLC | USA−Utah |
| Huntsman Australia LLC. | USA−Utah |
| Huntsman Chemical Purchasing LLC | USA−Utah |
| Huntsman Distribution Corporation | USA−Utah |
| Huntsman Enterprises LLC. | USA−Utah |
| Huntsman Ethyleneamines LLC | USA−Texas |
| Huntsman Fuels LLC | USA−Texas |
| Huntsman International Financial LLC | USA−Delaware |
| Huntsman International Fuels LLC | USA−Texas |
| Huntsman International Investments LLC | USA−Delaware |
| Huntsman International LLC | USA−Delaware |
| Huntsman International Trading Corporation | USA−Delaware |
| Huntsman MA Investment Corporation | USA−Utah |
| Huntsman MA Services Corporation | USA−Utah |
| Huntsman Petrochemical LLC | USA−Delaware |
| Huntsman Petrochemical Purchasing LLC | USA−Utah |
| Huntsman Pigments LLC | USA−Delaware |
| Huntsman Polyurethane Fund I, L.L.C. | USA−Utah |
| Huntsman Polyurethane Fund II, L.L.C. | USA−Utah |
| Huntsman Polyurethane Fund III, L.L.C. | USA−Utah |
| Huntsman Polyurethane Fund IV, L.L.C | USA−Utah |
| Huntsman Polyurethane Venture I, L.L.C. | USA−Utah |
| Huntsman Polyurethane Venture II, L.L.C. | USA−Utah |
| Huntsman Polyurethane Venture III, L.L.C. | USA−Utah |
| Huntsman Polyurethane Venture IV, L.L.C. | USA−Utah |
| Huntsman Procurement LLC | USA−Utah |
| Huntsman Propylene Oxide LLC | USA−Texas |
| Huntsman Purchasing, Ltd. | USA−Utah |
| Huntsman Receivables Finance LLC | USA−Delaware |
| Huntsman Receivables Finance II LLC | USA−Delaware |
| Huntsman SA Investment Corporation | USA−Utah |
| Huntsman Styrenics Investment, L.L.C. | USA−Delaware |
| Huntsman Styrenics Investment Holdings, L.L.C. | USA−Delaware |
| Huntsman Surfactants Technology Corporation | USA−Utah |
| International Risk Insurance Company | USA−Utah |
| Louisiana Pigment Company, L.P. | USA−Delaware |
| Polymer Materials Inc. | USA−Utah |
| Rubicon LLC | USA−Utah |

| | |
|---|---|
| Tioxide Americas (Holdings) LLC | USA−Delaware |
| Huntsman Corporation, C.A. | Venezuela |

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**Exhibit 23.1**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-131729 and Registration Statement No. 333-174086 on Form S-8 and Registration Statement No. 333-144043 on Form S-3 of our reports dated February 12, 2013, relating to the consolidated financial statements and financial statement schedules of Huntsman Corporation and subsidiaries (the "Company") (which report expresses an unqualified opinion and includes an explanatory paragraph regarding the Company's application of new accounting guidance relating to its method of accounting for transfers of accounts receivable under the Company's accounts receivable securitization programs, effective January 1, 2010), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Huntsman Corporation for the year ended December 31, 2012.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas

February 12, 2013

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**Exhibit 31.1**

**CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter R. Huntsman, certify that:

**1.** I have reviewed this annual report on Form 10-K of Huntsman Corporation and Huntsman International LLC;

**2.** Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

**3.** Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;

**4.** The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrants and have:

**(a)** Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

**(b)** Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

**(c)** Evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

**(d)** Disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

**5.** The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

**(a)** All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and

**(b)** Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

Date: February 12, 2013

/s/ PETER R. HUNTSMAN

Peter R. Huntsman

*Chief Executive Officer*

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Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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**Exhibit 31.2**

**CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, J. Kimo Esplin, certify that:

**1.** I have reviewed this annual report on Form 10-K of Huntsman Corporation and Huntsman International LLC;

**2.** Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

**3.** Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;

**4.** The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrants and have:

**(a)** Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

**(b)** Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

**(c)** Evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

**(d)** Disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

**5.** The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

**(a)** All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and

**(b)** Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

Date: February 12, 2013

/s/ J. KIMO ESPLIN
J. Kimo Esplin
*Chief Financial Officer*

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Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report on Form 10-K of Huntsman Corporation and Huntsman International LLC (the "Companies") for the year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter R. Huntsman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

**(1)** The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

**(2)** The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ PETER R. HUNTSMAN

Peter R. Huntsman
*Chief Executive Officer*
February 12, 2013

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**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report on Form 10-K of Huntsman Corporation and Huntsman International LLC (the "Companies") for the year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Kimo Esplin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

**(1)** The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

**(2)** The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ J. KIMO ESPLIN
J. Kimo Esplin
*Chief Financial Officer*
February 12, 2013

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| Schedule I-Condensed Financial Information of Registrant | 12 Months Ended Dec. 31, 2012 |
| --- | --- |

**Schedule I-Condensed Financial Information of Registrant**

Schedule I-Condensed Financial Information of Registrant

**HUNTSMAN CORPORATION (PARENT ONLY)**
**Schedule I—Condensed Financial Information of Registrant**
**HUNTSMAN CORPORATION (Parent Only)**
**BALANCE SHEETS**
**(Dollars in Millions)**

| | December 31, | |
| --- | --- | --- |
| | 2012 | 2011 |
| **ASSETS** | | |
| Cash and cash equivalents | $177 | $323 |
| Receivable from affiliate | 13 | 14 |
| Note receivable from affiliate | 100 | 100 |
| **Total current assets** | 290 | 437 |
| Note receivable from affiliate-long-term | 595 | 435 |
| Investment in and advances to affiliates | 1,146 | 944 |
| **Total assets** | $2,031 | $1,816 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Payable to affiliate | $250 | $143 |
| Accrued liabilities | 2 | 2 |
| **Total current liabilities** | 252 | 145 |
| Other long-term liabilities | 6 | 9 |
| **Total liabilities** | 258 | 154 |
| **STOCKHOLDERS' EQUITY** | | |
| Common stock, $0.01 par value, 1,200,000,000 shares authorized, 243,813,779 and 241,836,001 issued and 238,273,422 and 235,746,087 outstanding as of December 31, 2012 and 2011, respectively | 2 | 2 |
| Additional paid-in capital | 3,264 | 3,228 |
| Treasury stock, 4,043,526 shares at both December 31, 2012 and 2011 | (50) | (50) |
| Unearned stock-based compensation | (12) | (12) |
| Accumulated deficit | (687) | (947) |
| Accumulated other comprehensive loss | (744) | (559) |
| **Total stockholders' equity** | 1,773 | 1,662 |
| **Total liabilities and stockholders' equity** | $2,031 | $1,816 |

**HUNTSMAN CORPORATION (Parent Only)**
**STATEMENTS OF OPERATIONS**
**(Dollars in Millions)**

| | Year ended December 31, | | |
| --- | --- | --- | --- |
| | 2012 | 2011 | 2010 |
| Selling, general and administrative | $(3) | $(15) | $(15) |
| Interest income, net | 13 | 13 | 19 |

| | | | |
|---|---|---|---|
| Equity in income of subsidiaries | 257 | 170 | 165 |
| Dividend income—affiliate | 96 | 79 | — |
| Expense associated with the Terminated Merger | — | — | (4) |
| Loss on early extinguishment of debt | — | — | (146) |
| Income tax benefit | — | — | 8 |
| **Net income** | $363 | $247 | $27 |

**HUNTSMAN CORPORATION (Parent Only)**
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Net income** | $363 | $247 | $27 |
| **Other comprehensive loss, net of tax:** | — | | |
| Foreign currency translations adjustments | 51 | (80) | 24 |
| Pension and other postretirement benefits adjustments | (236) | (187) | (33) |
| Other, net | 9 | 7 | 3 |
| **Other comprehensive loss** | (176) | (260) | (6) |
| **Comprehensive income (loss)** | 187 | (13) | 21 |
| Comprehensive income attributable to noncontrolling interests | (9) | (2) | (4) |
| **Comprehensive income (loss) attributable to Huntsman Corporation** | $178 | $(15) | $17 |

**HUNTSMAN CORPORATION (Parent Only)**
**STATEMENTS OF STOCKHOLDERS' EQUITY**
**(Dollars in Millions)**

| | Huntsman Corporation Stockholders | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | | | | | | | |
| | Common stock | Common stock | Additional paid-in capital | Treasury stock | Unearned stock-based compensation | Accumulated deficit | Accumulated other comprehensive loss | Total equity |
| Balance, January1, 2010 | 234,081,490 | 2 | 3,155 | — | (11) | (1,015) | (287) | 1,844 |
| Net income | — | — | — | — | — | 27 | — | 27 |
| Other comprehensive loss | — | — | — | — | — | — | (10) | (10) |
| Issuance of nonvested stock awards | — | — | 12 | — | (12) | — | — | — |
| Vesting of stock awards | 1,939,524 | — | 9 | — | — | — | — | 9 |
| Recognition of stock-based compensation | — | — | 3 | — | 12 | — | — | 15 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Repurchase and cancellation of stock awards | (431,052) | — | — | — | — | (6) | — | (6) |
| Stock options exercised | 1,209,493 | — | 3 | — | — | — | — | 3 |
| Excess tax benefit related to stock-based compensation | — | — | 4 | — | — | — | — | 4 |
| Dividends declared on common stock | — | — | — | — | — | (96) | — | (96) |
| Balance, December 31, 2010 | 236,799,455 | 2 | 3,186 | — | (11) | (1,090) | (297) | 1,790 |
| Net income | — | — | — | — | — | 247 | — | 247 |
| Other comprehensive loss | — | — | — | — | — | — | (262) | (262) |
| Issuance of nonvested stock awards | — | — | 11 | — | (11) | — | — | — |
| Vesting of stock awards | 2,229,418 | — | 13 | — | — | — | — | 13 |
| Recognition of stock-based compensation | — | — | 5 | — | 10 | — | — | 15 |
| Repurchase of common stock | (4,043,526) | — | — | (50) | — | — | — | (50) |
| Repurchase and cancellation of stock awards | (507,624) | — | — | — | — | (8) | — | (8) |
| Stock options exercised | 1,268,364 | — | 3 | — | — | — | — | 3 |
| Excess tax benefit related to stock-based compensation | — | — | 10 | — | — | — | — | 10 |
| Dividends declared on common stock | — | — | — | — | — | (96) | — | (96) |
| Balance, December 31, 2011 | 235,746,087 | 2 | 3,228 | (50) | (12) | (947) | (559) | 1,662 |
| Net income | — | — | — | — | — | 363 | — | 363 |
| Other comprehensive loss | — | — | — | — | — | — | (185) | (185) |
| Issuance of nonvested stock awards | — | — | 12 | — | (12) | — | — | — |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vesting of stock awards | 2,162,043 | — | 10 | — | — | — | — | 10 |
| Recognition of stock-based compensation | — | — | 9 | — | 12 | — | — | 21 |
| Repurchase and cancellation of stock awards | (537,039) | — | — | — | — | (7) | — | (7) |
| Stock options exercised | 902,331 | — | 3 | — | — | — | — | 3 |
| Excess tax benefit related to stock-based compensation | — | — | 4 | — | — | — | — | 4 |
| Acquisition of a business | — | — | (2) | — | — | — | — | (2) |
| Dividends declared on common stock | — | — | — | — | — | (96) | — | (96) |
| Balance, December 31, 2012 | 238,273,422 | $2 | $3,264 | $(50) | $(12) | $(687) | $(744) | $1,773 |

This statement should be read in conjunction with the notes to the consolidated financial statements.

## HUNTSMAN CORPORATION (Parent Only)

## STATEMENTS OF CASH FLOWS

**(Dollars in Millions)**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Operating Activities:** | | | |
| Net income | $363 | $247 | $27 |
| Equity in income of subsidiaries | (257) | (170) | (165) |
| Loss on early extinguishment of debt | — | — | 146 |
| Stock-based compensation | 1 | 1 | 3 |
| Noncash interest income | (13) | (13) | (19) |
| Changes in operating assets and liabilities | 128 | 62 | (4) |
| **Net cash provided by (used in) operating activities** | 222 | 127 | (12) |
| **Investing Activities:** | | | |
| Loan to affiliate | (299) | (105) | (110) |
| Repayments of loan by affiliate | 139 | 105 | 125 |
| **Net cash (used in) provided by investing activities** | (160) | — | 15 |
| **Financing Activities:** | | | |
| Repayments of Convertible Note | — | — | (250) |
| Call premiums related to early extinguishment of debt | — | — | (132) |
| Dividends paid to common stockholders | (96) | (96) | (96) |
| Repurchase and cancellation of stock awards | (7) | (8) | (6) |

| | | | |
|---|---|---|---|
| Proceeds from issuance of common stock | 3 | 3 | 3 |
| Repuchase of common stock | — | (50) | — |
| Increase in payable to affiliates | (108) | (57) | 57 |
| Other, net | — | (1) | — |
| **Net cash used in financing activities** | (208) | (209) | (424) |
| Decrease in cash and cash equivalents | (146) | (82) | (421) |
| Cash and cash equivalents at beginning of period | 323 | 405 | 826 |
| **Cash and cash equivalents at end of period** | $177 | $323 | $405 |

| DISCONTINUED OPERATIONS (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **DISCONTINUED OPERATIONS** | | | |
| Income tax (expense) benefit | $ 3 | $ 5 | $ (10) |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 |
| Cash flows from investing activities | | 3 | 34 |
| Cash flows from operating activities | | | (34) |
| HCCA | | | |
| **DISCONTINUED OPERATIONS** | | | |
| Number of claimants with whom the entity has agreed to settle claims | | 2 | |
| Settlement of fire insurance claims | | | |
| **DISCONTINUED OPERATIONS** | | | |
| Proceeds from reinsurers | | | 110 |
| Cash flows from investing activities | | | 34 |
| Cash flows from operating activities | | | 76 |
| AUSTRALIA STYRENICS BUSINESS SHUTDOWN | | | |
| **DISCONTINUED OPERATIONS** | | | |
| Cost recorded related to the closure of business | | | 6 |
| Revenues | 37 | 38 | 52 |
| Operating costs and expenses, net of credits | (47) | (44) | (85) |
| Nonoperating expenses | | | (19) |
| Operating (loss) income before income taxes | (10) | (6) | (52) |
| Income tax (expense) benefit | 3 | 2 | 28 |
| (Loss) income from discontinued operations, net of tax | (7) | (4) | (24) |
| U.S. Base Chemicals Disposition | | | |
| **DISCONTINUED OPERATIONS** | | | |
| Other expenses | | (1) | (6) |
| Gain on insurance settlements, net | | | 110 |
| Operating (loss) income before income taxes | | (1) | 104 |
| Income tax (expense) benefit | | | (38) |
| (Loss) income from discontinued operations, net of tax | | (1) | 66 |
| U.S. Base Chemicals Disposition \| Settlement of fire insurance claims | | | |
| **DISCONTINUED OPERATIONS** | | | |
| Pretax gain (loss) on disposal | | | 110 |
| U.S. Base Chemicals Disposition \| 2005 gulf coast storms | | | |
| **DISCONTINUED OPERATIONS** | | | |
| Pretax gain (loss) on disposal | | | $ 7 |

## DEBT (Tables)

| | 12 Months Ended Dec. 31, 2012 |
|---|---|

**Debt**

Outstanding debt

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

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Senior Credit Facilities: | | |
| Term loans | $1,565 | $1,696 |
| Amounts outstanding under A/R programs | 241 | 237 |
| Senior notes | 568 | 472 |
| Senior subordinated notes | 892 | 976 |
| HPS (China) debt | 94 | 167 |
| Variable interest entities | 270 | 281 |
| Other | 72 | 113 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total current portion of debt | $288 | $212 |
| Long-term portion | 3,414 | 3,730 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Notes payable to affiliates-noncurrent | 4 | 4 |
| Total debt | $3,706 | $3,946 |

Schedule of Senior Credit Facilities

As of December 31, 2012, our Senior Credit Facilities consisted of our Revolving Facility, our Term Loan B, our Extended Term Loan B, our Extended Term Loan B—Series 2, and our Term Loan C as follows (dollars in millions):

| Facility | Committed Amount | Principal Outstanding | | Carrying Value | | Interest Rate(2) | Maturity | |
|---|---|---|---|---|---|---|---|---|
| Revolving Facility | $400 | $— | (1) | $— | (1) | USD LIBOR plus 2.50% | 2017 | (3) |
| Term Loan B | NA | 193 | | 193 | | USD LIBOR plus 1.50% | 2014 | |
| Extended Term Loan B | NA | 637 | | 637 | | USD LIBOR plus 2.50% | 2017 | (3) |
| Extended Term Loan B—Series 2 | NA | 342 | | 342 | | USD LIBOR plus 2.75% | 2017 | (3) |
| Term Loan C | NA | 419 | | 393 | | USD LIBOR plus 2.25% | 2016 | |

**(1)** We had no borrowings outstanding under our Revolving Facility; we had approximately $19 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 Senior Credit Facilities is subject to certain secured leverage ratio thresholds. As of December 31, 2012, the weighted average interest rate on our outstanding balances under the Senior Credit Facilities was approximately 3.0%.

**(3)** The maturity of the Revolving Facility commitments will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to repay our 2016 Senior Notes, Term Loan B due April 19, 2014 and Term Loan C due June 30, 2016. The maturity of Extended Term Loan B and Extended Term Loan B—Series 2 will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to refinance or repay our 2016 Senior Notes that remain outstanding during the three months prior to the maturity date of such notes.

Schedule of A/R Programs

Information regarding the A/R Programs was as follows (monetary amounts in millions):

December 31, 2012

| Facility | Maturity | Maximum Funding Availability(1) | Amount Outstanding | Interest Rate(2)(3) |
|---|---|---|---|---|
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $297) | €114 (approximately $151) | Applicable Rate plus 2.0% |

December 31, 2011

| Facility | Maturity | Maximum Funding Availability(1) | Amount Outstanding | Interest Rate(2)(3) |
|---|---|---|---|---|
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $291) | €114 (approximately $147) | Applicable Rate plus 2.0% |

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

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

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

(4) As of December 31, 2012, we had approximately $5 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

## Summary of outstanding notes

As of December 31, 2012, we had outstanding the following notes (monetary amounts in millions):

| Notes | Maturity | Interest Rate | | Amount Outstanding |
|---|---|---|---|---|
| 2016 Senior Notes | June 2016 | 5.50 | %(1) | $200 ($168 carrying value) |
| 2020 Senior Notes | November 2020 | 4.875 | % | $400 |
| Senior Subordinated Notes | March 2020 | 8.625 | % | $350 |
| Senior Subordinated Notes | March 2021 | 8.625 | % | $530 ($542 carrying value) |

(1) The effective interest rate at issuance was 11.73%.

## Redemption of Notes and Loss on Early Extinguishment of Debt

During the years ended December 31, 2012 and 2011, we redeemed or repurchased the following notes (monetary amounts in millions):

| Date of Redemption | Notes | Principal Amount of Notes Redeemed | Amount Paid (Excluding Accrued Interest) | Loss on Early Extinguishment of Debt |
|---|---|---|---|---|
| December 3, 2012 | 5.50% Senior Notes due 2016 | $400 | $400 | $77 |
| March 26, 2012 | 7.50% Senior Subordinated Notes due 2015 | €64 (approximately $86) | €65 (approximately $87) | $1 |
| Three months ended December 31, 2011 | 6.875% Senior Subordinated Notes due 2013 | €70 (approximately $94) | €71 (approximately $96) | $2 |
| Three months ended September 30, 2011 | 6.875% Senior Subordinated Notes due 2013 | €14 (approximately $19) | €14 (approximately $19) | $— |

Scheduled maturities of our debt (excluding debt to affiliates)

The scheduled maturities of our debt (excluding debt to affiliates) by year as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | |
|---|---|
| 2013 | $288 |
| 2014 | 522 |
| 2015 | 32 |
| 2016 | 577 |
| 2017 | 967 |
| Thereafter | 1,316 |
| | $3,702 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Debt**

Outstanding debt

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

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Senior Credit Facilities: | | |
| Term loans | $1,565 | $1,696 |
| Amounts outstanding under A/R programs | 241 | 237 |
| Senior notes | 568 | 472 |
| Senior subordinated notes | 892 | 976 |
| HPS (China) debt | 94 | 167 |
| Variable interest entities | 270 | 281 |
| Other | 72 | 113 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total current portion of debt | $288 | $212 |
| Long-term portion | 3,414 | 3,730 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Notes payable to affiliates-current | 100 | 100 |
| Notes payable to affiliates-noncurrent | 599 | 439 |
| Total debt | $4,401 | $4,481 |

## INTANGIBLE ASSETS (Tables)

## 12 Months Ended Dec. 31, 2012

**Intangible Assets**

Schedule of gross carrying amount and accumulated amortization of intangible assets

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

| | December 31, 2012 | | | December 31, 2011 | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Accumulated Amortization | Net | Carrying Amount | Accumulated Amortization | Net |
| Patents, trademarks and technology | $355 | $318 | $37 | $363 | $307 | $56 |
| Licenses and other agreements | 41 | 16 | 25 | 39 | 14 | 25 |
| Non-compete agreements | 2 | 2 | — | 2 | 2 | — |
| Other intangibles | 60 | 54 | 6 | 40 | 30 | 10 |
| **Total** | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | $91 |

Schedule of estimated future amortization expense for intangible assets

Estimat… years is

| Year ending December 31 | |
|---|---|
| 2013 | $21 |
| 2014 | 13 |
| 2015 | 5 |
| 2016 | 5 |
| 2017 | 4 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Intangible Assets**

Schedule of gross carrying amount and accumulated amortization of intangible assets

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

| | December 31, 2012 | | | December 31, 2011 | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Accumulated Amortization | Net | Carrying Amount | Accumulated Amortization | Net |
| Patents, trademarks and technology | $355 | $318 | $37 | $363 | $307 | $56 |
| Licenses and other agreements | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 25 |
| Non-compete agreements | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | — |
| Other intangibles | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 12 |
| **Total** | $466 | $396 | $70 | $452 | $359 | $93 |

Schedule of estimated future amortization expense for intangible assets

Hunts… assets o…

| Year ending December 31 | |
|---|---|
| 2013 | $21 |
| 2014 | 13 |
| 2015 | 5 |
| 2016 | 5 |
| 2017 | 4 |

| SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Details 2) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | | 3 Months Ended | 12 Months Ended | | | | | 3 Months Ended | | | | | | | 12 Months Ended | | | 3 Months Ended |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2011 Stereolithography resin and Digitalis machine manufacturing businesses | Dec. 31, 2012 Textile Effects | Dec. 31, 2011 Textile Effects | Dec. 31, 2012 Advanced Materials | Dec. 31, 2011 Advanced Materials | Dec. 31, 2012 Advanced Materials Global transformational change program | Dec. 31, 2011 Advanced Materials Stereolithography resin and Digitalis machine manufacturing businesses | Dec. 31, 2012 Polyurethanes | Sep. 30, 2012 Polyurethanes | Mar. 31, 2012 Polyurethanes | Dec. 31, 2012 Polyurethanes | Dec. 31, 2011 Workforce reductions Textile Effects | Dec. 31, 2012 Workforce reductions Polyurethanes | Dec. 31, 2012 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2011 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2010 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2012 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES 2016 Senior Notes |
| **Quarterly Financial Information** | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges | | | | | $ 4 | $ 22 | $ 38 | $ 20 | $ 28 | | $ 1 | $ 32 | $ 5 | | $ 62 | $ 38 | | | | |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | | | | | 53 | | | | | | | | | | | | | | |
| Gain on sale | | 38 | (8) | 34 | | | | | | 34 | | | | | | | | 38 | (8) | |
| Annualized fixed costs | | | | | | | | | | | | | | 75 | | | | | | |
| Loss on early extinguishment of debt | (80) | (7) | (183) | | | | | | | | | | | | | | (80) | (7) | (37) | 77 |
| Principal Amount of Notes Redeemed | | | | | | | | | | | | | | | | | | | | $ 400 |

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details 2) | 12 Months Ended |
| --- | --- |
| | Dec. 31, 2012 |
| Patents and technology \| Maximum | |
| **Intangible Assets** | |
| Estimated useful life | 30 years |
| Patents and technology \| Minimum | |
| **Intangible Assets** | |
| Estimated useful life | 5 years |
| Trademarks \| Maximum | |
| **Intangible Assets** | |
| Estimated useful life | 30 years |
| Trademarks \| Minimum | |
| **Intangible Assets** | |
| Estimated useful life | 15 years |
| Licenses and other agreements \| Maximum | |
| **Intangible Assets** | |
| Estimated useful life | 15 years |
| Licenses and other agreements \| Minimum | |
| **Intangible Assets** | |
| Estimated useful life | 5 years |
| Other intangibles \| Maximum | |
| **Intangible Assets** | |
| Estimated useful life | 15 years |
| Other intangibles \| Minimum | |
| **Intangible Assets** | |
| Estimated useful life | 5 years |

| Schedule I-Condensed Financial Information of Registrant (PARENT ONLY) (Details 3) (USD $) In Millions, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Condensed Financial Information of Registrant** | | | | | | | | | | | |
| Net income | $ (38) | $ 120 | $ 128 | $ 163 | $ 95 | $ (32) | $ 124 | $ 67 | $ 373 | $ 254 | $ 32 |
| **Other comprehensive loss, net of tax:** | | | | | | | | | | | |
| Foreign currency translations adjustments | | | | | | | | | 51 | (80) | 24 |
| Pension and other postretirement benefits adjustments | | | | | | | | | (236) | (187) | (33) |
| Other, net | | | | | | | | | (1) | | (2) |
| Amounts attributable to the entity | | | | | | | | | (185) | (262) | (10) |
| Comprehensive income (loss) | | | | | | | | | 187 | (13) | 21 |
| Comprehensive income attributable to noncontrolling interests | | | | | | | | | (9) | (2) | (4) |
| Comprehensive income (loss) attributable to Huntsman Corporation or Huntsman International LLC | | | | | | | | | 178 | (15) | 17 |
| Huntsman Corporation | | | | | | | | | | | |
| **Condensed Financial Information of Registrant** | | | | | | | | | | | |
| Net income | | | | | | | | | 363 | 247 | 27 |
| **Other comprehensive loss, net of tax:** | | | | | | | | | | | |
| Foreign currency translations adjustments | | | | | | | | | 51 | (80) | 24 |
| Pension and other postretirement benefits adjustments | | | | | | | | | (236) | (187) | (33) |
| Other, net | | | | | | | | | 9 | 7 | 3 |
| Amounts attributable to the entity | | | | | | | | | (176) | (260) | (6) |
| Comprehensive income (loss) | | | | | | | | | 187 | (13) | 21 |
| Comprehensive income attributable to noncontrolling interests | | | | | | | | | (9) | (2) | (4) |
| Comprehensive income (loss) attributable to Huntsman Corporation or Huntsman International LLC | | | | | | | | | $ 178 | $ (15) | $ 17 |

**FAIR VALUE (Tables)** | **12 Months Ended Dec. 31, 2012**

**FAIR VALUE**

**Fair values of financial instruments**

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

| | December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 | |
| | Carrying Value | Estimated Fair Value | Carrying Value | Estimated Fair Value |
| Non-qualified employee benefit plan investments | $14 | $14 | $12 | $12 |
| Cross-currency interest rate contacts | 18 | 18 | 27 | 27 |
| Interest rate contracts | (18 ) | (18 ) | (17 ) | (17 ) |
| Long-term debt (including current portion) | (3,702 ) | (3,869 ) | (3,942 ) | (4,061 ) |

**Assets and liabilities are measured at fair value on a recurring basis**

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

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| Description | December 31, 2012 | Quoted prices in active markets for identical assets (Level 1)(3) | Significant other observable inputs (Level 2)(3) | Significant unobservable inputs (Level 3) |
| **Assets:** | | | | |
| Available-for sale equity securities: | | | | |
| Equity mutual funds | $14 | $14 | $— | $— |
| Derivatives: | | | | |
| Cross-currency interest rate contracts(1) | 18 | — | 18 | — |
| **Total assets** | $32 | $14 | $18 | $— |
| **Liabilities:** | | | | |
| Derivatives: | | | | |
| Interest rate contracts(2) | $(18 ) | $— | $(18 ) | $— |

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| Description | December 31, 2011 | Quoted prices in active markets for identical assets (Level 1)(3) | Significant other observable inputs (Level 2)(3) | Significant unobservable inputs (Level 3) |
| **Assets:** | | | | |
| Available-for sale equity securities: | | | | |
| Equity mutual funds | $12 | $12 | $— | $— |
| Derivatives: | | | | |

| | | | | |
|---|---|---|---|---|
| Cross-currency interest rate contracts(1) | 27 | — | — | 27 |
| **Total assets** | $39 | $12 | $— | $27 |
| **Liabilities:** | | | | |
| Derivatives: | | | | |
| Interest rate contracts(2) | $(17) | $— | $(17) | $— |

**(1)** The income approach is used to calculate the fair value of these instruments. Fair value represents the present value of estimated future cash flows, calculated using relevant interest rates, exchange rates, and yield curves at stated intervals.

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

**(3)** There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2012 and 2011.

Reconciliation of beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

The following table shows a reconciliation of beginning and ending balances 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, January 1, 2012 | $27 |
| Transfers into Level 3 | — |
| Transfers out of Level 3(1) | (27) |
| Total gains (losses): | |
| Included in earnings | — |
| Included in other comprehensive income (loss) | — |
| Purchases, sales, issuances and settlements | — |
| Ending balance, December 31, 2012 | $— |
| 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, 2012 | $— |

| **Fair Value Measurements Using Significant Unobservable Inputs (Level 3)** | **Cross-Currency Interest Rate Contracts** |
|---|---|
| Beginning balance, January 1, 2011 | $19 |
| Transfers into or out of Level 3 | — |

| | |
|---|---|
| Total gains (losses): | |
| Included in earnings | — |
| Included in other comprehensive income (loss) | 8 |
| Purchases, sales, issuances and settlements | — |
| Ending balance, December 31, 2011 | $27 |
| 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, 2011 | $— |

**(1)** We are party to cross-currency interest rate contracts that are measured at fair value in our consolidated financial statements. These instruments have historically been categorized by us as Level 3 within the fair value hierarchy due to an unobservable input associated with the credit valuation adjustment, which we deemed to be a significant input to the overall measurement of fair value at inception. During 2012, this credit valuation adjustment has ceased to be a significant input to the entire fair value measurement of these instruments. The remaining inputs which are significant to the fair value measurement of these instruments represent observable market inputs that are inputs other than quoted prices (Level 2 inputs).

Schedule of gains and losses (realized and unrealized) included in earnings reported in interest expense and other comprehensive (loss) income

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

| | **Interest expense** | **Other comprehensive income (loss)** |
|---|---|---|
| ***2012*** | | |
| Total net gains included in earnings | $— | $— |
| Changes in unrealized gains relating to assets still held at December 31, 2012 | — | — |

| | **Interest expense** | **Other comprehensive income (loss)** |
|---|---|---|
| ***2011*** | | |
| Total net gains included in earnings | $— | $— |
| Changes in unrealized gains relating to assets still held at December 31, 2011 | — | 8 |

| INVESTMENT IN UNCONSOLIDATED AFFILIATES (Details) (USD $)<br>In Millions, unless otherwise specified | 12 Months Ended | | | | | | | 12 Months Ended | | | | | | | | | | | | 12 Months Ended | | | | 0 Months Ended |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2008 Zamil Group | Dec. 31, 2012 International Diol Company | Dec. 31, 2011 International Diol Company | Dec. 31, 2012 White Mountain Titanium Corporation | Dec. 31, 2011 Sasol Huntsman GmbH and Co. KG | Dec. 31, 2010 Sasol Huntsman GmbH and Co. KG | Dec. 31, 2012 Arabian Amines Company lb | Dec. 31, 2012 Louisiana Pigment Company, L.P. | Dec. 31, 2011 Louisiana Pigment Company, L.P. | Dec. 31, 2012 BASF Huntsman Shanghai Isocyanate Investment BV | Dec. 31, 2011 BASF Huntsman Shanghai Isocyanate Investment BV | Dec. 31, 2012 BASF Huntsman Shanghai Isocyanate Investment BV SLIC | Dec. 31, 2012 International Polyurethanes Investments B.V. | Dec. 31, 2011 International Polyurethanes Investments B.V. | Dec. 31, 2012 Jurong Ningwu New Materials Development Co Ltd | Dec. 31, 2011 Jurong Ningwu New Materials Development Co Ltd | Dec. 31, 2012 Others | Dec. 31, 2011 Others | Dec. 31, 2010 Others | Dec. 31, 2012 Nanjing Jinling Huntsman New Material Co., Ltd. | Nov. 13, 2012 Sinopec Jinling Joint venture to be completed in 2014 |
| **Investment in unconsolidated affiliates** | | | | | | | | | | | | | | | | | | | | | | | | |
| Total equity method investments | $ 230 | $ 197 | | | | | | | | | $ 111 | $ 90 | $ 81 | $ 79 | | | $ 17 | $ 12 | $ 10 | $ 2 | $ 1 | | $ 24 | $ 120 |
| Ownership interest (as a percent) | | | | | | | | | | | 50.00% | | 50.00% | | | 45.00% | | 30.00% | | | | | 49.00% | |
| Investment in cost method unconsolidated affiliates | | | | | 5 | 5 | 3 | | | | | | | | | | | | | | | | | |
| Ownership percentage in cost method unconsolidated affiliates | | | | | 4.35% | | 3.00% | | | | | | | | | | | | | | | | | |
| Total investments | 238 | 202 | | | | | | | | | | | | | | | | | | | | | | |
| Ownership interest held by equity method investee that creates an indirect ownership interest by the reporting entity (as a percent) | | | | | | | | | | | | | | | 70.00% | | | | | | | | | |
| Indirect ownership interest in an unaffiliated entity (as a percent) | | | | | | | | | | | | | | | 35.00% | | | | | | | | | |
| Equity in income of investment in unconsolidated affiliates | 7 | 8 | 24 | | | | | | 18 | | | | | | | | | | | | | | | |
| **Financial information of the entity's other unconsolidated affiliates** | | | | | | | | | | | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | | | | | | | 624 | 621 | | | |
| Liabilities | | | | | | | | | | | | | | | | | | | | 257 | 285 | | | |
| Revenues | | | | | | | | 40 | 108 | | | | | | | | | | | 1,083 | 954 | 936 | | |
| Gross profit | | | | | | | | 7 | 14 | | | | | | | | | | | | | | | |
| Net Income | | | | | | | | $ (2) | $ 10 | | | | | | | | | | | $ 17 | $ 22 | $ 10 | | |
| **Other information** | | | | | | | | | | | | | | | | | | | | | | | | |
| Huntsman share of joint venture (as a percent) | | | | 50.00% | | | | | | | | | | | | | | | | | | | | 49.00% |
| Joint venture partner share of joint venture (as a percent) | | | | 50.00% | | | | | | | | | | | | | | | | | | | | 51.00% |
| Approximate annual capacity of plant (in pounds) | | | | | | | | | | 60,000,000 | | | | | | | | | | | | | | |

| INCOME TAXES (Details 4) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Reconciliation of unrecognized tax benefits** | | | |
| Unrecognized tax benefits, balance at the beginning of the period | $ 39 | $ 43 | |
| Gross increases and decreases-tax positions taken during the prior period | 15 | (3) | |
| Gross increases and decreases-tax positions taken during the current period | 9 | 3 | |
| Decreases related to settlement of amounts due to tax authorities | (3) | | |
| Reductions resulting from the lapse of statutes of limitation | (3) | (4) | |
| Unrecognized tax benefits, balance at the end of the period | 57 | 39 | 43 |
| Unrecognized tax benefits which, if recognized, would affect the effective tax rate | 37 | 31 | |
| **Interest and penalties related to unrecognized tax benefits included in tax expense** | | | |
| Interest expense included in tax expense | (1) | 5 | 1 |
| **Interest and penalties accrued related to unrecognized tax benefits** | | | |
| Accrued liability for interest | 10 | 13 | |
| Accrued liability for penalties | 1 | 2 | |
| Decrease in the unrecognized tax benefits reasonably possible, low end of range | 1 | | |
| Decrease in the unrecognized tax benefits reasonably possible, high end of range | 19 | | |
| Number of months from the reporting date during which unrecognized tax benefit would result in change in income tax | 12 months | | |
| Undistributed earnings of foreign subsidiaries that are deemed to be permanently invested | $ 215 | | |

| INVESTMENT IN UNCONSOLIDATED AFFILIATES (Tables) | 12 Months Ended<br>Dec. 31, 2012 |
|---|---|

**INVESTMENT IN UNCONSOLIDATED AFFILIATES**

Schedule of ownership percentage and investment in unconsolidated affiliates

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

| | December 31 | |
|---|---|---|
| | 2012 | 20 |
| Equity Method: | | |
| Louisiana Pigment Company, L.P. (50%) | $111 | $90 |
| BASF Huntsman Shanghai Isocyanate Investment BV (50%)(1) | 81 | 79 |
| Nanjing Jinling Huntsman New Material Co., Ltd. (49%) | 24 | — |
| International Polyurethanes Investments B.V. (45%)(2) | — | 17 |
| Jurong Ningwu New Materials Development Co., Ltd. (30%) | 12 | 10 |
| Others | 2 | 1 |
| Total equity method investments | 230 | 19 |
| Cost Method: | | |
| International Diol Company (4.35%) | 5 | 5 |
| White Mountain Titanium Corporation (3%) | 3 | — |
| Total investments | $238 | $20 |

**(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.

**(2)** We began consolidating International Polyurethanes Investments B.V. as of July 3, 2012. See "Note 3. Business Combinations and Dispositions."

Sasol Huntsman GmbH and Co. KG

**Investment in unconsolidated affiliates**

Summarized applicable financial information of unconsolidated affiliates

Summarized applicable financial information of Sasol-Huntsman is presented below (dollars in millions):

| | Year ended December 31, | |
|---|---|---|
| | 2011(1) | 2010 |
| Revenues | $40 | $108 |
| Gross profit | 7 | 14 |
| Net income | (2) | 10 |

**(1)** Represents activity for the period from January 1, 2011 to the date of consolidation on April 1, 2011. No balance sheet information was presented due to the consolidation of Sasol-Huntsman in 2011.

Others

**Investment in unconsolidated affiliates**

Summarized applicable financial information of unconsolidated affiliates

Summarized applicable financial information of our other unconsolidated affiliates is presented below (dollars in millions):

| | December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Assets | $624 | $621 | |
| Liabilities | 257 | 285 | |
| Revenues | 1,083 (1) | 954 | $936 |
| Net income | 17 (1) | 22 | 10 |

**(1)** Contains activity for International Polyurethanes Investments B.V. for the period from January 1, 2012 to the date of consolidation on July 3, 2012.

| EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION | 12 Months Ended |
|---|---|
| | Dec. 31, 2012 |
| EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION | |
| EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION | |

**24. EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION**

Total expenses associated with the Terminated Merger and related litigation were as follows (dollars in millions):

| | December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Directors' fees | $— | $— | $3 |
| Legal fees and other | — | — | 1 |
| Total expenses | $— | $— | $4 |

On July 12, 2007, we entered into an agreement and plan of merger with Hexion (the "Hexion Merger Agreement"). On June 18, 2008, Hexion, Apollo and certain of their affiliates filed an action in Delaware Chancery Court seeking to terminate the Hexion Merger. We countersued Hexion and Apollo in the Delaware Chancery Court and filed a separate action against Apollo and certain of its affiliates in the District Court of Montgomery County, Texas. On December 13, 2008, we terminated the Hexion Merger Agreement and, on December 14, 2008, we entered into the Apollo Settlement Agreement to settle the Terminated Merger-related litigation and certain other related matters. Pursuant to the Apollo Settlement Agreement, Hexion and certain Apollo affiliates have paid us an aggregate of $1 billion.

On September 30, 2008, we filed suit in the 9th Judicial District Court in Montgomery County, Texas against the banks that had entered into a commitment letter to provide funding for the Hexion Merger. On June 22, 2009, we entered into the Texas Bank Litigation Settlement Agreement with such banks. This litigation was dismissed with prejudice on June 23, 2009. In accordance with the Texas Bank Litigation Settlement Agreement, the banks paid us a cash payment of $632 million, purchased the $600 million aggregate principal amount 5.50% 2016 Senior Notes from Huntsman International, and provided Huntsman International with Term Loan C in the principal amount of $500 million. The 2016 Senior Notes and Term Loan C borrowings were at favorable rates to us and were recorded at a combined fair value of $864 million. Accordingly, we recognized a gain of $868 million in connection with the Texas Bank Litigation Settlement Agreement. On September 21, 2010, the Board of Directors approved bonuses totaling $3 million to certain members of the Board of Directors, upon the recommendation of an independent committee of the Board of Directors, for their efforts in connection with the litigation with Hexion and Apollo following the Terminated Merger.

| VARIABLE INTEREST ENTITIES (Details) (USD $) In Millions, unless otherwise specified | | | | | | 12 Months Ended | | | | 12 Months Ended | | | | 1 Months Ended |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 item | Dec. 31, 2011 | Dec. 31, 2012 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2011 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Mar. 31, 2011 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2012 Consolidated VIE's item | Dec. 31, 2011 Consolidated VIE's | Dec. 31, 2012 Rubicon LLC, Pacific Iron Products, Arabian Amines and Sasol Huntsman GmbH and Co. KG | Dec. 31, 2011 Rubicon LLC, Pacific Iron Products, Arabian Amines and Sasol Huntsman GmbH and Co. KG | Dec. 31, 2012 Sasol Huntsman GmbH and Co. KG | Dec. 31, 2011 Sasol Huntsman GmbH and Co. KG | Dec. 31, 2010 Sasol Huntsman GmbH and Co. KG | Mar. 31, 2011 Sasol Huntsman GmbH and Co. KG | Apr. 30, 2011 Arabian Amines Company |
| **Identification of variable interest entities through investments and transactions** | | | | | | | | | | | | | | |
| Number of joint ventures | | | | | | 4 | | | | | | | | |
| **Assets and liabilities of VIE** | | | | | | | | | | | | | | |
| Current assets | $ 4,119 | $ 3,946 | $ 4,192 | $ 3,761 | | | | $ 163 | $ 140 | | | | $ 61 | |
| Property, plant and equipment, net | 3,745 [1] | 3,622 [1] | 3,656 [1] | 3,510 [1] | | 378 | 403 | 378 | 403 | | | | 155 | |
| Other noncurrent assets | 366 [1] | 482 [1] | 366 [1] | 482 [1] | | 28 | 21 | 61 | 61 | | | | | |
| Deferred income taxes | 229 | 195 | 229 | 163 | | | | 45 | 45 | | | | | |
| Intangible assets | 68 [1] | 91 [1] | 70 [1] | 93 [1] | | 19 | 23 | 19 | 23 | | | | 16 | |
| Goodwill | 117 | 114 | 117 | 114 | | | | 16 | 15 | | | | 17 | |
| Total assets | 8,884 | 8,657 | 8,870 | 8,330 | | | | 682 | 687 | | | | 249 | |
| Current liabilities | 2,181 | 1,826 | 2,313 | 1,961 | | | | 348 | 145 | | | | 23 | |
| Long-term debt | 3,414 [1] | 3,730 [1] | 3,414 [1] | 3,730 [1] | | 77 | 264 | 82 | 269 | | | | 93 | |
| Deferred income taxes | 228 | 309 | 170 | 106 | | | | 8 | 9 | | | | 8 | |
| Other noncurrent liabilities | 1,161 [1] | 1,012 [1] | 1,157 [1] | 1,003 [1] | | 101 | 111 | 102 | 110 | | | | 7 | |
| Total liabilities | 6,988 | 6,881 | 7,653 | 7,239 | | | | 540 | 533 | | | | 131 | |
| Amount receivable after settlement of a dispute | | | | | | | | | | | | | | 11 |
| Damages incurred due to the delayed initial acceptance of the plant | | | | | | | | | | | | | | 8 |
| Reimbursement of capital expenditures for work left unfinished by the third party contractors | | | | | | | | | | | | | | 3 |
| Total goodwill amount deductible for the tax purposes | | | | | | | | | | | 12 | | | |
| Change in amount of goodwill due to a change in foreign currency exchange rate | | | | | | | | | | 1 | 2 | | | |
| Average useful life of all other intangible assets | | | | | | | | | | 18 years | | | | |
| Revenues | | | | | | | | | | | 116 | | | |
| Earnings | | | | | | | | | | | 7 | | | |
| Pro forma revenues | | | | | | | | | | | 11,259 | 9,337 | | |
| One time non cash gain | | | | | | | | | | | 12 | | | |
| One-time noncash income tax expense recognized | | | | | | | | | | | 2 | | | |
| Fair value of the noncontrolling interest | | | | | $ 61 | | | | | | | | | |
| Noncontrolling interest (as a percent) | 100.00% | | 100.00% | | | | | | | | | | 50.00% | |
| Number of parents for which tax consequence adjustment is applicable | 1 | | | | | | | | | | | | | |
| Huntsman share of joint venture (as a percent) | | | | | | | | | | 50.00% | | | | |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| CONDENSED CONSOLIDATING FINANCIAL INFORMATION OF HUNTSMAN INTERNATIONAL LLC (UNAUDITED) (Details 2) (USD $) In Millions, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Revenues:** | | | | | | | | | | | |
| Trade sales, services and fees, net | | | | | | | | | $ 10,964 | $ 11,041 | $ 9,049 |
| Related party sales | | | | | | | | | 223 | 180 | 201 |
| Total revenues | 2,619 | 2,741 | 2,914 | 2,913 | 2,632 | 2,976 | 2,934 | 2,679 | 11,187 | 11,221 | 9,250 |
| Cost of goods sold | | | | | | | | | 9,153 | 9,381 | 7,789 |
| Gross profit | 420 | 537 | 527 | 550 | 389 | 490 | 501 | 460 | 2,034 | 1,840 | 1,461 |
| Selling, general and administrative | | | | | | | | | 951 | 921 | 861 |
| Research and development | | | | | | | | | 152 | 166 | 151 |
| Other operating (income) expense | | | | | | | | | (6) | (20) | 10 |
| Restructuring, impairment and plant closing costs (credits) | 40 | 47 | 5 | | (4) | 155 | 9 | 7 | 92 | 167 | 29 |
| Operating income | | | | | | | | | 845 | 606 | 410 |
| Interest (expense) income, net | | | | | | | | | (226) | (249) | (229) |
| Equity in income (loss) of investment in affiliates and subsidiaries | | | | | | | | | 7 | 8 | 24 |
| Loss on early extinguishment of debt | | | | | | | | | (80) | (7) | (183) |
| Other income (expense) | | | | | | | | | 1 | 2 | 2 |
| Income from continuing operations before income taxes | | | | | | | | | 547 | 360 | 20 |
| Income tax expense | | | | | | | | | (169) | (109) | (29) |
| Income (loss) from continuing operations | (39) | 120 | 130 | 167 | 89 | (42) | 124 | 80 | 378 | 251 | (9) |
| Income (loss) from discontinued operations, net of tax | | | | | | | | | (7) | (1) | 42 |
| Income before extraordinary gain (loss) | (39) | 119 | 128 | 163 | 93 | (32) | 123 | 66 | 371 | 250 | 33 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | | | | | | | | | 2 | 4 | (1) |
| Net income (loss) | (38) | 120 | 128 | 163 | 95 | (32) | 124 | 67 | 373 | 254 | 32 |
| Net loss (income) attributable to noncontrolling interests | | | | | | | | | (10) | (7) | (5) |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net income attributable to Huntsman Corporation or Huntsman International LLC | (40) | 116 | 124 | 163 | 105 | (34) | 114 | 62 | 363 | 247 | 27 |
| Other comprehensive loss | | | | | | | | | (186) | (267) | (11) |
| Comprehensive income attributable to noncontrolling interests | | | | | | | | | (9) | (2) | (4) |
| Comprehensive income (loss) attributable to Huntsman International LLC | | | | | | | | | 178 | (15) | 17 |
| Parent Company | | | | | | | | | | | |
| **Revenues:** | | | | | | | | | | | |
| Trade sales, services and fees, net | | | | | | | | | 932 | 885 | 790 |
| Related party sales | | | | | | | | | 745 | 453 | 262 |
| Total revenues | | | | | | | | | 1,677 | 1,338 | 1,052 |
| Cost of goods sold | | | | | | | | | 1,424 | 1,178 | 869 |
| Gross profit | | | | | | | | | 253 | 160 | 183 |
| Selling, general and administrative | | | | | | | | | 191 | 182 | 185 |
| Research and development | | | | | | | | | 47 | 50 | 52 |
| Other operating (income) expense | | | | | | | | | (5) | 35 | (34) |
| Restructuring, impairment and plant closing costs (credits) | | | | | | | | | 4 | 1 | 1 |
| Operating income | | | | | | | | | 16 | (108) | (21) |
| Interest (expense) income, net | | | | | | | | | (207) | (216) | (215) |
| Equity in income (loss) of investment in affiliates and subsidiaries | | | | | | | | | 503 | 381 | (1,199) |
| Loss on early extinguishment of debt | | | | | | | | | (80) | (7) | (37) |
| Dividends income | | | | | | | | | | | 1,569 |
| Other income (expense) | | | | | | | | | (12) | (35) | (25) |
| Income from continuing operations before income taxes | | | | | | | | | 220 | 15 | 72 |
| Income tax expense | | | | | | | | | 141 | 232 | 101 |
| Income (loss) from continuing operations | | | | | | | | | 361 | 247 | 173 |
| Income (loss) from discontinued operations, net of tax | | | | | | | | | 4 | 6 | 7 |
| Income before extraordinary gain (loss) | | | | | | | | | 365 | 253 | 180 |
| Net income (loss) | | | | | | | | | 365 | 253 | 180 |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | | | | | | | | | 365 | 253 | 180 |
| Other comprehensive loss | | | | | | | | | (180) | (257) | (7) |
| Comprehensive income (loss) attributable to Huntsman International LLC | | | | | | | | | 185 | (4) | 173 |

| | | | |
|---|---|---|---|
| Guarantors | | | |
| **Revenues:** | | | |
| Trade sales, services and fees, net | 3,443 | 3,349 | 2,514 |
| Related party sales | 447 | 493 | 513 |
| Total revenues | 3,890 | 3,842 | 3,027 |
| Cost of goods sold | 3,003 | 3,160 | 2,594 |
| Gross profit | 887 | 682 | 433 |
| Selling, general and administrative | 120 | 97 | 88 |
| Research and development | 36 | 34 | 30 |
| Other operating (income) expense | 2 | (18) | 11 |
| Restructuring, impairment and plant closing costs (credits) | 7 | | 3 |
| Operating income | 722 | 569 | 301 |
| Interest (expense) income, net | 42 | 43 | 38 |
| Equity in income (loss) of investment in affiliates and subsidiaries | 40 | 77 | 91 |
| Other income (expense) | 14 | | |
| Income from continuing operations before income taxes | 818 | 689 | 430 |
| Income tax expense | (243) | (210) | (127) |
| Income (loss) from continuing operations | 575 | 479 | 303 |
| Income (loss) from discontinued operations, net of tax | 1 | (1) | 68 |
| Income before extraordinary gain (loss) | 576 | 478 | 371 |
| Net income (loss) | 576 | 478 | 371 |
| Net loss (income) attributable to noncontrolling interests | | (2) | (2) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | 576 | 476 | 369 |
| Other comprehensive loss | (250) | (98) | 1,539 |
| Comprehensive income attributable to noncontrolling interests | | (3) | (1) |
| Comprehensive income (loss) attributable to Huntsman International LLC | 326 | 377 | 1,909 |
| Non-guarantors | | | |
| **Revenues:** | | | |
| Trade sales, services and fees, net | 6,589 | 6,807 | 5,745 |
| Related party sales | 1,161 | 1,098 | 958 |
| Total revenues | 7,750 | 7,905 | 6,703 |
| Cost of goods sold | 6,849 | 6,855 | 5,815 |

| | | | |
|---|---|---|---|
| Gross profit | 901 | 1,050 | 888 |
| Selling, general and administrative | 623 | 637 | 582 |
| Research and development | 69 | 82 | 69 |
| Other operating (income) expense | (3) | (37) | 23 |
| Restructuring, impairment and plant closing costs (credits) | 81 | 166 | 25 |
| Operating income | 131 | 202 | 189 |
| Interest (expense) income, net | (73) | (89) | (71) |
| Equity in income (loss) of investment in affiliates and subsidiaries | 9 | 9 | 24 |
| Other income (expense) | (1) | 1 | 2 |
| Income from continuing operations before income taxes | 66 | 123 | 144 |
| Income tax expense | 1 | (35) | (14) |
| Income (loss) from continuing operations | 67 | 88 | 130 |
| Income (loss) from discontinued operations, net of tax | (12) | (6) | (33) |
| Income before extraordinary gain (loss) | 55 | 82 | 97 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | 2 | 4 | (1) |
| Net income (loss) | 57 | 86 | 96 |
| Net loss (income) attributable to noncontrolling interests | (16) | (6) | (4) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | 41 | 80 | 92 |
| Other comprehensive loss | (148) | (232) | |
| Comprehensive income attributable to noncontrolling interests | (16) | (1) | (5) |
| Comprehensive income (loss) attributable to Huntsman International LLC | (107) | (147) | 91 |
| Eliminations | | | |
| **Revenues:** | | | |
| Related party sales | (2,130) | (1,864) | (1,532) |
| Total revenues | (2,130) | (1,864) | (1,532) |
| Cost of goods sold | (2,130) | (1,830) | (1,506) |
| Gross profit | | (34) | (26) |
| Operating income | | (34) | (26) |
| Equity in income (loss) of investment in affiliates and subsidiaries | (545) | (459) | 1,108 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Dividends income | | | | | | | | | | | (1,569) |
| Other income (expense) | | | | | | | | | | 36 | 25 |
| Income from continuing operations before income taxes | | | | | | | | | (545) | (457) | (462) |
| Income tax expense | | | | | | | | | (78) | (100) | |
| Income (loss) from continuing operations | | | | | | | | | (623) | (557) | (462) |
| Income before extraordinary gain (loss) | | | | | | | | | (623) | (557) | (462) |
| Net income (loss) | | | | | | | | | (623) | (557) | (462) |
| Net loss (income) attributable to noncontrolling interests | | | | | | | | | 6 | 1 | 1 |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | | | | | | | | | (617) | (556) | (461) |
| Other comprehensive loss | | | | | | | | | 397 | 325 | (1,539) |
| Comprehensive income attributable to noncontrolling interests | | | | | | | | | 7 | 2 | 2 |
| Comprehensive income (loss) attributable to Huntsman International LLC | | | | | | | | | (219) | (230) | (1,999) |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | | | | | | | |
| **Revenues:** | | | | | | | | | | | |
| Trade sales, services and fees, net | | | | | | | | | 10,964 | 11,041 | 9,049 |
| Related party sales | | | | | | | | | 223 | 180 | 201 |
| Total revenues | 2,619 | 2,741 | 2,914 | 2,913 | 2,632 | 2,976 | 2,934 | 2,679 | 11,187 | 11,221 | 9,250 |
| Cost of goods sold | | | | | | | | | 9,146 | 9,363 | 7,772 |
| Gross profit | 413 | 542 | 532 | 554 | 393 | 495 | 505 | 465 | 2,041 | 1,858 | 1,478 |
| Selling, general and administrative | | | | | | | | | 934 | 916 | 855 |
| Research and development | | | | | | | | | 152 | 166 | 151 |
| Other operating (income) expense | | | | | | | | | (6) | (20) | |
| Restructuring, impairment and plant closing costs (credits) | 40 | 47 | 5 | | (4) | 155 | 9 | 7 | 92 | 167 | 29 |
| Operating income | | | | | | | | | 869 | 629 | 443 |
| Interest (expense) income, net | | | | | | | | | (238) | (262) | (248) |
| Equity in income (loss) of investment in affiliates and subsidiaries | | | | | | | | | 7 | 8 | 24 |
| Loss on early extinguishment of debt | | | | | | | | | (80) | (7) | (37) |
| Other income (expense) | | | | | | | | | 1 | 2 | 2 |
| Income from continuing operations before income taxes | | | | | | | | | 559 | 370 | 184 |
| Income tax expense | | | | | | | | | (179) | (113) | (40) |
| Income (loss) from continuing operations | (44) | 121 | 133 | 170 | 88 | (39) | 127 | 81 | 380 | 257 | 144 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Income (loss) from discontinued operations, net of tax | | | | | | | | | (7) | (1) | 42 |
| Income before extraordinary gain (loss) | (44) | 120 | 131 | 166 | 92 | (29) | 126 | 67 | 373 | 256 | 186 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | | | | | | | | | 2 | 4 | (1) |
| Net income (loss) | (43) | 121 | 131 | 166 | 94 | (29) | 127 | 68 | 375 | 260 | 185 |
| Net loss (income) attributable to noncontrolling interests | | | | | | | | | (10) | (7) | (5) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | (45) | 117 | 127 | 166 | 104 | (31) | 117 | 63 | 365 | 253 | 180 |
| Other comprehensive loss | | | | | | | | | (181) | (262) | (7) |
| Comprehensive income attributable to noncontrolling interests | | | | | | | | | (9) | (2) | (4) |
| Comprehensive income (loss) attributable to Huntsman International LLC | | | | | | | | | $ 185 | $ (4) | $ 174 |

| Schedule II-Valuation and Qualifying Accounts (Details) (Allowance for Doubtful Accounts, USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Valuation and Qualifying Accounts** | | | |
| Balance at beginning of period | $ 46 | $ 52 | $ 56 |
| Charges (credits) to cost and expenses | 4 | (4) | 6 |
| Charged to other accounts | (3) | (2) | (10) |
| Balance at end of period | 47 | 46 | 52 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Valuation and Qualifying Accounts** | | | |
| Balance at beginning of period | 46 | 52 | 56 |
| Charges (credits) to cost and expenses | 4 | (4) | 6 |
| Charged to other accounts | (3) | (2) | (10) |
| Balance at end of period | $ 47 | $ 46 | $ 52 |

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details 5) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Buildings and equipment \| Minimum | | | |
| **Property, Plant and Equipment** | | | |
| Estimated useful lives | 10 years | | |
| Buildings and equipment \| Maximum | | | |
| **Property, Plant and Equipment** | | | |
| Estimated useful lives | 33 years | | |
| Plant and equipment | | | |
| **Property, Plant and Equipment** | | | |
| Interest expense capitalized as part of plant and equipment | $ 4 | $ 2 | $ 1 |
| Plant and equipment \| Minimum | | | |
| **Property, Plant and Equipment** | | | |
| Estimated useful lives | 3 years | | |
| Plant and equipment \| Maximum | | | |
| **Property, Plant and Equipment** | | | |
| Estimated useful lives | 25 years | | |
| Furniture, fixtures and leasehold improvements \| Minimum | | | |
| **Property, Plant and Equipment** | | | |
| Estimated useful lives | 5 years | | |
| Furniture, fixtures and leasehold improvements \| Maximum | | | |
| **Property, Plant and Equipment** | | | |
| Estimated useful lives | 20 years | | |

| DEBT (Details) In Millions, unless otherwise specified | 12 Months Ended Dec. 31, 2012 USD ($) | Dec. 31, 2011 USD ($) | Dec. 31, 2010 USD ($) | Dec. 31, 2012 Consolidated VIE's USD ($) | Dec. 31, 2011 Consolidated VIE's USD ($) | Mar. 31, 2010 Saudi Huntsman GmbH and Co. KG USD ($) | Dec. 31, 2012 Arabian Amines Company USD ($) | 12 Months Ended Dec. 31, 2012 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) | Dec. 31, 2011 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) | Dec. 31, 2010 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt | | | | | | | | | | |
| Total debt - excluding debt to affiliates | $ 3,702 | $ 3,942 | | $ 270 | $ 261 | | $ 100 | $ 3,702 | $ 3,942 | |
| Total current portion of debt | 288 [1] | 212 [1] | | 193 | 17 | | | 288 [1] | 212 [1] | |
| Long-term portion | 3,414 [1] | 3,730 [1] | | 77 | 244 | 93 | | 3,414 [1] | 3,730 [1] | |
| Notes payable to affiliates, current | | | | | | | | 100 | 100 | |
| Notes payable to affiliates, noncurrent | 4 | 4 | | | | | | 599 | 439 | |
| Total debt | 3,706 | 3,946 | | | | | | 4,401 | 4,481 | |
| Decrease in the interest rate margin (as a percent) | | | | | | | | | | |
| Unfunded commitment fee (as a percent) | | | | | | | | | | |
| Committed amount before increase | | | | | | | | | | |
| Committed Amount | | | | | | | | | | |
| Principal Outstanding | | | | | | | | | | |
| Amount Outstanding | | | | | | | | | | |
| Reference rate | | | | | | | | | | |
| Increase in the interest rate margin (as a percent) | | | | | | | | | | |
| Aggregate principal of Term Loan B prior to amendment | | | | | | | | | | |
| Reference rate (as a percent) | | | | | | | | | | |
| Amount of letters of credit and bank guarantees issued and outstanding | | | | | | | | | | |
| Weighted average interest rate at period end (as a percent) | | | | | | | | | | |
| Interest rate (as a percent) | | | | | | | | | | |
| Maximum number of months prior to the maturity date of the debt instrument | | | | | | | | | | |
| Prepayment of term loan | | | | | | | | | | |
| Future percentage of amortization of the principal amount | | | | | | | | | | |
| Amount repaid | | | | | | | | | | |
| Loss on early extinguishment of debt | 80 | 7 | 183 | | | | | 80 | 7 | 37 |
| Percentage of principal amount at which the entity may redeem some or all of the notes | | | | | | | | | | |
| A/R Programs | | | | | | | | | | |
| Maximum Funding Availability | | | | | | | | | | |
| Reduction in applicable margin on borrowings (as a percent) | | | | | | | | | | |
| Debt instrument covenant consolidated leverage ratio | | | | | | | | | | |
| Accounts receivable pledged as collateral | | | | | | | | | | |
| Carrying value | | | | | | | | | | |
| Effective interest rate | | | | | | | | | | |
| Variable interest entity ownership percentage | | | | | | | 50.00% | | | |
| Percentage of guarantee given by Zamil Group | | | | | | | 100.00% | | | |
| Percentage of interest to Zamil Group | | | | | | | 50.00% | | | |
| Outstanding loan due to Huntsman Corporation | | | | | | | | | | |
| Outstanding loan due from Huntsman International | | | | | | | | | | |
| Due from Huntsman International, current | | | | | | | | | | |
| Due to Huntsman Corporation, current | | | | | | | | | | |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $35 and $47 of inventories, nil and [illegible]

| INCOME TAXES (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|

**Income Tax**

Schedule of Income tax expense (benefit)

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, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income tax expense (benefit): | | | |
| U.S. | | | |
| Current | $156 | $69 | $(35 ) |
| Deferred | 17 | 4 | 47 |
| Non-U.S. | | | |
| Current | 51 | 63 | 41 |
| Deferred | (55 ) | (27 ) | (24 ) |
| Total | $169 | $109 | $29 |

Schedule of reconciliation of the differences between the U.S. federal income taxes at the U.S. statutory rate to total provision (benefit) for income taxes

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

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income from continuing operations before income taxes | $547 | $360 | $20 |
| Expected tax expense at U.S. statutory rate of 35% | $192 | $126 | $7 |
| Change resulting from: | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4 ) |
| Non-U.S. tax rate differentials | 1 | 6 | (16 ) |
| Effects of non-U.S. operations | (2 ) | 8 | 22 |
| U.S. domestic manufacturing deduction | (16 ) | (5 ) | — |
| Unrealized currency exchange gains and losses | 11 | (5 ) | (6 ) |
| Effect of tax holidays | (12 ) | (1 ) | 2 |

| | | | |
|---|---|---|---|
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | — |
| Portion of Convertible Note loss on early extinguishment of debt treated as equity repurchase for tax purposes | — | — | 43 |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) |
| Change in valuation allowance | (11) | (16) | (19) |
| Other, net | 7 | (11) | 16 |
| Total income tax expense | $169 | $109 | $29 |

Schedule of components of income (loss) from continuing operations before income taxes

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

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| U.S. | $482 | $256 | $(126) |
| Non-U.S. | 65 | 104 | 146 |
| Total | $547 | $360 | $20 |

Schedule of components of deferred income tax assets and liabilities

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

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Deferred income tax assets: | | |
| Net operating loss carryforwards | $819 | $783 |
| Pension and other employee compensation | 289 | 256 |
| Property, plant and equipment | 69 | 77 |
| Intangible assets | 34 | 36 |
| Foreign tax credits | 71 | 46 |
| Other, net | 107 | 139 |
| Total | $1,389 | $1,337 |
| Deferred income tax liabilities: | | |

| | | |
|---|---|---|
| Property, plant and equipment | $(551) | $(549) |
| Pension and other employee compensation | — | (25) |
| Other, net | (88) | (108) |
| Total | $(639) | $(682) |

| | | |
|---|---|---|
| Net deferred tax asset before valuation allowance | $750 | $655 |
| Valuation allowance | (736) | (756) |
| Net deferred tax asset (liability) | $14 | $(101) |
| Current deferred tax asset | $51 | $20 |
| Current deferred tax liability | (38) | (7) |
| Non-current deferred tax asset | 229 | 195 |
| Non-current deferred tax liability | (228) | (309) |
| Net deferred tax asset (liability) | $14 | $(101) |

Schedule of changes in valuation allowance

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

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Valuation allowance as of January 1 | $756 | $797 | $842 |
| Valuation allowance as of December 31 | 736 | 756 | 797 |
| Net decrease | 20 | 41 | 45 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 5 | (27) |
| Change in valuation allowance per rate reconciliation | $11 | $16 | $19 |
| Components of change in valuation | | | |

| | | | |
|---|---|---|---|
| allowance affecting tax expense: | | | |
| Pre-tax losses in jurisdictions with valuation allowances resulting in no tax expense or benefit | $10 | $(6) | $(1) |
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | — |
| Change in valuation allowance per rate reconciliation | $11 | $16 | $19 |

Schedule of reconciliation of unrecognized tax benefits

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

| | 2012 | 2011 |
|---|---|---|
| Unrecognized tax benefits as of January 1 | $39 | $43 |
| Gross increases and decreases—tax positions taken during a prior period | 15 | (3) |
| Gross increases and decreases—tax positions taken during the current period | 9 | 3 |
| Decreases related to settlements of amounts due to tax authorities | (3) | — |
| Reductions resulting from the lapse of statutes of limitation | (3) | (4) |
| Foreign currency movements | — | — |
| Unrecognized tax benefits as of December 31 | $57 | $39 |

Schedule of interest and penalties accrued related to unrecognized tax benefits included in the income tax expense

| | Year ended December 31, 2012 | 2011 | 2010 |
|---|---|---|---|
| Interest expense included in tax expense | $(1) | $5 | $1 |
| Penalties expense included in tax expense | — | — | — |

December 31,

| | 2012 | 2011 |
|---|---|---|
| Accrued liability for interest | $10 | $13 |
| Accrued liability for penalties | 1 | 2 |

Summary of the tax years that remain subject to examination by major tax jurisdictions

| Tax Jurisdiction | Open Tax Years |
|---|---|
| China | 2001 and later |
| France | 2002 and later |
| India | 2004 and later |
| Italy | 2008 and later |
| Malaysia | 2003 and later |
| Switzerland | 2006 and later |
| The Netherlands | 2007 and later |
| United Kingdom | 2009 and later |
| United States federal | 2011 and later |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Income Tax**

Schedule of Income tax expense (benefit)

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, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income tax expense (benefit): | | | |
| U.S. | | | |
| Current | $52 | $7 | $(23) |
| Deferred | 129 | 69 | 45 |
| Non-U.S. | | | |
| Current | 51 | 63 | 41 |
| Deferred | (53) | (26) | (23) |
| Total | $179 | $113 | $40 |

Schedule of reconciliation of the differences between the U.S. federal income taxes at the U.S. statutory rate to total provision (benefit) for income taxes

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

| Year ended December 31, | | |
|---|---|---|
| 2012 | 2011 | 2010 |

| | | | |
|---|---|---|---|
| Income from continuing operations before income taxes | $559 | $370 | $184 |
| Expected tax expense at U.S. statutory rate of 35% | $196 | $130 | $64 |
| Change resulting from: | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4) |
| Non-U.S. tax rate differentials | 1 | 6 | (16) |
| Effects of non-U.S. operations | (1) | 8 | 22 |
| U.S. domestic manufacturing deduction | (8) | — | — |
| Unrealized currency exchange gains and losses | 11 | (5) | (6) |
| Effect of tax holidays | (12) | (1) | 2 |
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | — |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) |
| Change in valuation allowance | (14) | (19) | (22) |
| Other, net | 7 | (13) | 16 |
| Total income tax expense | $179 | $113 | $40 |

Schedule of components of income (loss) from continuing operations before income taxes

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

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| U.S. | $494 | $255 | $38 |
| Non-U.S. | 65 | 115 | 146 |
| Total | $559 | $370 | $184 |

Schedule of components of deferred income tax assets and liabilities

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

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Deferred income tax assets: | | |
| Net operating loss and AMT credit carryforwards | $819 | $895 |
| Pension and other employee compensation | 288 | 254 |
| Property, plant and equipment | 69 | 77 |
| Intangible assets | 33 | 35 |
| Foreign tax credits | 113 | 82 |
| Other, net | 106 | 140 |
| Total | $1,428 | $1,483 |
| Deferred income tax liabilities: | | |
| Property, plant and equipment | $(524) | $(515) |
| Pension and other employee compensation | — | (25) |
| Other, net | (88) | (107) |
| Total | $(612) | $(647) |
| Net deferred tax asset before valuation allowance | $816 | $836 |
| Valuation allowance | (745) | (768) |
| Net deferred tax asset | $71 | $68 |
| Current deferred tax asset | $51 | $40 |
| Current deferred tax liability | (39) | (29) |
| Non-current deferred tax asset | 229 | 163 |
| Non-current deferred tax liability | (170) | (106) |
| Net deferred tax asset | $71 | $68 |

## Schedule of changes in valuation allowance

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

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Valuation allowance as of January 1 | $768 | $813 | $861 |
| Valuation allowance as of December 31 | 745 | 768 | 813 |
| Net decrease | 23 | 45 | 48 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 4 | (27) |
| Change in valuation allowance per rate reconciliation | $14 | $19 | $22 |
| Components of change in valuation allowance affecting tax expense: | | | |
| Pre-tax income (losses) in jurisdictions with valuation allowances resulting in no tax expense or benefit | $13 | $(3) | $2 |
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | — |
| Change in valuation allowance per rate reconciliation | $14 | $19 | $22 |

| STOCK-BASED COMPENSATION PLANS (Details 2) (USD $) In Millions, except Share data, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Nonvested shares | | | |
| **Weighted Average Grant-Date Fair Value** | | | |
| Total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Stock Incentive Plan | $ 18 | | |
| Weighted-average period over which cost is expected to be recognized | 1 year 6 months | | |
| Value of share awards vested | $ 21 | $ 23 | $ 18 |
| Equity Awards | | | |
| **Nonvested shares** | | | |
| Nonvested at the beginning of the period (in shares) | 2,287,000 | | |
| Granted (in shares) | 934,000 | | |
| Vested (in shares) | (1,402,000) | | |
| Forfeited (in shares) | (30,000) | | |
| Nonvested at the end of the period (in shares) | 1,789,000 | | |
| **Weighted Average Grant-Date Fair Value** | | | |
| Nonvested at the beginning of the period (in dollars per share) | $ 9.92 | | |
| Granted (in dollars per share) | $ 13.41 | | |
| Vested (in dollars per share) | $ 7.09 | | |
| Forfeited (in dollars per share) | $ 15.27 | | |
| Nonvested at the end of the period (in dollars per share) | $ 13.87 | | |
| Liability Awards | | | |
| **Nonvested shares** | | | |
| Nonvested at the beginning of the period (in shares) | 1,100,000 | | |
| Granted (in shares) | 383,000 | | |
| Vested (in shares) | (760,000) | | |
| Forfeited (in shares) | (85,000) | | |
| Nonvested at the end of the period (in shares) | 638,000 | | |
| **Weighted Average Grant-Date Fair Value** | | | |
| Nonvested at the beginning of the period (in dollars per share) | $ 9.42 | | |
| Granted (in dollars per share) | $ 13.41 | | |
| Vested (in dollars per share) | $ 6.53 | | |
| Forfeited (in dollars per share) | $ 15.16 | | |
| Nonvested at the end of the period (in dollars per share) | $ 14.50 | | |
| Restricted stock units | | | |
| **Nonvested shares** | | | |
| Vested (in shares) | (72,161) | | |
| **Weighted Average Grant-Date Fair Value** | | | |
| The number of restricted stock units vested at the balance sheet date (in shares) | 516,338 | | |

| | |
|---|---|
| Vested restricted stock units reflected (in shares) | 176,327 |

| INVENTORIES (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | | Dec. 31, 2011 | |
|---|---|---|---|---|
| **Inventories** | | | | |
| Raw materials and supplies | $ 484 | | $ 374 | |
| Work in progress | 98 | | 92 | |
| Finished goods | 1,311 | | 1,162 | |
| Total | 1,893 | | 1,628 | |
| LIFO reserves | (74) | | (89) | |
| Net | 1,819 | [1] | 1,539 | [1] |
| Percentage of inventories recorded using the LIFO cost method | 11.00% | | 12.00% | |
| Inventory - non-monetary open exchange | | | | |
| **Inventories** | | | | |
| Total | $ 6 | | $ 3 | |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 4) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2009 | Dec. 31, 2012 Polyurethanes | Sep. 30, 2012 Polyurethanes | Mar. 31, 2012 Polyurethanes | Dec. 31, 2012 Polyurethanes | Dec. 31, 2009 Polyurethanes | Dec. 31, 2012 Advanced Materials | Dec. 31, 2011 Advanced Materials | Dec. 31, 2010 Advanced Materials | Dec. 31, 2009 Advanced Materials | Dec. 31, 2012 Textile Effects | Dec. 31, 2011 Textile Effects |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3 Months Ended | | | | | | | 12 Months Ended | | | | 3 Months Ended | | | 12 Months Ended | | 12 Months Ended | | | | 12 Months Ended | |
| Accrued restructuring costs by type of cost and initiative | | | | | | | | | | | | | | | | | | | | | | |
| Annualized fixed costs | | | | | | | | | | | | | | | $ 75 | | | | | | | |
| Restructuring charges | | | | | | | | | | | | 1 | 32 | 5 | | | 38 | 20 | | | 4 | 22 |
| Charges related to closure of St. Fons France facility | | | | | | | | | | | | | | | | | | | | | 2 | |
| Charges related to global transfer pricing initiative | | | | | | | | | | | | | | | | | | | | | 2 | |
| Reversal of reserves no longer required | | | | | | | | (16) | (5) | (7) | | | | | | | | (1) | (3) | | (16) | (8) |
| Non-cash charges | | | | | | | | 15 | 60 | 2 | | | | | | | | | | | | |
| Restructuring payments | | | | | | | | | | | | | | | | | | | | | | |
| Total restructuring, impairment and plant closing costs | 48 | 47 | 5 | (4) | 155 | 9 | 7 | 92 | 167 | 29 | | | | | | | | | | | | |
| Estimated additional future charges for current restructuring projects | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | 100 | | | | | | | 3 | | 17 | | | | 80 | |
| Estimated additional charges | | | | | | | | | | | | | | | | | 19 | | | | | |
| Restructuring charges related to redesign | | | | | | | | | | | | | | | | | 3 | | | | | |
| Noncash charge related to pension settlement loss | | | | | | | | | | | | | | | | | 6 | | | | | |
| Pension curtailment gain | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to the simplification of the commercial organization and optimization of our distribution network | | | | | | | | | | | | | | | | | | | | | | 5 |
| Expected additional charges related to closure and workforce reductions | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve | 103 | | | 92 | | | | 103 | 92 | 49 | 75 | 27 | | | 27 | 2 | 27 | 12 | 2 | 7 | 42 | 69 |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | | | | | | | | | | | | | | | | | | | | | 53 |
| Restructuring reserve related to the streamlining of business | | | | | | | | | | | | | | | | | | | | | | |
| Number of new strategic business units resulting from streamlining of business | | | | | | | | | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 4) (USD $) In Millions, unless otherwise specified | Dec. 31, 2010 Textile Effects item | Dec. 31, 2009 Textile Effects | Dec. 31, 2011 Pigments | Dec. 31, 2010 Pigments | Dec. 31, 2012 Pigments | Dec. 31, 2009 Pigments | Dec. 31, 2011 Performance Products | Dec. 31, 2010 Performance Products | Dec. 31, 2010 Corporate and other | Dec. 31, 2012 Corporate and other | Dec. 31, 2011 Corporate and other | Dec. 31, 2009 Corporate and other | Dec. 31, 2012 Discontinued Operations | Dec. 31, 2011 Discontinued Operations | Dec. 31, 2010 Discontinued Operations | Dec. 31, 2009 Discontinued Operations | Dec. 31, 2012 Workforce reductions | Dec. 31, 2011 Workforce reductions | Dec. 31, 2010 Workforce reductions | Dec. 31, 2009 Workforce reductions | Dec. 31, 2012 Workforce reduction Polyurethanes | Dec. 31, 2012 Workforce reductions Textile Effects |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 12 Months Ended | | | | | | 12 Months Ended | | | | | | | | 12 Months Ended | | | | | 12 Months Ended |
| Accrued restructuring costs by type of cost and initiative | | | | | | | | | | | | | | | | | | | | | | |
| Annualized fixed costs | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges | | | 10 | | | | | | | | | | | | | | | | | | 38 | |
| Charges related to closure of St. Fons France facility | | | | | | | | | | | | | | | | | | | | | | |
| Charges related to global transfer pricing initiative | | | | | | | | | | | | | | | | | | | | | | |
| Reversal of reserves no longer required | (1) | | | (2) | | | | | (1) | | | | | | | | (13) | (5) | (6) | | | |
| Non-cash charges | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring payments | | | | | | | | | | | | | | | | | | | | | | (1) |
| Total restructuring, impairment and plant closing costs | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional future charges for current restructuring projects | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to redesign | | | | | | | | | | | | | | | | | | | | | | |
| Noncash charge related to pension settlement loss | | | | | | | | | | | | | | | | | | | | | | |
| Pension curtailment gain | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to the simplification of the commercial organization and optimization of our distribution network | | | | | | | | | | | | | | | | | | | | | | |
| Expected additional charges related to closure and workforce reductions | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve | 25 | 17 | 3 | 8 | 1 | 11 | 1 | 1 | 5 | 2 | 1 | 4 | 6 | 6 | 8 | 34 | 90 | 73 | 36 | 60 | | |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve related to the streamlining of business | $ 1 | | | | | | | | | | | | | | | | | | | | | |
| Number of new strategic business units resulting from streamlining of business | 2 | | | | | | | | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 4) (USD $) In Millions, unless otherwise specified | Dec. 31, 2011 Workforce reductions Textile Effects | Dec. 31, 2010 Workforce reductions Performance Products | Dec. 31, 2012 Workforce reductions Corporate and other | Dec. 31, 2011 Workforce reductions Corporate and other | Dec. 31, 2010 Workforce reductions Corporate and other | Dec. 31, 2010 Decommissioning | Dec. 31, 2009 Decommissioning | Dec. 31, 2012 Decommissioning Textile Effects | Dec. 31, 2012 Pension curtailment gain Textile Effects | Dec. 31, 2011 Pension curtailment gain Textile Effects | Dec. 31, 2011 Simplification of the commercial organization and optimization of our distribution network Textile Effects | Dec. 31, 2012 Global transformational change program Advanced Materials | Dec. 31, 2012 Australian styrenics business Discontinued Operations | Dec. 31, 2011 Australian styrenics business Discontinued Operations | Dec. 31, 2010 Australian styrenics business Discontinued Operations | Dec. 31, 2012 Basel, Switzerland Advanced Materials | Dec. 31, 2010 Basel, Switzerland Textile Effects | Dec. 31, 2012 Basel, Switzerland Textile Effects | Dec. 31, 2011 Basel, Switzerland Textile Effects | Dec. 31, 2012 Basel, Switzerland Closure of facility Textile Effects | Dec. 31, 2011 Basel, Switzerland Closure of facility Textile Effects | Dec. 31, 2012 Langweid, Germany and Basel, Switzerland Workforce reductions Textile Effects |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 12 Months Ended | | | | 12 Months Ended | | | | | 12 Months Ended | | | | | 12 Months Ended |
| Accrued restructuring costs by type of cost and initiative | | | | | | | | | | | | | | | | | | | | | | |
| Annualized fixed costs | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges | 62 | 2 | 2 | 2 | 5 | | | | | | | 28 | | | | | 15 | | | | | |
| Charges related to closure of St. Fons France facility | | | | | | | | | | | | | | | | | | | | | | |
| Charges related to global transfer pricing initiative | | | | | | | | | | | | | | | | | | | | | | |
| Reversal of reserves no longer required | | | | | | | | | | | | | | | | | | | | | | (16) |
| Non-cash charges | | | | | | | | | 11 | | | | | | | | | | | | | |
| Restructuring payments | | | | | | | | (9) | | | | | | | | | | | | | | |
| Total restructuring, impairment and plant closing costs | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional future charges for current restructuring projects | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to redesign | | | | | | | | | | | | | | | | | | | | | | |
| Noncash charge related to pension settlement loss | | | | | | | | | | | | | | | | | | | | | | |
| Pension curtailment gain | | | | | | | | | | 38 | | | | | | | | | | | | |
| Restructuring charges related to the simplification of the commercial organization and optimization of our distribution network | | | | | | | | | | | | | | | | | | | | | | |
| Expected additional charges related to closure and workforce reductions | | | | | | | | | | | | | | | | | | 80 | | | | |
| Restructuring reserve | | 1 | | | | 1 | 2 | | | | 2 | | 6 | 6 | 8 | 3 | 19 | | 15 | 31 | 47 | |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve related to the streamlining of business | | | | | | | | | | | | | | | | | | | | | | |
| Number of new strategic business units resulting from streamlining of business | | | | | | | | | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 4) (USD $) In Millions, unless otherwise specified | Dec. 31, 2011 Langweid, Germany and Basel, Switzerland Workforce reductions Textile Effects | Dec. 31, 2011 Langweid, Germany Workforce reductions Textile Effects | Dec. 31, 2010 Langweid, Germany Workforce reductions Textile Effects | Dec. 31, 2011 North Carolina consolidation Textile Effects | Dec. 31, 2011 North Carolina consolidation Workforce reductions | Dec. 31, 2011 Switzerland Consolidation Textile Effects | Dec. 31, 2012 Switzerland Consolidation Textile Effects | Dec. 31, 2012 Grimsby, U.K. plant Pigments | Dec. 31, 2011 Grimsby, U.K. plant Pigments | Dec. 31, 2010 Grimsby, U.K. plant Pigments | Dec. 31, 2011 Umbogintwini, South Africa plant Workforce reductions Pigments | Dec. 31, 2011 Huelva, Spain and Scarlino, Italy plants Workforce reductions Pigments | Dec. 31, 2012 Scarlino, Italy plant Pigments | Dec. 31, 2010 Scarlino, Italy plant Pigments | Dec. 31, 2012 Textile Effects Acquisition Textile Effects | Dec. 31, 2011 Textile Effects Acquisition Textile Effects | Dec. 31, 2010 Textile Effects Acquisition Textile Effects | Dec. 31, 2010 2005 initiatives and prior | Dec. 31, 2011 2006 initiatives and prior | Dec. 31, 2011 2006 initiatives and prior Textile Effects | Dec. 31, 2011 2006 initiatives and prior Pigments | Dec. 31, 2012 2007 initiatives and prior |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 12 Months Ended | | | | 12 Months Ended | | | | | | | | | | 12 Months Ended | | | | |
| Accrued restructuring costs by type of cost and initiative | | | | | | | | | | | | | | | | | | | | | | |
| Annualized fixed costs | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges | | | | | 4 | 12 | | 4 | 7 | 7 | 3 | | | | | | | 1 | 1 | 1 | | 2 |
| Charges related to closure of St. Fons France facility | | | | | | | | | | | | | | | | | | | | | | |
| Charges related to global transfer pricing initiative | | | | | | | | | | | | | | | | | | | | | | |
| Reversal of reserves no longer required | (4) | | | | | | | | | | | | | | | | | | | | | |
| Non-cash charges | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring payments | | | | | | | | | | | | | | | | | | | (3) | (2) | (1) | (3) |
| Total restructuring, impairment and plant closing costs | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional future charges for current restructuring projects | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to redesign | | | | | | | | | | | | | | | | | | | | | | |
| Noncash charge related to pension settlement loss | | | | | | | | | | | | | | | | | | | | | | |
| Pension curtailment gain | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to the simplification of the commercial organization and optimization of our distribution network | | | | | | | | | | | | | | | | | | | | | | |
| Expected additional charges related to closure and workforce reductions | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve | | 2 | 3 | 1 | | | 9 | | | | | 3 | 1 | 8 | 2 | 2 | 2 | | | | | 2 |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve related to the streamlining of business | | | | | | | | | | | | | | | | | | | | | | |
| Number of new strategic business units resulting from streamlining of business | | | | | | | | | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 4) (USD $) In Millions, unless otherwise specified | Dec. 31, 2011 2007 initiatives and prior | Dec. 31, 2012 2007 initiatives and prior Textile Effects | Dec. 31, 2011 2008 initiatives | Dec. 31, 2010 2008 initiatives | Dec. 31, 2010 2008 initiatives Polyurethanes | Dec. 31, 2011 2008 initiatives Textile Effects | Dec. 31, 2010 2008 initiatives Textile Effects | Dec. 31, 2011 2008 initiatives Pigments | Dec. 31, 2010 2008 initiatives Pigments | Dec. 31, 2012 2009 initiatives | Dec. 31, 2011 2009 initiatives | Dec. 31, 2010 2009 initiatives | Dec. 31, 2012 2009 initiatives Advanced Materials | Dec. 31, 2011 2009 initiatives Advanced Materials | Dec. 31, 2010 2009 initiatives Advanced Materials | Dec. 31, 2010 2009 initiatives Textile Effects | Dec. 31, 2012 2009 initiatives Pigments | Dec. 31, 2011 2009 initiatives Pigments | Dec. 31, 2010 2009 initiatives Pigments | Dec. 31, 2010 2009 initiatives Corporate and other | Dec. 31, 2012 2010 initiatives | Dec. 31, 2011 2010 initiatives |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 12 Months Ended | | | | | | | | | | | | | | | | | | | |
| Accrued restructuring costs by type of cost and initiative | | | | | | | | | | | | | | | | | | | | | | |
| Annualized fixed costs | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges | | 2 | | 1 | | | 1 | | | 5 | 7 | 9 | 1 | | 1 | | 6 | 7 | 8 | | 2 | 15 |
| Charges related to closure of St. Fons France facility | | | | | | | | | | | | | | | | | | | | | | |
| Charges related to global transfer pricing initiative | | | | | | | | | | | | | | | | | | | | | | |
| Reversal of reserves no longer required | | | | | | | | | | | | | | | | | | | | | | |
| Non-cash charges | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring payments | | (3) | (2) | (7) | (1) | (1) | (3) | (1) | (1) | (6) | (12) | (16) | (1) | (1) | (3) | (2) | (5) | (11) | (8) | (3) | (8) | (21) |
| Total restructuring, impairment and plant closing costs | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional future charges for current restructuring projects | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to redesign | | | | | | | | | | | | | | | | | | | | | | |
| Noncash charge related to pension settlement loss | | | | | | | | | | | | | | | | | | | | | | |
| Pension curtailment gain | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to the simplification of the commercial organization and optimization of our distribution network | | | | | | | | | | | | | | | | | | | | | | |
| Expected additional charges related to closure and workforce reductions | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve | 2 | | | | | | | | | 7 | 11 | | | | | | | | | | 9 | 16 |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve related to the streamlining of business | | | | | | | | | | | | | | | | | | | | | | |
| Number of new strategic business units resulting from streamlining of business | | | | | | | | | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 4) (USD $) In Millions, unless otherwise specified | Dec. 31, 2010 2010 initiatives | Dec. 31, 2012 2010 initiatives Textile Effects | Dec. 31, 2011 2010 initiatives Textile Effects | Dec. 31, 2010 2010 initiatives Textile Effects | Dec. 31, 2012 2010 initiatives Performance Products | Dec. 31, 2010 2010 initiatives Performance Products | Dec. 31, 2012 2010 initiatives Corporate and other | Dec. 31, 2011 2010 initiatives Corporate and other | Dec. 31, 2010 2010 initiatives Corporate and other | Dec. 31, 2010 2010 initiatives Workforce reductions Advanced Materials | Dec. 31, 2012 2011 initiatives | Dec. 31, 2011 2011 initiatives | Dec. 31, 2012 2011 initiatives Advanced Materials | Dec. 31, 2011 2011 initiatives Advanced Materials | Dec. 31, 2012 2011 initiatives Textile Effects | Dec. 31, 2011 2011 initiatives Textile Effects | Dec. 31, 2011 2011 initiatives Pigments | Dec. 31, 2012 2012 initiatives | Dec. 31, 2012 2012 initiatives Polyurethanes | Dec. 31, 2012 2012 initiatives Advanced Materials | Dec. 31, 2012 2012 initiatives Corporate and other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 12 Months Ended | | | | | | | | | | | | | | | | | | | | |
| Accrued restructuring costs by type of cost and initiative | | | | | | | | | | | | | | | | | | | | | |
| Annualized fixed costs | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges | 23 | | 13 | 15 | 1 | 2 | 1 | 2 | 6 | | 15 | 89 | 3 | 21 | 12 | 65 | 3 | 69 | 38 | 30 | 1 |
| Charges related to closure of St. Fons France facility | | | | | | | | | | | | | | | | | | | | | |
| Charges related to global transfer pricing initiative | | | | | | | | | | | | | | | | | | | | | |
| Reversal of reserves no longer required | | | | | | | | | | (2) | | | | | | | | | | | |
| Non-cash charges | | | | | | | | | | | | | | | | | | | | | |
| Restructuring payments | (3) | (1) | (13) | | (2) | (1) | (1) | (6) | (2) | | (37) | (14) | (16) | (7) | (23) | (5) | (2) | (18) | (12) | (6) | |
| Total restructuring, impairment and plant closing costs | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional future charges for current restructuring projects | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to redesign | | | | | | | | | | | | | | | | | | | | | |
| Noncash charge related to pension settlement loss | | | | | | | | | | | | | | | | | | | | | |
| Pension curtailment gain | | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges related to the simplification of the commercial organization and optimization of our distribution network | | | | | | | | | | | | | | | | | | | | | |
| Expected additional charges related to closure and workforce reductions | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve | | | | | | | | | | | 34 | 63 | | | | | | 53 | | | |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | | | | | | | | | | | | | | | | | | | | |
| Restructuring reserve related to the streamlining of business | | | | | | | | | | | | | | | | | | | | | |
| Number of new strategic business units resulting from streamlining of business | | | | | | | | | | | | | | | | | | | | | |

| OTHER NONCURRENT ASSETS (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | | | |
| --- | --- | --- | --- | --- | --- |
| | Dec. 31, 2012 | | Dec. 31, 2011 | | Dec. 31, 2010 |
| **OTHER NONCURRENT ASSETS** | | | | | |
| Pension assets | $ 1 | | $ 100 | | |
| Debt issuance costs | 29 | | 31 | | |
| Capitalized turnaround costs | 127 | | 141 | | |
| Spare parts inventory | 93 | | 89 | | |
| Catalyst assets | 25 | | 23 | | |
| Deposits | 33 | | 31 | | |
| Other | 58 | | 67 | | |
| Total | 366 | [1] | 482 | [1] | |
| Amortization expense of catalyst assets | $ 10 | | $ 12 | | $ 12 |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| ASSET RETIREMENT OBLIGATIONS (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 |
| **Changes to asset retirement obligation liabilities** | | |
| Asset retirement obligation at beginning of year | $ 26 | $ 24 |
| Accretion expense | 2 | 2 |
| Liabilities incurred | 2 | |
| Liabilities assumed in connection with consolidation of a variable interest entity | | 2 |
| Liabilities settled | (3) | (1) |
| Foreign currency effect on reserve balance | 1 | (1) |
| Asset retirement obligation at end of year | $ 28 | $ 26 |

| PROPERTY, PLANT AND EQUIPMENT (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | | | |
|---|---|---|---|---|---|
| | Dec. 31, 2012 | | Dec. 31, 2011 | | Dec. 31, 2010 |
| **Property, Plant and Equipment** | | | | | |
| Total | $ 7,608 | | $ 7,058 | | |
| Less accumulated depreciation | (3,863) | | (3,436) | | |
| Net | 3,745 | [1] | 3,622 | [1] | |
| Depreciation expense | 399 | | 398 | | 363 |
| Depreciation expense related to discontinued operations | 5 | | | | 1 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 7,636 | | 7,165 | | |
| Less accumulated depreciation | (3,980) | | (3,655) | | |
| Net | 3,656 | [1] | 3,510 | [1] | |
| Depreciation expense | 375 | | 374 | | 340 |
| Depreciation expense related to discontinued operations | 5 | | | | 1 |
| Land | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 151 | | 148 | | |
| Land \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 151 | | 148 | | |
| Buildings | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 666 | | 629 | | |
| Buildings \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 666 | | 629 | | |
| Plant and equipment | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 6,242 | | 5,951 | | |
| Plant and equipment \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 6,270 | | 6,058 | | |
| Construction in progress | | | | | |
| **Property, Plant and Equipment** | | | | | |
| Total | 549 | | 330 | | |
| Construction in progress \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Property, Plant and Equipment** | | | | | |

| | | |
|---|---|---|
| Total | 549 | 330 |
| Assets under capital lease | | |
| **Property, Plant and Equipment** | | |
| Total | 1 | 2 |
| Less accumulated depreciation | | $ (1) |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details 3) (USD $) In Millions, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Basic and diluted income from continuing operations:** | | | | | | | | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation | | | | | | | | | $ 368 | $ 244 | $ (14) |
| **Basic and diluted net income:** | | | | | | | | | | | |
| Net income attributable to Huntsman Corporation | $ (40) | $ 116 | $ 124 | $ 163 | $ 105 | $ (34) | $ 114 | $ 62 | $ 363 | $ 247 | $ 27 |
| **Shares (denominator):** | | | | | | | | | | | |
| Weighted average shares outstanding | | | | | | | | | 237.6 | 237.6 | 236.0 |
| **Dilutive securities:** | | | | | | | | | | | |
| Stock-based awards (in shares) | | | | | | | | | 3.0 | 4.1 | |
| Total weighted average shares outstanding, including dilutive shares | | | | | | | | | 240.6 | 241.7 | 236.0 |

**FAIR VALUE**

**12 Months Ended Dec. 31, 2012**

**FAIR VALUE**

FAIR VALUE

**16. FAIR VALUE**

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

| | December 31, | | | |
|---|---|---|---|---|
| | 2012 | | 2011 | |
| | Carrying Value | Estimated Fair Value | Carrying Value | Estimated Fair Value |
| Non-qualified employee benefit plan investments | $14 | $14 | $12 | $12 |
| Cross-currency interest rate contacts | 18 | 18 | 27 | 27 |
| Interest rate contracts | (18) | (18) | (17) | (17) |
| Long-term debt (including current portion) | (3,702) | (3,869) | (3,942) | (4,061) |

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

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2012 and 2011. 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, 2012, and current estimates of fair value may differ significantly from the amounts presented herein.

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

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| Description | December 31, 2012 | Quoted prices in active markets for identical assets (Level 1)(3) | Significant other observable inputs (Level 2)(3) | Significant unobservable inputs (Level 3) |
| **Assets:** | | | | |
| Available-for sale equity securities: | | | | |

| | | | | |
|---|---|---|---|---|
| Equity mutual funds | $14 | $14 | $— | $— |
| Derivatives: | | | | |
| Cross-currency interest rate contracts(1) | 18 | — | 18 | — |
| **Total assets** | $32 | $14 | $18 | $— |
| **Liabilities:** | | | | |
| Derivatives: | | | | |
| Interest rate contracts(2) | $(18) | $— | $(18) | $— |

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| **Description** | **December 31, 2011** | **Quoted prices in active markets for identical assets (Level 1)(3)** | **Significant other observable inputs (Level 2)(3)** | **Significant unobservable inputs (Level 3)** |
| **Assets:** | | | | |
| Available-for sale equity securities: | | | | |
| Equity mutual funds | $12 | $12 | $— | $— |
| Derivatives: | | | | |
| Cross-currency interest rate contracts(1) | 27 | — | — | 27 |
| **Total assets** | $39 | $12 | $— | $27 |
| **Liabilities:** | | | | |
| Derivatives: | | | | |
| Interest rate contracts(2) | $(17) | $— | $(17) | $— |

**(1)** The income approach is used to calculate the fair value of these instruments. Fair value represents the present value of estimated future cash flows, calculated using relevant interest rates, exchange rates, and yield curves at stated intervals.

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

**(3)** There were no transfers between Levels 1 and 2 within the fair value hierarchy for the years ended December 31, 2012 and 2011.

During the year ended December 31, 2012, no material changes were made to the valuation methods or assumptions used to determine fair value.

The following table shows a reconciliation of beginning and ending balances 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, January 1, 2012 | $27 |
| Transfers into Level 3 | — |
| Transfers out of Level 3(1) | (27) |
| Total gains (losses): | |
| Included in earnings | — |
| Included in other comprehensive income (loss) | — |
| Purchases, sales, issuances and settlements | — |
| Ending balance, December 31, 2012 | $— |
| 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, 2012 | $— |

| Fair Value Measurements Using Significant Unobservable Inputs (Level 3) | Cross-Currency Interest Rate Contracts |
|---|---|
| Beginning balance, January 1, 2011 | $19 |
| Transfers into or out of Level 3 | — |
| Total gains (losses): | |
| Included in earnings | — |
| Included in other comprehensive income (loss) | 8 |
| Purchases, sales, issuances and settlements | — |
| Ending balance, December 31, 2011 | $27 |
| 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, 2011 | $— |

**(1)** We are party to cross-currency interest rate contracts that are measured at fair value in our consolidated financial statements. These instruments have historically been categorized by us as Level 3 within the fair value hierarchy due to an unobservable input associated with the credit valuation adjustment, which we deemed to be a significant input to the overall measurement of fair value at inception. During 2012, this credit valuation adjustment has ceased to be a significant input to the entire fair value measurement of these instruments. The remaining inputs which are significant to the fair value measurement of these instruments represent observable market inputs that are inputs other than quoted prices (Level 2 inputs).

Our policy is to recognize transfers between levels within the fair value hierarchy as of the beginning of the reporting period. Due to the change in significance of the credit valuation adjustment to the entire fair value measurement of these instruments, effective January 1, 2012, we have categorized our cross-currency interest rate contracts as Level 2 within the fair value hierarchy.

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

| | **Interest expense** | **Other comprehensive income (loss)** |
|---|---|---|
| ***2012*** | | |
| Total net gains included in earnings | $— | $— |
| Changes in unrealized gains relating to assets still held at December 31, 2012 | — | — |

| | **Interest expense** | **Other comprehensive income (loss)** |
|---|---|---|
| ***2011*** | | |
| Total net gains included in earnings | $— | $— |
| Changes in unrealized gains relating to assets still held at December 31, 2011 | — | 8 |

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 2012, we had no impairments related to these assets. During 2011, in connection with the restructuring of our Textile Effects segment we recorded a charge of $53 million for the impairment of long-lived assets at our Basel, Switzerland manufacturing facility.

| ACCRUED LIABILITIES (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|

**Accrued Liabilities**

Schedule of components of accrued liabilities

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

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Payroll and related costs | $149 | $158 |
| Interest | 34 | 49 |
| Volume and rebate accruals | 85 | 91 |
| Income taxes | 24 | 46 |
| Taxes other than income taxes | 87 | 61 |
| Restructuring and plant closing costs | 93 | 91 |
| Environmental accruals | 10 | 7 |
| Pension liabilities | 11 | 12 |
| Other postretirement benefits | 12 | 12 |
| Self-insured casualty loss reserves | 11 | 13 |
| Deferred revenue | 16 | 28 |
| Legal reserve | 15 | 15 |
| Other miscellaneous accruals | 158 | 112 |
| **Total** | $705 | $695 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Accrued Liabilities**

Schedule of components of accrued liabilities

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

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Payroll and related costs | $149 | $158 |
| Interest | 34 | 49 |
| Volume and rebate accruals | 85 | 91 |
| Income taxes | 44 | 46 |
| Taxes other than income taxes | 87 | 61 |
| Restructuring and plant closing costs | 93 | 91 |
| Environmental accruals | 10 | 7 |
| Pension liabilities | 11 | 12 |
| Other postretirement benefits | 12 | 12 |
| Self-insured casualty loss reserves | 11 | 13 |
| Deferred revenue | 16 | 28 |
| Legal reserve | 15 | 15 |
| Other miscellaneous accruals | 156 | 111 |
| **Total** | $723 | $694 |

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Tables) | 12 Months Ended |
|---|---|
| | Dec. 31, 2012 |

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Schedule of estimated useful lives of intangible assets

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

Schedule of calculation of basic and diluted income per share

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

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Numerator:** | | | |
| **Basic and diluted income from continuing operations:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation | $368 | $244 | $(14 ) |
| **Basic and diluted net income:** | | | |
| Net income attributable to Huntsman Corporation | $363 | $247 | $27 |
| **Shares (denominator):** | | | |
| Weighted average shares outstanding | 237.6 | 237.6 | 236.0 |
| Dilutive securities: | | | |
| Stock-based awards | 3.0 | 4.1 | — |
| Tot[illegible] o[illegible] s[illegible] | | | |

Schedule of estimated useful lives or lease term of property, plant and equipment

| | |
|---|---|
| Buildings and equipment | 10 - 33 years |
| Plant and equipment | 3 - 25 years |
| Furniture, fixtures and leasehold improvements | 5 - 20 years |

| BUSINESS COMBINATIONS AND DISPOSITIONS (Details 2) In Millions, unless otherwise specified | 1 Months Ended | 6 Months Ended | 12 Months Ended | | | | | 12 Months Ended | | | | | | 12 Months Ended | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jul. 31, 2012 Russian MDI Acquisition USD ($) | Dec. 31, 2012 Russian MDI Acquisition USD ($) | Dec. 31, 2012 Russian MDI Acquisition USD ($) | Dec. 31, 2011 Russian MDI Acquisition USD ($) | Dec. 31, 2010 Russian MDI Acquisition USD ($) | Jul. 03, 2012 Russian MDI Acquisition USD ($) | Jul. 03, 2012 Russian MDI Acquisition EUR (€) | Dec. 31, 2012 Russian MDI Acquisition HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) | Dec. 31, 2011 Russian MDI Acquisition HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) | Dec. 31, 2010 Russian MDI Acquisition HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) | Dec. 31, 2011 Laffans Petrochemicals Limited USD ($) | Dec. 31, 2010 Laffans Petrochemicals Limited USD ($) | Apr. 02, 2011 Laffans Petrochemicals Limited USD ($) | Dec. 31, 2011 Laffans Petrochemicals Limited HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) | Dec. 31, 2010 Laffans Petrochemicals Limited HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($) | Dec. 31, 2012 Ciba's textile effects business USD ($) | Dec. 31, 2011 Ciba's textile effects business USD ($) | Dec. 31, 2010 Ciba's textile effects business USD ($) |
| **Estimated pro forma revenues and net income attributable** | | | | | | | | | | | | | | | | | | |
| Remaining percentage of noncontrolling interest acquired | | | | | | 55.00% | 55.00% | | | | | | | | | | | |
| Ownership interest immediately prior to acquisition (as a percent) | | | | | | 45.00% | 45.00% | | | | | | | | | | | |
| Fair value of previously noncontrolling interest | | | | | | $ 13 | | | | | | | | | | | | |
| Non-cash pretax loss on consolidation of Investment | (4) | | | | | | | | | | | | | | | | | |
| Discount rate | 17.00% | | | | | | | | | | | | | | | | | |
| Terminal growth rate | 4.00% | | | | | | | | | | | | | | | | | |
| **Acquisition cost** | | | | | | | | | | | | | | | | | | |
| Cash payments made | | | | | | 16 | 13 | | | | | | 23 | | | | | |
| **Fair value of assets acquired and liabilities assumed:** | | | | | | | | | | | | | | | | | | |
| Accounts receivable | | | | | | 2 | | | | | | | 9 | | | | | |
| Inventories | | | | | | 9 | | | | | | | 2 | | | | | |
| Other current assets | | | | | | 1 | | | | | | | 2 | | | | | |
| Property, plant and equipment | | | | | | 31 | | | | | | | 12 | | | | | |
| Intangible assets | | | | | | | | | | | | | 3 | | | | | |
| Accounts payable | | | | | | (4) | | | | | | | (3) | | | | | |
| Accrued liabilities | | | | | | (1) | | | | | | | (1) | | | | | |
| Other noncurrent liabilities | | | | | | | | | | | | | (1) | | | | | |
| Deferred income taxes | | | | | | (2) | | | | | | | | | | | | |
| Long-term debt | | | | | | (7) | | | | | | | | | | | | |
| Total fair value of net assets acquired | | | | | | 29 | | | | | | | 23 | | | | | |
| Revenues | | 28 | | | | | | | | | | | | | | | | |
| Earnings | | 1 | | | | | | | | | | | | | | | | |
| Pro forma combined earnings | | | | | 30 | | | | | | | | | | | | | |
| **Estimated pro forma revenues and net income (loss) attributable to business acquisition** | | | | | | | | | | | | | | | | | | |
| Revenues | | | 11,231 | 11,257 | 9,277 | | | 11,231 | 11,257 | 9,277 | 11,235 | 9,301 | | 11,235 | 9,301 | | | |
| Net income attributable to business acquisition | | | | | | | | | | | 248 | 28 | | 254 | 181 | | | |
| Additional extraordinary gain (loss) on the acquisition | | | | | | | | | | | | | | | | $ 2 | $ 4 | $ (1) |

| EMPLOYEE BENEFIT PLANS (Details 3) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| U.S. Defined Benefit Plans | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Current year actuarial loss (gain) | $ 103 | $ 101 | $ 16 |
| Amortization of actuarial gain | (21) | (16) | (11) |
| Current year prior service cost | (26) | | |
| Amortization of prior service cost | 6 | 4 | 4 |
| Total recognized in other comprehensive loss (income) | 62 | 89 | 9 |
| Net periodic benefit cost | 35 | 32 | 25 |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | 97 | 121 | 34 |
| **Projected benefit obligation:** | | | |
| Discount rate (as a percent) | 4.18% | 5.30% | 5.70% |
| Rate of compensation increase (as a percent) | 4.19% | 3.88% | 3.88% |
| **Net periodic pension cost:** | | | |
| Discount rate (as a percent) | 5.30% | 5.70% | 5.90% |
| Rate of compensation increase (as a percent) | 3.88% | 3.88% | 3.88% |
| Expected return on plan assets (as a percent) | 8.00% | 8.19% | 8.20% |
| U.S. Defined Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Current year actuarial loss (gain) | 103 | 101 | 16 |
| Amortization of actuarial gain | (21) | (16) | (11) |
| Current year prior service cost | (26) | | |
| Amortization of prior service cost | 6 | 4 | 4 |
| Total recognized in other comprehensive loss (income) | 62 | 89 | 9 |
| Net periodic benefit cost | 35 | 32 | 25 |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | 97 | 121 | 34 |
| Non-U.S. Defined Benefit Plans | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Current year actuarial loss (gain) | 272 | 182 | 20 |
| Amortization of actuarial gain | (23) | (16) | (14) |
| Current year prior service cost | | (2) | |
| Amortization of prior service cost | 1 | 2 | 1 |
| Curtailment effects | | (38) | |
| Settlements | (13) | | |
| Total recognized in other comprehensive loss (income) | 237 | 128 | 7 |

| | | | |
|---|---|---|---|
| Net periodic benefit cost | 36 | 36 | 38 |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | 273 | 164 | 45 |
| **Projected benefit obligation:** | | | |
| Discount rate (as a percent) | 3.38% | 4.39% | 4.69% |
| Rate of compensation increase (as a percent) | 3.34% | 3.44% | 3.38% |
| **Net periodic pension cost:** | | | |
| Discount rate (as a percent) | 4.39% | 4.69% | 4.94% |
| Rate of compensation increase (as a percent) | 3.44% | 3.38% | 3.23% |
| Expected return on plan assets (as a percent) | 6.52% | 6.62% | 6.65% |
| Non-U.S. Defined Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Current year actuarial loss (gain) | 272 | 182 | 20 |
| Amortization of actuarial gain | (28) | (21) | (19) |
| Current year prior service cost | | (2) | |
| Amortization of prior service cost | 1 | 2 | 1 |
| Curtailment effects | | (38) | |
| Settlements | (13) | | |
| Total recognized in other comprehensive loss (income) | 232 | 123 | 2 |
| Net periodic benefit cost | 41 | 41 | 43 |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | 273 | 164 | 45 |
| U.S. Other Postretirement Benefit Plans | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Current year actuarial loss (gain) | 9 | 1 | 5 |
| Amortization of actuarial gain | (2) | (1) | (2) |
| Amortization of prior service cost | 3 | 2 | 3 |
| Total recognized in other comprehensive loss (income) | 10 | 2 | 6 |
| Net periodic benefit cost | 10 | 9 | 8 |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | 20 | 11 | 14 |
| **Projected benefit obligation:** | | | |
| Discount rate (as a percent) | 3.89% | 5.09% | 5.46% |
| **Net periodic pension cost:** | | | |
| Discount rate (as a percent) | 5.09% | 5.46% | 5.59% |
| U.S. Other Postretirement Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Current year actuarial loss (gain) | 9 | 1 | 5 |
| Amortization of actuarial gain | (2) | (1) | (2) |
| Amortization of prior service cost | 3 | 2 | 3 |

| | | | |
|---|---|---|---|
| Total recognized in other comprehensive loss (income) | 10 | 2 | 6 |
| Net periodic benefit cost | 10 | 9 | 8 |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | 20 | 11 | 14 |
| Non-U.S. Other Postretirement Benefit Plans | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Net periodic benefit cost | 1 | 1 | |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | 1 | 1 | |
| **Projected benefit obligation:** | | | |
| Discount rate (as a percent) | 5.79% | 6.09% | 6.69% |
| **Net periodic pension cost:** | | | |
| Discount rate (as a percent) | 6.09% | 6.69% | 7.47% |
| Non-U.S. Other Postretirement Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in net periodic benefit cost and other comprehensive income (loss)** | | | |
| Net periodic benefit cost | 1 | 1 | |
| Total recognized in net periodic benefit cost and other comprehensive loss (income) | $ 1 | $ 1 | |

| CONDENSED CONSOLIDATING FINANCIAL INFORMATION-HUNTSMAN INTERNATIONAL (HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES) | 12 Months Ended |
|---|---|
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2012 |
| **CONDENSED CONSOLIDATING FINANCIAL INFORMATION-HUNTSMAN INTERNATIONAL** | |
| CONDENSED CONSOLIDATING FINANCIAL INFORMATION-HUNTSMAN INTERNATIONAL | |

**28. CONDENSED CONSOLIDATING FINANCIAL INFORMATION—HUNTSMAN INTERNATIONAL**

The following condensed consolidating financial statements present, in separate columns, financial information for the following: Huntsman International (on a parent only basis), with its investment in subsidiaries recorded under the equity method; the Guarantors on a combined, and where appropriate, consolidated basis; and the nongurantors on a combined, and where appropriate, consolidated basis. Additional columns present eliminating adjustments and consolidated totals as of December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010. There are no contractual restrictions limiting transfers of cash from Guarantor subsidiaries to Huntsman International. Each of the Guarantors is 100% owned by Huntsman International and has fully and unconditionally guaranteed Huntsman International's outstanding notes on a joint and several basis.

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING BALANCE SHEETS**
**AS OF DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets:** | | | | | |
| Cash and cash equivalents | $7 | $2 | $201 | $— | $210 |
| Restricted cash | — | — | 9 | — | 9 |
| Accounts and notes receivable, net | 16 | 182 | 1,336 | — | 1,534 |
| Accounts receivable from affiliates | 1,733 | 3,907 | 101 | (5,442) | 299 |
| Inventories | 111 | 309 | 1,404 | (5) | 1,819 |

| | | | | | |
|---|---|---|---|---|---|
| Prepaid expenses | 10 | 7 | 43 | (12) | 48 |
| Deferred income taxes | 7 | — | 57 | (13) | 51 |
| Other current assets | 203 | 5 | 225 | (211) | 222 |
| **Total current assets** | 2,087 | 4,412 | 3,376 | (5,683) | 4,192 |
| Property, plant and equipment, net | 371 | 898 | 2,386 | 1 | 3,656 |
| Investment in unconsolidated affiliates | 5,413 | 1,360 | 159 | (6,694) | 238 |
| Intangible assets, net | 27 | 2 | 42 | (1) | 70 |
| Goodwill | (18) | 82 | 53 | — | 117 |
| Deferred income taxes | 248 | — | 224 | (243) | 229 |
| Notes receivable from affiliates | 21 | 941 | 2 | (962) | 2 |
| Other noncurrent assets | 72 | 139 | 156 | (1) | 366 |
| **Total assets** | $8,221 | $7,834 | $6,398 | $(13,583) | $8,870 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts payable | $87 | $280 | $734 | $— | $1,101 |
| Accounts payable to affiliates | 2,987 | 1,111 | 1,406 | (5,442) | 62 |
| Accrued liabilities | 87 | 342 | 518 | (224) | 723 |
| Deferred income taxes | — | 45 | 9 | (15) | 39 |
| Note payable to affiliate | 100 | — | — | — | 100 |
| Current portion of debt | 15 | — | 273 | — | 288 |
| **Total current liabilities** | 3,276 | 1,778 | 2,940 | (5,681) | 2,313 |
| Long-term debt | 3,026 | — | 388 | — | 3,414 |
| Notes payable to affiliates | 595 | — | 965 | (961) | 599 |
| Deferred income taxes | 14 | 169 | 49 | (62) | 170 |
| Other noncurrent liabilities | 216 | 190 | 751 | — | 1,157 |
| **Total liabilities** | 7,127 | 2,137 | 5,093 | (6,704) | 7,653 |
| **Equity** | | | | | |
| **Huntsman International LLC members' equity** | | | | | |
| Members' equity | 3,109 | 4,689 | 2,262 | (6,951) | 3,109 |
| Accumulated deficit | (1,224) | (243) | (354) | 597 | (1,224) |
| Accumulated other comprehensive (loss) income | (791) | 1,251 | (692) | (559) | (791) |
| **Total Huntsman International LLC members' equity** | 1,094 | 5,697 | 1,216 | (6,913) | 1,094 |
| Noncontrolling interests in subsidiaries | — | — | 89 | 34 | 123 |

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Total equity** | 1,094 | 5,697 | 1,305 | (6,879) | 1,217 |
| **Total liabilities and equity** | $8,221 | $7,834 | $6,398 | $(13,583) | $8,870 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING BALANCE SHEETS**
**AS OF DECEMBER 31, 2011**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets:** | | | | | |
| Cash and cash equivalents | $4 | $— | $227 | $— | $231 |
| Restricted cash | — | — | 8 | — | 8 |
| Accounts and notes receivable, net | 13 | 151 | 1,365 | — | 1,529 |
| Accounts receivable from affiliates | 1,105 | 3,041 | 93 | (4,091) | 148 |
| Inventories | 105 | 271 | 1,167 | (4) | 1,539 |
| Prepaid expenses | 9 | 7 | 43 | (13) | 46 |
| Deferred income taxes | 6 | — | 49 | (15) | 40 |
| Other current assets | 90 | 9 | 222 | (101) | 220 |
| **Total current assets** | 1,332 | 3,479 | 3,174 | (4,224) | 3,761 |
| Property, plant and equipment, net | 393 | 868 | 2,247 | 2 | 3,510 |
| Investment in unconsolidated affiliates | 5,286 | 1,460 | 147 | (6,691) | 202 |
| Intangible assets, net | 42 | 2 | 52 | (3) | 93 |
| Goodwill | (16) | 82 | 48 | — | 114 |
| Deferred income taxes | 154 | — | 191 | (182) | 163 |
| Notes receivable from affiliates | 20 | 920 | 5 | (940) | 5 |
| Other noncurrent assets | 81 | 137 | 264 | — | 482 |
| **Total assets** | $7,292 | $6,948 | $6,128 | $(12,038) | $8,330 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts payable | $53 | $205 | $604 | $— | $862 |
| Accounts payable to affiliates | 2,244 | 822 | 1,089 | (4,091) | 64 |
| Accrued liabilities | 117 | 204 | 487 | (114) | 694 |
| Deferred income taxes | — | 39 | 7 | (17) | 29 |
| Note payable to affiliate | 100 | — | — | — | 100 |
| Current portion of debt | 33 | — | 179 | — | 212 |

| | | | | | |
|---|---|---|---|---|---|
| **Total current liabilities** | 2,547 | 1,270 | 2,366 | (4,222) | 1,961 |
| Long-term debt | 3,128 | — | 602 | — | 3,730 |
| Notes payable to affiliates | 435 | — | 944 | (940) | 439 |
| Deferred income taxes | 9 | 79 | 98 | (80) | 106 |
| Other noncurrent liabilities | 196 | 163 | 644 | — | 1,003 |
| **Total liabilities** | 6,315 | 1,512 | 4,654 | (5,242) | 7,239 |
| **Equity** | | | | | |
| **Huntsman International LLC members' equity:** | | | | | |
| Members' equity | 3,081 | 4,754 | 2,343 | (7,097) | 3,081 |
| Accumulated deficit | (1,493) | (820) | (396) | 1,216 | (1,493) |
| Accumulated other comprehensive (loss) income | (611) | 1,502 | (546) | (956) | (611) |
| **Total Huntsman International LLC members' equity** | 977 | 5,436 | 1,401 | (6,837) | 977 |
| Noncontrolling interests in subsidiaries | — | — | 73 | 41 | 114 |
| **Total equity** | 977 | 5,436 | 1,474 | (6,796) | 1,091 |
| **Total liabilities and equity** | $7,292 | $6,948 | $6,128 | $(12,038) | $8,330 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $932 | $3,443 | $6,589 | $— | $10,964 |
| Related party sales | 745 | 447 | 1,161 | (2,130) | 223 |
| **Total revenues** | 1,677 | 3,890 | 7,750 | (2,130) | 11,187 |
| **Cost of goods sold** | 1,424 | 3,003 | 6,849 | (2,130) | 9,146 |
| **Gross profit** | 253 | 887 | 901 | — | 2,041 |
| Selling, general and administrative | 191 | 120 | 623 | — | 934 |
| Research and development | 47 | 36 | 69 | — | 152 |

| | | | | | |
|---|---|---|---|---|---|
| Other operating (income) expense | (5) | 2 | (3) | — | (6) |
| Restructuring, impairment and plant closing costs | 4 | 7 | 81 | — | 92 |
| **Operating income** | 16 | 722 | 131 | — | 869 |
| Interest (expense) income, net | (207) | 42 | (73) | — | (238) |
| Equity in income of investment in affiliates and subsidiaries | 503 | 40 | 9 | (545) | 7 |
| Loss on early extinguishment of debt | (80) | — | — | — | (80) |
| Other (expense) income | (12) | 14 | (1) | — | 1 |
| **Income from continuing operations before income taxes** | 220 | 818 | 66 | (545) | 559 |
| Income tax benefit (expense) | 141 | (243) | 1 | (78) | (179) |
| **Income from continuing operations** | 361 | 575 | 67 | (623) | 380 |
| Income (loss) from discontinued operations, net of tax | 4 | 1 | (12) | — | (7) |
| **Income before extraordinary gain** | 365 | 576 | 55 | (623) | 373 |
| Extraordinary gain on the acquisition of a business, net of tax of nil | — | — | 2 | — | 2 |
| **Net income** | 365 | 576 | 57 | (623) | 375 |
| Net income attributable to noncontrolling interests | — | — | (16) | 6 | (10) |
| **Net income attributable to Huntsman International LLC** | $365 | $576 | $41 | $(617) | $365 |
| **Net income** | $365 | $576 | $57 | $(623) | $375 |

| | | | | | |
|---|---|---|---|---|---|
| Other comprehensive loss | (180) | (250) | (148) | 397 | (181) |
| Comprehensive income attributable to noncontrolling interests | — | — | (16) | 7 | (9) |
| Comprehensive income (loss) attributable to Huntsman International LLC | $185 | $326 | $(107) | $(219) | $185 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2011**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $885 | $3,349 | $6,807 | $— | $11,041 |
| Related party sales | 453 | 493 | 1,098 | (1,864) | 180 |
| **Total revenues** | 1,338 | 3,842 | 7,905 | (1,864) | 11,221 |
| **Cost of goods sold** | 1,178 | 3,160 | 6,855 | (1,830) | 9,363 |
| **Gross profit** | 160 | 682 | 1,050 | (34) | 1,858 |
| Selling, general and administrative | 182 | 97 | 637 | — | 916 |
| Research and development | 50 | 34 | 82 | — | 166 |
| Other operating expense (income) | 35 | (18) | (37) | — | (20) |
| Restructuring, impairment and plant closing costs | 1 | — | 166 | — | 167 |
| **Operating (loss) income** | (108) | 569 | 202 | (34) | 629 |
| Interest (expense) income, net | (216) | 43 | (89) | — | (262) |
| Equity in income of investment in affiliates and subsidiaries | 381 | 77 | 9 | (459) | 8 |

| | | | | | |
|---|---|---|---|---|---|
| Loss on early extinguishment of debt | (7) | — | — | — | (7) |
| Other (expense) income | (35) | — | 1 | 36 | 2 |
| **Income from continuing operations before income taxes** | 15 | 689 | 123 | (457) | 370 |
| Income tax benefit (expense) | 232 | (210) | (35) | (100) | (113) |
| **Income from continuing operations** | 247 | 479 | 88 | (557) | 257 |
| Income (loss) from discontinued operations, net of tax | 6 | (1) | (6) | — | (1) |
| **Income before extraordinary gain** | 253 | 478 | 82 | (557) | 256 |
| Extraordinary gain on the acquisition of a business, net of tax of nil | — | — | 4 | — | 4 |
| **Net income** | 253 | 478 | 86 | (557) | 260 |
| Net income attributable to noncontrolling interests | — | (2) | (6) | 1 | (7) |
| **Net income attributable to Huntsman International LLC** | $253 | $476 | $80 | $(556) | $253 |
| **Net income** | $253 | $478 | $86 | $(557) | $260 |
| Other comprehensive loss | (257) | (98) | (232) | 325 | (262) |
| Comprehensive income attributable to noncontrolling interests | — | (3) | (1) | 2 | (2) |
| **Comprehensive (loss) income attributable to Huntsman International LLC** | $(4) | 377 | $(147) | $(230) | $(4) |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**

## CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
## YEAR ENDED DECEMBER 31, 2010
## (Dollars in Millions)

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $790 | $2,514 | $5,745 | $— | $9,049 |
| Related party sales | 262 | 513 | 958 | (1,532) | 201 |
| **Total revenues** | 1,052 | 3,027 | 6,703 | (1,532) | 9,250 |
| **Cost of goods sold** | 869 | 2,594 | 5,815 | (1,506) | 7,772 |
| **Gross profit** | 183 | 433 | 888 | (26) | 1,478 |
| **Operating expenses:** | | | | | |
| Selling, general and administrative | 185 | 88 | 582 | — | 855 |
| Research and development | 52 | 30 | 69 | — | 151 |
| Other operating (income) expense | (34) | 11 | 23 | — | — |
| Restructuring, impairment and plant closing costs | 1 | 3 | 25 | — | 29 |
| **Operating income** | (21) | 301 | 189 | (26) | 443 |
| Interest (expense) income, net | (215) | 38 | (71) | — | (248) |
| Equity in (loss) income of investment in affiliates and subsidiaries | (1,199) | 91 | 24 | 1,108 | 24 |
| Loss on early extinguishment of debt | (37) | — | — | — | (37) |
| Dividends income | 1,569 | — | — | (1,569) | — |
| Other (expense) income | (25) | — | 2 | 25 | 2 |
| **Income from continuing operations before income taxes** | 72 | 430 | 144 | (462) | 184 |
| Income tax benefit (expense) | 101 | (127) | (14) | — | (40) |
| **Income from continuing operations** | 173 | 303 | 130 | (462) | 144 |

| | | | | | |
|---|---|---|---|---|---|
| Income (loss) from discontinued operations, net of tax | 7 | 68 | (33) | — | 42 |
| **Income before extraordinary loss** | 180 | 371 | 97 | (462) | 186 |
| Extraordinary loss on the acquisition of a business, net of tax of nil | — | — | (1) | — | (1) |
| **Net income** | 180 | 371 | 96 | (462) | 185 |
| Net income attributable to noncontrolling interests | — | (2) | (4) | 1 | (5) |
| **Net income attributable to Huntsman International LLC** | $180 | $369 | $92 | $(461) | $180 |
| **Net income** | $180 | $371 | $96 | $(462) | $185 |
| Other comprehensive (loss) income | (7) | 1,539 | — | (1,539) | (7) |
| Comprehensive income attributable to noncontrolling interests | — | (1) | (5) | 2 | (4) |
| **Comprehensive income attributable to Huntsman International LLC** | $173 | 1,909 | $91 | $(1,999) | $174 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash provided by operating activities** | $85 | 269 | $508 | $(2) | $860 |
| **Investing activities:** | | | | | |
| Capital expenditures | (23) | (111) | (278) | — | (412) |

| | | | | | |
|---|---|---|---|---|---|
| Acquisition of businesses, net of cash acquired and post-closing adjustments | — | — | (18) | — | (18) |
| Proceeds from sale of businesses/ assets | — | — | 6 | — | 6 |
| Increase in receivable from affiliate | (108) | — | — | — | (108) |
| Investment in affiliate | 225 | (62) | 48 | (211) | — |
| Investment in unconsolidated affiliates | (3) | (100) | (24) | — | (127) |
| Cash received from unconsolidated affiliates | — | 80 | 2 | — | 82 |
| Other, net | — | 1 | (1) | (1) | (1) |
| **Net cash provided by (used in) investing activities** | 91 | (192) | (265) | (212) | (578) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | — | — | (15) | — | (15) |
| Net borrowings on overdraft facilities | — | — | 2 | — | 2 |
| Repayments of short-term debt | — | — | (53) | — | (53) |
| Repayments of long-term debt | (625) | — | (69) | — | (694) |
| Proceeds from issuance of long-term debt | 400 | — | 5 | — | 405 |
| Repayments of notes payable to affiliate | (139) | — | — | — | (139) |

| | | | | | |
|---|---|---|---|---|---|
| Proceeds from notes payable to affiliate | 299 | — | — | — | 299 |
| Repayments of notes payable | (33) | — | (4) | — | (37) |
| Borrowings on notes payable | 33 | — | 1 | — | 34 |
| Debt issuance costs paid | (11) | — | — | — | (11) |
| Call premiums related to early extinguishment of debt | (2) | — | — | — | (2) |
| Contribution from parent | — | 14 | — | (14) | — |
| Distribution to parent | — | (87) | (138) | 225 | — |
| Dividends paid to parent | (96) | (2) | (1) | 3 | (96) |
| Excess tax benefit related to stock-based compensation | 4 | — | — | — | 4 |
| Other, net | (3) | — | — | — | (3) |
| **Net cash used in financing activities** | (173) | (75) | (272) | 214 | (306) |
| Effect of exchange rate changes on cash | — | — | 3 | — | 3 |
| Increase (decrease) in cash and cash equivalents | 3 | 2 | (26) | — | (21) |
| Cash and cash equivalents at beginning of period | 4 | — | 227 | — | 231 |
| Cash and cash equivalents at end of period | $7 | 2 | $201 | $— | $210 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2011**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash provided by operating activities** | $304 | $99 | $34 | $(5) | $432 |
| **Investing activities:** | | | | | |
| Capital expenditures | (21) | (70) | (239) | — | (330) |
| Proceeds from settlements treated as reimbursement of capital expenditures | — | — | 3 | — | 3 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | — | — | (34) | — | (34) |
| Cash assumed in connection with the initial consolidation of a variable interest entity | — | — | 28 | — | 28 |
| Proceeds from sale of businesses/ assets | — | 8 | 40 | — | 48 |
| Increase in receivable from affiliate | (57) | — | — | — | (57) |
| Investment in affiliates | (56) | (16) | — | 72 | — |
| Investment in unconsolidated affiliate | — | (26) | — | — | (26) |
| Cash received from unconsolidated affiliates | — | 30 | 2 | — | 32 |
| Other, net | — | — | (4) | 3 | (1) |

| | | | | | |
|---|---|---|---|---|---|
| **Net cash used in investing activities** | (134) | (74) | (204) | 75 | (337) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | — | — | (2) | — | (2) |
| Net borrowings on overdraft facilities | — | — | 9 | — | 9 |
| Repayments of short-term debt | — | — | (187) | — | (187) |
| Borrowings on short-term debt | — | — | 162 | — | 162 |
| Repayments of long-term debt | (305) | — | (103) | — | (408) |
| Proceeds from issuance of long-term debt | — | — | 98 | — | 98 |
| Repayments of notes payable to affiliate | (105) | — | — | — | (105) |
| Proceeds from notes payable to affiliate | 105 | — | — | — | 105 |
| Repayments of notes payable | (32) | — | (2) | — | (34) |
| Borrowings on notes payable | 33 | — | 2 | — | 35 |
| Debt issuance costs paid | (7) | — | — | — | (7) |
| Call premiums related to early extinguishment of debt | (6) | — | — | — | (6) |
| Contribution from parent | — | (32) | 104 | (72) | — |
| Dividends paid to parent | (79) | (2) | — | 2 | (79) |
| Dividends paid to noncontrolling interests | — | — | (9) | — | (9) |
| Excess tax benefit related to stock-based compensation | 10 | — | — | — | 10 |

| | | | | | |
|---|---|---|---|---|---|
| Other, net | — | — | — | — | — |
| **Net cash (used in) provided by financing activities** | (386) | (34) | 72 | (70) | (418) |
| Effect of exchange rate changes on cash | — | — | (7) | — | (7) |
| Decrease in cash and cash equivalents | (216) | (9) | (105) | — | (330) |
| Cash and cash equivalents at beginning of period | 220 | 9 | 332 | — | 561 |
| Cash and cash equivalents at end of period | $4 | $— | $227 | $— | $231 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2010**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash (used in) provided by operating activities** | $(241) | $15 | $182 | $(2) | $(46) |
| **Investing activities:** | | | | | |
| Capital expenditures | (26) | (51) | (159) | — | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | — | 34 | — | — | 34 |
| Cash assumed in connection with the initial consolidation of a variable interest entity | — | — | 14 | — | 14 |

| | | | | | |
|---|---|---|---|---|---|
| Proceeds from sale of businesses/ assets | — | — | 2 | — | 2 |
| Increase in receivable from affiliate | (57) | — | — | — | (57) |
| Investment in affiliate | (65) | (13) | — | 78 | — |
| Investment in unconsolidated affiliates | — | (24) | (3) | — | (27) |
| Cash received from unconsolidated affiliates | — | 26 | 5 | — | 31 |
| Other, net | — | — | 1 | — | 1 |
| **Net cash used in investing activities** | (148) | (28) | (140) | 78 | (238) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | — | — | (6) | — | (6) |
| Revolving loan facility from A/R Programs | 254 | — | — | — | 254 |
| Net borrowings on overdraft facilities | — | — | (2) | — | (2) |
| Repayments of short-term debt | — | — | (175) | — | (175) |
| Borrowings on short-term debt | — | — | 212 | — | 212 |
| Repayments of long-term debt | (1,154) | — | (53) | — | (1,207) |
| Proceeds from issuance of long-term debt | 894 | — | 29 | — | 923 |
| Repayments of note payable to affiliate | (125) | — | — | — | (125) |
| Proceeds from notes payable to affiliate | 110 | — | — | — | 110 |
| Intercompany repayments | — | — | (5) | 5 | — |

| | | | | | |
|---|---|---|---|---|---|
| Repayments of notes payable | (38) | — | (15) | — | (53) |
| Borrowings on notes payable | 33 | — | 13 | — | 46 |
| Debt issuance costs paid | (29) | — | — | — | (29) |
| Call premiums paid related to early extinguishment of debt | (28) | — | — | — | (28) |
| Contribution from parent | — | — | 83 | (83) | — |
| Dividends paid to parent | — | (2) | — | 2 | — |
| Excess tax benefit related to stock-based compensation | 4 | — | — | — | 4 |
| Other, net | — | — | (2) | — | (2) |
| **Net cash (used in) provided by financing activities** | (79) | (2) | 79 | (76) | (78) |
| Effect of exchange rate changes on cash | — | — | 4 | — | 4 |
| (Decrease) increase in cash and cash equivalents | (468) | (15) | 125 | — | (358) |
| Cash and cash equivalents at beginning of period | 688 | 24 | 207 | — | 919 |
| Cash and cash equivalents at end of period | $220 | $9 | $332 | $— | $561 |

| ASSET RETIREMENT OBLIGATIONS (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|
| **ASSET RETIREMENT OBLIGATIONS** | |
| Schedule of changes to asset retirement obligation liabilities | The following table describes changes to our asset retirement obligation liabilities, all of which were recorded in other noncurrent liabilities on the accompanying balance sheets (dollars in millions): |

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Asset retirement obligation at beginning of year | $26 | $24 |
| Accretion expense | 2 | 2 |
| Liabilities incurred | 2 | — |
| Liabilities assumed in connection with the consolidation of a variable interest entity | — | 2 |
| Liabilities settled | (3) | (1) |
| Foreign currency effect on reserve balance | 1 | (1) |
| Asset retirement obligation at end of year | $28 | $26 |

| SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|
| **Quarterly Financial Information** | |
| Summary of selected unaudited quarterly financial data | A summary of selected unaudited quarterly financial data for the years ended December 31, 2012 and 2011 is as follows (dollars in millions, except per share amounts): |

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2012(1) | June 30, 2012 | September 30, 2012(1) | December 31, 2012(1)(2) |
| Revenues | $2,913 | $2,914 | $2,741 | $2,619 |
| Gross profit | 550 | 527 | 537 | 420 |
| Restructuring, impairment and plant closing costs | — | 5 | 47 | 40 |
| Income (loss) from continuing operations | 167 | 130 | 120 | (39) |
| Income (loss) before extraordinary gain | 163 | 128 | 119 | (39) |
| Net income (loss) | 163 | 128 | 120 | (38) |
| Net income (loss) attributable to Huntsman Corporation | 163 | 124 | 116 | (40) |
| Basic income (loss) per share(1): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.71 | 0.53 | 0.49 | (0.17) |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.69 | 0.52 | 0.49 | (0.17) |
| Diluted income (loss) per share(1): | | | | |
| Income (loss) from continuing operations attributable to | 0.70 | 0.52 | 0.48 | (0.17) |

| | | | | |
|---|---|---|---|---|
| Huntsman Corporation common stockholders | | | | |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.68 | 0.52 | 0.48 | (0.17 ) |

| | Three months ended | | | |
|---|---|---|---|---|
| | **March 31, 2011** | **June 30, 2011** | **September 30, 2011(4)** | **December 31, 2011(5)** |
| Revenues | $2,679 | $2,934 | $2,976 | $2,632 |
| Gross profit | 460 | 501 | 490 | 389 |
| Restructuring, impairment and plant closing costs (credits) | 7 | 9 | 155 | (4 ) |
| Income (loss) from continuing operations | 80 | 124 | (42 ) | 89 |
| Income (loss) before extraordinary gain | 66 | 123 | (32 ) | 93 |
| Net income (loss) | 67 | 124 | (32 ) | 95 |
| Net income (loss) attributable to Huntsman Corporation | 62 | 114 | (34 ) | 105 |
| Basic income (loss) per share(3): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.32 | 0.48 | (0.19 ) | 0.42 |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.26 | 0.48 | (0.14 ) | 0.45 |
| Diluted income (loss) per share(3): | | | | |

| | | | | |
|---|---|---|---|---|
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.31 | 0.47 | (0.19) | 0.41 |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.26 | 0.47 | (0.14) | 0.44 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

## **Quarterly Financial Information**

Summary of selected unaudited quarterly financial data

A summary of selected unaudited quarterly financial data for the years ended December 31, 2012 and 2011 is as follows (dollars in millions, except per share amounts):

| | Three months ended | | | |
|---|---|---|---|---|
| | **March 31, 2012(1)** | **June 30, 2012** | **September 30, 2012(1)** | **December 31, 2012(1)(2)** |
| Revenues | $2,913 | $2,914 | $2,741 | $2,619 |
| Gross profit | 554 | 532 | 542 | 413 |
| Restructuring, impairment and plant closing costs | — | 5 | 47 | 40 |
| Income (loss) from continuing operations | 170 | 133 | 121 | (44) |
| Income (loss) before extraordinary gain | 166 | 131 | 120 | (44) |
| Net income (loss) | 166 | 131 | 121 | (43) |
| Net income (loss) attributable to Huntsman International LLC | 166 | 127 | 117 | (45) |

| | Three months ended | | | |
|---|---|---|---|---|
| | **March 31, 2011** | **June 30, 2011** | **September 30, 2011(4)** | **December 31, 2011(5)** |

| | | | | |
|---|---|---|---|---|
| Revenues | $2,679 | $2,934 | $2,976 | $2,632 |
| Gross profit | 465 | 505 | 495 | 393 |
| Restructuring, impairment and plant closing costs | 7 | 9 | 155 | (4) |
| Income (loss) from continuing operations | 81 | 127 | (39) | 88 |
| Income (loss) before extraordinary gain | 67 | 126 | (29) | 92 |
| Net income (loss) | 68 | 127 | (29) | 94 |
| Net income (loss) attributable to Huntsman International LLC | 63 | 117 | (31) | 104 |

**(1)** During 2012, our Polyurethanes segment implemented a restructuring program to reduce annualized fixed costs by $75 million by the third quarter of 2013. In connection with this program, we recorded restructuring expenses of $5 million, $32 million and $1 million in the first, third and fourth quarters of 2012, respectively.

**(2)** During the fourth quarter of 2012, our Advanced Materials segment began implementing a global transformational change program, subject to consultation with relevant employee representatives, designed to improve the segment's manufacturing efficiencies, enhance commercial excellence and ensure its long-term global competitiveness. In connection with this global transformational change program, we recorded charges of $28 million related primarily to workforce reduction costs.
Also during the fourth quarter of 2012, we recorded a loss on early extinguishment of debt of $77 million in connection with the redemption of $400 million of our 2016 Senior Notes.

**(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)** During the quarter ended September 30, 2011, we announced plans to implement a significant restructuring of our Textile Effects business, including the closure of our production facilities and business support offices in Basel, Switzerland. In connection with this plan during 2011, we recorded a charge of $62 million for workforce reduction and a noncash $53 million charge for the impairment of long-lived assets at our Basel, Switzerland manufacturing facility.

**(5)** During the quarter ended December 31, 2011, our Advanced Materials division completed the sale of its stereolithography resin and Digitalis® machine manufacturing businesses to 3D Systems Corporation and recognized a pre-tax gain of $34 million.

| EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION (Details) (USD $)<br>In Millions, unless otherwise specified | 12 Months Ended | 12 Months Ended | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2010 | Dec. 31, 2009 Senior Notes and Term Loan C HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2010 Apollo settlement agreement | Dec. 31, 2008 Apollo settlement agreement | Dec. 31, 2009 Texas bank litigation settlement agreement | Dec. 31, 2009 Texas bank litigation settlement agreement Senior notes | Dec. 31, 2009 Texas bank litigation settlement agreement Senior notes HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | Dec. 31, 2009 Texas bank litigation settlement agreement Term Loan C HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES |
| **EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION** | | | | | | | | |
| Directors' fees | | | $ 3 | | | | | |
| Legal fees and other | 1 | | | | | | | |
| Expenses associated with the Terminated Merger and related litigation | 4 | | | | | | | |
| Cash received on settlement | | | | 1,000 | 632 | | | |
| Aggregate principal amount | | | | | | | 600 | 500 |
| Stated rate of interest (as a percent) | | | | | | 5.50% | | |
| Fair value of debt | | 864 | | | | | | |
| Gain recognized on litigation settlement | | | | | $ 868 | | | |

| OTHER COMPREHENSIVE LOSS (Tables) | 12 Months Ended Dec. 31, 2012 |
| --- | --- |

**Other comprehensive (loss) income**

Components of other comprehensive (loss) income

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

| | December 31, | | | | |
| --- | --- | --- | --- | --- | --- |
| | 2012 | | 2011 | | 2010 |
| | Accumulated loss | Loss | Accumulated loss | Loss | Loss |
| Foreign currency translation adjustments, net of tax of $20 and $24 as of December 31, 2012 and 2011, respectively | $269 | $51 | $218 | $(80) | $24 |
| Pension and other postretirement benefits adjustments, net of tax of $197 and $124 as of December 31, 2012 and 2011, respectively | (1,036) | (236) | (800) | (187) | (33) |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | (1) | 8 | 1 | — |
| Other, net | 3 | — | 3 | (1) | (2) |
| Total | (757) | (186) | (571) | (267) | (11) |
| Amounts attributable to noncontrolling interests | 13 | 1 | 12 | 5 | 1 |
| Amounts attributable to Huntsman Corporation | $(744) | $(185) | $(559) | $(262) | $(10) |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

## Other comprehensive (loss) income

Components of other comprehensive (loss) income

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

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 |
| | Accumulated loss | Loss | Accumulated loss | Loss | Loss |
| Foreign currency translation adjustments, net of tax of $7 and $11 as of December 31, 2012 and 2011, respectively | $268 | $51 | $217 | $(79) | $23 |
| Pension and other postretirement benefits adjustments, net of tax of $228 and $155 as of December 31, 2012 and 2011, respectively | (1,076) | (231) | (845) | (182) | (28) |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | (1) | 8 | 1 | — |
| Other, net | (3) | — | (3) | (2) | (2) |
| Total | (804) | (181) | (623) | (262) | (7) |
| Amounts attributable to noncontrolling interests | 13 | 1 | 12 | 5 | 1 |
| Amounts attributable to Huntsman International LLC | $(791) | $(180) | $(611) | $(257) | $(6) |

| VARIABLE INTEREST ENTITIES (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|

Rubicon LLC, Pacific Iron Products, Arabian Amines and Sasol Huntsman GmbH and Co. KG

**Identification of variable interest entities through investments and transactions**

Schedule of assets and liabilities of variable interest entities included in consolidated balance sheet

The following table summarizes the carrying amount of our variable interest entities' assets and liabilities included in our consolidated balance sheets, before intercompany eliminations, as of December 31, 2012 and 2011 (dollars in millions):

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Current assets | $163 | $140 |
| Property, plant and equipment, net | 378 | 403 |
| Other noncurrent assets | 61 | 61 |
| Deferred income taxes | 45 | 45 |
| Intangible assets | 19 | 23 |
| Goodwill | 16 | 15 |
| Total assets | $682 | $687 |
| Current liabilities | $348 | $145 |
| Long-term debt | 82 | 269 |
| Deferred income taxes | 8 | 9 |
| Other noncurrent liabilities | 102 | 110 |
| Total liabilities | $540 | $533 |

Sasol Huntsman GmbH and Co. KG

**Identification of variable interest entities through investments and transactions**

Schedule of assets and liabilities of variable interest entities included in consolidated balance sheet

The following table summarizes the fair value of Sasol-Huntsman's assets and liabilities recorded upon initial consolidation in our consolidated balance sheet, before intercompany eliminations (dollars in millions):

| | April 1, 2011 |
|---|---|
| Current assets | $61 |
| Property, plant and equipment, net | 155 |
| Intangible assets | 16 |
| Goodwill | 17 |
| Total assets | $249 |
| Current liabilities | $23 |
| Long-term debt | 93 |
| Deferred income taxes | 8 |
| Other noncurrent liabilities | 7 |
| Total liabilities | $131 |

| CONSOLIDATED STATEMENTS OF CASH FLOWS (Parenthetical) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Increase of capital expenditures in accounts payable | $ 31 | $ 16 | $ 14 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| Increase of capital expenditures in accounts payable | 31 | 16 | 14 |
| Stock-based compensation | $ 26 | $ 22 | $ 24 |

| OPERATING SEGMENT INFORMATION (Details 3) (USD $) In Millions, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Revenues | $ 2,619 | $ 2,741 | $ 2,914 | $ 2,913 | $ 2,632 | $ 2,976 | $ 2,934 | $ 2,679 | $ 11,187 | $ 11,221 | $ 9,250 |
| Long-lived assets | 3,745 [1] | | | | 3,622 [1] | | | | 3,745 [1] | 3,622 [1] | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Revenues | 2,619 | 2,741 | 2,914 | 2,913 | 2,632 | 2,976 | 2,934 | 2,679 | 11,187 | 11,221 | 9,250 |
| Long-lived assets | 3,656 [1] | | | | 3,510 [1] | | | | 3,656 [1] | 3,510 [1] | |
| United States | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Revenues | | | | | | | | | 3,347 | 3,470 | 2,777 |
| Long-lived assets | 1,387 | | | | 1,390 | | | | 1,387 | 1,390 | |
| United States \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Long-lived assets | 1,299 | | | | 1,278 | | | | 1,299 | 1,278 | |
| Other nations | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Revenues | | | | | | | | | 4,781 | 4,888 | 4,114 |
| Long-lived assets | 464 | | | | 405 | | | | 464 | 405 | |
| Other nations \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Long-lived assets | 463 | | | | 405 | | | | 463 | 405 | |
| China | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Revenues | | | | | | | | | 1,040 | 944 | 881 |
| Long-lived assets | 169 | | | | 162 | | | | 169 | 162 | |
| China \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |
| Long-lived assets | 169 | | | | 162 | | | | 169 | 162 | |
| Germany | | | | | | | | | | | |
| **Revenues and long-lived assets** | | | | | | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Revenues | | | 600 | 638 | 519 |
| Long-lived assets | 201 | 205 | 201 | 205 | |
| Germany \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 201 | 205 | 201 | 205 | |
| Mexico | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Revenues | | | 954 | 723 | 485 |
| Italy | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Revenues | | | 465 | 558 | 474 |
| Long-lived assets | 164 | 152 | 164 | 152 | |
| Italy \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 164 | 152 | 164 | 152 | |
| United Kingdom | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 314 | 306 | 314 | 306 | |
| United Kingdom \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 314 | 306 | 314 | 306 | |
| Netherlands | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 351 | 310 | 351 | 310 | |
| Netherlands \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 351 | 310 | 351 | 310 | |
| Saudi Arabia | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 231 | 243 | 231 | 243 | |
| Saudi Arabia \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Revenues and long-lived assets** | | | | | |
| Long-lived assets | 231 | 243 | 231 | 243 | |
| Switzerland | | | | | |
| **Revenues and long-lived assets** | | | | | |

| | | | | |
|---|---|---|---|---|
| Long-lived assets | 163 | 166 | 163 | 166 |
| Switzerland \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| **Revenues and long-lived assets** | | | | |
| Long-lived assets | 163 | 166 | 163 | 166 |
| France | | | | |
| **Revenues and long-lived assets** | | | | |
| Long-lived assets | 154 | 126 | 154 | 126 |
| France \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| **Revenues and long-lived assets** | | | | |
| Long-lived assets | 154 | 126 | 154 | 126 |
| Spain | | | | |
| **Revenues and long-lived assets** | | | | |
| Long-lived assets | 147 | 157 | 147 | 157 |
| Spain \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| **Revenues and long-lived assets** | | | | |
| Long-lived assets | $ 147 | $ 157 | $ 147 | $ 157 |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION (Tables) | 12 Months Ended<br>Dec. 31, 2012 |
|---|---|
| **EXPENSES ASSOCIATED WITH THE TERMINATED MERGER AND RELATED LITIGATION** | |
| Schedule of total expenses associated with the terminated Merger and related litigation | Total expenses associated with the Terminated Merger and related litigation were as follows (dollars in millions): |

| | December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Directors' fees | $— | $— | $3 |
| Legal fees and other | — | — | 1 |
| Total expenses | $— | $— | $4 |

| BUSINESS COMBINATIONS AND DISPOSITIONS (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|

Russian MDI Acquisition

**Business Combinations**

Preliminary allocation of acquisition cost to the assets acquired and liabilities assumed

The preliminary allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

| | |
|---|---|
| Fair value of original 45% ownership interest acquired in 2007 | $13 |
| Acquisition cost of 55% ownership interest acquired in 2012 | 16 |
| Total fair value of net assets acquired | $29 |
| Fair value of assets acquired and liabilities assumed: | |
| Accounts receivable | $2 |
| Inventories | 9 |
| Other current assets | 1 |
| Property, plant and equipment | 31 |
| Accounts payable | (4 ) |
| Accrued liabilities | (1 ) |
| Deferred income taxes | (2 ) |
| Long-term debt | (7 ) |
| Total fair value of net assets acquired | $29 |

Estimated pro forma revenues and net income (loss) attributable

The following estimated pro forma revenues attributable to our Company and Huntsman International would have been reported (dollars in millions):

| | Pro Forma Year ended December 31, (unaudited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Revenues | $11,231 | $11,257 | $9,277 |

Russian MDI Acquisition | HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Business Combinations**

Estimated pro forma revenues and net income (loss) attributable

The following estimated pro forma revenues attributable to our Company and Huntsman International would have been reported (dollars in millions):

| | Pro Forma Year ended December 31, (unaudited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Revenues | $11,231 | $11,257 | $9,277 |

Laffans Petrochemicals Limited

**Business Combinations**

[Preliminary allocation of acquisition cost to the assets acquired and liabilities assumed]

The allocation of acquisition cost to the assets acquired and liabilities assumed is summarized as follows (dollars in millions):

| | |
|---|---|
| Acquisition cost | $23 |
| Fair value of assets acquired and liabilities assumed: | |
| Accounts receivable | $9 |
| Inventories | 2 |
| Other current assets | 2 |
| Property, plant and equipment | 12 |
| Intangibles | 3 |
| Accounts payable | (3 ) |
| Accrued liabilities | (1 ) |
| Other noncurrent liabilities | (1 ) |
| Total fair value of net assets acquired | $23 |

[Estimated pro forma revenues and net income (loss) attributable]

If this acquisition were to have occurred on January 1, 2010 the following estimated pro forma revenues and net income attributable to Huntsman Corporation and Huntsman International would have been reported (dollars in millions):

| | Pro Forma Year ended December 31 (unaudited) | |
|---|---|---|
| | 2011 | 20 |
| Revenues | $11,235 | $9,3 |
| Net income attributable to Huntsman Corporation | 248 | 28 |

Laffans Petrochemicals Limited | HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**[Business Combinations]**

[Estimated pro forma revenues and net income (loss) attributable]

If this acquisition were to have occurred on January 1, 2010 the following estimated pro forma revenues and net income attributable to Huntsman Corporation and Huntsman International would have been reported (dollars in millions):

| | Pro Forma Year ended December 31 (unaudited) | |
|---|---|---|
| | 2011 | 20 |
| Revenues | $11,235 | $9,3 |
| Net income attributable to Huntsman Corporation | 254 | 18 |

| ENVIRONMENTAL, HEALTH AND SAFETY MATTERS | 12 Months Ended Dec. 31, 2012 |
|---|---|
| ENVIRONMENTAL, HEALTH AND SAFETY MATTERS | |
| ENVIRONMENTAL, HEALTH AND SAFETY MATTERS | |

**20. ENVIRONMENTAL, HEALTH AND SAFETY MATTERS**

**ENVIRONMENTAL, HEALTH AND SAFETY MATTERS**

**General**

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

**Environmental, Health and Safety Systems**

We are committed to achieving and maintaining compliance with all applicable EHS legal requirements, and we have developed policies and management systems that are intended to identify the multitude of EHS legal requirements applicable to our operations, enhance compliance with applicable legal requirements, ensure the safety of our employees, contractors, community neighbors and customers and minimize the production and emission of wastes and other pollutants. Although EHS legal requirements are constantly changing and are frequently difficult to comply with, these EHS management systems are designed to assist us in our compliance goals while also fostering efficiency and improvement and reducing overall risk to us.

**EHS Capital Expenditures**

We may incur future costs for capital improvements and general compliance under EHS laws, including costs to acquire, maintain and repair pollution control equipment. For the years ended December 31, 2012, 2011 and 2010, our capital expenditures for EHS matters totaled $105 million, $92 million, and $85 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.

**Remediation Liabilities**

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

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

One of these sites, the North Maybe Canyon Mine site, involves a former phosphorous mine near Soda Springs, Idaho, which is believed to have been operated by a predecessor company to us. In 2004, the U.S. Forest Service notified us that we are a CERCLA PRP for contaminated surface water at 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.

In addition, under RCRA 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.

By letter dated March 7, 2006, our former Base Chemicals and Polymers facility in West Footscray, Australia, was issued a clean-up notice by EPA Victoria due to concerns about soil and groundwater contamination emanating from the site. On August 23, 2010, EPA Victoria revoked the second clean-up notice and issued a revised notice that included a requirement for financial assurance for the remediation. We have reached agreement with the agency that a mortgage on the land will be held by the agency as financial surety during the period covered by the current clean-up notice, which ends on July 30, 2014. As of December 31, 2012, we had an accrued liability of $29 million related to estimated environmental remediation costs at this site. We can provide no assurance that the agency will not seek to institute additional requirements for the site or that additional costs will not be associated with the clean up.

**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 $34 million and $36 million for environmental liabilities as of December 31, 2012 and 2011, respectively. Of these amounts, $10 million and $7 million were classified as accrued liabilities in our consolidated balance sheets as of December 31, 2012 and 2011, respectively, and $24 million and $29 million were classified as other noncurrent liabilities in our consolidated balance sheets as of December 31, 2012 and 2011, respectively. 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.

**REGULATORY DEVELOPMENTS**

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

Although the total long-term cost for REACH compliance is unknown at this time, we spent approximately $8 million, $5 million and $9 million in 2012, 2011 and 2010, respectively, to meet the initial REACH requirements. We cannot provide assurance that these recent expenditures are indicative of future amounts that we may be required to spend for REACH compliance.

**GREENHOUSE GAS REGULATION**

Globally, our operations are increasingly subject to regulations that seek to reduce emissions of GHGs, such as carbon dioxide and methane, which may be contributing to changes in the Earth's climate. At the most recent negotiations of the Conference of the Parties to the Kyoto Protocol, a limited group of nations, including the EU, agreed to a second commitment period for the Kyoto Protocol, an international treaty that provides for reductions in GHG emissions. More significantly, the European Union GHG Emissions Trading System, established pursuant to the Kyoto Protocol to reduce GHG emissions in the EU, has just entered its third phase and ongoing reforms at the EU level—including measures to prop up carbon credit prices and ban the use of certain types of certified emission reductions—may increase our operating costs. Australia has also adopted a carbon trading system that has been recognized for formal linkage with the EU trading system by 2018. Australia's GHG cap-and-trade program may impose compliance obligations upon our operations that may increase our operating costs. In the United States, California has commenced the first compliance period of its cap-and-trade program.

Federal climate change legislation in the United States appears unlikely in the near-term. As a result, domestic efforts to curb GHG emissions will be led by the EPA's GHG regulations and the efforts of states. To the extent that our domestic operations are subject to the EPA's GHG regulations, we may face increased capital and operating costs associated with new or expanded facilities. Expansions of our existing facilities or construction of new facilities may be subject to the Clean Air Act's Prevention of Significant Deterioration requirements under the EPA's GHG "Tailoring Rule." Our facilities are also subject to the EPA's Mandatory Reporting of Greenhouse Gases rule, and the collection and reporting of GHG data may increase our operational costs.

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

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

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

**PORT NECHES FLARING MATTER**

As part of the EPA's national enforcement initiative on flaring operations and by letter dated October 12, 2012, the DOJ notified us that we were in violation of the CAA based on our response to a 2010 CAA Section 114 Information Request. The EPA has used the enforcement initiative to bring similar actions against refiners and other chemical manufacturers. Specifically, the EPA alleged violations of flare operations at our Port Neches, Texas facility from 2007-2012 against us that were not consistent with good pollution control practice and not in compliance with certain flare-related regulations. As a result of these findings, EPA referred this matter to the DOJ. We have been engaged in discussions with the DOJ and the EPA regarding these violations and are in the process of reviewing their allegations and assessing their claims. We are currently unable to determine the likelihood or magnitude of potential penalty or injunctive relief that may be incurred in resolving this matter.

| COMMITMENTS AND CONTINGENCIES | 12 Months Ended Dec. 31, 2012 |
|---|---|

**COMMITMENTS AND CONTINGENCIES**

COMMITMENTS AND CONTINGENCIES

**19. COMMITMENTS AND CONTINGENCIES**

**PURCHASE COMMITMENTS**

We have various purchase commitments extending through 2023 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 2012. 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 2012 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 each of the years ended December 31, 2012, 2011 and 2010, we made minimum payments of nil under such take or pay contracts without taking the property.

Total purchase commitments as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | |
|---|---|
| 2013 | $1,138 |
| 2014 | 435 |
| 2015 | 237 |
| 2016 | 59 |
| 2017 | 59 |
| Thereafter | 30 |
| | $1,958 |

**OPERATING LEASES**

We lease certain railcars, aircraft, equipment and facilities under long-term lease agreements. The total expense recorded under operating lease agreements in the accompanying consolidated statements of operations is approximately $79 million, $83 million and $62 million for 2012, 2011 and 2010, respectively, net of sublease rentals of approximately $4 million for each of 2012, 2011 and 2010, respectively.

Future minimum lease payments under operating leases as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | |
|---|---|
| 2013 | $79 |
| 2014 | 68 |
| 2015 | 53 |
| 2016 | 45 |
| 2017 | 40 |
| Thereafter | 60 |
| | $345 |

Future minimum lease payments have not been reduced by minimum sublease rentals of $57 million due in the future under noncancelable subleases.

## LEGAL MATTERS

### Asbestos Litigation

We have been named as a "premises defendant" in a number of asbestos exposure cases, typically claims by nonemployees of exposure to asbestos while at a facility. In the past, these cases typically have involved multiple plaintiffs bringing actions against multiple defendants, and the complaints have not indicated which plaintiffs were making claims against which defendants, where or how the alleged injuries occurred or what injuries each plaintiff claimed. These facts, which would be central to any estimate of probable loss, generally have been learned only through discovery.

Where a claimant's alleged exposure occurred prior to our ownership of the relevant "premises," the prior owners generally have contractually agreed to retain liability for, and to indemnify us against, asbestos exposure claims. This indemnification is not subject to any time or dollar amount limitations. Upon service of a complaint in one of these cases, we tender it to the prior owner. Rarely do the complaints in these cases state the amount of damages being sought. The prior owner accepts responsibility for the conduct of the defense of the cases and payment of any amounts due to the claimants. In our nineteen-year experience with tendering these cases, we have not made any payment with respect to any tendered asbestos cases. We believe that the prior owners have the intention and ability to continue to honor their indemnity obligations, although we cannot assure you that they will continue to do so or that we will not be liable for these cases if they do not.

The following table presents for the periods indicated certain information about cases for which service has been received that we have tendered to the prior owner, all of which have been accepted.

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 1,080 | 1,116 | 1,138 |
| Tendered during period | 3 | 10 | 24 |
| Resolved during period(1) | 3 | 46 | 46 |
| Unresolved at end of period | 1,080 | 1,080 | 1,116 |

**(1)** Although the indemnifying party informs us when tendered cases have been resolved, it generally does not inform us of the settlement amounts relating to such cases, if any. The indemnifying party has informed us that it typically manages our defense together with the defense of other entities in such cases and resolves claims involving multiple defendants simultaneously, and that it considers the allocation of settlement amounts, if any, among defendants to be confidential and proprietary. Consequently, we are not able to provide the number of cases resolved with payment by the indemnifying party or the amount of such payments.

We have never made any payments with respect to these cases. As of December 31, 2012, we had an accrued liability of approximately $10 million relating to these cases and a corresponding receivable of approximately $10 million relating to our indemnity protection with respect to these cases. We cannot assure you that our liability will not exceed our accruals or that our liability associated with these cases would not be material to our financial condition, results of operations or liquidity; accordingly, we are not able to estimate the amount or range of loss in excess of our accruals. Additional asbestos exposure claims may be made against us in the future, and such claims could be material. However, because we are not able to estimate the amount or range of losses associated with such claims, we have made no accruals with respect to unasserted asbestos exposure claims as of December 31, 2012.

Certain cases in which we are a premises defendant are not subject to indemnification by prior owners or operators. However, we may be entitled to insurance or other recoveries in some of these cases. The following table presents for the periods indicated certain information about these cases. Cases include all cases for which service has been received by us. Certain prior cases that were filed in error against us have been dismissed.

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 36 | 37 | 39 |
| Filed during period | 21 | 11 | 5 |
| Resolved during period | 7 | 12 | 7 |
| Unresolved at end of period | 50 | 36 | 37 |

We paid gross settlement costs for asbestos exposure cases that are not subject to indemnification of $559,000, $584,000 and $201,000 during the years ended December 31, 2012, 2011 and 2010, respectively. As of December 31, 2012, we had no accrual relating to these cases. We cannot assure you that our liability will not exceed our accruals or that our liability associated with these cases would not be material to our financial condition, results of operations or liquidity; accordingly, we are not able to estimate the amount or range of loss in excess of our accruals. Additional asbestos exposure claims may be made against us in the future, and such claims could be material. However, because we are not able to estimate the amount or range of losses associated with such claims, we have made no accruals with respect to unasserted asbestos exposure claims as of December 31, 2012.

**Antitrust Matters**

We have been named as a defendant in two class action civil antitrust suits filed on February 9 and 12, 2010 in the U.S. District Court for the District of Maryland alleging that we and our co-defendants and other co-conspirators conspired to fix prices of titanium dioxide sold in the U.S. between at least March 1, 2002 and the present. The suits were subsequently consolidated. The other defendants named in this matter are DuPont, Kronos and Millennium. On August 28, 2012, the court certified a class consisting of all U.S. customers who purchased titanium dioxide directly from defendants since February 1, 2003, and notice was given to putative class members the week of January 14, 2013 after the Court of Appeals for the Fourth Circuit denied our petition to appeal the order certifying the class. Trial is set to begin September 9, 2013.

The plaintiffs seek to recover on behalf of the class injunctive relief, treble damages, costs of suit and attorneys fees. We are not aware of any illegal conduct by us or any of our employees. Nevertheless, we have incurred costs relating to these claims and could incur additional costs in amounts material to us. Because of the overall complexity of these cases, we are unable to reasonably estimate any possible loss or range of loss with respect to these claims.

**Product Delivery Claim**

We have been notified by a customer of potential claims related to our allegedly delivering a different product from that which it had ordered. Our customer claims that it was unaware that the different product had been delivered until after it had been used to manufacture materials which were subsequently sold. Originally, the customer stated that it had been notified of claims of up to an aggregate of €153 million (approximately $202 million) relating to this matter and believed that we may be responsible for all or a portion of these potential claims. Our customer has since resolved some of these claims and the aggregate amount of the current claims is now approximately €113 million (approximately $149 million). Based on the facts currently available to us, we believe that we are insured for any liability we may ultimately have in excess of $10 million. However, no assurance can be given regarding our ultimate liability or costs to us. We believe the range of possible loss to our Company in this matter to be between €0 and €113 million and have made no accrual with respect to this matter.

**Indemnification Matter**

On July 3, 2012, Deutsche Bank Securities Inc. and Credit Suisse Securities (USA) LLC, or the banks, demanded that we indemnify them for claims brought by certain MatlinPatterson entities that were formerly our shareholders, the plaintiffs, in litigation filed June 19, 2012 in the 9th District Court in Montgomery County, Texas. The banks assert that they are entitled to indemnification pursuant to the Agreement of Compromise and Settlement between the banks and our Company, dated June 22, 2009, wherein the banks and our Company settled claims that we brought relating to the failed merger with Hexion. The plaintiffs claim that the banks knowingly made materially false representations about the nature of the financing for the acquisition of our Company by Hexion and that they suffered substantial losses to their 19 million shares of our common stock as a result of the banks' misrepresentations. The plaintiffs are asserting statutory fraud, common law fraud and aiding and abetting statutory fraud and are seeking actual damages, exemplary damages, costs and attorney's fees, pre-judgment and post-judgment interest. We denied the banks' indemnification demand. On December 21, 2012, the court dismissed the plaintiffs' claims, and the appeal deadline is 90 days after entry of the order. The plaintiffs filed a motion for reconsideration before the trial court on January 18, 2013.

**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.

| EMPLOYEE BENEFIT PLANS (Details 6) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **DEFINED CONTRIBUTION PLANS** | | | |
| Total defined contribution expense | $ 14 | $ 14 | $ 14 |
| **SUPPLEMENTAL SALARY DEFERRAL PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN** | | | |
| Maximum percentage of salary which participant can defer under Huntsman supplemental deferral plan | 75.00% | | |
| Carrying amount of assets included in other noncurrent assets | 14 | 12 | |
| Deferred compensation expense | $ 1 | $ 1 | $ 1 |
| **STOCK-BASED INCENTIVE PLAN** | | | |
| Authorized number of shares to be granted under the Stock Incentive Plan | 32.6 | | |
| Money purchase pension plan | | | |
| **DEFINED CONTRIBUTION PLANS** | | | |
| Employer contribution limit (as a percent of compensation) | 8.00% | | |
| Salary deferral plan | | | |
| **DEFINED CONTRIBUTION PLANS** | | | |
| Employer contribution limit (as a percent of compensation) | 2.00% | | |
| Employer matching contribution as a percentage of employee's contribution | 50.00% | | |
| Salary deferral plan for new hires | | | |
| **DEFINED CONTRIBUTION PLANS** | | | |
| Employer contribution limit (as a percent of compensation) | 4.00% | | |
| Employer matching contribution as a percentage of employee's contribution | 100.00% | | |
| Period of service, to be achieved by the employees, to participate in the plan | 6 years | | |

**EMPLOYEE BENEFIT PLANS (Tables)**

**12 Months Ended Dec. 31, 2012**

**DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS**

Schedule of funded status of the plans and the amounts recognized in the consolidated balance sheets

The following table sets forth the funded status of the plans for us and Huntsman International and the amounts recognized in the consolidated balance sheets at December 31, 2012 and 2011 (dollars in millions):

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $834 | $2,331 | $761 | $2,255 | $128 | $7 | $129 | $7 |
| Service cost | 26 | 32 | 23 | 44 | 4 | — | 3 | — |
| Interest cost | 42 | 102 | 44 | 110 | 6 | — | 7 | 1 |
| Participant contributions | — | 9 | — | 14 | 5 | — | 5 | — |
| Plan amendments | (26) | — | — | (1) | — | — | — | — |
| Foreign currency exchange rate changes | — | 80 | — | (13) | — | — | — | (1) |
| Settlements/ transfers | — | (2) | — | (20) | — | — | — | — |
| Curtailments | — | — | — | (38) | — | — | — | — |
| Special termination benefits | — | — | — | 8 | — | — | — | — |
| Actuarial loss | 127 | 360 | 47 | 83 | 9 | — | 1 | — |
| Benefits paid | (45) | (157) | (41) | (111) | (16) | — | (17) | (1) |
| Benefit obligation at end of year | $958 | $2,755 | $834 | $2,331 | $136 | $7 | $128 | $6 |
| **Change in plan assets** | | | | | | | | |
| Fair value of plan assets at beginning of year | $538 | $2,026 | $517 | $2,025 | $— | $— | $— | $— |
| Actual return on plan assets | 71 | 221 | (7) | 43 | — | — | — | — |
| Foreign currency exchange rate changes | — | 65 | — | (10) | — | — | — | — |
| Participant contributions | — | 9 | — | 14 | 5 | — | 5 | — |
| Other | — | — | — | (1) | — | — | — | — |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Company contributions | 72 | 75 | 69 | 86 | 11 | 1 | 12 | 1 |
| Settlements/ transfers | — | (2) | — | (20) | — | — | — | — |
| Benefits paid | (45) | (157) | (41) | (111) | (16) | (1) | (17) | (1) |
| Fair value of plan assets at end of year | $636 | $2,237 | $538 | $2,026 | $— | $— | $— | $— |
| **Funded status** | | | | | | | | |
| Fair value of plan assets | $636 | $2,237 | $538 | $2,026 | $— | $— | $— | $— |
| Benefit obligation | 958 | 2,755 | 834 | 2,331 | 136 | 7 | 128 | 6 |
| Accrued benefit cost | $(322) | $(518) | $(296) | $(305) | $(136) | $(7) | $(128) | $(6) |
| **Amounts recognized in balance sheet:** | | | | | | | | |
| Noncurrent asset | $— | $1 | $— | $100 | $— | $— | $— | $— |
| Current liability | (6) | (5) | (6) | (6) | (11) | (1) | (12) | — |
| Noncurrent liability | (316) | (514) | (290) | (399) | (125) | (6) | (116) | (6) |
| | $(322) | $(518) | $(296) | $(305) | $(136) | $(7) | $(128) | $(6) |

Schedule of amounts recognized in accumulated other comprehensive loss (income)

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $448 | $797 | $366 | $562 | $32 | $1 | $25 | $1 |
| Prior service cost | (42) | 4 | (22) | 2 | (8) | — | (10) | — |
| Transition obligation | 1 | — | 1 | — | — | — | — | — |
| | $407 | $801 | $345 | $564 | $24 | $1 | $15 | $1 |

Schedule of amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year

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

| | Defined Benefit Plans | | Other Postretirement Benefit Plans | |
|---|---|---|---|---|
| | U.S. Plans | Non-U.S. Plans | U.S. Plans | Non-U.S. Plans |
| Actuarial loss | $34 | $46 | $2 | $— |
| Prior service cost | (6) | — | (3) | — |
| Total | $28 | $46 | $(1) | $— |

Components of the net periodic benefit costs

Components of net periodic benefit costs for the years ended December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $26 | $23 | $21 | $32 | $44 | $44 |
| Interest cost | 42 | 44 | 40 | 102 | 110 | 102 |
| Expected return on plan assets | (48 ) | (47 ) | (42 ) | (133 ) | (140 ) | (121 ) |
| Amortization of prior service cost | (6 ) | (4 ) | (5 ) | (1 ) | (2 ) | (1 ) |
| Amortization of actuarial loss | 21 | 16 | 11 | 23 | 16 | 14 |
| Settlement loss | — | — | — | 13 | — | — |
| Special termination benefits | — | — | — | — | 8 | — |
| Net periodic benefit cost | $35 | $32 | $25 | $36 | $36 | $38 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $4 | $3 | $3 | $— | $— | $— |
| Interest cost | 7 | 7 | 7 | 1 | 1 | — |
| Amortization of prior service cost | (3 ) | (3 ) | (3 ) | — | — | — |
| Amortization of actuarial loss | 2 | 2 | 1 | — | — | — |
| Net periodic benefit cost | $10 | $9 | $8 | $1 | $1 | $— |

Schedule of amounts recognized in net periodic benefit cost and other comprehensive loss (income)

The amounts recognized in net periodic benefit cost and other comprehensive loss as of December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $103 | $101 | $16 | $272 | $182 | $20 |
| Amortization of actuarial gain | (21 ) | (16 ) | (11 ) | (23 ) | (16 ) | (14 ) |
| Current year prior service cost | (26 ) | — | — | — | (2 ) | — |
| Amortization of prior service cost | 6 | 4 | 4 | 1 | 2 | 1 |
| Curtailment effects | — | — | — | — | (38 ) | — |
| Settlements | — | — | — | (13 ) | — | — |
| Total recognized in other comprehensive loss | 62 | 89 | 9 | 237 | 128 | 7 |
| Net periodic benefit cost | 35 | 32 | 25 | 36 | 36 | 38 |
| Total recognized in net periodic benefit cost and other comprehensive loss | $97 | $121 | $34 | $273 | $164 | $45 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $9 | $1 | $5 | $— | $— | $— |
| Amortization of actuarial gain | (2 ) | (1 ) | (2 ) | — | — | — |
| Amortization of prior service cost | 3 | 2 | 3 | — | — | — |
| Total recognized in other comprehensive loss | 10 | 2 | 6 | — | — | — |
| Net periodic benefit cost | 10 | 9 | 8 | 1 | 1 | — |
| Total recognized in net periodic benefit cost and other comprehensive loss | $20 | $11 | $14 | $1 | $1 | $— |

Schedule of weighted-average assumptions used to determine the projected benefit obligation and the net periodic pension cost

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Projected benefit obligation** | | | | | | |
| Discount rate | 4.18 % | 5.30 % | 5.70 % | 3.38 % | 4.39 % | 4.69 % |
| Rate of compensation increase | 4.19 % | 3.88 % | 3.88 % | 3.34 % | 3.44 % | 3.38 % |
| **Net periodic pension cost** | | | | | | |
| Discount rate | 5.30 % | 5.70 % | 5.90 % | 4.39 % | 4.69 % | 4.94 % |
| Rate of compensation increase | 3.88 % | 3.88 % | 3.88 % | 3.44 % | 3.38 % | 3.23 % |
| Expected return on plan assets | 8.00 % | 8.19 % | 8.20 % | 6.52 % | 6.62 % | 6.65 % |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Projected benefit obligation** | | | | | | |
| Discount rate | 3.89 % | 5.09 % | 5.46 % | 5.79 % | 6.09 % | 6.69 % |
| **Net periodic pension cost** | | | | | | |
| Discount rate | 5.09 % | 5.46 % | 5.59 % | 6.09 % | 6.69 % | 7.47 % |

Schedule of effect on one-percent-point change in assumed health care cost trend rates

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 | 3.6 | (3.1 ) |

Schedule of projected benefit obligation and fair value of plan assets for the defined benefit plans with projected benefit obligations in excess of fair value of plan assets

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, 2012 and 2011 were as follows (dollars in millions):

| | U.S. plans | | Non-U.S. plans | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| **Projected benefit obligation in excess of plan assets** | | | | |
| Projected benefit obligation | $958 | $834 | $2,742 | $1,897 |
| Fair value of plan assets | 636 | 538 | 2,223 | 1,492 |

Schedule of defined benefit plans with an accumulated benefit obligation in excess of fair value of plan assets

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, 2012 and 2011 were as follows (dollars in millions):

| | U.S. plans | | Non-U.S. plans | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| **Accumulated benefit obligation in excess of plan assets** | | | | |
| Projected benefit obligation | $958 | $834 | $1,751 | $1,618 |
| Accumulated benefit obligation | 925 | 789 | 1,603 | 1,500 |
| Fair value of plan assets | 636 | 538 | 1,266 | 1,251 |

Schedule of expected future contributions and benefit payments

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

| | U.S. Plans | | Non-U.S. Plans | |
|---|---|---|---|---|
| | Defined Benefit Plans | Other Postretirement Benefit Plans | Defined Benefit Plans | Other Postretirement Benefit Plans |
| **2013 expected employer contributions** | | | | |
| To plan trusts | $73 | $11 | $81 | $1 |
| **Expected benefit payments** | | | | |
| 2013 | 58 | 11 | 175 | 1 |
| 2014 | 54 | 11 | 98 | 1 |
| 2015 | 53 | 11 | 103 | 1 |
| 2016 | 55 | 11 | 105 | 1 |
| 2017 | 59 | 11 | 107 | 1 |
| 2018 - 2022 | 325 | 49 | 578 | 2 |

Schedule of plan assets measured at fair value on a recurring basis

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

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| Asset category | December 31, 2012 | 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 | $340 | $195 | $145 | $— |
| Fixed income | 196 | 116 | 80 | — |
| Real estate/other | 89 | 48 | — | 41 |
| Cash | 11 | 11 | — | — |
| Total U.S. pension plan assets | $636 | $370 | $225 | $41 |
| Non-U.S. pension plans: | | | | |
| Equities | $862 | $649 | $213 | $— |
| Fixed income | 905 | 632 | 273 | — |
| Real estate/other | 357 | 27 | 303 | 27 |
| Cash | 113 | 112 | 1 | — |
| Total non-U.S. pension plan assets | $2,237 | $1,420 | $790 | $27 |

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| Asset category | December 31, 2011 | 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 | $294 | $166 | $128 | $— |
| Fixed income | 170 | 106 | 64 | — |
| Real estate/other | 72 | 45 | — | 27 |
| Cash | 2 | 2 | — | — |
| Total U.S. pension plan assets | $538 | $319 | $192 | $27 |
| Non-U.S. pension plans: | | | | |
| Equities | $771 | $361 | $410 | $— |
| Fixed income | 923 | 304 | 619 | — |
| Real estate/other | 316 | 1 | 281 | 34 |
| Cash | 16 | 16 | — | — |
| Total non-U.S. pension plan assets | $2,026 | $682 | $1,310 | $34 |

Reconciliation of the beginning and ending balances of plan assets measured at fair value using unobservable inputs (level 3)

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

| Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3) | Real Estate/Other Year ended December 31, 2012 | Real Estate/Other Year ended December 31, 2011 |
|---|---|---|
| Balance at beginning of period | $61 | $52 |
| Return on pension plan assets | 4 | (1) |
| Purchases, sales and settlements | 10 | 10 |
| Transfers in (out) of Level 3 | (7) | — |
| Balance at end of period | $68 | $61 |

| Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3) | Fixed Income Year ended December 31, 2012 | Fixed Income Year ended December 31, 2011 |
|---|---|---|
| Balance at beginning of period | $— | $1 |
| Purchases, sales and settlements | — | (1) |
| Balance at end of period | $— | $— |

Schedule of asset allocation for pension plans and the target allocation, by asset category

| Asset category | Target Allocation 2013 | Allocation at December 31, 2012 | Allocation at December 31, 2011 |
|---|---|---|---|
| U.S. pension plans: | | | |
| Equities | 54 % | 53 % | 55 % |
| Fixed income | 32 % | 31 % | 32 % |
| Real estate/other | 14 % | 14 % | 13 % |
| Cash | — | 2 % | — |
| Total U.S. pension plans | 100 % | 100 % | 100 % |
| Non-U.S. pension plans: | | | |
| Equities | 40 % | 38 % | 38 % |
| Fixed income | 40 % | 41 % | 46 % |
| Real estate/other | 19 % | 20 % | 15 % |
| Cash | 1 % | 1 % | 1 % |
| Total non-U.S. pension plans | 100 % | 100 % | 100 % |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS**

Schedule of amounts recognized in accumulated other comprehensive loss (income)

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $449 | $867 | $368 | $636 | $32 | $1 | $25 | $1 |
| Prior service cost | (42 ) | 4 | (22 ) | 2 | (8 ) | — | (10 ) | — |
| Transition obligation | 1 | — | 1 | — | — | — | — | — |
| | $408 | $871 | $347 | $638 | $24 | $1 | $15 | $1 |

Schedule of amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year

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

| | Defined Benefit Plans | | Other Postretirement | |
|---|---|---|---|---|
| | U.S. Plans | Non-U.S. Plans | U.S. Plans | Non-U.S. |
| Actuarial loss | $34 | $50 | $2 | $— |
| Prior service cost | (6 ) | 1 | (3 ) | — |
| Total | $28 | $51 | $(1 ) | $— |

Components of the net periodic benefit costs

Components of net periodic benefit costs for the years ended December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $26 | $23 | $21 | $32 | $44 | $44 |
| Interest cost | 42 | 44 | 40 | 102 | 110 | 102 |
| Expected return on plan assets | (48 ) | (47 ) | (42 ) | (133 ) | (140 ) | (121 ) |
| Amortization of prior service cost | (6 ) | (4 ) | (5 ) | (1 ) | (2 ) | (1 ) |
| Amortization of actuarial loss | 21 | 16 | 11 | 28 | 21 | 19 |
| Settlement loss | — | — | — | 13 | — | — |
| Special termination benefits | — | — | — | | 8 | — |
| Net periodic benefit cost | $35 | $32 | $25 | $41 | $41 | $43 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $4 | $3 | $3 | $— | $— | $— |
| Interest cost | 7 | 7 | 7 | 1 | 1 | — |
| Amortization of prior service cost | (3 ) | (3 ) | (3 ) | — | — | — |
| Amortization of actuarial loss | 2 | 2 | 1 | — | — | — |
| Net periodic benefit cost | $10 | $9 | $8 | $1 | $1 | $— |

Schedule of amounts recognized in net periodic benefit cost and other comprehensive loss (income)

The amounts recognized in net periodic benefit cost and other comprehensive loss as of December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $103 | $101 | $16 | $272 | $182 | $20 |
| Amortization of actuarial gain | (21 ) | (16 ) | (11 ) | (28 ) | (21 ) | (19 ) |
| Current year prior service cost | (26 ) | — | — | — | (2 ) | — |
| Amortization of prior service cost | 6 | 4 | 4 | 1 | 2 | 1 |
| Curtailment effects | — | — | — | — | (38 ) | — |
| Settlements | — | — | — | (13 ) | — | — |
| Total recognized in other comprehensive loss | 62 | 89 | 9 | 232 | 123 | 2 |
| Net periodic benefit cost | 35 | 32 | 25 | 41 | 41 | 43 |
| Total recognized in net periodic benefit cost and other comprehensive loss | $97 | $121 | $34 | $273 | $164 | $45 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $9 | $1 | $5 | $— | $— | $— |
| Amortization of actuarial gain | (2 ) | (1 ) | (2 ) | — | — | — |
| Amortization of prior service cost | 3 | 2 | 3 | — | — | — |
| Total recognized in other comprehensive loss | 10 | 2 | 6 | — | — | — |
| Net periodic benefit cost | 10 | 9 | 8 | 1 | 1 | — |
| Total recognized in net periodic benefit cost and other comprehensive loss | $20 | $11 | $14 | $1 | $1 | $— |

## INVENTORIES (Tables)

| | 12 Months Ended Dec. 31, 2012 |
|---|---|

**INVENTORIES**

Components of inventory

Inventories consisted of the following (dollars in millions):

| | December 31, | |
|---|---|---|
| | **2012** | **2011** |
| Raw materials and supplies | $484 | $374 |
| Work in progress | 98 | 92 |
| Finished goods | 1,311 | 1,162 |
| **Total** | 1,893 | 1,628 |
| LIFO reserves | (74) | (89) |
| **Net** | $1,819 | $1,539 |

| HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY | 12 Months Ended<br>Dec. 31, 2012 |
|---|---|
| **HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY** | |
| HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY | **21. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY** |

**SHARE REPURCHASE PROGRAM**

Effective August 5, 2011, our Board of Directors authorized our Company to repurchase up to $100 million in shares of our common stock. Repurchases under this program 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. During 2011, we acquired approximately four million shares of our outstanding common stock for approximately $50 million under the repurchase program. During 2012, we did not repurchase any shares of our outstanding common stock under the repurchase program. As of December 31, 2012, there remained approximately $50 million of the amount authorized under the program that could be used for stock repurchases.

**DIVIDENDS ON COMMON STOCK**

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

| | 2012 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 30, 2012 | March 15, 2012 | $0.10 | $24 |
| June 29, 2012 | June 15, 2012 | 0.10 | 24 |
| September 28, 2012 | September 14, 2012 | 0.10 | 24 |
| December 31, 2012 | December 14, 2012 | 0.10 | 24 |
| Total | | | $96 |

| | 2011 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2011 | March 15, 2011 | $0.10 | $24 |
| June 30, 2011 | June 15, 2011 | 0.10 | 24 |
| September 30, 2011 | September 15, 2011 | 0.10 | 24 |
| December 30, 2011 | December 15, 2011 | 0.10 | 24 |
| Total | | | $96 |

| | 2010 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2010 | March 15, 2010 | $0.10 | $24 |
| June 30, 2010 | June 15, 2010 | 0.10 | 24 |
| September 30, 2010 | September 15, 2010 | 0.10 | 24 |
| December 31, 2010 | December 15, 2010 | 0.10 | 24 |
| Total | | | $96 |

| STOCK-BASED COMPENSATION PLAN | 12 Months Ended Dec. 31, 2012 |
|---|---|

**STOCK-BASED COMPENSATION PLAN**

STOCK-BASED COMPENSATION PLAN

**22. STOCK-BASED COMPENSATION PLAN**

Under the Stock Incentive Plan, a plan approved by stockholders, we may grant non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. The terms of the grants are fixed at the grant date. As of December 31, 2012 we were authorized to grant up to 32.6 million shares under the Stock Incentive Plan. As of December 31, 2012, we had 8 million shares remaining under the Stock Incentive Plan available for grant. Option awards have a maximum contractual term of 10 years and generally must have an exercise price at least equal to the market price of our common stock on the date the option award is granted. Stock- based awards generally vest over a three-year period.

The compensation cost from continuing operations under the Stock Incentive Plan for our Company and Huntsman International were as follows (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Huntsman Corporation compensation cost | $27 | $24 | $27 |
| Huntsman International compensation cost | 26 | 22 | 24 |

The total income tax benefit recognized in the statement of operations for stock-based compensation arrangements was $6 million, $6 million and $8 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Dividend yield | 3.0 % | 2.3 % | 3.0 % |
| Expected volatility | 65.3 % | 65.6 % | 69.0 % |
| Risk-free interest rate | 1.3 % | 2.8 % | 3.1 % |
| Expected life of stock options granted during the period | 6.6 years | 6.6 years | 6.6 years |

**STOCK OPTIONS**

A summary of stock option activity under the Stock Incentive Plan as of December 31, 2012 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, 2012 | 10,345 | $13.83 | | |
| Granted | 1,363 | 13.41 | | |
| Exercised | (902) | 3.37 | | |
| Forfeited | (289) | 19.48 | | |
| Outstanding at December 31, 2012 | 10,517 | 14.52 | 5.4 | $42 |
| Exercisable at December 31, 2012 | 8,390 | 14.56 | 4.5 | 39 |

The weighted-average grant-date fair value of stock options granted during 2012, 2011 and 2010 was $6.36, $9.17 and $6.97 per option, respectively. As of December 31, 2012, there was $9 million of total unrecognized compensation cost related to nonvested stock option arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.4 years.

During the years ended December 31, 2012, 2011 and 2010, the total intrinsic value of stock options exercised was $10 million, $19 million and $14 million, respectively.

**NONVESTED SHARES**

Nonvested shares granted under the Stock Incentive Plan consist of restricted stock, which is accounted for as an equity award, and phantom stock, which is accounted for as a liability award because it can be settled in either stock or cash. A summary of the status of our nonvested shares as of December 31, 2011 and changes during the year then ended is presented below:

| | Equity Awards | | Liability Awards | |
|---|---|---|---|---|
| | Shares | Weighted Average Grant-Date Fair Value | Shares | Weighted Average Grant-Date Fair Value |
| | (in thousands) | | (in thousands) | |
| Nonvested at January 1, 2012 | 2,287 | $9.92 | 1,100 | $9.42 |
| Granted | 934 | 13.41 | 383 | 13.41 |
| Vested | (1,402)(1) | 7.09 | (760) | 6.53 |
| Forfeited | (30) | 15.27 | (85) | 15.16 |
| Nonvested at December 31, 2012 | 1,789 | 13.87 | 638 | 14.50 |

**(1)** As of December 31, 2012, a total of 516,338 restricted stock units were vested, of which 72,161 vested during 2012. Only 176,327 of these shares have 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, 2012, there was $18 million of total unrecognized compensation cost related to nonvested share compensation arrangements granted under the Stock Incentive Plan. That cost is expected to be recognized over a weighted-average period of approximately 1.5 years. The value of share awards that vested during the years ended December 31, 2012, 2011 and 2010 was $21 million, $23 million and $18 million, respectively.

| CONSOLIDATED STATEMENTS OF CASH FLOWS (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Operating Activities:** | | | |
| Net income | $ 373 | $ 254 | $ 32 |
| **Adjustments to reconcile net income to net cash provided by (used in) operating activities:** | | | |
| Extraordinary (gain) loss on the acquisition of a business, net of tax | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries | 4 | (12) | |
| Equity in income of investment in unconsolidated affiliates | (7) | (8) | (24) |
| Depreciation and amortization | 432 | 439 | 405 |
| Provision for losses (gains) on accounts receivable | 4 | (4) | 6 |
| (Gain) loss on disposal of businesses/assets, net | | (38) | 8 |
| Loss on early extinguishment of debt | 80 | 7 | 183 |
| Noncash interest expense | 33 | 38 | 22 |
| Deferred income taxes | (38) | (23) | 45 |
| Noncash impairment charge | 15 | 60 | 2 |
| Noncash loss (gain) on foreign currency transactions | 11 | (32) | 22 |
| Stock-based compensation | 27 | 24 | 27 |
| Portion of insurance settlement representing cash provided by investing activities | | | (34) |
| Other, net | (2) | (1) | 2 |
| **Changes in operating assets and liabilities:** | | | |
| Accounts and notes receivable | | (121) | (183) |
| Accounts receivable from A/R Programs | | | (254) |
| Inventories | (248) | (161) | (207) |
| Prepaid expenses | (3) | (4) | (2) |
| Other current assets | 24 | (108) | (5) |
| Other noncurrent assets | 103 | 2 | (102) |
| Accounts payable | 146 | 24 | 83 |
| Accrued liabilities | 23 | 112 | (22) |
| Other noncurrent liabilities | (201) | (79) | (63) |
| Net cash provided by (used in) operating activities | 774 | 365 | (58) |
| **Investing Activities:** | | | |
| Capital expenditures | (412) | (330) | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | | 3 | 34 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | (18) | (34) | |
| Cash assumed in connection with the initial consolidation of a variable interest entity | | 28 | 14 |
| Proceeds from sale of businesses/assets | 6 | 48 | 2 |
| Investment in unconsolidated affiliates | (127) | (26) | (27) |
| Cash received from unconsolidated affiliates | 82 | 32 | 31 |

| | | | |
|---|---|---|---|
| Other, net | (2) | (1) | |
| Net cash used in investing activities | (471) | (280) | (182) |
| **Financing Activities:** | | | |
| Net repayments under revolving loan facilities | (15) | (2) | (6) |
| Revolving loan facility from A/R Programs | | | 254 |
| Net borrowings (repayments) on overdraft facilities | 2 | 9 | (2) |
| Repayments of short-term debt | (53) | (187) | (175) |
| Borrowings on short-term debt | | 162 | 212 |
| Repayments of long-term debt | (694) | (408) | (1,456) |
| Proceeds from issuance of long-term debt | 405 | 98 | 923 |
| Repayments of notes payable | (37) | (34) | (53) |
| Borrowings on notes payable | 34 | 35 | 46 |
| Debt issuance costs paid | (11) | (7) | (29) |
| Call premiums related to early extinguishment of debt | (2) | (6) | (160) |
| Dividends paid to common stockholders | (96) | (96) | (96) |
| Repurchase and cancellation of stock awards | (7) | (8) | (6) |
| Repurchase of common stock | | (50) | |
| Proceeds from issuance of common stock | 3 | 3 | 3 |
| Dividends paid to noncontrolling interest | | (9) | |
| Excess tax benefit related to stock-based compensation | 4 | 10 | 4 |
| Other, net | (6) | | (2) |
| Net cash used in financing activities | (473) | (490) | (543) |
| Effect of exchange rate changes on cash | 3 | (7) | 4 |
| Increase (Decrease) in cash and cash equivalents | (167) | (412) | (779) |
| Cash and cash equivalents at beginning of period | 554 [1] | 966 | 1,745 |
| Cash and cash equivalents at end of period | 387 [1] | 554 [1] | 966 |
| **Supplemental cash flow information:** | | | |
| Cash paid for interest | 209 | 204 | 203 |
| Cash paid for income taxes | 224 | 119 | 6 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Operating Activities:** | | | |
| Net income | 375 | 260 | 185 |
| **Adjustments to reconcile net income to net cash provided by (used in) operating activities:** | | | |
| Extraordinary (gain) loss on the acquisition of a business, net of tax | (2) | (4) | 1 |
| Loss (gain) on initial consolidation of subsidiaries | 4 | (12) | |
| Equity in income of investment in unconsolidated affiliates | (7) | (8) | (24) |
| Depreciation and amortization | 408 | 416 | 382 |
| Provision for losses (gains) on accounts receivable | 4 | (4) | 6 |
| (Gain) loss on disposal of businesses/assets, net | | (38) | 8 |
| Loss on early extinguishment of debt | 80 | 7 | 37 |
| Noncash interest expense | 45 | 51 | 40 |
| Deferred income taxes | 76 | 40 | 45 |
| Noncash impairment charge | 15 | 60 | 2 |

| | | | |
|---|---|---|---|
| Noncash loss (gain) on foreign currency transactions | 11 | (32) | 22 |
| Noncash compensation | 26 | 22 | 24 |
| Portion of insurance settlement representing cash provided by investing activities | | | (34) |
| Other, net | (4) | (1) | 1 |
| **Changes in operating assets and liabilities:** | | | |
| Accounts and notes receivable | | (121) | (183) |
| Accounts receivable from A/R Programs | | | (254) |
| Inventories | (248) | (161) | (207) |
| Prepaid expenses | (3) | (4) | (2) |
| Other current assets | (1) | (87) | (1) |
| Other noncurrent assets | 103 | 2 | (102) |
| Accounts payable | 134 | 13 | 97 |
| Accrued liabilities | 41 | 108 | (32) |
| Other noncurrent liabilities | (197) | (75) | (57) |
| Net cash provided by (used in) operating activities | 860 | 432 | (46) |
| **Investing Activities:** | | | |
| Capital expenditures | (412) | (330) | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | | 3 | 34 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | (18) | (34) | |
| Cash assumed in connection with the initial consolidation of a variable interest entity | | 28 | 14 |
| Proceeds from sale of businesses/assets | 6 | 48 | 2 |
| Increase in receivable from affiliate | (108) | (57) | (57) |
| Investment in unconsolidated affiliates | (127) | (26) | (27) |
| Cash received from unconsolidated affiliates | 82 | 32 | 31 |
| Other, net | (1) | (1) | 1 |
| Net cash used in investing activities | (578) | (337) | (238) |
| **Financing Activities:** | | | |
| Net repayments under revolving loan facilities | (15) | (2) | (6) |
| Revolving loan facility from A/R Programs | | | 254 |
| Net borrowings (repayments) on overdraft facilities | 2 | 9 | (2) |
| Repayments of short-term debt | (53) | (187) | (175) |
| Borrowings on short-term debt | | 162 | 212 |
| Repayments of long-term debt | (694) | (408) | (1,207) |
| Proceeds from issuance of long-term debt | 405 | 98 | 923 |
| Repayments of notes payable to affiliate | (139) | (105) | (125) |
| Proceeds from notes payable to affiliate | 299 | 105 | 110 |
| Repayments of notes payable | (37) | (34) | (53) |
| Borrowings on notes payable | 34 | 35 | 46 |
| Debt issuance costs paid | (11) | (7) | (29) |
| Call premiums related to early extinguishment of debt | (2) | (6) | (28) |
| Dividends paid to parent | (96) | (79) | |
| Dividends paid to noncontrolling interest | | (9) | |

| | | | |
|---|---|---|---|
| Excess tax benefit related to stock-based compensation | 4 | 10 | 4 |
| Other, net | (3) | | (2) |
| Net cash used in financing activities | (306) | (418) | (78) |
| Effect of exchange rate changes on cash | 3 | (7) | 4 |
| Increase (Decrease) in cash and cash equivalents | (21) | (330) | (358) |
| Cash and cash equivalents at beginning of period | 231 | [1] 561 | 919 |
| Cash and cash equivalents at end of period | 210 | [1] 231 | [1] 561 |
| **Supplemental cash flow information:** | | | |
| Cash paid for interest | 209 | 205 | 194 |
| Cash paid for income taxes | $ 129 | $ 44 | $ 32 |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| OTHER COMPREHENSIVE LOSS | 12 Months Ended Dec. 31, 2012 |
|---|---|
| **OTHER COMPREHENSIVE LOSS** | |
| OTHER COMPREHENSIVE LOSS | **23. OTHER COMPREHENSIVE LOSS** |

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

**Huntsman Corporation**

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 |
| | Accumulated loss | Loss | Accumulated loss | Loss | Loss |
| Foreign currency translation adjustments, net of tax of $20 and $24 as of December 31, 2012 and 2011, respectively | $269 | $51 | $218 | $(80 ) | $24 |
| Pension and other postretirement benefits adjustments, net of tax of $197 and $124 as of December 31, 2012 and 2011, respectively | (1,036 ) | (236 ) | (800 ) | (187 ) | (33 ) |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | (1 ) | 8 | 1 | — |
| Other, net | 3 | — | 3 | (1 ) | (2 ) |
| Total | (757 ) | (186 ) | (571 ) | (267 ) | (11 ) |
| Amounts attributable to noncontrolling interests | 13 | 1 | 12 | 5 | 1 |
| Amounts attributable to Huntsman Corporation | $(744 ) | $(185 ) | $(559 ) | $(262 ) | $(10 ) |

**Huntsman International**

| | December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |

| | Accumulated loss | Loss | Accumulated loss | Loss | Loss |
|---|---|---|---|---|---|
| Foreign currency translation adjustments, net of tax of $7 and $11 as of December 31, 2012 and 2011, respectively | $268 | $51 | $217 | $(79) | $23 |
| Pension and other postretirement benefits adjustments, net of tax of $228 and $155 as of December 31, 2012 and 2011, respectively | (1,076) | (231) | (845) | (182) | (28) |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | (1) | 8 | 1 | — |
| Other, net | (3) | — | (3) | (2) | (2) |
| Total | (804) | (181) | (623) | (262) | (7) |
| Amounts attributable to noncontrolling interests | 13 | 1 | 12 | 5 | 1 |
| Amounts attributable to Huntsman International LLC | $(791) | $(180) | $(611) | $(257) | $(6) |

Items of other comprehensive 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.

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2010 2005 initiatives and prior | Dec. 31, 2010 2006 initiatives | Dec. 31, 2011 2006 initiatives and prior | Dec. 31, 2011 2008 initiatives | Dec. 31, 2010 2008 initiatives | Dec. 31, 2012 2007 initiatives and prior | Dec. 31, 2012 2009 initiatives | Dec. 31, 2011 2009 initiatives | Dec. 31, 2010 2009 initiatives | Dec. 31, 2012 2010 initiatives | Dec. 31, 2011 2010 initiatives | Dec. 31, 2010 2010 initiatives | Dec. 31, 2012 2011 initiatives | Dec. 31, 2011 2011 initiatives | Dec. 31, 2012 2012 initiatives |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | $ 92 | $ 49 | $ 75 | | | | | | | | | | | | | | | |
| Restructuring charges | | | | 1 | | 1 | | 1 | 2 | 5 | 7 | 9 | 2 | 15 | 23 | 15 | 89 | 69 |
| Reversal of reserves no longer required | (16) | (5) | (7) | | | | | | | | | | | | | | | |
| Restructuring payments | | | | (2) | (3) | (3) | (2) | (7) | (3) | (6) | (12) | (16) | (4) | (21) | (3) | (37) | (14) | (18) |
| Net activity of discontinued operations | | (2) | (26) | | | | | | | | | | | | | | | |
| Foreign currency effect on liability balance | 4 | (10) | 4 | | | | | | | | | | | | | | | |
| Accrued liabilities at the end of the period | $ 105 | $ 92 | $ 49 | | | | | | | | | | | | | | | |
| Number of positions terminated | | | | | | | | | | | | | | | | | | |
| Number of positions not terminated | | | | | | | | | | | | | | | | | | |

12 Months Ended

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 Workforce reductions item | Dec. 31, 2011 Workforce reductions | Dec. 31, 2010 Workforce reductions | Dec. 31, 2010 Workforce reductions 2005 initiatives and prior | Dec. 31, 2010 Workforce reductions 2006 initiatives | Dec. 31, 2011 Workforce reductions 2006 initiatives and prior | Dec. 31, 2011 Workforce reductions 2008 initiatives | Dec. 31, 2010 Workforce reductions 2008 initiatives | Dec. 31, 2012 Workforce reductions 2007 initiatives and prior | Dec. 31, 2012 Workforce reductions 2009 initiatives | Dec. 31, 2011 Workforce reductions 2009 initiatives | Dec. 31, 2010 Workforce reductions 2009 initiatives | Dec. 31, 2012 Workforce reductions 2010 initiatives | Dec. 31, 2011 Workforce reductions 2010 initiatives | Dec. 31, 2010 Workforce reductions 2010 initiatives | Dec. 31, 2012 Workforce reductions 2011 initiatives | Dec. 31, 2011 Workforce reductions 2011 initiatives | Dec. 31, 2012 Workforce reductions 2012 initiatives |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | $ 73 | $ 36 | $ 60 | | | | | | | | | | | | | | | |
| Restructuring charges | | | | 1 | | 1 | | 1 | 2 | 1 | 1 | 4 | 2 | 2 | 22 | 4 | 87 | 64 |
| Reversal of reserves no longer required | (15) | (5) | (6) | | | | | | | | | | | | | | | |
| Restructuring payments | | | | (1) | (3) | (1) | (2) | (7) | (2) | (1) | (6) | (11) | (3) | (17) | (1) | (25) | (13) | (12) |
| Net activity of discontinued operations | | | (26) | | | | | | | | | | | | | | | |
| Foreign currency effect on liability balance | 2 | (10) | 3 | | | | | | | | | | | | | | | |
| Accrued liabilities at the end of the period | $ 90 | $ 73 | $ 36 | | | | | | | | | | | | | | | |
| Number of positions terminated | 831 | | | | | | | | | | | | | | | | | |
| Number of positions not terminated | 786 | | | | | | | | | | | | | | | | | |

12 Months Ended

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 Demolition and decommissioning | Dec. 31, 2010 Demolition and decommissioning | Dec. 31, 2009 Demolition and decommissioning | Dec. 31, 2010 Demolition and decommissioning 2005 initiatives and prior | Dec. 31, 2011 Demolition and decommissioning 2010 initiatives | Dec. 31, 2012 Demolition and decommissioning 2011 initiatives | Dec. 31, 2010 Non-cancelable lease costs | Dec. 31, 2012 Non-cancelable lease costs | Dec. 31, 2011 Non-cancelable lease costs | Dec. 31, 2011 Non-cancelable lease costs 2006 initiatives and prior | Dec. 31, 2012 Non-cancelable lease costs 2010 initiatives | Dec. 31, 2011 Non-cancelable lease costs 2010 initiatives | Dec. 31, 2012 Non-cancelable lease costs 2011 initiatives | Dec. 31, 2011 Non-cancelable lease costs 2011 initiatives |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | | $ 1 | $ 2 | | | | $ 2 | $ 9 | $ 11 | | | | | |
| Restructuring charges | | | | | 2 | 5 | | | | | | 10 | | 1 |
| Reversal of reserves no longer required | | | | | | | (1) | | | | | | | |
| Restructuring payments | | | | (1) | (3) | (6) | | | | (1) | (1) | | (1) | |
| Net activity of discontinued operations | | | | | | | | | | | | | | |
| Foreign currency effect on liability balance | 1 | | | | | | | | | | | | | |
| Accrued liabilities at the end of the period | | $ 1 | $ 2 | | | | $ 1 | $ 9 | $ 11 | | | | | |
| Number of positions terminated | | | | | | | | | | | | | | |
| Number of positions not terminated | | | | | | | | | | | | | | |

12 Months Ended

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 Other restructuring costs | Dec. 31, 2011 Other restructuring costs | Dec. 31, 2010 Other restructuring costs | Dec. 31, 2011 Other restructuring costs 2006 initiatives and prior | Dec. 31, 2012 Other restructuring costs 2007 initiatives and prior | Dec. 31, 2012 Other restructuring costs 2009 initiatives | Dec. 31, 2011 Other restructuring costs 2009 initiatives | Dec. 31, 2010 Other restructuring costs 2009 initiatives | Dec. 31, 2011 Other restructuring costs 2010 initiatives | Dec. 31, 2010 Other restructuring costs 2010 initiatives | Dec. 31, 2012 Other restructuring costs 2011 initiatives | Dec. 31, 2011 Other restructuring costs 2011 initiatives | Dec. 31, 2012 Other restructuring costs 2012 initiatives |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | $ 8 | $ 11 | $ 11 | | | | | | | | | | |
| Restructuring charges | | | | | | 4 | 6 | 5 | 1 | 1 | 6 | 1 | 5 |
| Reversal of reserves no longer required | (1) | | | | | | | | | | | | |
| Restructuring payments | | | | (1) | (1) | (5) | (6) | (5) | (1) | (2) | (5) | (1) | (6) |
| Net activity of discontinued operations | | (2) | | | | | | | | | | | |
| Foreign currency effect on liability balance | 1 | | 1 | | | | | | | | | | |
| Accrued liabilities at the end of the period | $ 6 | $ 8 | $ 11 | | | | | | | | | | |
| Number of positions terminated | | | | | | | | | | | | | |
| Number of positions not terminated | | | | | | | | | | | | | |

| OPERATING SEGMENT INFORMATION (Details) (USD $) In Millions, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 item | Dec. 31, 2011 | Dec. 31, 2010 |
| **OPERATING SEGMENT INFORMATION** | | | | | | | | | | | |
| Number of segments | | | | | | | | | 5 | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | $ 2,619 | $ 2,741 | $ 2,914 | $ 2,913 | $ 2,632 | $ 2,976 | $ 2,934 | $ 2,679 | $ 11,187 | $ 11,221 | $ 9,250 |
| Segment EBITDA | | | | | | | | | 1,187 | 1,039 | 700 |
| Interest expense, net | | | | | | | | | (226) | (249) | (229) |
| Income tax expense-continuing operations | | | | | | | | | (169) | (109) | (29) |
| Income tax expense (benefit)-discontinued operations | | | | | | | | | 3 | 5 | (10) |
| Depreciation and amortization | | | | | | | | | (432) | (439) | (405) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | (40) | 116 | 124 | 163 | 105 | (34) | 114 | 62 | 363 | 247 | 27 |
| Subtotal | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Segment EBITDA | | | | | | | | | 1,192 | 1,045 | 647 |
| Depreciation and amortization | | | | | | | | | 427 | 439 | 404 |
| Polyurethanes | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | | | | | | | | | 4,894 | 4,434 | 3,605 |
| Segment EBITDA | | | | | | | | | 726 | 469 | 319 |
| Depreciation and amortization | | | | | | | | | 152 | 160 | 155 |
| Performance Products | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | | | | | | | | | 3,065 | 3,301 | 2,659 |
| Segment EBITDA | | | | | | | | | 360 | 385 | 363 |
| Depreciation and amortization | | | | | | | | | 113 | 110 | 92 |
| Advanced Materials | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | | | | | | | | | 1,325 | 1,372 | 1,244 |
| Segment EBITDA | | | | | | | | | 54 | 125 | 143 |
| Depreciation and amortization | | | | | | | | | 31 | 33 | 33 |
| Textile Effects | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | | | | | | | | | 752 | 737 | 787 |
| Segment EBITDA | | | | | | | | | (49) | (199) | 1 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Depreciation and amortization | | | | | | | | | 23 | 27 | 26 |
| Pigments | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | | | | | | | | | 1,436 | 1,642 | 1,213 |
| Segment EBITDA | | | | | | | | | 352 | 501 | 205 |
| Depreciation and amortization | | | | | | | | | 69 | 74 | 67 |
| Eliminations | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | | | | | | | | | (285) | (265) | (258) |
| Corporate and other | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Segment EBITDA | | | | | | | | | (251) | (236) | (384) |
| Depreciation and amortization | | | | | | | | | 39 | 35 | 31 |
| Discontinued Operations | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Segment EBITDA | | | | | | | | | (5) | (6) | 53 |
| Depreciation and amortization | | | | | | | | | 5 | | 1 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Revenues | 2,619 | 2,741 | 2,914 | 2,913 | 2,632 | 2,976 | 2,934 | 2,679 | 11,187 | 11,221 | 9,250 |
| Segment EBITDA | | | | | | | | | 1,187 | 1,039 | 860 |
| Interest expense, net | | | | | | | | | (238) | (262) | (248) |
| Income tax expense-continuing operations | | | | | | | | | (179) | (113) | (40) |
| Income tax expense (benefit)-discontinued operations | | | | | | | | | 3 | 5 | (10) |
| Depreciation and amortization | | | | | | | | | (408) | (416) | (382) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | (45) | 117 | 127 | 166 | 104 | (31) | 117 | 63 | 365 | 253 | 180 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Subtotal | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Segment EBITDA | | | | | | | | | 1,192 | 1,045 | 807 |
| Depreciation and amortization | | | | | | | | | 403 | 416 | 381 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Polyurethanes | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |
| Segment EBITDA | | | | | | | | | 726 | 469 | 319 |
| Depreciation and amortization | | | | | | | | | 152 | 160 | 155 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Performance Products | | | | | | | | | | | |
| **Segment reporting information** | | | | | | | | | | | |

| | | | |
|---|---|---|---|
| Segment EBITDA | 360 | 385 | 363 |
| Depreciation and amortization | 113 | 110 | 92 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Advanced Materials | | | |
| **Segment reporting information** | | | |
| Segment EBITDA | 54 | 125 | 143 |
| Depreciation and amortization | 31 | 33 | 33 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Textile Effects | | | |
| **Segment reporting information** | | | |
| Segment EBITDA | (49) | (199) | 1 |
| Depreciation and amortization | 23 | 27 | 26 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Pigments | | | |
| **Segment reporting information** | | | |
| Segment EBITDA | 352 | 501 | 205 |
| Depreciation and amortization | 69 | 74 | 67 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Corporate and other | | | |
| **Segment reporting information** | | | |
| Segment EBITDA | (251) | (236) | (224) |
| Depreciation and amortization | 15 | 12 | 8 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Discontinued Operations | | | |
| **Segment reporting information** | | | |
| Segment EBITDA | (5) | (6) | 53 |
| Depreciation and amortization | $ 5 | | $ 1 |

**Schedule II-Valuation and Qualifying Accounts**

**Valuation and Qualifying Accounts**

Schedule II-Valuation and Qualifying Accounts

**12 Months Ended Dec. 31, 2012**

**HUNTSMAN CORPORATION AND SUBSIDIARIES**
**Schedule II—Valuation and Qualifying Accounts**
**(Dollars in Millions)**

| Column A | Column B | Column C | | Column D | Column E |
|---|---|---|---|---|---|
| | | Additions | | | |
| Description | Balance at Beginning of Period | Charges (credits) to cost and expenses | Charged to other accounts | Deductions | Balance at End of Period |
| Allowance for Doubtful Accounts: | | | | | |
| Year ended December 31, 2012 | $46 | $4 | $(3) | $— | $47 |
| Year ended December 31, 2011 | 52 | (4) | (2) | — | 46 |
| Year ended December 31, 2010 | 56 | 6 | (10) | — | 52 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Valuation and Qualifying Accounts**

Schedule II-Valuation and Qualifying Accounts

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**Schedule II—Valuation and Qualifying Accounts**
**(Dollars in Millions)**

| Column A | Column B | Column C | | Column D | Column E |
|---|---|---|---|---|---|
| | | Additions | | | |
| Description | Balance at Beginning of Period | Charges (Credits) to cost and expenses | Charged to other accounts | Deductions | Balance at End of Period |
| Allowance for Doubtful Accounts: | | | | | |
| Year ended December 31, 2012 | $46 | $4 | $(3) | $— | $47 |

| | | | | | |
|---|---|---|---|---|---|
| Year ended December 31, 2011 | 52 | (4 ) | (2 ) | — | 46 |
| Year ended December 31, 2010 | 56 | 6 | (10 ) | — | 52 |

| OTHER NONCURRENT LIABILITIES (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|

## Other noncurrent liabilities

Schedule of components of other noncurrent liabilities

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

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Pension liabilities | $830 | $689 |
| Other postretirement benefits | 131 | 122 |
| Environmental accruals | 24 | 29 |
| Restructuring and plant closing costs | 12 | 1 |
| Asset retirement obligations | 28 | 26 |
| Employee benefit accrual | 34 | 22 |
| Legal reserve | 11 | 22 |
| Other | 91 | 101 |
| **Total** | $1,161 | $1,012 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

## Other noncurrent liabilities

Schedule of components of other noncurrent liabilities

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

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Pension liabilities | $830 | $689 |
| Other postretirement benefits | 131 | 122 |
| Environmental accruals | 24 | 29 |
| Restructuring and plant closing costs | 12 | 1 |
| Asset retirement obligations | 28 | 26 |
| Employee benefit accrual | 34 | 22 |
| Legal reserve | 11 | 22 |
| Other | 87 | 92 |
| **Total** | $1,157 | $1,003 |

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details 4) (Outstanding stock-based awards) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Outstanding stock-based awards | | | |
| **Antidilutive shares not included in the computation of income (loss) per share** | | | |
| Weighted average equivalent shares | 7.8 | 6.7 | 11.5 |

| CONSOLIDATED BALANCE SHEETS (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | | Dec. 31, 2011 | |
|---|---|---|---|---|
| **Current assets:** | | | | |
| Cash and cash equivalents | $ 387 | [1] | $ 554 | [1] |
| Restricted cash | 9 | [1] | 8 | [1] |
| Accounts and notes receivable (net of allowance for doubtful accounts of $47 and $46, respectively), ($520 and $659 pledged as collateral, respectively) | 1,534 | [1] | 1,529 | [1] |
| Accounts receivable from affiliates | 49 | | 5 | |
| Inventories | 1,819 | [1] | 1,539 | [1] |
| Prepaid expenses | 48 | | 46 | |
| Deferred income taxes | 51 | | 20 | |
| Other current assets | 222 | [1] | 245 | [1] |
| Total current assets | 4,119 | | 3,946 | |
| Property, plant and equipment, net | 3,745 | [1] | 3,622 | [1] |
| Investment in unconsolidated affiliates | 238 | | 202 | |
| Intangible assets, net | 68 | [1] | 91 | [1] |
| Goodwill | 117 | | 114 | |
| Deferred income taxes | 229 | | 195 | |
| Notes receivable from affiliates | 2 | | 5 | |
| Other noncurrent assets | 366 | [1] | 482 | [1] |
| Total assets | 8,884 | | 8,657 | |
| **Current liabilities:** | | | | |
| Accounts payable | 1,102 | [1] | 862 | [1] |
| Accounts payable to affiliates | 48 | | 50 | |
| Accrued liabilities | 705 | [1] | 695 | [1] |
| Deferred income taxes | 38 | | 7 | |
| Current portion of debt | 288 | [1] | 212 | [1] |
| Total current liabilities | 2,181 | | 1,826 | |
| Long-term debt | 3,414 | [1] | 3,730 | [1] |
| Notes payable to affiliates | 4 | | 4 | |
| Deferred income taxes | 228 | | 309 | |
| Other noncurrent liabilities | 1,161 | [1] | 1,012 | [1] |
| Total liabilities | 6,988 | | 6,881 | |
| Commitments and contingencies (Notes 19 and 20) | | | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | |

| | | | | |
|---|---|---|---|---|
| Common stock $0.01 par value, 1,200,000,000 shares authorized, 243,813,779 and 241,836,001 issued and 238,273,422 and 235,746,087 outstanding in 2012 and 2011, respectively | 2 | | 2 | |
| Additional paid-in capital | 3,264 | | 3,228 | |
| Treasury stock, 4,043,526 shares at both December 31, 2012 and 2011 | (50) | | (50) | |
| Unearned stock-based compensation | (12) | | (12) | |
| Accumulated deficit | (687) | | (947) | |
| Accumulated other comprehensive loss | (744) | | (559) | |
| Total Huntsman Corporation stockholders' equity | 1,773 | | 1,662 | |
| Noncontrolling interests in subsidiaries | 123 | | 114 | |
| Total equity | 1,896 | | 1,776 | |
| Total liabilities and equity | 8,884 | | 8,657 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | 210 | [1] | 231 | [1] |
| Restricted cash | 9 | [1] | 8 | [1] |
| Accounts and notes receivable (net of allowance for doubtful accounts of $47 and $46, respectively), ($520 and $659 pledged as collateral, respectively) | 1,534 | [1] | 1,529 | [1] |
| Accounts receivable from affiliates | 299 | | 148 | |
| Inventories | 1,819 | [1] | 1,539 | [1] |
| Prepaid expenses | 48 | | 46 | |
| Deferred income taxes | 51 | | 40 | |
| Other current assets | 222 | [1] | 220 | [1] |
| Total current assets | 4,192 | | 3,761 | |
| Property, plant and equipment, net | 3,656 | [1] | 3,510 | [1] |
| Investment in unconsolidated affiliates | 238 | | 202 | |
| Intangible assets, net | 70 | [1] | 93 | [1] |
| Goodwill | 117 | | 114 | |
| Deferred income taxes | 229 | | 163 | |
| Notes receivable from affiliates | 2 | | 5 | |
| Other noncurrent assets | 366 | [1] | 482 | [1] |
| Total assets | 8,870 | | 8,330 | |
| **Current liabilities:** | | | | |
| Accounts payable | 1,101 | [1] | 862 | [1] |
| Accounts payable to affiliates | 62 | | 64 | |
| Accrued liabilities | 723 | [1] | 694 | [1] |
| Deferred income taxes | 39 | | 29 | |
| Note payable to affiliate | 100 | | 100 | |
| Current portion of debt | 288 | [1] | 212 | [1] |
| Total current liabilities | 2,313 | | 1,961 | |
| Long-term debt | 3,414 | [1] | 3,730 | [1] |
| Notes payable to affiliates | 599 | | 439 | |

| | | |
|---|---|---|
| Deferred income taxes | 170 | 106 |
| Other noncurrent liabilities | 1,157 [1] | 1,003 [1] |
| Total liabilities | 7,653 | 7,239 |
| Commitments and contingencies (Notes 19 and 20) | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | |
| Members' equity, 2,728 units issued and outstanding | 3,109 | 3,081 |
| Accumulated deficit | (1,224) | (1,493) |
| Accumulated other comprehensive loss | (791) | (611) |
| Total Huntsman International LLC members' equity | 1,094 | 977 |
| Noncontrolling interests in subsidiaries | 123 | 114 |
| Total equity | 1,217 | 1,091 |
| Total liabilities and equity | $ 8,870 | $ 8,330 |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

## PROPERTY, PLANT AND EQUIPMENT (Tables)

**12 Months Ended Dec. 31, 2012**

**Property, Plant and Equipment**

Property, Plant and Equipment

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

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Land | $151 | $148 |
| Buildings | 666 | 629 |
| Plant and equipment | 6,242 | 5,951 |
| Construction in progress | 549 | 330 |
| **Total** | 7,608 | 7,058 |
| Less accumulated depreciation | (3,863 ) | (3,436 ) |
| **Net** | $3,745 | $3,622 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Property, Plant and Equipment**

Property, Plant and Equipment

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

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Land | $151 | $148 |
| Buildings | 666 | 629 |
| Plant and equipment | 6,270 | 6,058 |
| Construction in progress | 549 | 330 |
| **Total** | 7,636 | 7,165 |
| Less accumulated depreciation | (3,980 ) | (3,655 |
| **Net** | $3,656 | $3,510 |

| EMPLOYEE BENEFIT PLANS (Details 2) (USD $) In Millions, unless otherwise specified | 12 Months Ended Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
|---|---|---|---|
| U.S. Defined Benefit Plans | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | $ 448 | $ 366 | |
| Prior service cost | (42) | (22) | |
| Transition obligation | 1 | 1 | |
| Total | 407 | 345 | |
| **Amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year** | | | |
| Actuarial loss | 34 | | |
| Prior service cost | (6) | | |
| Total | 28 | | |
| **Components of net periodic benefit cost** | | | |
| Service cost | 26 | 23 | 21 |
| Interest cost | 42 | 44 | 40 |
| Expected return on plan assets | (48) | (47) | (42) |
| Amortization of prior service cost | (6) | (4) | (5) |
| Amortization of actuarial loss | 21 | 16 | 11 |
| Net periodic benefit cost | 35 | 32 | 25 |
| U.S. Defined Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | 449 | 368 | |
| Prior service cost | (42) | (22) | |
| Transition obligation | 1 | 1 | |
| Total | 408 | 347 | |
| **Amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year** | | | |
| Actuarial loss | 34 | | |
| Prior service cost | (6) | | |
| Total | 28 | | |
| **Components of net periodic benefit cost** | | | |
| Service cost | 26 | 23 | 21 |
| Interest cost | 42 | 44 | 40 |
| Expected return on plan assets | (48) | (47) | (42) |
| Amortization of prior service cost | (6) | (4) | (5) |
| Amortization of actuarial loss | 21 | 16 | 11 |
| Net periodic benefit cost | 35 | 32 | 25 |
| Non-U.S. Defined Benefit Plans | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | 797 | 562 | |

| | | | |
|---|---|---|---|
| Prior service cost | 4 | 2 | |
| Total | 801 | 564 | |
| **Amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year** | | | |
| Actuarial loss | 46 | | |
| Total | 46 | | |
| **Components of net periodic benefit cost** | | | |
| Service cost | 32 | 44 | 44 |
| Interest cost | 102 | 110 | 102 |
| Expected return on plan assets | (133) | (140) | (121) |
| Amortization of prior service cost | (1) | (2) | (1) |
| Amortization of actuarial loss | 23 | 16 | 14 |
| Settlement loss | 13 | | |
| Special termination benefits | | 8 | |
| Net periodic benefit cost | 36 | 36 | 38 |
| Non-U.S. Defined Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | 867 | 636 | |
| Prior service cost | 4 | 2 | |
| Total | 871 | 638 | |
| **Amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year** | | | |
| Actuarial loss | 50 | | |
| Prior service cost | 1 | | |
| Total | 51 | | |
| **Components of net periodic benefit cost** | | | |
| Service cost | 32 | 44 | 44 |
| Interest cost | 102 | 110 | 102 |
| Expected return on plan assets | (133) | (140) | (121) |
| Amortization of prior service cost | (1) | (2) | (1) |
| Amortization of actuarial loss | 28 | 21 | 19 |
| Settlement loss | 13 | | |
| Special termination benefits | | 8 | |
| Net periodic benefit cost | 41 | 41 | 43 |
| U.S. Other Postretirement Benefit Plans | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | 32 | 25 | |
| Prior service cost | (8) | (10) | |
| Total | 24 | 15 | |
| **Amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year** | | | |
| Actuarial loss | 2 | | |
| Prior service cost | (3) | | |
| Total | (1) | | |

| | | | |
|---|---|---|---|
| **Components of net periodic benefit cost** | | | |
| Service cost | 4 | 3 | 3 |
| Interest cost | 6 | 7 | 7 |
| Amortization of prior service cost | (3) | (3) | (3) |
| Amortization of actuarial loss | 2 | 2 | 1 |
| Net periodic benefit cost | 10 | 9 | 8 |
| U.S. Other Postretirement Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | 32 | 25 | |
| Prior service cost | (8) | (10) | |
| Total | 24 | 15 | |
| **Amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost during the next fiscal year** | | | |
| Actuarial loss | 2 | | |
| Prior service cost | (3) | | |
| Total | (1) | | |
| **Components of net periodic benefit cost** | | | |
| Service cost | 4 | 3 | 3 |
| Interest cost | 7 | 7 | 7 |
| Amortization of prior service cost | (3) | (3) | (3) |
| Amortization of actuarial loss | 2 | 2 | 1 |
| Net periodic benefit cost | 10 | 9 | 8 |
| Non-U.S. Other Postretirement Benefit Plans | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | 1 | 1 | |
| Total | 1 | 1 | |
| **Components of net periodic benefit cost** | | | |
| Interest cost | 1 | 1 | |
| Net periodic benefit cost | 1 | 1 | |
| Non-U.S. Other Postretirement Benefit Plans \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Amounts recognized in accumulated other comprehensive loss (income):** | | | |
| Net actuarial loss | 1 | 1 | |
| Total | 1 | 1 | |
| **Components of net periodic benefit cost** | | | |
| Interest cost | 1 | 1 | |
| Net periodic benefit cost | $ 1 | $ 1 | |

| RELATED PARTY TRANSACTIONS (Details) (USD $) | 12 Months Ended | | | | | | 1 Months Ended | 12 Months Ended | | | | 12 Months Ended | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2012 Unconsolidated affiliates | Dec. 31, 2011 Unconsolidated affiliates | Dec. 31, 2010 Unconsolidated affiliates | Mar. 31, 2010 Huntsman Foundation | Dec. 31, 2012 Huntsman Foundation item | Dec. 31, 2011 Huntsman Foundation | Mar. 24, 2010 Huntsman Foundation | Dec. 31, 2012 Jon M. Huntsman, executive chairman | Dec. 31, 2012 Jstar | Dec. 31, 2011 Jstar |
| **RELATED PARTY TRANSACTIONS** | | | | | | | | | | | | | |
| Sales | $ 223,000,000 | $ 180,000,000 | $ 201,000,000 | $ 223,000,000 | $ 180,000,000 | $ 201,000,000 | | | | | | | |
| Inventory purchases | | | | 565,000,000 | 465,000,000 | 369,000,000 | | | | | | | |
| Extension period of sublease | | | | | | | | | | | | | 10 years |
| Monthly sublease payments before extension of lease term | | | | | | | | | | | | | 193,000 |
| Monthly sublease payments | | | | | | | | | | | | 115,000 | |
| Amount payable at the end of the lease term | | | | | | | | | | | | 13,800,000 | |
| Current lease term | | | | | | | | | | | | 10 years | |
| Amount payable by the unrelated third party to the subsidiary | | | | | | | | | | | | 2,400,000 | |
| Appraised value of building donated | | | | | | | | | | 10,000,000 | | | |
| Annual lease payments | 79,000,000 | 83,000,000 | 62,000,000 | | | | 2,000,000 | | | | | | |
| Operating lease payments during the period | | | | | | | | 2,000,000 | 2,000,000 | | | | |
| Number of five-year extensions | | | | | | | | 2 | | | | | |
| Extension period of lease | | | | | | | | 5 years | | | | | |
| Amount receivable on account of life insurance premium paid for related party | | | | | | | | | | | $ 2,000,000 | | |

| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Net income | $ 373 | $ 254 | $ 32 |
| **Other comprehensive loss, net of tax:** | | | |
| Foreign currency translations adjustments | 51 | (80) | 24 |
| Pension and other postretirement benefits adjustments | (236) | (187) | (33) |
| Other, net | (1) | | (2) |
| Other comprehensive loss | (186) | (267) | (11) |
| Comprehensive income (loss) | 187 | (13) | 21 |
| Comprehensive income attributable to noncontrolling interests | (9) | (2) | (4) |
| Comprehensive income (loss) attributable to Huntsman Corporation or Huntsman International LLC | 178 | (15) | 17 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| Net income | 375 | 260 | 185 |
| **Other comprehensive loss, net of tax:** | | | |
| Foreign currency translations adjustments | 51 | (79) | 23 |
| Pension and other postretirement benefits adjustments | (231) | (182) | (28) |
| Other, net | (1) | (1) | (2) |
| Other comprehensive loss | (181) | (262) | (7) |
| Comprehensive income (loss) | 194 | (2) | 178 |
| Comprehensive income attributable to noncontrolling interests | (9) | (2) | (4) |
| Comprehensive income (loss) attributable to Huntsman Corporation or Huntsman International LLC | $ 185 | $ (4) | $ 174 |

| FAIR VALUE (Details 3) (USD $) In Millions, unless otherwise specified | 12 Months Ended | |
|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 |
| **Fair Value Measurements Using Significant Unobservable Inputs (Level 3)** | | |
| Transfer out of Level 3 | $ (7) | |
| **Total (losses) gains** | | |
| Changes in unrealized gains relating to assets at the end of the period, included in other comprehensive income (loss) | | 8 |
| Textile Effects | | |
| **Total (losses) gains** | | |
| Impairment of long-lived assets at our Basel, Switzerland manufacturing facility | | 53 |
| Cross Currency Interest Rate Contract | | |
| **Fair Value Measurements Using Significant Unobservable Inputs (Level 3)** | | |
| Balance at beginning of period | 27 | 19 |
| Transfer out of Level 3 | (27) | |
| **Total (losses) gains** | | |
| Included in other comprehensive income (loss) | | 8 |
| Balance at end of period | | $ 27 |

**HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY (Tables)**

**12 Months Ended**

**Dec. 31, 2012**

**HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY**

Schedule of dividends paid on common stock

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

| | 2012 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 30, 2012 | March 15, 2012 | $0.10 | $24 |
| June 29, 2012 | June 15, 2012 | 0.10 | 24 |
| September 28, 2012 | September 14, 2012 | 0.10 | 24 |
| December 31, 2012 | December 14, 2012 | 0.10 | 24 |
| Total | | | $96 |

| | 2011 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2011 | March 15, 2011 | $0.10 | $24 |
| June 30, 2011 | June 15, 2011 | 0.10 | 24 |
| September 30, 2011 | September 15, 2011 | 0.10 | 24 |
| December 30, 2011 | December 15, 2011 | 0.10 | 24 |
| Total | | | $96 |

| | 2010 | | |
|---|---|---|---|
| Payment date | Record date | Per share payment amount | Total amount paid |
| March 31, 2010 | March 15, 2010 | $0.10 | $24 |
| June 30, 2010 | June 15, 2010 | 0.10 | 24 |
| September 30, 2010 | September 15, 2010 | 0.10 | 24 |
| December 31, 2010 | December 15, 2010 | 0.10 | 24 |
| Total | | | $96 |

| EMPLOYEE BENEFIT PLANS (Details 5) (USD $) In Millions, unless otherwise specified | 12 Months Ended Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
|---|---|---|---|
| Fixed income \| Significant unobservable inputs (Level 3) | | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Balance at beginning of period | | $ 1 | |
| Purchases, sales and settlements | | (1) | |
| Real Estate/Other \| Significant unobservable inputs (Level 3) | | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Balance at beginning of period | 61 | 52 | |
| Return on pension plan assets | 4 | (1) | |
| Purchases, sales and settlements | 10 | 10 | |
| Transfers in and/or out of Level 3 | (7) | | |
| Balance at end of period | 68 | 61 | |
| Defined Benefit Plans | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 2,900 | 2,600 | |
| Defined Benefit Plans \| Minimum | | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Expected long term rate of return on the pension assets (as a percent) | 6.52% | | |
| Defined Benefit Plans \| Maximum | | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Expected long term rate of return on the pension assets (as a percent) | 8.20% | | |
| U.S. Defined Benefit Plans | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 636 | 538 | 517 |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Expected long term rate of return on the pension assets (as a percent) | 8.00% | 8.19% | 8.20% |
| Target allocation (as a percent) | 100.00% | | |
| Actual allocation (as a percent) | 100.00% | 100.00% | |
| U.S. Defined Benefit Plans \| Recurring basis | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 636 | 538 | |
| U.S. Defined Benefit Plans \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 370 | 319 | |
| U.S. Defined Benefit Plans \| Recurring basis \| Significant other observable inputs (Level 2) | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 225 | 192 | |
| U.S. Defined Benefit Plans \| Recurring basis \| Significant unobservable inputs (Level 3) | | | |

| | | |
|---|---|---|
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 41 | 27 |
| U.S. Defined Benefit Plans \| Equities | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | |
| Target allocation (as a percent) | 54.00% | |
| Actual allocation (as a percent) | 53.00% | 55.00% |
| U.S. Defined Benefit Plans \| Equities \| Recurring basis | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 340 | 294 |
| U.S. Defined Benefit Plans \| Equities \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 195 | 166 |
| U.S. Defined Benefit Plans \| Equities \| Recurring basis \| Significant other observable inputs (Level 2) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 145 | 128 |
| U.S. Defined Benefit Plans \| Fixed income | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | |
| Target allocation (as a percent) | 32.00% | |
| Actual allocation (as a percent) | 31.00% | 32.00% |
| U.S. Defined Benefit Plans \| Fixed income \| Recurring basis | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 196 | 170 |
| U.S. Defined Benefit Plans \| Fixed income \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 116 | 106 |
| U.S. Defined Benefit Plans \| Fixed income \| Recurring basis \| Significant other observable inputs (Level 2) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 80 | 64 |
| U.S. Defined Benefit Plans \| Real Estate/Other | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | |
| Target allocation (as a percent) | 14.00% | |
| Actual allocation (as a percent) | 14.00% | 13.00% |
| U.S. Defined Benefit Plans \| Real Estate/Other \| Recurring basis | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 89 | 72 |
| U.S. Defined Benefit Plans \| Real Estate/Other \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 48 | 45 |
| U.S. Defined Benefit Plans \| Real Estate/Other \| Recurring basis \| Significant unobservable inputs (Level 3) | | |

| | | | |
|---|---|---|---|
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 41 | 27 | |
| U.S. Defined Benefit Plans \| Cash | | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Actual allocation (as a percent) | 2.00% | | |
| U.S. Defined Benefit Plans \| Cash \| Recurring basis | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 11 | 2 | |
| U.S. Defined Benefit Plans \| Cash \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 11 | 2 | |
| Non-U.S. Defined Benefit Plans | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 2,237 | 2,026 | 2,025 |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Expected long term rate of return on the pension assets (as a percent) | 6.52% | 6.62% | 6.65% |
| Target allocation (as a percent) | 100.00% | | |
| Actual allocation (as a percent) | 100.00% | 100.00% | |
| Non-U.S. Defined Benefit Plans \| Recurring basis | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 2,237 | 2,026 | |
| Non-U.S. Defined Benefit Plans \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 1,420 | 682 | |
| Non-U.S. Defined Benefit Plans \| Recurring basis \| Significant other observable inputs (Level 2) | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 790 | 1,310 | |
| Non-U.S. Defined Benefit Plans \| Recurring basis \| Significant unobservable inputs (Level 3) | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 27 | 34 | |
| Non-U.S. Defined Benefit Plans \| Equities | | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | | |
| Target allocation (as a percent) | 40.00% | | |
| Actual allocation (as a percent) | 38.00% | 38.00% | |
| Non-U.S. Defined Benefit Plans \| Equities \| Recurring basis | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 862 | 771 | |
| Non-U.S. Defined Benefit Plans \| Equities \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Fair value of plan assets | 649 | 361 | |

| | | |
|---|---|---|
| Non-U.S. Defined Benefit Plans \| Equities \| Recurring basis \| Significant other observable inputs (Level 2) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 213 | 410 |
| Non-U.S. Defined Benefit Plans \| Fixed income | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | |
| Target allocation (as a percent) | 40.00% | |
| Actual allocation (as a percent) | 41.00% | 46.00% |
| Non-U.S. Defined Benefit Plans \| Fixed income \| Recurring basis | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 905 | 923 |
| Non-U.S. Defined Benefit Plans \| Fixed income \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 632 | 304 |
| Non-U.S. Defined Benefit Plans \| Fixed income \| Recurring basis \| Significant other observable inputs (Level 2) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 273 | 619 |
| Non-U.S. Defined Benefit Plans \| Real Estate/Other | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | |
| Target allocation (as a percent) | 19.00% | |
| Actual allocation (as a percent) | 20.00% | 15.00% |
| Non-U.S. Defined Benefit Plans \| Real Estate/Other \| Recurring basis | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 357 | 316 |
| Non-U.S. Defined Benefit Plans \| Real Estate/Other \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 27 | 1 |
| Non-U.S. Defined Benefit Plans \| Real Estate/Other \| Recurring basis \| Significant other observable inputs (Level 2) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 303 | 281 |
| Non-U.S. Defined Benefit Plans \| Real Estate/Other \| Recurring basis \| Significant unobservable inputs (Level 3) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 27 | 34 |
| Non-U.S. Defined Benefit Plans \| Cash | | |
| **Fair Value Measurements of Plan Assets Using Level 3** | | |
| Target allocation (as a percent) | 1.00% | |
| Actual allocation (as a percent) | 1.00% | 1.00% |
| Non-U.S. Defined Benefit Plans \| Cash \| Recurring basis | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 113 | 16 |

| | | |
|---|---|---|
| Non-U.S. Defined Benefit Plans \| Cash \| Recurring basis \| Quoted prices in active markets for identical assets (Level 1) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | 112 | 16 |
| Non-U.S. Defined Benefit Plans \| Cash \| Recurring basis \| Significant other observable inputs (Level 2) | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | |
| Fair value of plan assets | $ 1 | |

| RELATED PARTY TRANSACTIONS | 12 Months Ended Dec. 31, 2012 |
|---|---|

**RELATED PARTY TRANSACTIONS**

RELATED PARTY TRANSACTIONS

**26. RELATED PARTY TRANSACTIONS**

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

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| Sales to: | | | |
| Unconsolidated affiliates | $223 | $180 | $201 |
| Inventory purchases from: | | | |
| Unconsolidated affiliates | 565 | 465 | 369 |

Pursuant to an agreement entered into in 2001, our subsidiary Airstar Corporation ("Airstar") subleases a Gulfstream IV-SP Aircraft (the "Aircraft") from Jstar Corporation ("Jstar"), a corporation wholly owned by Jon M. Huntsman. Jon M. Huntsman is the Executive Chairman and the father of our Chief Executive Officer, Peter R. Huntsman, and our director, Jon M. Huntsman, Jr. In 2011, this arrangement was extended for an additional 10 year period. In connection with this extension, monthly sublease payments from Airstar to Jstar were reduced from approximately $193,000 to approximately $115,000 and an aggregate of $13.8 million is payable through the end of the current 10 year lease term. These monthly sublease payments are used to fund financing costs paid by Jstar to a leasing company. An unrelated third party pays $2.4 million per year to our subsidiary for such third party's part-time use of the Aircraft (or an alternate owned by us if the Aircraft is unavailable), subject to an annual adjustment, which typically has been at least fair market value for the number of flight hours used by such third party. We bear all other costs of operating the Aircraft. In accordance with our Aircraft Use Policy, we have entered into aircraft time-sharing agreements with certain members of the Huntsman family, pursuant to which these persons pay for the costs of any personal use of the Aircraft by them.

An agreement was reached prior to the initial public offering of our common stock in February 2005 with the Huntsman Foundation, a private charitable foundation established by Jon M. and Karen H. Huntsman, to further the charitable interests of the Huntsman family, that we would donate our Salt Lake City office building and our option to acquire an adjacent undeveloped parcel of land to the foundation free of debt. On March 24, 2010, we completed this donation. At the time of the donation, the building had an appraised value of approximately $10 million. We continue to occupy and use a portion of the building under a lease pursuant to which we make annual lease payments of approximately $2 million to the Huntsman Foundation. During both 2012 and 2011, we made payments of approximately $2 million to the Huntsman Foundation under the lease. The lease expires on December 31, 2013, subject to two five-year extensions, at our option.

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

**OPERATING SEGMENT INFORMATION (Tables)**

**12 Months Ended Dec. 31, 2012**

**OPERATING SEGMENT INFORMATION**

Schedule of major products by reportable operating segment

| 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 | epoxy resin compounds and formulations; cross-linking, matting and curing agents; epoxy, acrylic and polyurethane-based adhesives and tooling resin formulations |
| Textile Effects | textile chemicals and dyes |
| Pigments | titanium dioxide |

**Segment reporting information**

Schedule of revenues, EBITDA, depreciation and amortization, capital expenditures and total assets

The revenues and EBITDA for each of our reportable operating segments are as follows (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Revenues:** | | | |
| Polyurethanes | $4,894 | $4,434 | $3,605 |
| Performance Products | 3,065 | 3,301 | 2,659 |
| Advanced Materials | 1,325 | 1,372 | 1,244 |
| Textile Effects | 752 | 737 | 787 |
| Pigments | 1,436 | 1,642 | 1,213 |
| Eliminations | (285) | (265) | (258) |
| Total | $11,187 | $11,221 | $9,250 |
| **Huntsman Corporation:** | | | |
| **Segment EBITDA(1):** | | | |
| Polyurethanes | $726 | $469 | $319 |
| Performance Products | 360 | 385 | 363 |
| Advanced Materials | 54 | 125 | 143 |
| Textile Effects | (49) | (199) | 1 |
| Pigments | 352 | 501 | 205 |
| Corporate and other(2) | (251) | (236) | (384) |
| Subtotal | 1,192 | 1,045 | 647 |
| Discontinued Operations(3) | (5) | (6) | 53 |
| Total | 1,187 | 1,039 | 700 |
| Interest expense, net | (226) | (249) | (229) |

| | | | |
|---|---|---|---|
| Income tax expense—continuing operations | (169) | (109) | (29) |
| Income tax benefit (expense)—discontinued operations | 3 | 5 | (10) |
| Depreciation and amortization | (432) | (439) | (405) |
| Net income attributable to Huntsman Corporation | $363 | $247 | $27 |
| **Depreciation and Amortization:** | | | |
| Polyurethanes | $152 | $160 | $155 |
| Performance Products | 113 | 110 | 92 |
| Advanced Materials | 31 | 33 | 33 |
| Textile Effects | 23 | 27 | 26 |
| Pigments | 69 | 74 | 67 |
| Corporate and other(2) | 39 | 35 | 31 |
| Subtotal | 427 | 439 | 404 |
| Discontinued Operations | 5 | — | 1 |
| Total | $432 | $439 | $405 |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Capital Expenditures:** | | | |
| Polyurethanes | $107 | $85 | $59 |
| Performance Products | 117 | 96 | 66 |
| Advanced Materials | 41 | 39 | 24 |
| Textile Effects | 27 | 34 | 23 |
| Pigments | 98 | 57 | 49 |
| Corporate and other | 22 | 19 | 15 |
| Total | $412 | $330 | $236 |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **Total Assets:** | | |
| Polyurethanes | $3,268 | $3,144 |
| Performance Products | 2,455 | 2,348 |
| Advanced Materials | 1,366 | 1,307 |
| Textile Effects | 745 | 686 |
| Pigments | 1,597 | 1,428 |
| Corporate and other | (547) | (256) |
| Total | $8,884 | $8,657 |

Schedule of revenues and long-lived assets by geographical area

| Year ended December 31, | | |
|---|---|---|
| 2012 | 2011 | 2010 |

| By Geographic Area | | | |
|---|---|---|---|
| **Revenues(1):** | | | |
| United States | $3,347 | $3,470 | $2,777 |
| China | 1,040 | 944 | 881 |
| Mexico | 954 | 723 | 485 |
| Germany | 600 | 638 | 519 |
| Italy | 465 | 558 | 474 |
| Other nations | 4,781 | 4,888 | 4,114 |
| **Total** | $11,187 | $11,221 | $9,250 |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **Long-lived assets(2):** | | |
| **Huntsman Corporation** | | |
| United States | $1,387 | $1,390 |
| The Netherlands | 351 | 310 |
| United Kingdom | 314 | 306 |
| Saudi Arabia | 231 | 243 |
| Germany | 201 | 205 |
| China | 169 | 162 |
| Italy | 164 | 152 |
| Switzerland | 163 | 166 |
| France | 154 | 126 |
| Spain | 147 | 157 |
| Other nations | 464 | 405 |
| **Total** | $3,745 | $3,622 |
| **Huntsman International** | | |
| United States | $1,299 | $1,278 |
| The Netherlands | 351 | 310 |
| United Kingdom | 314 | 306 |
| Saudi Arabia | 231 | 243 |
| Germany | 201 | 205 |
| China | 169 | 162 |
| Italy | 164 | 152 |
| Switzerland | 163 | 166 |
| France | 154 | 126 |
| Spain | 147 | 157 |
| Other nations | 463 | 405 |
| **Total** | $3,656 | $3,510 |

(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.

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Segment reporting information**

Schedule of revenues, EBITDA, depreciation and amortization, capital expenditures and total assets

The revenues and EBITDA for each of our reportable operating segments are as follows (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Huntsman International:** | | | |
| **Segment EBITDA(1):** | | | |
| Polyurethanes | $726 | $469 | $319 |
| Performance Products | 360 | 385 | 363 |
| Advanced Materials | 54 | 125 | 143 |
| Textile Effects | (49) | (199) | 1 |
| Pigments | 352 | 501 | 205 |
| Corporate and other(2) | (251) | (236) | (224) |
| Subtotal | 1,192 | 1,045 | 807 |
| Discontinued Operations(3) | (5) | (6) | 53 |
| Total | 1,187 | 1,039 | 860 |
| Interest expense, net | (238) | (262) | (248) |
| Income tax expense—continuing operations | (179) | (113) | (40) |
| Income tax benefit (expense)—discontinued operations | 3 | 5 | (10) |
| Depreciation and amortization | (408) | (416) | (382) |
| Net income attributable to Huntsman International LLC | $365 | $253 | $180 |
| **Depreciation and Amortization:** | | | |
| Polyurethanes | $152 | $160 | $155 |
| Performance Products | 113 | 110 | 92 |
| Advanced Materials | 31 | 33 | 33 |
| Textile Effects | 23 | 27 | 26 |
| Pigments | 69 | 74 | 67 |
| Corporate and other(2) | 15 | 12 | 8 |
| Subtotal | 403 | 416 | 381 |
| Discontinued Operations | 5 | — | 1 |
| Total | $408 | $416 | $382 |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Capital Expenditures:** | | | |
| Polyurethanes | $107 | $85 | $59 |
| Performance Products | 117 | 96 | 66 |
| Advanced Materials | 41 | 39 | 24 |
| Textile Effects | 27 | 34 | 23 |
| Pigments | 98 | 57 | 49 |
| Corporate and other | 22 | 19 | 15 |
| Total | $412 | $330 | $236 |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **Total Assets:** | | |
| Polyurethanes | $3,221 | $3,086 |
| Performance Products | 2,449 | 2,340 |
| Advanced Materials | 1,366 | 1,307 |
| Textile Effects | 745 | 686 |
| Pigments | 1,562 | 1,384 |
| Corporate and other | (473 ) | (473 ) |
| Total | $8,870 | $8,330 |

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

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

(3) The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded for all periods presented. The EBITDA of our former polymers, base chemicals and Australian styrenics businesses are included in discontinued operations for all periods presented. For more information, see "Note 25. Discontinued Operations."

| OTHER NONCURRENT LIABILITIES | 12 Months Ended Dec. 31, 2012 |
| --- | --- |

**OTHER NONCURRENT LIABILITIES**

OTHER NONCURRENT LIABILITIES

**13. OTHER NONCURRENT LIABILITIES**

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

**Huntsman Corporation**

| | December 31, | |
| --- | --- | --- |
| | 2012 | 2011 |
| Pension liabilities | $830 | $689 |
| Other postretirement benefits | 131 | 122 |
| Environmental accruals | 24 | 29 |
| Restructuring and plant closing costs | 12 | 1 |
| Asset retirement obligations | 28 | 26 |
| Employee benefit accrual | 34 | 22 |
| Legal reserve | 11 | 22 |
| Other | 91 | 101 |
| **Total** | $1,161 | $1,012 |

**Huntsman International**

| | December 31, | |
| --- | --- | --- |
| | 2012 | 2011 |
| Pension liabilities | $830 | $689 |
| Other postretirement benefits | 131 | 122 |
| Environmental accruals | 24 | 29 |
| Restructuring and plant closing costs | 12 | 1 |
| Asset retirement obligations | 28 | 26 |
| Employee benefit accrual | 34 | 22 |
| Legal reserve | 11 | 22 |
| Other | 87 | 92 |
| **Total** | $1,157 | $1,003 |

**OPERATING SEGMENT INFORMATION**

**OPERATING SEGMENT INFORMATION**

OPERATING SEGMENT INFORMATION

**12 Months Ended Dec. 31, 2012**

**27. OPERATING SEGMENT INFORMATION**

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

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 | epoxy resin compounds and formulations; cross-linking, matting and curing agents; epoxy, acrylic and polyurethane-based adhesives and tooling resin formulations |
| Textile Effects | textile chemicals and dyes |
| Pigments | titanium dioxide |

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

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Revenues:** | | | |
| Polyurethanes | $4,894 | $4,434 | $3,605 |
| Performance Products | 3,065 | 3,301 | 2,659 |
| Advanced Materials | 1,325 | 1,372 | 1,244 |
| Textile Effects | 752 | 737 | 787 |
| Pigments | 1,436 | 1,642 | 1,213 |
| Eliminations | (285) | (265) | (258) |
| Total | $11,187 | $11,221 | $9,250 |
| **Huntsman Corporation:** | | | |
| **Segment EBITDA(1):** | | | |
| Polyurethanes | $726 | $469 | $319 |
| Performance Products | 360 | 385 | 363 |
| Advanced Materials | 54 | 125 | 143 |
| Textile Effects | (49) | (199) | 1 |
| Pigments | 352 | 501 | 205 |
| Corporate and other(2) | (251) | (236) | (384) |

| | | | |
|---|---|---|---|
| Subtotal | 1,192 | 1,045 | 647 |
| Discontinued Operations(3) | (5 ) | (6 ) | 53 |
| Total | 1,187 | 1,039 | 700 |
| Interest expense, net | (226 ) | (249 ) | (229 ) |
| Income tax expense—continuing operations | (169 ) | (109 ) | (29 ) |
| Income tax benefit (expense)—discontinued operations | 3 | 5 | (10 ) |
| Depreciation and amortization | (432 ) | (439 ) | (405 ) |
| Net income attributable to Huntsman Corporation | $363 | $247 | $27 |
| **Depreciation and Amortization:** | | | |
| Polyurethanes | $152 | $160 | $155 |
| Performance Products | 113 | 110 | 92 |
| Advanced Materials | 31 | 33 | 33 |
| Textile Effects | 23 | 27 | 26 |
| Pigments | 69 | 74 | 67 |
| Corporate and other(2) | 39 | 35 | 31 |
| Subtotal | 427 | 439 | 404 |
| Discontinued Operations | 5 | — | 1 |
| Total | $432 | $439 | $405 |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Capital Expenditures:** | | | |
| Polyurethanes | $107 | $85 | $59 |
| Performance Products | 117 | 96 | 66 |
| Advanced Materials | 41 | 39 | 24 |
| Textile Effects | 27 | 34 | 23 |
| Pigments | 98 | 57 | 49 |
| Corporate and other | 22 | 19 | 15 |
| Total | $412 | $330 | $236 |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **Total Assets:** | | |
| Polyurethanes | $3,268 | $3,144 |
| Performance Products | 2,455 | 2,348 |
| Advanced Materials | 1,366 | 1,307 |
| Textile Effects | 745 | 686 |
| Pigments | 1,597 | 1,428 |
| Corporate and other | (547 ) | (256 ) |
| Total | $8,884 | $8,657 |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |

| | | | |
|---|---|---|---|
| **Huntsman International:** | | | |
| **Segment EBITDA(1):** | | | |
| Polyurethanes | $726 | $469 | $319 |
| Performance Products | 360 | 385 | 363 |
| Advanced Materials | 54 | 125 | 143 |
| Textile Effects | (49) | (199) | 1 |
| Pigments | 352 | 501 | 205 |
| Corporate and other(2) | (251) | (236) | (224) |
| Subtotal | 1,192 | 1,045 | 807 |
| Discontinued Operations(3) | (5) | (6) | 53 |
| Total | 1,187 | 1,039 | 860 |
| Interest expense, net | (238) | (262) | (248) |
| Income tax expense—continuing operations | (179) | (113) | (40) |
| Income tax benefit (expense)—discontinued operations | 3 | 5 | (10) |
| Depreciation and amortization | (408) | (416) | (382) |
| Net income attributable to Huntsman International LLC | $365 | $253 | $180 |
| **Depreciation and Amortization:** | | | |
| Polyurethanes | $152 | $160 | $155 |
| Performance Products | 113 | 110 | 92 |
| Advanced Materials | 31 | 33 | 33 |
| Textile Effects | 23 | 27 | 26 |
| Pigments | 69 | 74 | 67 |
| Corporate and other(2) | 15 | 12 | 8 |
| Subtotal | 403 | 416 | 381 |
| Discontinued Operations | 5 | — | 1 |
| Total | $408 | $416 | $382 |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Capital Expenditures:** | | | |
| Polyurethanes | $107 | $85 | $59 |
| Performance Products | 117 | 96 | 66 |
| Advanced Materials | 41 | 39 | 24 |
| Textile Effects | 27 | 34 | 23 |
| Pigments | 98 | 57 | 49 |
| Corporate and other | 22 | 19 | 15 |
| Total | $412 | $330 | $236 |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| **Total Assets:** | | |
| Polyurethanes | $3,221 | $3,086 |
| Performance Products | 2,449 | 2,340 |
| Advanced Materials | 1,366 | 1,307 |

| | | |
|---|---|---|
| Textile Effects | 745 | 686 |
| Pigments | 1,562 | 1,384 |
| Corporate and other | (473) | (473) |
| Total | $8,870 | $8,330 |

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

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

(3) The operating results of our former polymers, base chemicals and Australian styrenics businesses are classified as discontinued operations, and, accordingly, the revenues of these businesses are excluded for all periods presented. The EBITDA of our former polymers, base chemicals and Australian styrenics businesses are included in discontinued operations for all periods presented. For more information, see "Note 25. Discontinued Operations."

| | Year ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **By Geographic Area** | | | |
| **Revenues(1):** | | | |
| United States | $3,347 | $3,470 | $2,777 |
| China | 1,040 | 944 | 881 |
| Mexico | 954 | 723 | 485 |
| Germany | 600 | 638 | 519 |
| Italy | 465 | 558 | 474 |
| Other nations | 4,781 | 4,888 | 4,114 |
| **Total** | $11,187 | $11,221 | $9,250 |

| | December 31, | |
|---|---|---|
| | **2012** | **2011** |
| **Long-lived assets(2):** | | |
| **Huntsman Corporation** | | |
| United States | $1,387 | $1,390 |
| The Netherlands | 351 | 310 |
| United Kingdom | 314 | 306 |
| Saudi Arabia | 231 | 243 |
| Germany | 201 | 205 |
| China | 169 | 162 |
| Italy | 164 | 152 |
| Switzerland | 163 | 166 |
| France | 154 | 126 |
| Spain | 147 | 157 |

| | | |
|---|---|---|
| Other nations | 464 | 405 |
| **Total** | $3,745 | $3,622 |
| **Huntsman International** | | |
| United States | $1,299 | $1,278 |
| The Netherlands | 351 | 310 |
| United Kingdom | 314 | 306 |
| Saudi Arabia | 231 | 243 |
| Germany | 201 | 205 |
| China | 169 | 162 |
| Italy | 164 | 152 |
| Switzerland | 163 | 166 |
| France | 154 | 126 |
| Spain | 147 | 157 |
| Other nations | 463 | 405 |
| **Total** | $3,656 | $3,510 |

(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.

| EMPLOYEE BENEFIT PLANS (Details 4) (USD $) In Millions, unless otherwise specified | 12 Months Ended Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| **Expected benefit payments:** | | |
| Net transfer out of Level 3 assets due to a change in the significance of unobservable inputs for several investments | $ 7 | |
| U.S. Defined Benefit Plans | | |
| **Projected benefit obligation in excess of plan assets** | | |
| Projected benefit obligation | 958 | 834 |
| Fair value of plan assets | 636 | 538 |
| **Accumulated benefit obligation in excess of plan assets** | | |
| Projected benefit obligation | 958 | 834 |
| Accumulated benefit obligation | 925 | 789 |
| Fair value of plan assets | 636 | 538 |
| **2013 expected employer contributions:** | | |
| To plan trusts | 73 | |
| **Expected benefit payments:** | | |
| 2013 | 58 | |
| 2014 | 54 | |
| 2015 | 53 | |
| 2016 | 55 | |
| 2017 | 59 | |
| 2018 - 2022 | 325 | |
| Non-U.S. Defined Benefit Plans | | |
| **Projected benefit obligation in excess of plan assets** | | |
| Projected benefit obligation | 2,742 | 1,897 |
| Fair value of plan assets | 2,223 | 1,492 |
| **Accumulated benefit obligation in excess of plan assets** | | |
| Projected benefit obligation | 1,751 | 1,618 |
| Accumulated benefit obligation | 1,603 | 1,500 |
| Fair value of plan assets | 1,266 | 1,251 |
| **2013 expected employer contributions:** | | |
| To plan trusts | 81 | |
| **Expected benefit payments:** | | |
| 2013 | 175 | |
| 2014 | 98 | |
| 2015 | 103 | |
| 2016 | 105 | |
| 2017 | 107 | |
| 2018 - 2022 | 578 | |
| Other Postretirement Benefit Plans | | |
| **Health care trend rate** | | |
| Health care trend rate (as a percent) | 7.50% | 7.50% |

| | | |
|---|---|---|
| Ultimate health care trend rate (as a percent) | 5.00% | 5.00% |
| **Effects of one-percent-point change in assumed health care cost trend rates** | | |
| Effect on postretirement benefit obligation, Increase | 3.6 | |
| Effect on postretirement benefit obligation, Decrease | (3.1) | |
| U.S. Other Postretirement Benefit Plans | | |
| **2013 expected employer contributions:** | | |
| To plan trusts | 11 | |
| **Expected benefit payments:** | | |
| 2013 | 11 | |
| 2014 | 11 | |
| 2015 | 11 | |
| 2016 | 11 | |
| 2017 | 11 | |
| 2018 - 2022 | 49 | |
| Non-U.S. Other Postretirement Benefit Plans | | |
| **2013 expected employer contributions:** | | |
| To plan trusts | 1 | |
| **Expected benefit payments:** | | |
| 2013 | 1 | |
| 2014 | 1 | |
| 2015 | 1 | |
| 2016 | 1 | |
| 2017 | 1 | |
| 2018 - 2022 | $ 2 | |

| Schedule I-Condensed Financial Information of Registrant (PARENT ONLY) (Details 2) (USD $) In Millions, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Quarterly Financial Information** | | | | | | | | | | | |
| Selling, general and administrative | | | | | | | | | $ (951) | $ (921) | $ (861) |
| Interest (expense) income, net | | | | | | | | | (226) | (249) | (229) |
| Equity in income (loss) of investment in affiliates and subsidiaries | | | | | | | | | 7 | 8 | 24 |
| Expense associated with the Terminated Merger | | | | | | | | | | | (4) |
| Loss on early extinguishment of debt | | | | | | | | | (80) | (7) | (183) |
| Income tax expense | | | | | | | | | 169 | 109 | 29 |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | (40) | 116 | 124 | 163 | 105 | (34) | 114 | 62 | 363 | 247 | 27 |
| Huntsman Corporation | | | | | | | | | | | |
| **Quarterly Financial Information** | | | | | | | | | | | |
| Selling, general and administrative | | | | | | | | | (3) | (15) | (15) |
| Interest (expense) income, net | | | | | | | | | 13 | 13 | 19 |
| Equity in income (loss) of investment in affiliates and subsidiaries | | | | | | | | | 257 | 170 | 165 |
| Dividend income - affiliate | | | | | | | | | 96 | 79 | |
| Expense associated with the Terminated Merger | | | | | | | | | | | (4) |
| Loss on early extinguishment of debt | | | | | | | | | | | (146) |
| Income tax expense | | | | | | | | | | | (8) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | | | | | | | | | $ 363 | $ 247 | $ 27 |

| DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES | 12 Months Ended Dec. 31, 2012 |
|---|---|
| **DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES** | |
| DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES | |

**15. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

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

**INTEREST RATE RISKS**

Through our borrowing activities, we are exposed to interest rate risk. Such risk arises due to the structure of our debt portfolio, including the duration of the portfolio and 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 interest rate collars 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. The collars entitle us to receive from the counterparties (major banks) the amounts, if any, by which our interest payments on certain of our floating-rate borrowings exceed a certain rate, and require us to pay to the counterparties (major banks) the amount, if any, by which our interest payments on certain of our floating-rate borrowings are less than a certain rate.

On December 9, 2009, we entered into a five-year interest rate contract to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities. The notional value of the contract is $50 million, and it has been designated as a cash flow hedge. The effective portion of the changes in the fair value of the swap was recorded in other comprehensive loss. We will pay a fixed 2.6% on the hedge and receive the one-month LIBOR rate. As of December 31, 2012 and 2011 the fair value of the hedge was $2 million and $3 million, respectively, and was recorded in other noncurrent liabilities.

On January 19, 2010, we entered into an additional five-year interest rate contract to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities. The notional value of the contract is $50 million, and it has been designated as a cash flow hedge. The effective portion of the changes in the fair value of the swap was recorded as other comprehensive loss. We will pay a fixed 2.8% on the hedge and receive the one-month LIBOR rate. As of December 31, 2012 and 2011, the fair value of the hedge was $3 million and $3 million, respectively, and was recorded in other noncurrent liabilities.

On September 1, 2011, we entered into a $50 million forward interest rate contract that will begin in December 2014 with maturity in April 2017 and a $50 million forward interest rate contract that will begin in January 2015 with maturity in April 2017. These two forward contracts are to hedge the variability caused by monthly changes in cash flow due to associated changes in LIBOR under our Senior Credit Facilities once our existing interest rate hedges mature. These swaps are designated as a cash flow hedges and the effective portion of the changes in the fair value of the swaps were recorded in other comprehensive income. Both interest rate contracts will pay a fixed 2.5% on the hedge and receive the one-month LIBOR rate once the contracts begin in 2014 and 2015, respectively. As of December 31, 2012 and 2011, the combined fair value of these two hedges was $4 million and $1 million, respectively and was recorded in other noncurrent liabilities.

In 2009, Sasol-Huntsman entered into derivative transactions to hedge the variable interest rate associated with its local credit facility. These derivative rate hedges include a floating to fixed interest rate contract providing Sasol-Huntsman with EURIBOR interest payments for a fixed payment of 3.62% and a cap for future periods with a strike price of 3.62%. In connection with the consolidation of Sasol-Huntsman as of April 1, 2011, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the hedge as of December 31, 2012 was €47 million (approximately $62 million) and the derivative transactions do not qualify for hedge accounting. As of December 31, 2012 and 2011, the fair value of this hedge was €2 million (approximately $3 million) and €3 million (approximately $3 million), respectively, and was recorded in other noncurrent liabilities on the accompanying consolidated balance sheets. For 2012 and 2011, we recorded additional (reduction of) interest expense of less than €(1) million (approximately $(1) million) and €2 million (approximately $2 million) respectively, due to changes in the fair value of the swap.

Beginning in 2009, Arabian Amines Company entered into a 12-year floating to fixed interest rate contract providing for a receipt of LIBOR interest payments for a fixed payment of 5.02%. In connection with the consolidation of Arabian Amines Company as of July 1, 2010, the interest rate contract is now included in our consolidated results. See "Note 7. Variable Interest Entities." The notional amount of the swap as of December 31, 2012 was $36 million, and the interest rate contract is not designated as a cash flow hedge. As of December 31, 2012 and 2011, the fair value of the swap was $6 million and $6 million, respectively, and was recorded as other noncurrent liabilities on the accompanying consolidated balance sheets. For 2012 and 2011, we recorded additional (reduction of) interest expense of less than $(1) million and $1 million, respectively, due to changes in fair value of the swap. As of December 31, 2012 Arabian Amines Company was not in compliance with certain financial covenants contained in its loan commitments. For more information, see "Note 14. Debt—Direct and Subsidiary Debt—Variable Interest Entity Debt."

For the years ended December 31, 2012 and 2011, the changes in accumulated other comprehensive loss associated with these cash flow hedging activities was approximately $1 million and $4 million, respectively.

During 2013, accumulated other comprehensive loss of nil is expected to be reclassified to earnings. The actual amount that will be reclassified to earnings over the next twelve months may vary from this amount due to changing market conditions. We would be exposed to credit losses in the event of nonperformance by a counterparty to our derivative financial instruments. We anticipate, however, that the counterparties will be able to fully satisfy their obligations under the contracts. Market risk arises from changes in interest rates.

**FOREIGN EXCHANGE RATE RISK**

Our cash flows and earnings are subject to fluctuations due to exchange rate variation. Our revenues and expenses are denominated in various currencies. We enter into foreign currency derivative instruments to minimize the short-term impact of movements in foreign currency rates. Where practicable, we generally net multicurrency cash balances among our subsidiaries to help reduce exposure to foreign currency exchange rates. Certain other exposures may be managed from time to time through financial market transactions, principally through the purchase of spot or forward foreign exchange contracts (generally with maturities of three months or less). We do not hedge our currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of December 31, 2012 and 2011, we had approximately $217 million and $263 million notional amount (in U.S. dollar equivalents) outstanding, respectively, in foreign currency contracts with a term of approximately one month.

In conjunction with the issuance of our 8.625% senior subordinated notes due 2020, we entered into cross-currency interest rate contracts with three counterparties. On March 17, 2010, we made payments of $350 million to these counterparties and received €255 million from these counterparties, and on maturity (March 15, 2015) we are required to pay €255 million to these counterparties and will receive $350 million from these counterparties. On March 15 and September 15 of each year, we will receive U.S. dollar interest payments of approximately $15 million (equivalent to an annual rate of 8.625%) and make interest payments of approximately €11 million (equivalent to an annual rate of approximately 8.41%). This swap is designated as a hedge of net investment for financial reporting purposes. As of December 31, 2012 and 2011, the fair value of this swap was $18 million and $27 million, respectively, and was recorded in noncurrent assets.

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. 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, 2012, we have designated approximately €255 million (approximately $336 million) of euro-denominated debt and cross-currency interest rate contracts as a hedge of our net investment. For the years ended December 31, 2012, 2011 and 2010, the amount of gain (loss) recognized on the hedge of our net investment was $(11) million, $5 million and $34 million, respectively, and was recorded in other comprehensive (loss) income. As of December 31, 2012, we had approximately €1,083 million (approximately $1,431 million) in net euro assets.

**COMMODITY PRICES RISK**

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

| GENERAL (Details) | 12 Months Ended<br>Dec. 31, 2012<br>item |
|---|---|
| **GENERAL** | |
| Percentage of holding in subsidiaries | 100.00% |
| Number of Chinese chemical companies | 3 |
| Number of business segments | 5 |

| STOCK-BASED COMPENSATION PLANS (Details) (USD $) In Millions, except Share data, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **STOCK-BASED COMPENSATION PLAN** | | | |
| Authorized number of shares to be granted under the Stock Incentive Plan | 32,600,000 | | |
| Remaining shares available for grant | 8,000,000 | | |
| Vesting period | 3 years | | |
| **STOCK-BASED COMPENSATION PLANS** | | | |
| Compensation cost from continuing operations | $ 27 | $ 24 | $ 27 |
| Total income tax benefit recognized in the statements of operations for stock-based compensation arrangements | 6 | 6 | 8 |
| Stock options | | | |
| **STOCK-BASED COMPENSATION PLANS** | | | |
| Maximum contractual term | 10 years | | |
| **Weighted average of the assumptions utilized for stock options granted** | | | |
| Dividend yield (as a percent) | 3.00% | 2.30% | 3.00% |
| Expected volatility (as a percent) | 65.30% | 65.60% | 69.00% |
| Risk-free interest rate (as a percent) | 1.30% | 2.80% | 3.10% |
| Expected life of stock options granted during the period | 6 years 7 months 6 days | 6 years 7 months 6 days | 6 years 7 months 6 days |
| **Option Awards, Shares** | | | |
| Outstanding at the beginning of the period (in shares) | 10,345,000 | | |
| Granted (in shares) | 1,363,000 | | |
| Exercised (in shares) | (902,000) | | |
| Forfeited (in shares) | (289,000) | | |
| Outstanding at the end of the period (in shares) | 10,517,000 | 10,345,000 | |
| Exercisable at the end of the period (in shares) | 8,390,000 | | |
| **Option Awards, Weighted Average Exercise Price** | | | |
| Outstanding at the beginning of the period (in dollars per share) | $ 13.83 | | |
| Granted (in dollars per share) | $ 13.41 | | |
| Exercised (in dollars per share) | $ 3.37 | | |
| Forfeited (in dollars per share) | $ 19.48 | | |
| Outstanding at the end of the period (in dollars per share) | $ 14.52 | $ 13.83 | |
| Exercisable at the end of the period (in dollars per share) | $ 14.56 | | |
| Outstanding, Weighted Average Remaining Contractual Term | 5 years 4 months 24 days | | |
| Exercisable, Weighted Average Remaining Contractual Term | 4 years 6 months | | |

| | | | |
|---|---|---|---|
| Outstanding, Aggregate Intrinsic Value | 42 | | |
| Exercisable, Aggregate Intrinsic Value | 39 | | |
| Weighted-average grant-date fair value of stock options granted (in dollars per share) | $ 6.36 | $ 9.17 | $ 6.97 |
| Total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the Stock Incentive Plan | 9 | | |
| Weighted-average period over which cost is expected to be recognized | 1 year 4 months 24 days | | |
| Total intrinsic value of stock options exercised | 10 | 19 | 14 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **STOCK-BASED COMPENSATION PLANS** | | | |
| Compensation cost from continuing operations | $ 26 | $ 22 | $ 24 |

| CONSOLIDATED STATEMENTS OF EQUITY (USD $) In Millions, except Share data, unless otherwise specified | Total | Common stock | Additional paid-in capital | Treasury stock | Unearned stock-based compensation | Accumulated deficit | Accumulated other comprehensive loss | Noncontrolling interests in subsidiaries | HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES Members' equity | HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES Accumulated deficit | HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES Accumulated other comprehensive loss | HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES Noncontrolling interests in subsidiaries |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at Dec. 31, 2009 | $ 1,865 | $ 2 | $ 3,155 | | $ (11) | $ (1,015) | $ (287) | $ 21 | | | | | |
| Balance (in shares) at Dec. 31, 2009 | | 234,081,490 | | | | | | | | | | | |
| Balance at Dec. 31, 2009 | | | | | | | | | 847 | 3,021 | (1,847) | (348) | 21 |
| Balance (in units) at Dec. 31, 2009 | | | | | | | | | | 2,728 | | | |
| **Increase (Decrease) in Stockholders' Equity** | | | | | | | | | | | | | |
| Net income | 32 | | | | | 27 | | 5 | 185 | | 180 | | 5 |
| Other comprehensive loss | (11) | | | | | | (10) | (1) | (7) | | | (6) | (1) |
| Consolidation of a variable interest entity | 35 | | | | | | | 35 | 35 | | | | 35 |
| Contribution from parent | | | | | | | | | 24 | 24 | | | |
| Issuance of nonvested stock awards | | | 12 | | (12) | | | | | | | | |
| Vesting of stock awards | 9 | | 9 | | | | | | | | | | |
| Vesting of stock awards (in shares) | | 1,939,524 | | | | | | | | | | | |
| Recognition of stock-based compensation | 15 | | 3 | | 12 | | | | | | | | |
| Repurchase and cancellation of stock awards | (6) | | | | | (6) | | | | | | | |
| Repurchase and cancellation of stock awards (in shares) | | (431,052) | | | | | | | | | | | |
| Stock options exercised | 3 | | 3 | | | | | | | | | | |
| Stock options exercised (in shares) | | 1,209,493 | | | | | | | | | | | |
| Excess tax benefit related to stock-based compensation | 4 | | 4 | | | | | | 4 | 4 | | | |
| Dividends declared on common stock | (96) | | | | | (96) | | | | | | | |
| Balance at Dec. 31, 2010 | 1,850 | 2 | 3,186 | | (11) | (1,090) | (297) | 60 | | | | | |
| Balance (in shares) at Dec. 31, 2010 | | 236,799,455 | | | | | | | | | | | |
| Balance at Dec. 31, 2010 | | | | | | | | | 1,088 | 3,049 | (1,667) | (354) | 60 |
| Balance (in units) at Dec. 31, 2010 | | | | | | | | | | 2,728 | | | |
| **Increase (Decrease) in Stockholders' Equity** | | | | | | | | | | | | | |
| Net income | 67 | | | | | | | | 68 | | | | |
| Balance at Mar. 31, 2011 | | | | | | | | | | | | | |
| Balance at Dec. 31, 2010 | 1,850 | 2 | 3,186 | | (11) | (1,090) | (297) | 60 | | | | | |
| Balance (in shares) at Dec. 31, 2010 | | 236,799,455 | | | | | | | | | | | |
| Balance at Dec. 31, 2010 | | | | | | | | | 1,088 | 3,049 | (1,667) | (354) | 60 |
| Balance (in units) at Dec. 31, 2010 | | | | | | | | | | 2,728 | | | |
| **Increase (Decrease) in Stockholders' Equity** | | | | | | | | | | | | | |
| Net income | 254 | | | | | 247 | | 7 | 260 | | 253 | | 7 |
| Dividend paid to noncontrolling interest | (9) | | | | | | | (9) | (9) | | | | (9) |
| Other comprehensive loss | (267) | | | | | | (262) | (5) | (262) | | | (257) | (5) |
| Consolidation of a variable interest entity | 61 | | | | | | | 61 | 61 | | | | 61 |
| Dividends paid to parent | | | | | | | | | (79) | | (79) | | |
| Contribution from parent | | | | | | | | | 22 | 22 | | | |
| Issuance of nonvested stock awards | | | 11 | | (11) | | | | | | | | |
| Vesting of stock awards | 13 | | 13 | | | | | | | | | | |
| Vesting of stock awards (in shares) | | 2,229,418 | | | | | | | | | | | |
| Recognition of stock-based compensation | 15 | | 5 | | 10 | | | | | | | | |
| Repurchase of common stock | (50) | | | (50) | | | | | | | | | |
| Repurchase of common stock (in shares) | | (4,043,526) | | | | | | | | | | | |
| Repurchase and cancellation of stock awards | (8) | | | | | (8) | | | | | | | |
| Repurchase and cancellation of stock awards (in shares) | | (507,624) | | | | | | | | | | | |
| Stock options exercised | 3 | | 3 | | | | | | | | | | |
| Stock options exercised (in shares) | | 1,268,364 | | | | | | | | | | | |
| Excess tax benefit related to stock-based compensation | 10 | | 10 | | | | | | 10 | 10 | | | |
| Dividends declared on common stock | (96) | | | | | (96) | | | | | | | |
| Balance at Dec. 31, 2011 | 1,776 | 2 | 3,228 | (50) | (12) | (947) | (559) | 114 | | | | | |
| Balance (in shares) at Dec. 31, 2011 | | 235,746,087 | | | | | | | | | | | |
| Balance at Dec. 31, 2011 | | | | | | | | | 1,091 | 3,081 | (1,493) | (611) | 114 |
| Balance (in units) at Dec. 31, 2011 | | | | | | | | | 2,728 | 2,728 | | | |
| Balance at Sep. 30, 2011 | | | | | | | | | | | | | |
| **Increase (Decrease) in Stockholders' Equity** | | | | | | | | | | | | | |
| Net income | 95 | | | | | | | | 94 | | | | |
| Balance at Dec. 31, 2011 | 1,776 | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at Dec. 31, 2011 | | | | | | | | | 1,091 | | | | |
| Balance (in units) at Dec. 31, 2011 | | | | | | | | | 2,728 | | | | |
| **Increase (Decrease) in Stockholders' Equity** | | | | | | | | | | | | | |
| Net income | 163 | | | | | | | | 166 | | | | |
| Balance at Mar. 31, 2012 | | | | | | | | | | | | | |
| Balance at Dec. 31, 2011 | 1,776 | 2 | 3,228 | | (12) | (947) | (559) | 114 | | | | | |
| Balance (in shares) at Dec. 31, 2011 | | 235,746,087 | | | | | | | | | | | |
| Balance at Dec. 31, 2011 | | | | | | | | | 1,091 | 3,081 | (1,493) | (611) | 114 |
| Balance (in units) at Dec. 31, 2011 | | | | | | | | | 2,728 | 2,728 | | | |
| **Increase (Decrease) in Stockholders' Equity** | | | | | | | | | | | | | |
| Net income | 373 | | | | | 363 | | 10 | 375 | | 365 | | 10 |
| Other comprehensive loss | (186) | | | | | | (185) | (1) | (181) | | | (180) | (1) |
| Dividends paid to parent | | | | | | | | | (96) | | (96) | | |
| Contribution from parent | | | | | | | | | 26 | 26 | | | |
| Issuance of nonvested stock awards | | | 12 | | (12) | | | | | | | | |
| Vesting of stock awards | 10 | | 10 | | | | | | | | | | |
| Vesting of stock awards (in shares) | | 2,162,043 | | | | | | | | | | | |
| Recognition of stock-based compensation | 21 | | 9 | | 12 | | | | | | | | |
| Repurchase and cancellation of stock awards | (7) | | | | | (7) | | | | | | | |
| Repurchase and cancellation of stock awards (in shares) | | (537,039) | | | | | | | | | | | |
| Stock options exercised | 3 | | 3 | | | | | | | | | | |
| Stock options exercised (in shares) | | 902,331 | | | | | | | | | | | |
| Acquisition of a business | (2) | | (2) | | | | | | (2) | (2) | | | |
| Excess tax benefit related to stock-based compensation | 4 | | 4 | | | | | | 4 | 4 | | | |
| Dividends declared on common stock | (96) | | | | | (96) | | | | | | | |
| Balance at Dec. 31, 2012 | 1,896 | 2 | 3,264 | (50) | (12) | (687) | (744) | 123 | | | | | |
| Balance (in shares) at Dec. 31, 2012 | | 238,273,422 | | | | | | | | | | | |
| Balance at Dec. 31, 2012 | | | | | | | | | 1,217 | 3,109 | (1,224) | (791) | 123 |
| Balance (in units) at Dec. 31, 2012 | | | | | | | | | 2,728 | 2,728 | | | |
| Balance at Sep. 30, 2012 | | | | | | | | | | | | | |
| **Increase (Decrease) in Stockholders' Equity** | | | | | | | | | | | | | |
| Net income | (38) | | | | | | | | (43) | | | | |
| Balance at Dec. 31, 2012 | 1,896 | | | (50) | | | | | | | | | |
| Balance at Dec. 31, 2012 | | | | | | | | | $ 1,217 | | | | |
| Balance (in units) at Dec. 31, 2012 | | | | | | | | | 2,728 | | | | |

| CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD $) In Millions, except Share data, unless otherwise specified | Dec. 31, 2012 | | Dec. 31, 2011 | |
|---|---|---|---|---|
| Accounts and notes receivable, allowance for doubtful accounts (in dollars) | $ 47 | | $ 46 | |
| Accounts and notes receivable, pledged as collateral (in dollars) | 520 | | 659 | |
| Common stock, par value (in dollars per share) | $ 0.01 | | $ 0.01 | |
| Common stock, shares authorized | 1,200,000,000 | | 1,200,000,000 | |
| Common stock, shares issued | 243,813,779 | | 241,836,001 | |
| Common stock, shares outstanding | 238,273,422 | | 235,746,087 | |
| Treasury stock, shares | 4,043,526 | | 4,043,526 | |
| **Variable Interest Entity** | | | | |
| Cash and cash equivalents | 387 | [1] | 554 | [1] |
| Restricted cash | 9 | [1] | 8 | [1] |
| Accounts and notes receivable (net) | 1,534 | [1] | 1,529 | [1] |
| Inventories | 1,819 | [1] | 1,539 | [1] |
| Other current assets | 222 | [1] | 245 | [1] |
| Property, plant and equipment (net) | 3,745 | [1] | 3,622 | [1] |
| Intangible assets (net) | 68 | [1] | 91 | [1] |
| Other noncurrent assets | 366 | [1] | 482 | [1] |
| Accounts payable | 1,102 | [1] | 862 | [1] |
| Accrued liabilities | 705 | [1] | 695 | [1] |
| Current portion of debt | 288 | [1] | 212 | [1] |
| Long-term debt | 3,414 | [1] | 3,730 | [1] |
| Other noncurrent liabilities | 1,161 | [1] | 1,012 | [1] |
| Huntsman International LLC Variable Interest Entity | | | | |
| **Variable Interest Entity** | | | | |
| Cash and cash equivalents | 28 | | 44 | |
| Restricted cash | 9 | | 2 | |
| Accounts and notes receivable (net) | 38 | | 29 | |
| Inventories | 55 | | 47 | |
| Other current assets | | | 1 | |
| Property, plant and equipment (net) | 378 | | 403 | |
| Intangible assets (net) | 19 | | 23 | |
| Other noncurrent assets | 28 | | 21 | |
| Accounts payable | 76 | | 55 | |
| Accrued liabilities | 26 | | 21 | |
| Current portion of debt | 193 | | 16 | |
| Long-term debt | 77 | | 264 | |

| | | | | |
|---|---|---|---|---|
| Other noncurrent liabilities | 101 | | 111 | |
| Consolidated VIE's | | | | |
| **Variable Interest Entity** | | | | |
| Cash and cash equivalents | 28 | | 44 | |
| Restricted cash | 9 | | 2 | |
| Accounts and notes receivable (net) | 38 | | 29 | |
| Inventories | 55 | | 47 | |
| Other current assets | | | 1 | |
| Property, plant and equipment (net) | 378 | | 403 | |
| Intangible assets (net) | 19 | | 23 | |
| Other noncurrent assets | 28 | | 21 | |
| Accounts payable | 76 | | 55 | |
| Accrued liabilities | 26 | | 21 | |
| Current portion of debt | 193 | | 16 | |
| Long-term debt | 77 | | 264 | |
| Other noncurrent liabilities | 101 | | 111 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| Accounts and notes receivable, allowance for doubtful accounts (in dollars) | 47 | | 46 | |
| Accounts and notes receivable, pledged as collateral (in dollars) | 520 | | 659 | |
| Members' equity, units issued (in units) | 2,728 | | 2,728 | |
| Members' equity, units outstanding (in units) | 2,728 | | 2,728 | |
| **Variable Interest Entity** | | | | |
| Cash and cash equivalents | 210 | [1] | 231 | [1] |
| Restricted cash | 9 | [1] | 8 | [1] |
| Accounts and notes receivable (net) | 1,534 | [1] | 1,529 | [1] |
| Inventories | 1,819 | [1] | 1,539 | [1] |
| Other current assets | 222 | [1] | 220 | [1] |
| Property, plant and equipment (net) | 3,656 | [1] | 3,510 | [1] |
| Intangible assets (net) | 70 | [1] | 93 | [1] |
| Other noncurrent assets | 366 | [1] | 482 | [1] |
| Accounts payable | 1,101 | [1] | 862 | [1] |
| Accrued liabilities | 723 | [1] | 694 | [1] |
| Current portion of debt | 288 | [1] | 212 | [1] |
| Long-term debt | 3,414 | [1] | 3,730 | [1] |
| Other noncurrent liabilities | $ 1,157 | [1] | $ 1,003 | [1] |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| INTANGIBLE ASSETS | 12 Months Ended Dec. 31, 2012 |
|---|---|

INTANGIBLE ASSETS

INTANGIBLE ASSETS

**8. INTANGIBLE ASSETS**

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

**Huntsman Corporation**

| | December 31, 2012 | | | December 31, 2011 | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Accumulated Amortization | Net | Carrying Amount | Accumulated Amortization | Net |
| Patents, trademarks and technology | $355 | $318 | $37 | $363 | $307 | $56 |
| Licenses and other agreements | 41 | 16 | 25 | 39 | 14 | 25 |
| Non-compete agreements | 2 | 2 | — | 2 | 2 | — |
| Other intangibles | 60 | 54 | 6 | 40 | 30 | 10 |
| **Total** | $458 | $390 | $68 | $444 | $353 | $91 |

Amortization expense was $23 million, $29 million and $30 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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

| Year ending December 31 | |
|---|---|
| 2013 | $21 |
| 2014 | 13 |
| 2015 | 5 |
| 2016 | 5 |
| 2017 | 4 |

**Huntsman International**

| | December 31, 2012 | | | December 31, 2011 | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Accumulated Amortization | Net | Carrying Amount | Accumulated Amortization | Net |
| Patents, trademarks and technology | $355 | $318 | $37 | $363 | $307 | $56 |
| Licenses and other agreements | 41 | 16 | 25 | 39 | 14 | 25 |
| Non-compete agreements | 2 | 2 | — | 2 | 2 | — |
| Other intangibles | 68 | 60 | 8 | 48 | 36 | 12 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total** | $466 | $396 | $70 | $452 | $359 | $93 |

Amortization expense for Huntsman International was $23 million, $30 million and $30 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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

| **Year ending December 31** | |
|---|---|
| 2013 | $21 |
| 2014 | 13 |
| 2015 | 5 |
| 2016 | 5 |
| 2017 | 4 |

| INCOME TAXES (Details 3) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Summary of changes in the valuation allowance** | | | |
| Valuation allowance at the beginning of the period | $ 756 | $ 797 | $ 842 |
| Valuation allowance at the end of the period | 736 | 756 | 797 |
| Net decrease | 20 | 41 | 45 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 5 | (27) |
| Change in valuation allowance per rate reconciliation | 11 | 16 | 19 |
| **Components of change in valuation allowance affecting tax expense** | | | |
| Pre-tax income and pre-tax losses in jurisdictions with valuation allowances resulting in no tax expense or benefit | 10 | (6) | (1) |
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | |
| Change in valuation allowance per rate reconciliation | 11 | 16 | 19 |
| Huntsman International | | | |
| **Summary of changes in the valuation allowance** | | | |
| Valuation allowance at the beginning of the period | 768 | 813 | 861 |
| Valuation allowance at the end of the period | 745 | 768 | 813 |
| Net decrease | 23 | 45 | 48 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 4 | (27) |
| Change in valuation allowance per rate reconciliation | 14 | 19 | 22 |
| **Components of change in valuation allowance affecting tax expense** | | | |
| Pre-tax income and pre-tax losses in jurisdictions with valuation allowances resulting in no tax expense or benefit | 13 | (3) | 2 |
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | |
| Change in valuation allowance per rate reconciliation | $ 14 | $ 19 | $ 22 |

| FAIR VALUE (Details 2) (Recurring basis, USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| Estimated Fair Value | | |
| **Assets:** | | |
| Total assets. | $ 32 | $ 39 |
| **Liabilities:** | | |
| Total liabilities | (18) | (17) |
| Estimated Fair Value \| Cross currency interest rate contract | | |
| **Assets:** | | |
| Total assets | 18 | 27 |
| Estimated Fair Value \| Equity mutual funds | | |
| **Assets:** | | |
| Total assets | 14 | 12 |
| Quoted prices in active markets for identical assets (Level 1) | | |
| **Assets:** | | |
| Total assets. | 14 | 12 |
| Quoted prices in active markets for identical assets (Level 1) \| Equity mutual funds | | |
| **Assets:** | | |
| Total assets | 14 | 12 |
| Significant other observable inputs (Level 2) | | |
| **Assets:** | | |
| Total assets. | 18 | |
| **Liabilities:** | | |
| Total liabilities | (18) | (17) |
| Significant other observable inputs (Level 2) \| Cross currency interest rate contract | | |
| **Assets:** | | |
| Total assets | 18 | |
| Significant unobservable inputs (Level 3) | | |
| **Assets:** | | |
| Total assets. | | 27 |
| Significant unobservable inputs (Level 3) \| Cross currency interest rate contract | | |
| **Assets:** | | |
| Total assets | | $ 27 |

| DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (Details)<br>In Millions, unless otherwise specified | 12 Months Ended | | | | 12 Months Ended | | 12 Months Ended | | 1 Months Ended | 12 Months Ended | | 12 Months Ended | | | | | 1 Months Ended | 12 Months Ended | | 12 Months Ended | 12 Months Ended | | | | | | | | 1 Months Ended | | 12 Months Ended | | | | | | | 9 Months Ended | | 9 Months Ended | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 USD ($) | Dec. 31, 2011 USD ($) | Dec. 31, 2010 USD ($) | Dec. 31, 2012 EUR (€) | Dec. 31, 2012 Forward foreign currency contracts USD ($) | Dec. 31, 2011 Forward foreign currency contracts USD ($) | Dec. 31, 2012 Interest rate contract Designated as Hedging Instrument USD ($) | Dec. 31, 2011 Interest rate contract Designated as Hedging Instrument USD ($) | Jan. 31, 2010 Five-year interest rate contract entered in year 2010 Designated as Hedging Instrument | Dec. 31, 2012 Five-year interest rate contract entered in year 2010 Designated as Hedging Instrument USD ($) | Dec. 31, 2011 Five-year interest rate contract entered in year 2010 Designated as Hedging Instrument USD ($) | Dec. 31, 2012 Twelve-year interest rate contract entered in year 2009 Non Designated Hedge Instrument Arabian Amines Company USD ($) | Dec. 31, 2009 Twelve-year interest rate contract entered in year 2009 Non Designated Hedge Instrument Arabian Amines Company | Dec. 31, 2011 Twelve-year interest rate contract entered in year 2009 Non Designated Hedge Instrument Arabian Amines Company USD ($) | Dec. 31, 2012 Twelve-year interest rate contract entered in year 2009 Non Designated Hedge Instrument Arabian Amines Company Maximum USD ($) | Dec. 31, 2011 Twelve-year interest rate contract entered in year 2009 Non Designated Hedge Instrument Arabian Amines Company Maximum USD ($) | Dec. 31, 2009 Five-year interest rate contract entered in year 2009 Designated as Hedging Instrument | Dec. 31, 2012 Five-year interest rate contract entered in year 2009 Designated as Hedging Instrument USD ($) | Dec. 31, 2011 Five-year interest rate contract entered in year 2009 Designated as Hedging Instrument USD ($) | Dec. 31, 2009 Floating to fixed interest rate contract | Dec. 31, 2012 Floating to fixed interest rate contract USD ($) | Dec. 31, 2012 Floating to fixed interest rate contract EUR (€) | Dec. 31, 2011 Floating to fixed interest rate contract USD ($) | Dec. 31, 2011 Floating to fixed interest rate contract EUR (€) | Dec. 31, 2012 Floating to fixed interest rate contract Maximum USD ($) | Dec. 31, 2012 Floating to fixed interest rate contract Maximum EUR (€) | Dec. 31, 2011 Floating to fixed interest rate contract Maximum USD ($) | Dec. 31, 2011 Floating to fixed interest rate contract Maximum EUR (€) | Mar. 31, 2010 Cross Currency Interest Rate Contract Designated as Hedging Instrument USD ($) | Mar. 31, 2010 Cross Currency Interest Rate Contract Designated as Hedging Instrument EUR (€) | Dec. 31, 2012 Cross Currency Interest Rate Contract Designated as Hedging Instrument USD ($) item | Dec. 31, 2012 Cross Currency Interest Rate Contract Designated as Hedging Instrument EUR (€) item | Mar. 15, 2015 Cross Currency Interest Rate Contract Designated as Hedging Instrument USD ($) | Mar. 15, 2015 Cross Currency Interest Rate Contract Designated as Hedging Instrument EUR (€) | Dec. 31, 2011 Cross Currency Interest Rate Contract Designated as Hedging Instrument USD ($) | Dec. 31, 2012 Forward interest rate contract beginning in December, 2014 and January, 2015 USD ($) | Dec. 31, 2011 Forward interest rate contract beginning in December, 2014 and January, 2015 USD ($) | Sep. 30, 2011 Forward interest rate contract beginning in December, 2014 | Sep. 02, 2011 Forward interest rate contract beginning in December, 2014 USD ($) | Sep. 30, 2011 Forward interest rate contract beginning in January, 2015 | Sep. 02, 2011 Forward interest rate contract beginning in January, 2015 USD ($) |
| **Derivative Instruments and Hedging Activities** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Notional Amounts | | | | | $ 217 | $ 263 | | | | $ 50 | | $ 36 | | | | | | $ 50 | | | | | | | | | | | | | | | | | | | | | $ 50 | | $ 50 |
| Hedging period of interest rate contract | | | | | | | | | 5 years | | | | 12 years | | | | 5 years | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed percentage to be paid under the hedge | | | | | | | | | | 2.80% | | 5.02% | | | | | | 2.60% | | 3.62% | | | | | | | | | | | | | | | | | | 2.50% | | 2.50% | |
| Variable rate basis | | | | | | | | | | one-month LIBOR rate | | LIBOR | | | | | | one-month LIBOR rate | | EURIBOR | | | | | | | | | | | | | | | | | | one-month LIBOR rate | | one-month LIBOR rate | |
| Fair value of the hedge | | | | | | | | | | 3 | 3 | 6 | | 6 | | | | 2 | 3 | | | | | | | | | | | | | | | | | 4 | 1 | | | | |
| Strike price (as a percent) | | | | | | | | | | | | | | | | | | | | 3.62% | | | | | | | | | | | | | | | | | | | | | |
| Notional amount of hedge | | | | | | | | | | | | | | | | | | | | | 62 | 47 | | | | | | | | | | | | | | | | | | | |
| Fair value of interest rate derivative not designated as hedging instrument recorded in other noncurrent liabilities | | | | | | | | | | | | | | | | | | | | | 3 | 2 | 3 | 3 | | | | | | | | | | | | | | | | | |
| Additional (reduction of) interest expense due to changes in the fair value of the swap | | | | | | | | | | | | | | | (1) | 1 | | | | | | | | | (1) | (1) | (2) | (2) | | | | | | | | | | | | | |
| Maximum maturity period of spot or forward exchange rate contracts | | | | | 3 months | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Changes in accumulated other comprehensive (loss) income | | | | | | | 1 | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Period of reclassification from accumulated other comprehensive income (loss) to earnings | | | | | | | 12 months | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Approximate term of foreign currency contracts | | | | | 1 month | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stated rate of interest (as a percent) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 8.625% | 8.625% | | | | | | | | | |
| Number of counterparties | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 3 | 3 | | | | | | | | | |
| Amount paid to counterparties | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 350 | | | | | | | | | | | | |
| Amount received from counterparties | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 255 | | | | | | | | | | | |
| Amount payable to counterparties on maturity of derivative contract | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 255 | | | | | | | |
| Amount receivable from counterparties on maturity of derivative contract | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 350 | | | | | | | | |
| U.S. dollar interest payments to be received on March 15 and September 15 of each year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 15 | | | | | | | | | | |
| Equivalent annual rate of interest receivable (as a percent) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 8.625% | 8.625% | | | | | | | | | |
| U.S. dollar interest payments to be made on March 15 and September 15 of each year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 11 | | | | | | | | | |
| Equivalent annual rate of interest payable (as a percent) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 8.41% | 8.41% | | | | | | | | | |
| Fair value of the swap | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 18 | | | | 27 | | | | | | |
| Euro-denominated debt and cross currency interest rate swap as a hedge of net investments | 336 | | | 255 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount of gain (loss) recognized on the hedge of net investments | (11) | 5 | 34 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net euro assets | $ 1,431 | | | € 1,083 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Schedule I-Condensed Financial Information of Registrant (PARENT ONLY) (Details) (USD $) In Millions, except Share data, unless otherwise specified | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|---|---|
| **Current assets:** | | | | |
| Cash and cash equivalents | $ 387 [1] | $ 554 [1] | $ 966 | $ 1,745 |
| Accounts and notes receivable, net | 1,534 [1] | 1,529 [1] | | |
| Receivable from affiliate | 49 | 5 | | |
| Inventories | 1,819 [1] | 1,539 [1] | | |
| Prepaid expenses | 48 | 46 | | |
| Deferred income taxes | 51 | 20 | | |
| Other current assets | 222 [1] | 245 [1] | | |
| Total current assets | 4,119 | 3,946 | | |
| Property, plant and equipment, net | 3,745 [1] | 3,622 [1] | | |
| Intangible assets, net | 68 [1] | 91 [1] | | |
| Goodwill | 117 | 114 | | |
| Deferred income taxes | 229 | 195 | | |
| Note receivable from affiliate-long-term | 2 | 5 | | |
| Investment in and advances to affiliates | 238 | 202 | | |
| Other noncurrent assets | 366 [1] | 482 [1] | | |
| Total assets | 8,884 | 8,657 | | |
| **Current liabilities:** | | | | |
| Accounts payable | 1,102 [1] | 862 [1] | | |
| Payable to affiliate | 48 | 50 | | |
| Accrued liabilities | 705 [1] | 695 [1] | | |
| Current portion of debt | 288 [1] | 212 [1] | | |
| Total current liabilities | 2,181 | 1,826 | | |
| Long-term debt | 3,414 [1] | 3,730 [1] | | |
| Notes payable to affiliates | 4 | 4 | | |
| Deferred income taxes | 228 | 309 | | |
| Other long-term liabilities | 1,161 [1] | 1,012 [1] | | |
| Total liabilities | 6,988 | 6,881 | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | |
| Common stock $0.01 par value, 1,200,000,000 shares authorized,243,813,779 and 241,836,001 issued and 238,273,422 and 235,746,087 outstanding in 2012 and 2011, respectively | 2 | 2 | | |
| Additional paid-in capital | 3,264 | 3,228 | | |

| | | | | |
|---|---|---|---|---|
| Treasury stock, 4,043,526 shares at both December 31, 2012 and 2011 | (50) | (50) | | |
| Unearned stock-based compensation | (12) | (12) | | |
| Accumulated deficit | (687) | (947) | | |
| Accumulated other comprehensive loss | (744) | (559) | | |
| Total Huntsman Corporation stockholders' equity | 1,773 | 1,662 | | |
| Noncontrolling interests in subsidiaries | 123 | 114 | | |
| Total liabilities and equity | 8,884 | 8,657 | | |
| Common stock, par value (in dollars per share) | $ 0.01 | $ 0.01 | | |
| Common stock, shares authorized | 1,200,000,000 | 1,200,000,000 | | |
| Common stock, shares issued | 243,813,779 | 241,836,001 | | |
| Common stock, shares outstanding | 238,273,422 | 235,746,087 | | |
| Treasury stock, shares | 4,043,526 | 4,043,526 | | |
| Huntsman Corporation | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | 177 | 323 | 405 | 826 |
| Receivable from affiliate | 13 | 14 | | |
| Note receivable from affiliate | 100 | 100 | | |
| Total current assets | 290 | 437 | | |
| Note receivable from affiliate-long-term | 595 | 435 | | |
| Investment in and advances to affiliates | 1,146 | 944 | | |
| Total assets | 2,031 | 1,816 | | |
| **Current liabilities:** | | | | |
| Payable to affiliate | 250 | 143 | | |
| Accrued liabilities | 2 | 2 | | |
| Total current liabilities | 252 | 145 | | |
| Other long-term liabilities | 6 | 9 | | |
| Total liabilities | 258 | 154 | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | |
| Common stock $0.01 par value, 1,200,000,000 shares authorized,243,813,779 and 241,836,001 issued and 238,273,422 and 235,746,087 outstanding in 2012 and 2011, respectively | 2 | 2 | | |
| Additional paid-in capital | 3,264 | 3,228 | | |
| Treasury stock, 4,043,526 shares at both December 31, 2012 and 2011 | (50) | (50) | | |
| Unearned stock-based compensation | (12) | (12) | | |
| Accumulated deficit | (687) | (947) | | |
| Accumulated other comprehensive loss | (744) | (559) | | |
| Total Huntsman Corporation stockholders' equity | 1,773 | 1,662 | 1,790 | 1,844 |
| Total liabilities and equity | $ 2,031 | $ 1,816 | | |
| Common stock, par value (in dollars per share) | $ 0.01 | $ 0.01 | | |
| Common stock, shares authorized | 1,200,000,000 | 1,200,000,000 | | |
| Common stock, shares issued | 243,813,779 | 241,836,001 | | |
| Common stock, shares outstanding | 238,273,422 | 235,746,087 | | |

| | | |
|---|---|---|
| Treasury stock, shares | 4,043,526 | 4,043,526 |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| CONDENSED CONSOLIDATING FINANCIAL INFORMATION OF HUNTSMAN INTERNATIONAL LLC (UNAUDITED) (Details 3) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | | |
|---|---|---|---|---|
| | Dec. 31, 2012 | | Dec. 31, 2011 | Dec. 31, 2010 |
| **Condensed consolidating financial statements** | | | | |
| Net cash provided by (used in) operating activities | $ 774 | | $ 365 | $ (58) |
| **Investing Activities:** | | | | |
| Capital expenditures | (412) | | (330) | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | | | 3 | 34 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | (18) | | (34) | |
| Cash assumed in connection with the initial consolidation of a variable interest entity | | | 28 | 14 |
| Proceeds from sale of businesses/assets | 6 | | 48 | 2 |
| Investment in unconsolidated affiliates | (127) | | (26) | (27) |
| Cash received from unconsolidated affiliates | 82 | | 32 | 31 |
| Other, net | (2) | | (1) | |
| Net cash used in investing activities | (471) | | (280) | (182) |
| **Financing Activities:** | | | | |
| Net borrowings (repayments) under revolving loan facilities | (15) | | (2) | (6) |
| Revolving loan facility from A/R Programs | | | | 254 |
| Net borrowings (repayments) on overdraft facilities | 2 | | 9 | (2) |
| Repayments of short-term debt | (53) | | (187) | (175) |
| Borrowings on short-term debt | | | 162 | 212 |
| Repayments of long-term debt | (694) | | (408) | (1,456) |
| Proceeds from issuance of long-term debt | 405 | | 98 | 923 |
| Repayments of notes payable | (37) | | (34) | (53) |
| Borrowings on notes payable | 34 | | 35 | 46 |
| Debt issuance costs paid | (11) | | (7) | (29) |
| Call premiums related to early extinguishment of debt | (2) | | (6) | (160) |
| Dividends paid to noncontrolling interest | | | (9) | |
| Excess tax benefit related to stock-based compensation | 4 | | 10 | 4 |
| Other, net | (6) | | | (2) |
| Net cash used in financing activities | (473) | | (490) | (543) |
| Effect of exchange rate changes on cash | 3 | | (7) | 4 |
| Increase (Decrease) in cash and cash equivalents | (167) | | (412) | (779) |
| Cash and cash equivalents at beginning of period | 554 | [1] | 966 | 1,745 |

| | | | |
|---|---|---|---|
| Cash and cash equivalents at end of period | 387 [1] | 554 [1] | 966 |
| Parent Company | | | |
| **Condensed consolidating financial statements** | | | |
| Net cash provided by (used in) operating activities | 85 | 304 | (241) |
| **Investing Activities:** | | | |
| Capital expenditures | (23) | (21) | (26) |
| Increase (decrease) in receivable from affiliate | (108) | (57) | (57) |
| Investment in consolidated affiliate | 225 | (56) | (65) |
| Investment in unconsolidated affiliates | (3) | | |
| Net cash used in investing activities | 91 | (134) | (148) |
| **Financing Activities:** | | | |
| Revolving loan facility from A/R Programs | | | 254 |
| Repayments of long-term debt | (625) | (305) | (1,154) |
| Proceeds from issuance of long-term debt | 400 | | 894 |
| Repayments of notes payable to affiliate | (139) | (105) | (125) |
| Proceeds from notes payable to affiliate | 299 | 105 | 110 |
| Repayments of notes payable | (33) | (32) | (38) |
| Borrowings on notes payable | 33 | 33 | 33 |
| Debt issuance costs paid | (11) | (7) | (29) |
| Call premiums related to early extinguishment of debt | (2) | (6) | (28) |
| Dividends paid to parent | (96) | (79) | |
| Excess tax benefit related to stock-based compensation | 4 | 10 | 4 |
| Other, net | (3) | | |
| Net cash used in financing activities | (173) | (386) | (79) |
| Increase (Decrease) in cash and cash equivalents | 3 | (216) | (468) |
| Cash and cash equivalents at beginning of period | 4 | 220 | 688 |
| Cash and cash equivalents at end of period | 7 | 4 | 220 |
| Guarantors | | | |
| **Condensed consolidating financial statements** | | | |
| Net cash provided by (used in) operating activities | 269 | 99 | 15 |
| **Investing Activities:** | | | |
| Capital expenditures | (111) | (70) | (51) |
| Proceeds from settlements treated as reimbursement of capital expenditures | | | 34 |
| Proceeds from sale of businesses/assets | | 8 | |
| Investment in consolidated affiliate | (62) | (16) | (13) |
| Investment in unconsolidated affiliates | (100) | (26) | (24) |
| Cash received from unconsolidated affiliates | 80 | 30 | 26 |
| Other, net | 1 | | |
| Net cash used in investing activities | (192) | (74) | (28) |
| **Financing Activities:** | | | |
| Contribution from parent | 14 | (32) | |
| Distribution to parent | (87) | | |
| Dividends paid to parent | (2) | (2) | (2) |

| | | | |
|---|---|---|---|
| Net cash used in financing activities | (75) | (34) | (2) |
| Increase (Decrease) in cash and cash equivalents | 2 | (9) | (15) |
| Cash and cash equivalents at beginning of period | | 9 | 24 |
| Cash and cash equivalents at end of period | 2 | | 9 |
| Non-guarantors | | | |
| **Condensed consolidating financial statements** | | | |
| Net cash provided by (used in) operating activities | 508 | 34 | 182 |
| **Investing Activities:** | | | |
| Capital expenditures | (278) | (239) | (159) |
| Proceeds from settlements treated as reimbursement of capital expenditures | | 3 | |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | (18) | (34) | |
| Cash assumed in connection with the initial consolidation of a variable interest entity | | 28 | 14 |
| Proceeds from sale of businesses/assets | 6 | 40 | 2 |
| Investment in consolidated affiliate | (48) | | |
| Investment in unconsolidated affiliates | (24) | | (3) |
| Cash received from unconsolidated affiliates | 2 | 2 | 5 |
| Other, net | (1) | (4) | 1 |
| Net cash used in investing activities | (265) | (204) | (140) |
| **Financing Activities:** | | | |
| Net borrowings (repayments) under revolving loan facilities | (15) | (2) | (6) |
| Net borrowings (repayments) on overdraft facilities | 2 | 9 | (2) |
| Repayments of short-term debt | (53) | (187) | (175) |
| Borrowings on short-term debt | | 162 | 212 |
| Repayments of long-term debt | (69) | (103) | (53) |
| Proceeds from issuance of long-term debt | 5 | 98 | 29 |
| Intercompany repayments | | | (5) |
| Repayments of notes payable | (4) | (2) | (15) |
| Borrowings on notes payable | 1 | 2 | 13 |
| Contribution from parent | | 104 | 83 |
| Distribution to parent | (138) | | |
| Dividends paid to parent | (1) | | |
| Dividends paid to noncontrolling interest | | (9) | |
| Other, net | | | (2) |
| Net cash used in financing activities | (272) | 72 | 79 |
| Effect of exchange rate changes on cash | 3 | (7) | 4 |
| Increase (Decrease) in cash and cash equivalents | (26) | (105) | 125 |
| Cash and cash equivalents at beginning of period | 227 | 332 | 207 |
| Cash and cash equivalents at end of period | 201 | 227 | 332 |
| Eliminations | | | |
| **Condensed consolidating financial statements** | | | |
| Net cash provided by (used in) operating activities | (2) | (5) | (2) |

| | | | |
|---|---|---|---|
| **Investing Activities:** | | | |
| Investment in consolidated affiliate | (211) | 72 | 78 |
| Other, net | (1) | 3 | |
| Net cash used in investing activities | (212) | 75 | 78 |
| **Financing Activities:** | | | |
| Intercompany repayments | | | 5 |
| Contribution from parent | (14) | (72) | (83) |
| Distribution to parent | 225 | | |
| Dividends paid to parent | 3 | 2 | 2 |
| Net cash used in financing activities | 214 | (70) | (76) |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Condensed consolidating financial statements** | | | |
| Net cash provided by (used in) operating activities | 860 | 432 | (46) |
| **Investing Activities:** | | | |
| Capital expenditures | (412) | (330) | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | | 3 | 34 |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | (18) | (34) | |
| Cash assumed in connection with the initial consolidation of a variable interest entity | | 28 | 14 |
| Proceeds from sale of businesses/assets | 6 | 48 | 2 |
| Increase (decrease) in receivable from affiliate | (108) | (57) | (57) |
| Investment in unconsolidated affiliates | (127) | (26) | (27) |
| Cash received from unconsolidated affiliates | 82 | 32 | 31 |
| Other, net | (1) | (1) | 1 |
| Net cash used in investing activities | (578) | (337) | (238) |
| **Financing Activities:** | | | |
| Net borrowings (repayments) under revolving loan facilities | (15) | (2) | (6) |
| Revolving loan facility from A/R Programs | | | 254 |
| Net borrowings (repayments) on overdraft facilities | 2 | 9 | (2) |
| Repayments of short-term debt | (53) | (187) | (175) |
| Borrowings on short-term debt | | 162 | 212 |
| Repayments of long-term debt | (694) | (408) | (1,207) |
| Proceeds from issuance of long-term debt | 405 | 98 | 923 |
| Repayments of notes payable to affiliate | (139) | (105) | (125) |
| Proceeds from notes payable to affiliate | 299 | 105 | 110 |
| Repayments of notes payable | (37) | (34) | (53) |
| Borrowings on notes payable | 34 | 35 | 46 |
| Debt issuance costs paid | (11) | (7) | (29) |
| Call premiums related to early extinguishment of debt | (2) | (6) | (28) |
| Dividends paid to parent | (96) | (79) | |
| Dividends paid to noncontrolling interest | | (9) | |
| Excess tax benefit related to stock-based compensation | 4 | 10 | 4 |

| | | | |
|---|---|---|---|
| Other, net | (3) | | (2) |
| Net cash used in financing activities | (306) | (418) | (78) |
| Effect of exchange rate changes on cash | 3 | (7) | 4 |
| Increase (Decrease) in cash and cash equivalents | (21) | (330) | (358) |
| Cash and cash equivalents at beginning of period | 231 [1] | 561 | 919 |
| Cash and cash equivalents at end of period | $ 210 [1] | $ 231 [1] | $ 561 |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| Document and Entity Information (USD $) | 12 Months Ended Dec. 31, 2012 | Feb. 01, 2013 | Jun. 30, 2012 |
|---|---|---|---|
| **Document and Entity Information** | | | |
| Entity Registrant Name | Huntsman CORP | | |
| Entity Central Index Key | 0001307954 | | |
| Document Type | 10-K | | |
| Document Period End Date | Dec. 31, 2012 | | |
| Amendment Flag | false | | |
| Current Fiscal Year End Date | --12-31 | | |
| Entity Well-known Seasoned Issuer | Yes | | |
| Entity Voluntary Filers | No | | |
| Entity Current Reporting Status | Yes | | |
| Entity Filer Category | Large Accelerated Filer | | |
| Entity Public Float | | | $ 2,402,844,866 |
| Entity Common Stock, Shares Outstanding | | 239,851,526 | |
| Document Fiscal Year Focus | 2012 | | |
| Document Fiscal Period Focus | FY | | |

| Schedule I-Condensed Financial Information of Registrant (PARENT ONLY) (Details 4) (USD $)<br>In Millions, except Share data, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Increase (decrease) in stockholders' equity** | | | | | | | | | | | |
| Balance | | | | $ 1,662 | | | | | $ 1,662 | | |
| Net income | (40) | 116 | 124 | 163 | 105 | (34) | 114 | 62 | 363 | 247 | 27 |
| Other comprehensive (loss) income | | | | | | | | | (186) | (267) | (11) |
| Vesting of stock awards | | | | | | | | | 10 | 13 | 9 |
| Recognition of stock-based compensation | | | | | | | | | 21 | 15 | 15 |
| Repurchase of common stock | | | | | | | | | | (50) | |
| Repurchase and cancellation of stock awards | | | | | | | | | (7) | (8) | (6) |
| Stock options exercised | | | | | | | | | 3 | 3 | 3 |
| Acquisition of a business | | | | | | | | | (2) | | |
| Excess tax benefit related to stock-based compensation | | | | | | | | | 4 | 10 | 4 |
| Dividends declared on common stock | | | | | | | | | (96) | (96) | (96) |
| Balance | 1,773 | | | | 1,662 | | | | 1,773 | 1,662 | |
| Common stock | | | | | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | | | | | |
| Balance (in shares) | | | | 235,746,087 | | | | 236,799,455 | 235,746,087 | 236,799,455 | 234,081,490 |
| Vesting of stock awards (in shares) | | | | | | | | | 2,162,043 | 2,229,418 | 1,939,524 |
| Repurchase of common stock (in shares) | | | | | | | | | | (4,043,526) | |
| Repurchase and cancellation of stock awards (in shares) | | | | | | | | | (537,039) | (507,624) | (431,052) |
| Stock options exercised (in shares) | | | | | | | | | 902,331 | 1,268,364 | 1,209,493 |
| Balance (in shares) | 238,273,422 | | | | 235,746,087 | | | | 238,273,422 | 235,746,087 | 236,799,455 |
| Additional paid-in capital | | | | | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | | | | | |
| Issuance of nonvested stock awards | | | | | | | | | 12 | 11 | 12 |
| Vesting of stock awards | | | | | | | | | 10 | 13 | 9 |
| Recognition of stock-based compensation | | | | | | | | | 9 | 5 | 3 |
| Stock options exercised | | | | | | | | | 3 | 3 | 3 |
| Acquisition of a business | | | | | | | | | (2) | | |
| Excess tax benefit related to stock-based compensation | | | | | | | | | 4 | 10 | 4 |
| Treasury stock | | | | | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | | | | | |
| Repurchase of common stock | | | | | | | | | | (50) | |
| Unearned stock-based compensation | | | | | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Issuance of nonvested stock awards | | | | | (12) | (11) | (12) |
| Recognition of stock-based compensation | | | | | 12 | 10 | 12 |
| Accumulated deficit | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Repurchase and cancellation of stock awards | | | | | (7) | (8) | (6) |
| Dividends declared on common stock | | | | | (96) | (96) | (96) |
| Accumulated other comprehensive loss | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Other comprehensive (loss) income | | | | | (185) | (262) | (10) |
| Huntsman Corporation | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Balance | | 1,662 | | 1,790 | 1,662 | 1,790 | 1,844 |
| Net income | | | | | 363 | 247 | 27 |
| Other comprehensive (loss) income | | | | | (185) | (262) | (10) |
| Vesting of stock awards | | | | | 10 | 13 | 9 |
| Recognition of stock-based compensation | | | | | 21 | 15 | 15 |
| Repurchase of common stock | | | | | | (50) | |
| Repurchase and cancellation of stock awards | | | | | (7) | (8) | (6) |
| Stock options exercised | | | | | 3 | 3 | 3 |
| Acquisition of a business | | | | | (2) | | |
| Excess tax benefit related to stock-based compensation | | | | | 4 | 10 | 4 |
| Dividends declared on common stock | | | | | (96) | (96) | (96) |
| Balance | 1,773 | | 1,662 | | 1,773 | 1,662 | 1,790 |
| Huntsman Corporation \| Common stock | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Balance | | 2 | | 2 | 2 | 2 | 2 |
| Balance (in shares) | | 235,746,087 | | 236,799,455 | 235,746,087 | 236,799,455 | 234,081,490 |
| Vesting of stock awards (in shares) | | | | | 2,162,043 | 2,229,418 | 1,939,524 |
| Repurchase of common stock (in shares) | | | | | | (4,043,526) | |
| Repurchase and cancellation of stock awards (in shares) | | | | | (537,039) | (507,624) | (431,052) |
| Stock options exercised (in shares) | | | | | 902,331 | 1,268,364 | 1,209,493 |
| Balance | 2 | | 2 | | 2 | 2 | 2 |
| Balance (in shares) | 238,273,422 | | 235,746,087 | | 238,273,422 | 235,746,087 | 236,799,455 |
| Huntsman Corporation \| Additional paid-in capital | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Balance | | 3,228 | | 3,186 | 3,228 | 3,186 | 3,155 |
| Issuance of nonvested stock awards | | | | | 12 | 11 | 12 |
| Vesting of stock awards | | | | | 10 | 13 | 9 |
| Recognition of stock-based compensation | | | | | 9 | 5 | 3 |
| Stock options exercised | | | | | 3 | 3 | 3 |
| Acquisition of a business | | | | | (2) | | |
| Excess tax benefit related to stock-based compensation | | | | | 4 | 10 | 4 |
| Balance | 3,264 | | 3,228 | | 3,264 | 3,228 | 3,186 |
| Huntsman Corporation \| Treasury stock | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Repurchase of common stock | | | | | | (50) | |
| Balance | (50) | | (50) | | (50) | (50) | |
| Huntsman Corporation \| Unearned stock-based compensation | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Balance | | (12) | | (11) | (12) | (11) | (11) |
| Issuance of nonvested stock awards | | | | | (12) | (11) | (12) |
| Recognition of stock-based compensation | | | | | 12 | 10 | 12 |
| Balance | (12) | | (12) | | (12) | (12) | (11) |
| Huntsman Corporation \| Accumulated deficit | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Balance | | (947) | | (1,090) | (947) | (1,090) | (1,015) |
| Net income | | | | | 363 | 247 | 27 |
| Repurchase and cancellation of stock awards | | | | | (7) | (8) | (6) |
| Dividends declared on common stock | | | | | (96) | (96) | (96) |
| Balance | (687) | | (947) | | (687) | (947) | (1,090) |
| Huntsman Corporation \| Accumulated other comprehensive loss | | | | | | | |
| **Increase (decrease) in stockholders' equity** | | | | | | | |
| Balance | | (559) | | (297) | (559) | (297) | (287) |
| Other comprehensive (loss) income | | | | | (185) | (262) | (10) |
| Balance | $ (744) | | $ (559) | | $ (744) | $ (559) | $ (297) |

| OTHER NONCURRENT ASSETS | 12 Months Ended Dec. 31, 2012 |
| --- | --- |

**OTHER NONCURRENT ASSETS**

OTHER NONCURRENT ASSETS

**9. OTHER NONCURRENT ASSETS**

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

| | December 31, | |
| --- | --- | --- |
| | 2012 | 2011 |
| Pension assets | $1 | $100 |
| Debt issuance costs | 29 | 31 |
| Capitalized turnaround costs | 127 | 141 |
| Spare parts inventory | 93 | 89 |
| Catalyst assets | 25 | 23 |
| Deposits | 33 | 31 |
| Other | 58 | 67 |
| **Total** | $366 | $482 |

Amortization expense of catalyst assets for the years ended December 31, 2012, 2011 and 2010 was $10 million, $12 million and $12 million, respectively.

| INTANGIBLE ASSETS (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
|---|---|---|---|
| **Intangible Assets** | | | |
| Carrying Amount | $ 458 | $ 444 | |
| Accumulated Amortization | 390 | 353 | |
| Net | 68 | 91 | |
| Amortization expense | 23 | 29 | 30 |
| **Estimated future amortization expense** | | | |
| 2013 | 21 | | |
| 2014 | 13 | | |
| 2015 | 5 | | |
| 2016 | 5 | | |
| 2017 | 4 | | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Intangible Assets** | | | |
| Carrying Amount | 466 | 452 | |
| Accumulated Amortization | 396 | 359 | |
| Net | 70 | 93 | |
| Amortization expense | 23 | 30 | 30 |
| **Estimated future amortization expense** | | | |
| 2013 | 21 | | |
| 2014 | 13 | | |
| 2015 | 5 | | |
| 2016 | 5 | | |
| 2017 | 4 | | |
| Patents, trademarks and technology | | | |
| **Intangible Assets** | | | |
| Carrying Amount | 355 | 363 | |
| Accumulated Amortization | 318 | 307 | |
| Net | 37 | 56 | |
| Patents, trademarks and technology \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Intangible Assets** | | | |
| Carrying Amount | 355 | 363 | |
| Accumulated Amortization | 318 | 307 | |
| Net | 37 | 56 | |
| Licenses and other agreements | | | |
| **Intangible Assets** | | | |
| Carrying Amount | 41 | 39 | |
| Accumulated Amortization | 16 | 14 | |
| Net | 25 | 25 | |

| | | |
|---|---|---|
| Licenses and other agreements \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | |
| **Intangible Assets** | | |
| Carrying Amount | 41 | 39 |
| Accumulated Amortization | 16 | 14 |
| Net | 25 | 25 |
| Non-compete agreements | | |
| **Intangible Assets** | | |
| Carrying Amount | 2 | 2 |
| Accumulated Amortization | 2 | 2 |
| Non-compete agreements \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | |
| **Intangible Assets** | | |
| Carrying Amount | 2 | 2 |
| Accumulated Amortization | 2 | 2 |
| Other intangibles | | |
| **Intangible Assets** | | |
| Carrying Amount | 60 | 40 |
| Accumulated Amortization | 54 | 30 |
| Net | 6 | 10 |
| Other intangibles \| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | |
| **Intangible Assets** | | |
| Carrying Amount | 68 | 48 |
| Accumulated Amortization | 60 | 36 |
| Net | $ 8 | $ 12 |

| | | | | 12 Months Ended | | | 1 Months Ended | 3 Months Ended | 1 Months Ended | | 3 Months Ended | | | 3 Months Ended | | | | 0 Months Ended | 1 Months Ended | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **DEBT (Details 2) In Millions, unless otherwise specified** | **Dec. 31, 2012 USD ($)** | **Dec. 31, 2011 USD ($)** | **Dec. 31, 2010 USD ($)** | **Dec. 31, 2012 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Dec. 31, 2011 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Dec. 31, 2010 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Dec. 31, 2012 5.50% Senior Notes due 2016 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Dec. 31, 2012 5.50% Senior Notes due 2016 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Mar. 31, 2012 7.50% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Mar. 31, 2012 7.50% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES EUR (€)** | **Sep. 30, 2011 7.50% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Sep. 30, 2011 7.50% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES EUR (€)** | **Mar. 26, 2012 7.50% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES** | **Dec. 31, 2011 6.875% Senior Subordinated Notes due 2013 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Dec. 31, 2011 6.875% Senior Subordinated Notes due 2013 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES EUR (€)** | **Sep. 30, 2011 6.875% Senior Subordinated Notes due 2013 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Sep. 30, 2011 6.875% Senior Subordinated Notes due 2013 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES EUR (€)** | **Jul. 25, 2011 7.375% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Jan. 31, 2011 7.375% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES USD ($)** | **Jan. 18, 2011 7.375% Senior Subordinated Notes due 2015 HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES** |
| **Redemption of Notes and Loss on Early Extinguishment of Debt** | | | | | | | | | | | | | | | | | | | | |
| Principal Amount of Notes Redeemed | | | | | | | | $ 400 | $ 86 | € 64 | $ 17 | € 12 | | $ 94 | € 70 | $ 19 | € 14 | $ 75 | $ 100 | |
| Amount Paid (Excluding Accrued Interest) | | | | | | | 400 | | 87 | 65 | 17 | 12 | | 96 | 71 | 19 | 14 | 77 | 102 | |
| Loss on early extinguishment of debt | 80 | 7 | 183 | 80 | 7 | 37 | | (77) | 1 | | | | | 2 | | | | 2 | 3 | |
| Interest rate on long-term debt (as a percent) | | | | | | | 5.50% | 5.50% | | | 7.50% | 7.50% | 7.50% | 6.875% | 6.875% | 6.875% | 6.875% | 7.375% | | 7.375% |
| **Scheduled maturities of our debt (excluding debt to affiliates)** | | | | | | | | | | | | | | | | | | | | |
| 2013 | 288 | | | | | | | | | | | | | | | | | | | |
| 2014 | 522 | | | | | | | | | | | | | | | | | | | |
| 2015 | 32 | | | | | | | | | | | | | | | | | | | |
| 2016 | 577 | | | | | | | | | | | | | | | | | | | |
| 2017 | 967 | | | | | | | | | | | | | | | | | | | |
| Thereafter | 1,316 | | | | | | | | | | | | | | | | | | | |
| Total debt - excluding debt to affiliates | $ 3,702 | $ 3,942 | | $ 3,702 | $ 3,942 | | | | | | | | | | | | | | | |

| CONSOLIDATED STATEMENTS OF OPERATIONS (USD $) In Millions, except Per Share data, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Revenues:** | | | |
| Trade sales, services and fees, net | $ 10,964 | $ 11,041 | $ 9,049 |
| Related party sales | 223 | 180 | 201 |
| Total revenues | 11,187 | 11,221 | 9,250 |
| Cost of goods sold | 9,153 | 9,381 | 7,789 |
| Gross profit | 2,034 | 1,840 | 1,461 |
| **Operating expenses:** | | | |
| Selling, general and administrative | 951 | 921 | 861 |
| Research and development | 152 | 166 | 151 |
| Other operating (income) expense | (6) | (20) | 10 |
| Restructuring, impairment and plant closing costs | 92 | 167 | 29 |
| Total expenses | 1,189 | 1,234 | 1,051 |
| Operating income | 845 | 606 | 410 |
| Interest expense, net | (226) | (249) | (229) |
| Equity in income of investment in unconsolidated affiliates | 7 | 8 | 24 |
| Loss on early extinguishment of debt | (80) | (7) | (183) |
| Expenses associated with the Terminated Merger and related litigation | | | (4) |
| Other income | 1 | 2 | 2 |
| Income from continuing operations before income taxes | 547 | 360 | 20 |
| Income tax expense | (169) | (109) | (29) |
| Income (loss) from continuing operations | 378 | 251 | (9) |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 |
| Income before extraordinary gain (loss) | 371 | 250 | 33 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | 2 | 4 | (1) |
| Net income | 373 | 254 | 32 |
| Net income attributable to noncontrolling interests | (10) | (7) | (5) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | 363 | 247 | 27 |
| **Basic income (loss) per share:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders (in dollars per share) | $ 1.55 | $ 1.03 | $ (0.06) |
| (Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax (in dollars per share) | $ (0.03) | | $ 0.17 |
| Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax (in dollars per share) | $ 0.01 | $ 0.01 | |
| Net income attributable to Huntsman Corporation common stockholders (in dollars per share) | $ 1.53 | $ 1.04 | $ 0.11 |
| Weighted average shares (in shares) | 237.6 | 237.6 | 236.0 |

| | | | |
|---|---|---|---|
| **Diluted income (loss) per share:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders (in dollars per share) | $ 1.53 | $ 1.01 | $ (0.06) |
| (Loss) income from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax (in dollars per share) | $ (0.03) | | $ 0.17 |
| Extraordinary gain on the acquisition of a business attributable to Huntsman Corporation common stockholders, net of tax (in dollars per share) | $ 0.01 | $ 0.01 | |
| Net income attributable to Huntsman Corporation common stockholders (in dollars per share) | $ 1.51 | $ 1.02 | $ 0.11 |
| Weighted average shares (in shares) | 240.6 | 241.7 | 236.0 |
| **Amounts attributable to Huntsman Corporation common stockholders:** | | | |
| Income (loss) from continuing operations | 368 | 244 | (14) |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax | 2 | 4 | (1) |
| Net income | 363 | 247 | 27 |
| Dividends per share (in dollars per share) | $ 0.40 | $ 0.40 | $ 0.40 |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Revenues:** | | | |
| Trade sales, services and fees, net | 10,964 | 11,041 | 9,049 |
| Related party sales | 223 | 180 | 201 |
| Total revenues | 11,187 | 11,221 | 9,250 |
| Cost of goods sold | 9,146 | 9,363 | 7,772 |
| Gross profit | 2,041 | 1,858 | 1,478 |
| **Operating expenses:** | | | |
| Selling, general and administrative | 934 | 916 | 855 |
| Research and development | 152 | 166 | 151 |
| Other operating (income) expense | (6) | (20) | |
| Restructuring, impairment and plant closing costs | 92 | 167 | 29 |
| Total expenses | 1,172 | 1,229 | 1,035 |
| Operating income | 869 | 629 | 443 |
| Interest expense, net | (238) | (262) | (248) |
| Equity in income of investment in unconsolidated affiliates | 7 | 8 | 24 |
| Loss on early extinguishment of debt | (80) | (7) | (37) |
| Other income | 1 | 2 | 2 |
| Income from continuing operations before income taxes | 559 | 370 | 184 |
| Income tax expense | (179) | (113) | (40) |
| Income (loss) from continuing operations | 380 | 257 | 144 |
| (Loss) income from discontinued operations, net of tax | (7) | (1) | 42 |
| Income before extraordinary gain (loss) | 373 | 256 | 186 |
| Extraordinary gain (loss) on the acquisition of a business, net of tax of nil | 2 | 4 | (1) |
| Net income | 375 | 260 | 185 |
| Net income attributable to noncontrolling interests | (10) | (7) | (5) |
| Net income attributable to Huntsman Corporation or Huntsman International LLC | 365 | 253 | 180 |
| **Amounts attributable to Huntsman Corporation common stockholders:** | | | |
| Extraordinary gain (loss) on the acquisition of a business, net of tax | 2 | 4 | (1) |

| | | | |
|---|---|---|---|
| Net income | $ 365 | $ 253 | $ 180 |

| BUSINESS COMBINATIONS AND DISPOSITIONS | 12 Months Ended Dec. 31, 2012 |
|---|---|

**BUSINESS COMBINATIONS AND DISPOSITIONS**

BUSINESS COMBINATIONS AND DISPOSITIONS

**3. BUSINESS COMBINATIONS AND DISPOSITIONS**

**RUSSIAN MDI, COATINGS AND SYSTEMS ACQUISITION**

On July 3, 2012, we completed our acquisition of the remaining 55% ownership interest in International Polyurethane Investments B.V. This company's wholly owned subsidiary, Huntsman NMG ZAO, is a leading supplier of polyurethane systems to the adhesives, coatings and footwear markets in Russia, Ukraine and Belarus and is headquartered in Obninsk, Russia. The acquisition cost was approximately €13 million (approximately $16 million). The acquired business was integrated into our Polyurethanes segment. Transaction costs charged to expense related to this acquisition were not significant. The fair value of our existing 45% ownership interest immediately prior to the acquisition was $13 million, valued by applying the income approach. Key assumptions include a discount rate of 17% and a terminal growth rate of 4%. In connection with this transaction, we recorded a noncash pretax loss of approximately $4 million in other operating (income) expense on the consolidation of this investment. The long-term debt of approximately $7 million that was assumed as part of this transaction was repaid shortly after the acquisition date.

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

| | |
|---|---|
| Fair value of original 45% ownership interest acquired in 2007 | $13 |
| Acquisition cost of 55% ownership interest acquired in 2012 | 16 |
| Total fair value of net assets acquired | $29 |
| Fair value of assets acquired and liabilities assumed: | |
| Accounts receivable | $2 |
| Inventories | 9 |
| Other current assets | 1 |
| Property, plant and equipment | 31 |
| Accounts payable | (4 ) |
| Accrued liabilities | (1 ) |
| Deferred income taxes | (2 ) |
| Long-term debt | (7 ) |
| Total fair value of net assets acquired | $29 |

The acquisition cost allocation is preliminary pending final determination of the fair value of assets acquired and liabilities assumed, including final valuation of working capital, property, plant and equipment, intangible assets and the determination of related deferred taxes. For purposes of this preliminary allocation of fair value, we have assigned any excess of the acquisition cost over historical carrying values to property, plant and equipment and no amounts have been allocated to goodwill. It is possible that changes to this preliminary allocation could occur.

International Polyurethane Investments B.V. had revenues and earnings of $28 million and $1 million, respectively, for the period from the date of acquisition to December 31, 2012. If this acquisition were to have occurred on January 1, 2010, the approximate pro forma combined earnings attributable to our Company would have been $30 million for 2010, and there would have been no significant impact for 2011 and 2012. For Huntsman International, there was no significant impact for 2010, 2011 and 2012. The following estimated pro forma revenues attributable to our Company and Huntsman International would have been reported (dollars in millions):

| | Pro Forma Year ended December 31, (unaudited) | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Revenues | $11,231 | $11,257 | $9,277 |

**EMA ACQUISITION**

On December 30, 2011, we completed the acquisition of EMA Kimya Sistemleri Sanayive Ticaret A.S. (the "EMA Acquisition"), an MDI-based polyurethanes systems house in Istanbul, Turkey for approximately $11 million, net of cash acquired and including the repayment of assumed debt. The acquired business was integrated into our Polyurethanes segment. We have accounted for the EMA Acquisition using the acquisition method, and transaction costs charged to expense associated with this acquisition were not significant. We recorded goodwill of approximately $9 million in conjunction with this acquisition. Net sales for the years ended December 31, 2011 and 2010 related to the business acquired were approximately $23 million and $17 million, respectively, and net loss associated with this business was $3 million and nil, respectively, for the same periods.

**SALE OF STEREOLITHOGRAPHY RESIN AND DIGITALIS® MACHINE MANUFACTURING BUSINESSES**

On November 1, 2011, our Advanced Materials division completed the sale of its stereolithography resin and Digitalis® machine manufacturing businesses to 3D Systems Corporation for $41 million in cash. The stereolithography business had revenues of approximately $7 million in 2010 and its products are used primarily in three-dimensional part building systems. The Digitalis® business is a stereolithography rapid manufacturing system that we were developing. In connection with this sale, we recognized a pre-tax gain in the fourth quarter of 2011 of $34 million which was reflected in other operating income on the accompanying consolidated statements of operations and comprehensive income (loss). We also derecognized $2 million of goodwill that was allocated to these businesses.

**LAFFANS ACQUISITION**

On April 2, 2011, we completed the acquisition of the chemical business of Laffans Petrochemicals Limited, an amines and surfactants manufacturer located in Ankleshwar, India at an acquisition cost of approximately $23 million. The acquired business was integrated into our Performance Products segment. Transaction costs charged to expense related to this acquisition were not significant.

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

| | |
|---|---|
| Acquisition cost | $23 |
| Fair value of assets acquired and liabilities assumed: | |
| Accounts receivable | $9 |

| | |
|---|---|
| Inventories | 2 |
| Other current assets | 2 |
| Property, plant and equipment | 12 |
| Intangibles | 3 |
| Accounts payable | (3 ) |
| Accrued liabilities | (1 ) |
| Other noncurrent liabilities | (1 ) |
| Total fair value of net assets acquired | $23 |

If this acquisition were to have occurred on January 1, 2010 the following estimated pro forma revenues and net income attributable to Huntsman Corporation and Huntsman International would have been reported (dollars in millions):

**Huntsman Corporation**

| | Pro Forma Year ended December 31, (unaudited) | |
|---|---|---|
| | 2011 | 2010 |
| Revenues | $11,235 | $9,301 |
| Net income attributable to Huntsman Corporation | 248 | 28 |

**Huntsman International**

| | Pro Forma Year ended December 31, (unaudited) | |
|---|---|---|
| | 2011 | 2010 |
| Revenues | $11,235 | $9,301 |
| Net income attributable to Huntsman Corporation | 254 | 181 |

**TEXTILE EFFECTS ACQUISITION**

On June 30, 2006, we acquired Ciba's textile effects business and accounted for the Textile Effects Acquisition using the purchase method. As such, we analyzed the fair value of tangible and intangible assets acquired and liabilities assumed and determined the excess of fair value of net assets over cost. Because the fair value of the acquired assets and liabilities assumed exceeded the purchase price, the value of the long-lived assets acquired was reduced to zero. Accordingly, no basis was assigned to property, plant and equipment or any other non-current nonfinancial assets and the remaining excess was recorded as an extraordinary gain. During 2012, 2011 and 2010, we recorded an additional extraordinary gain (loss) on the acquisition of $2 million, $4 million and $(1) million, respectively, related to settlement of contingent purchase price consideration, the reversal of accruals for certain restructuring and employee termination costs recorded in connection with the Textile Effects Acquisition and a reimbursement by Ciba of certain costs pursuant to the acquisition agreements.

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 12 Months Ended<br>Dec. 31, 2012 |
|---|---|

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ALLOWANCE FOR DOUBTFUL TRADE RECEIVABLES**

An allowance for doubtful trade receivables is estimated based on a combination of write-off history, aging analysis and any specific, known troubled accounts.

**ASSET RETIREMENT OBLIGATIONS**

We accrue for asset retirement obligations, which consist primarily of landfill closure costs and asbestos abatement costs, in the period in which the obligations are incurred. Asset retirement obligations are accrued at estimated fair value. When the liability is initially recorded, we capitalize the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its 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. See "Note 12. Asset Retirement Obligations."

**CARRYING VALUE OF LONG-LIVED ASSETS**

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

**CASH AND CASH EQUIVALENTS**

We consider cash in checking accounts and cash in short-term highly liquid investments with remaining maturities of three months or less at the date of purchase, to be cash and cash equivalents. Cash flows from discontinued operations are not presented separately in the accompanying 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, to the extent effective. The effectiveness of a cash flow hedging relationship is established at the inception of the hedge, and after inception we perform effectiveness assessments at least every three months. A derivative designated as a cash flow hedge is determined to be effective if the change in value of the hedge divided by the change in value of the hedged item is within a range of 80% to 125%. Hedge ineffectiveness in a cash flow hedge occurs only if the cumulative gain or loss on the derivative hedging instrument exceeds the cumulative change in the expected future cash flows on the hedged transaction. For a derivative that does not qualify or has not been designated as a hedge, changes in fair value are recognized in earnings.

**ENVIRONMENTAL EXPENDITURES**

Environmental related restoration and remediation costs are recorded as liabilities when site restoration and environmental remediation and clean-up obligations are either known or considered probable and the related costs can be reasonably estimated. Other environmental expenditures that are principally maintenance or preventative in nature are recorded when expended and incurred and are expensed or capitalized as appropriate. See "Note 20. Environmental, Health and Safety Matters."

**FINANCIAL INSTRUMENTS**

The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair value of non-qualified employee benefit plan investments is estimated 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.

**FOREIGN CURRENCY TRANSLATION**

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

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

Foreign currency transaction gains and losses are recorded in other operating (income) expense in the consolidated statements of operations and were net losses of $4 million, $3 million and $2 million for the years ended December 31, 2012, 2011 and 2010, 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.

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

Accounting for uncertainty in income taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The application of income tax law is inherently complex. We are required to determine if an income tax position meets the criteria of more-likely-than-not to be realized based on the merits of the position under tax law, in order to recognize an income tax benefit. This requires us to make significant judgments regarding the merits of income tax positions and the application of income tax law. Additionally, if a tax position meets the recognition criteria of more-likely-than-not we are required to make judgments and apply assumptions 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 the consolidated financial statements.

**INTANGIBLE ASSETS AND GOODWILL**

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

| | |
|---|---|
| Patents and technology | 5 - 30 years |
| Trademarks | 15 - 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.

**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.

**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.

**LEGAL COSTS**

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

**NET INCOME PER SHARE ATTRIBUTABLE TO HUNTSMAN CORPORATION**

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

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

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| **Numerator:** | | | |
| **Basic and diluted income from continuing operations:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation | $368 | $244 | $(14 ) |
| **Basic and diluted net income:** | | | |
| Net income attributable to Huntsman Corporation | $363 | $247 | $27 |
| **Shares (denominator):** | | | |
| Weighted average shares outstanding | 237.6 | 237.6 | 236.0 |
| Dilutive securities: | | | |
| Stock-based awards | 3.0 | 4.1 | — |
| Total weighted average shares outstanding, including dilutive shares | 240.6 | 241.7 | 236.0 |

Additional stock-based awards of 7.8 million, 6.7 million and 11.5 million weighted average equivalent shares of stock were outstanding during the years ended December 31, 2012, 2011 and 2010, 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.

The impact of the share repurchase program did not increase earnings per share for the year ended December 31, 2012. For more information on the share repurchase program, see "Note 21. Huntsman Corporation Stockholders' Equity—Share Repurchase Program."

**OTHER NONCURRENT ASSETS**

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

**PRINCIPLES OF CONSOLIDATION**

Our consolidated financial statements include the accounts of our wholly-owned and majority-owned subsidiaries and any variable interest entities for which we are the primary beneficiary. All intercompany accounts and transactions have been eliminated, except for intercompany sales between continuing and discontinued operations.

**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 | 10 - 33 years |
| Plant and equipment | 3 - 25 years |
| Furniture, fixtures and leasehold improvements | 5 - 20 years |

Interest expense capitalized as part of plant and equipment was $4 million, $2 million and $1 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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

**RESEARCH AND DEVELOPMENT**

Research and development costs are expensed as incurred.

**REVENUE RECOGNITION**

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

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

**SECURITIZATION OF ACCOUNTS RECEIVABLE**

Under our A/R Programs, we grant an undivided interest in certain of our trade receivables to the U.S. SPE and the EU SPE. This undivided interest serves as security for the issuance of debt. The A/R Programs provide for financing through a conduit program (in both U.S. dollars and euros). Receivables transferred under the A/R Programs qualified as sales through December 31, 2009. Upon adoption of new accounting guidance on January 1, 2010, transfers of accounts receivable under our A/R Programs no longer met the criteria for derecognition. Accordingly, the amounts outstanding under our A/R Programs are accounted for as secured borrowings beginning in 2010. See "Note 14. Debt—A/R Programs."

**STOCK-BASED COMPENSATION**

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which the employee is required to provide services in exchange for the award. See "Note 22. Stock-Based Compensation Plan."

**SUBSEQUENT EVENTS**

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

**USE OF ESTIMATES**

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

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

**ACCOUNTING PRONOUNCEMENTS ADOPTED DURING 2012**

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and*

*IFRSs*, providing a consistent definition of fair value between U.S. GAAP and International Financial Reporting Standards ("IFRSs") as well as developing common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and IFRSs. The amendments in this ASU were effective prospectively for interim and annual periods beginning after December 15, 2011. We adopted the amendments of this ASU effective January 1, 2012, and the initial adoption of the amendments in this ASU did not have a significant impact on our consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*, requiring entities to present net income and other comprehensive income in either a single continuous statement of comprehensive income or in two separate, but consecutive, statements of net income and other comprehensive income. The option to present components of other comprehensive income as part of the statement of equity is eliminated. The amendments do not change the option to present components of other comprehensive income either net of related tax effects or before related tax effects, with one amount shown for the aggregate income tax expense or benefit related to the total of other comprehensive income components. The amendments in this ASU were effective retrospectively for fiscal years, and interim periods within those years, beginning after December 15, 2011. We adopted this ASU effective January 1, 2012 and have presented our consolidated net income and consolidated comprehensive income in two separate, but consecutive, statements.

In September 2011, the FASB issued ASU No. 2011-08, *Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment*. The guidance in this ASU is intended to reduce complexity and costs of the annual goodwill impairment test by providing entities with the option of performing a qualitative assessment to determine whether further impairment testing is necessary. The amendments in this ASU include examples of events and circumstances that might indicate that a reporting unit's fair value is less than its carrying value. The amendments in this ASU were effective prospectively for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted the amendments in this ASU effective January 1, 2012, 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 July 2012, the FASB issued ASU No. 2012-02, *Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*. The guidance in this ASU is intended to reduce complexity and costs of the annual impairment tests for indefinite-lived intangible assets by providing entities with the option of performing a qualitative assessment to determine whether further impairment testing is necessary. The amendments in this ASU include examples of events and circumstances that might indicate that an asset's fair value is less than its carrying value. The amendments in this ASU are effective for annual and interim indefinite-lived intangible assets impairment tests performed for fiscal years beginning after September 15, 2012 with early adoption permitted. We do not expect the adoption of the amendments in this ASU to have a significant impact on our consolidated financial statements.

| DEBT | 12 Months Ended Dec. 31, 2012 |
|---|---|

**DEBT**
DEBT

**14. DEBT**

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

**Huntsman Corporation**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Senior Credit Facilities: | | |
| Term loans | $1,565 | $1,696 |
| Amounts outstanding under A/R programs | 241 | 237 |
| Senior notes | 568 | 472 |
| Senior subordinated notes | 892 | 976 |
| HPS (China) debt | 94 | 167 |
| Variable interest entities | 270 | 281 |
| Other | 72 | 113 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total current portion of debt | $288 | $212 |
| Long-term portion | 3,414 | 3,730 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Notes payable to affiliates-noncurrent | 4 | 4 |
| Total debt | $3,706 | $3,946 |

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Senior Credit Facilities: | | |
| Term loans | $1,565 | $1,696 |
| Amounts outstanding under A/R programs | 241 | 237 |
| Senior notes | 568 | 472 |
| Senior subordinated notes | 892 | 976 |
| HPS (China) debt | 94 | 167 |
| Variable interest entities | 270 | 281 |
| Other | 72 | 113 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total current portion of debt | $288 | $212 |
| Long-term portion | 3,414 | 3,730 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Total debt—excluding debt to affiliates | $3,702 | $3,942 |
| Notes payable to affiliates-current | 100 | 100 |
| Notes payable to affiliates-noncurrent | 599 | 439 |
| Total debt | $4,401 | $4,481 |

**DIRECT AND SUBSIDIARY DEBT**

Huntsman Corporation's 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); Huntsman Corporation is not a guarantor of such subsidiary debt.

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

***Senior Credit Facilities***

As of December 31, 2012, our Senior Credit Facilities consisted of our Revolving Facility, our Term Loan B, our Extended Term Loan B, our Extended Term Loan B—Series 2, and our Term Loan C as follows (dollars in millions):

| Facility | Committed Amount | Principal Outstanding | | Carrying Value | | Interest Rate(2) | Maturity | |
|---|---|---|---|---|---|---|---|---|
| Revolving Facility | $400 | $— | (1) | $— | (1) | USD LIBOR plus 2.50% | 2017 | (3) |
| Term Loan B | NA | 193 | | 193 | | USD LIBOR plus 1.50% | 2014 | |
| Extended Term Loan B | NA | 637 | | 637 | | USD LIBOR plus 2.50% | 2017 | (3) |
| Extended Term Loan B—Series 2 | NA | 342 | | 342 | | USD LIBOR plus 2.75% | 2017 | (3) |
| Term Loan C | NA | 419 | | 393 | | USD LIBOR plus 2.25% | 2016 | |

**(1)** We had no borrowings outstanding under our Revolving Facility; we had approximately $19 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 Senior Credit Facilities is subject to certain secured leverage ratio thresholds. As of December 31, 2012, the weighted average interest rate on our outstanding balances under the Senior Credit Facilities was approximately 3.0%.

**(3)** The maturity of the Revolving Facility commitments will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to repay our 2016 Senior Notes, Term Loan B due April 19, 2014 and Term Loan C due June 30, 2016. The maturity of Extended Term Loan B and Extended Term Loan B—Series 2 will accelerate if we do not repay, refinance or have a minimum level of liquidity available to enable us to refinance or repay our 2016 Senior Notes that remain outstanding during the three months prior to the maturity date of such notes.

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

During the year ended December 31, 2012, we made the following payments on our Senior Credit Facilities:

- On October 31, 2012, we prepaid $50 million on our Term Loan B.
- On September 24, 2012, we prepaid $58 million on our Term Loan B.
- On September 7, 2012, we prepaid $3 million on our Term Loan B, $6 million on our Extended Term Loan B, $4 million on our Extended Term Loan B—Series 2 and $4 million on our Term Loan C.
- On April 2, 2012, we paid the annual scheduled repayment of $3 million on our Term Loan B, $7 million on our Extended Term Loan B and $4 million on our Term Loan C.

In connection with these debt repayments, we recognized a loss on early extinguishment of debt of approximately $2 million during the year ended December 31, 2012.

***Amendment to Credit Agreement***

On March 6, 2012, Huntsman International entered into a seventh amendment to the Senior Credit Facilities. Among other things, the amendment:

- extended the stated termination date of the Revolving Facility commitments from March 9, 2014 to March 20, 2017;
- reduced the applicable interest rate margin on the Revolving Facility commitments by 0.50%;
- set the undrawn commitment fee on the Revolving Facility at 0.50%;
- increased the capacity for the Revolving Facility commitments from $300 million to $400 million;
- extended the stated maturity date of $346 million aggregate principal amount of Term Loan B from April 19, 2014 to April 19, 2017 (now referred to as Extended Term Loan B—Series 2);

- increased the interest rate margin with respect to Extended Term Loan B—Series 2 to LIBOR plus 3.00% (the interest rate margin is subject to a leverage-based step-down, which has been achieved based upon our recent results); and

- set the amortization on the Extended Term Loan B—Series 2 at 1% of the principal amount.

On March 7, 2011, Huntsman International entered into a sixth amendment to its credit agreement. The amendment, among other things, extended $650 million of aggregate principal of Term Loan B to a stated maturity of April 2017 (now referred to as Extended Term Loan B) and increased the interest rate on the Extended Term Loan B to LIBOR plus 2.50%.

***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 the A/R Programs was as follows (monetary amounts in millions):

| | December 31, 2012 | | | |
|---|---|---|---|---|
| **Facility** | **Maturity** | **Maximum Funding Availability(1)** | **Amount Outstanding** | **Interest Rate(2)(3)** |
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $297) | €114 (approximately $151) | Applicable Rate plus 2.0% |

| | December 31, 2011 | | | |
|---|---|---|---|---|
| **Facility** | **Maturity** | **Maximum Funding Availability(1)** | **Amount Outstanding** | **Interest Rate(2)(3)** |
| U.S. A/R Program | April 2014 | $250 | $90(4) | Applicable Rate plus 1.50% - 1.65% |
| EU A/R Program | April 2014 | €225 (approximately $291) | €114 (approximately $147) | Applicable Rate plus 2.0% |

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

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

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

**(4)** As of December 31, 2012, we had approximately $5 million (U.S. dollar equivalents) of letters of credit issued and outstanding under our U.S. A/R Program.

As of December 31, 2012 and December 31, 2011, $520 million and $633 million, respectively, of accounts receivable were pledged as collateral under the A/R Programs.

On April 15, 2011, Huntsman International entered into an amendment to the EU A/R Program. This amendment, among other things, extended the scheduled commitment termination date of the program to April 2014, added an additional lender to the program and reduced the applicable margin on borrowings to 2.0%.

On April 18, 2011, Huntsman International entered into an amendment to the U.S. A/R Program. This amendment, among other things, extended the scheduled commitment termination date of the program to April 2014, added an additional lender to the program and reduced the applicable margin on borrowings to a range of 1.50% to 1.65%.

***Notes***

As of December 31, 2012, we had outstanding the following notes (monetary amounts in millions):

| Notes | Maturity | Interest Rate | | Amount Outstanding |
|---|---|---|---|---|
| 2016 Senior Notes | June 2016 | 5.50 | %(1) | $200 ($168 carrying value) |
| 2020 Senior Notes | November 2020 | 4.875 | % | $400 |
| Senior Subordinated Notes | March 2020 | 8.625 | % | $350 |
| Senior Subordinated Notes | March 2021 | 8.625 | % | $530 ($542 carrying value) |

**(1)** The effective interest rate at issuance was 11.73%.

Our notes are governed by indentures which impose certain limitations on Huntsman International including, among other things limitations on the incurrence of debt, distributions, certain restricted payments, asset sales, and affiliate transactions. The notes are unsecured obligations and are guaranteed by certain subsidiaries named as guarantors.

On November 19, 2012, Huntsman International completed a $400 million offering of the 2020 Senior Notes. We used the net proceeds to redeem a portion of the 2016 Senior Notes. See "—Redemption of Notes and Loss on Early Extinguishment of Debt."

The 2020 Senior Notes bear interest at the rate of 4.875% per year payable semi-annually on May 15 and November 15 of each year, beginning on May 15, 2013 and are due on November 15, 2020. Huntsman International may redeem the 2020 Senior Notes in whole or in part at any time prior to August 17, 2020 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest. Huntsman International may redeem the 2020 Senior Notes in whole or in part on or after August 17, 2020 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest.

The 2020 Senior Notes are general unsecured senior obligations of Huntsman International and are guaranteed on a general unsecured senior basis by the Guarantors. The indenture with respect to the 2020 Senior Notes imposes 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 Senior Notes will have the right to require that Huntsman International purchase all or a portion of such holder's 2020 Senior Notes in cash at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase.

***Redemption of Notes and Loss on Early Extinguishment of Debt***

During the years ended December 31, 2012 and 2011, we redeemed or repurchased the following notes (monetary amounts in millions):

| Date of Redemption | Notes | Principal Amount of Notes Redeemed | Amount Paid (Excluding Accrued Interest) | Loss on Early Extinguishment of Debt |
|---|---|---|---|---|
| December 3, 2012 | 5.50% Senior Notes due 2016 | $400 | $400 | $77 |
| March 26, 2012 | 7.50% Senior Subordinated Notes due 2015 | €64 (approximately $86) | €65 (approximately $87) | $1 |
| Three months ended December 31, 2011 | 6.875% Senior Subordinated Notes due 2013 | €70 (approximately $94) | €71 (approximately $96) | $2 |
| Three months ended September 30, 2011 | 6.875% Senior Subordinated Notes due 2013 | €14 (approximately $19) | €14 (approximately $19) | $— |
| Three months ended September 30, 2011 | 7.50% Senior Subordinated Notes due 2015 | €12 (approximately $17) | €12 (approximately $17) | $— |
| July 25, 2011 | 7.375% Senior Subordinated Notes due 2015 | $75 | $77 | $2 |

| | | | | |
|---|---|---|---|---|
| January 18, 2011 | 7.375% Senior Subordinated Notes due 2015 | $100 | $102 | $3 |

***Variable Interest Entity Debt***

As of December 31, 2012, Arabian Amines Company had $180 million outstanding under its loan commitments and debt financing arrangements described below. Arabian Amines Company, our consolidated 50%-owned joint venture, is currently not in compliance with certain financial covenants contained under these loan commitments. We do not guaranty these loan commitments and Arabian Amines Company is not a guarantor of any of our other debt obligations, and the noncompliance with these financial covenants does not affect any of our other debt obligations. Arabian Amines Company is currently in discussions with the lenders under these loan commitments and expects to resolve the noncompliance. The amounts outstanding under these loan commitments were classified as current on the accompanying consolidated balance sheets as of December 31, 2012.

- A loan facility from Saudi Industrial Development Fund with SAR 472 million (approximately $126 million) outstanding. Repayment of the loan is to be made in semiannual installments that began in 2012, with final maturity in 2019. The loan is secured by a mortgage over the fixed assets of the project and is 100% guaranteed by the Zamil Group, our 50% joint venture partner.

- A multipurpose Islamic term facility with $54 million outstanding. This facility is scheduled to be repaid in semiannual installments that began in 2011, with final maturity in 2022.

As of December 31, 2012, Sasol-Huntsman had a facility agreement which included a €5 million (approximately $6 million) revolving facility and €68 million (approximately $90 million) outstanding under the term loan facility. The facility will be repaid over semiannual installments that began in 2011, with the final repayment scheduled for December 2018. Obligations under the facility agreement are secured by, among other things, first priority right on the property, plant and equipment of Sasol-Huntsman

***Other Debt***

During the year ended December 31, 2012, HPS repaid $4 million and RMB 120 million (approximately $19 million) on term loans and working capital loans under its secured facilities. As of December 31, 2012, HPS had $8 million and RMB 354 million (approximately $56 million) outstanding under its secured facilities. The interest rate on these facilities is LIBOR plus 0.48% for U.S. dollar borrowings and approximately 90% of the Peoples Bank of China rate for RMB borrowings. As of December 31, 2012, the interest rate was approximately 1% for the U.S. dollar borrowings and approximately 6% for RMB borrowings. During 2012, the lenders released our Company as a guarantor.

During the year ended December 31, 2012, HPS repaid RMB 309 million (approximately $50 million) under its loan facility for working capital loans and discounting of commercial drafts. As of December 31, 2012, HPS had RMB 190 million (approximately $30 million) outstanding, which is classified as current portion of debt on the accompanying consolidated balance sheets . Interest is calculated using a Peoples Bank of China rate plus the applicable margin. The average all-in rate as of December 31, 2012 was approximately 6%.

On March 30, 2012, we repaid the remaining A$26 million (approximately $27 million) outstanding under our Australian Credit Facility, which represents repayment of A$14 million (approximately $15 million) under the revolving facility and A$12 million (approximately $12 million) under the term loan facility.

***Note Payable from Huntsman International to Huntsman Corporation***

As of December 31, 2012, we had a loan of $695 million to our subsidiary, Huntsman International. The Intercompany Note is unsecured and $100 million of the outstanding amount is classified as current as of December 31, 2012 on the accompanying consolidated balance sheets. As of December 31, 2012, under the terms of the Intercompany Note, Huntsman International promises to pay us interest on the unpaid principal amount at a rate per annum based on the previous monthly average borrowing rate obtained under our U.S. A/R Program, less 10 basis points (provided that the rate shall not exceed an amount that is 25 basis points less than the monthly average borrowing rate obtained for the U.S. LIBOR-based borrowings under our Revolving Facility).

**COMPLIANCE WITH COVENANTS**

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

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

Our Senior Credit Facilities are subject to the Leverage Covenant which applies only to the Revolving Facility and is tested 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, 2012 are as follows (dollars in millions):

| Year ending December 31 | |
|---|---|
| 2013 | $288 |
| 2014 | 522 |
| 2015 | 32 |
| 2016 | 577 |
| 2017 | 967 |
| Thereafter | 1,316 |
| | $3,702 |

| ACCRUED LIABILITIES | 12 Months Ended Dec. 31, 2012 |
|---|---|
| ACCRUED LIABILITIES | |
| ACCRUED LIABILITIES | **10. ACCRUED LIABILITIES** |

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

**Huntsman Corporation**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Payroll and related costs | $149 | $158 |
| Interest | 34 | 49 |
| Volume and rebate accruals | 85 | 91 |
| Income taxes | 24 | 46 |
| Taxes other than income taxes | 87 | 61 |
| Restructuring and plant closing costs | 93 | 91 |
| Environmental accruals | 10 | 7 |
| Pension liabilities | 11 | 12 |
| Other postretirement benefits | 12 | 12 |
| Self-insured casualty loss reserves | 11 | 13 |
| Deferred revenue | 16 | 28 |
| Legal reserve | 15 | 15 |
| Other miscellaneous accruals | 158 | 112 |
| **Total** | $705 | $695 |

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Payroll and related costs | $149 | $158 |
| Interest | 34 | 49 |
| Volume and rebate accruals | 85 | 91 |
| Income taxes | 44 | 46 |
| Taxes other than income taxes | 87 | 61 |
| Restructuring and plant closing costs | 93 | 91 |
| Environmental accruals | 10 | 7 |
| Pension liabilities | 11 | 12 |
| Other postretirement benefits | 12 | 12 |
| Self-insured casualty loss reserves | 11 | 13 |
| Deferred revenue | 16 | 28 |
| Legal reserve | 15 | 15 |
| Other miscellaneous accruals | 156 | 111 |
| **Total** | $723 | $694 |

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| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 2) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|---|---|
| **Accrued liabilities by initiatives** | | | | |
| Accrued liabilities | $ 105 | $ 92 | $ 49 | $ 75 |
| 2007 initiatives and prior | | | | |
| **Accrued liabilities by initiatives** | | | | |
| Accrued liabilities | 2 | 2 | | |
| 2009 initiatives | | | | |
| **Accrued liabilities by initiatives** | | | | |
| Accrued liabilities | 7 | 11 | | |
| 2010 initiatives | | | | |
| **Accrued liabilities by initiatives** | | | | |
| Accrued liabilities | 9 | 16 | | |
| 2011 initiatives | | | | |
| **Accrued liabilities by initiatives** | | | | |
| Accrued liabilities | 34 | 63 | | |
| 2012 initiatives | | | | |
| **Accrued liabilities by initiatives** | | | | |
| Accrued liabilities | $ 53 | | | |

| INVESTMENT IN UNCONSOLIDATED AFFILIATES | 12 Months Ended Dec. 31, 2012 |
|---|---|

**INVESTMENT IN UNCONSOLIDATED AFFILIATES**

INVESTMENT IN UNCONSOLIDATED AFFILIATES

**6. INVESTMENT IN UNCONSOLIDATED AFFILIATES**

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

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Equity Method: | | |
| Louisiana Pigment Company, L.P. (50%) | $111 | $90 |
| BASF Huntsman Shanghai Isocyanate Investment BV (50%)(1) | 81 | 79 |
| Nanjing Jinling Huntsman New Material Co., Ltd. (49%) | 24 | — |
| International Polyurethanes Investments B.V. (45%)(2) | — | 17 |
| Jurong Ningwu New Materials Development Co., Ltd. (30%) | 12 | 10 |
| Others | 2 | 1 |
| Total equity method investments | 230 | 197 |
| Cost Method: | | |
| International Diol Company (4.35%) | 5 | 5 |
| White Mountain Titanium Corporation (3%) | 3 | — |
| Total investments | $238 | $202 |

**(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.

**(2)** We began consolidating International Polyurethanes Investments B.V. as of July 3, 2012. See "Note 3. Business Combinations and Dispositions."

Summarized applicable financial information of Sasol-Huntsman is presented below (dollars in millions):

| | Year ended December 31, | |
|---|---|---|
| | 2011(1) | 2010 |
| Revenues | $40 | $108 |
| Gross profit | 7 | 14 |
| Net income | (2) | 10 |

**(1)** Represents activity for the period from January 1, 2011 to the date of consolidation on April 1, 2011. No balance sheet information was presented due to the consolidation of Sasol-Huntsman in 2011.

Summarized applicable financial information of our other unconsolidated affiliates is presented below (dollars in millions):

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2010 |
| Assets | $624 | | $621 | | |
| Liabilities | 257 | | 285 | | |
| Revenues | 1,083 | (1) | 954 | | $936 |
| Net income | 17 | (1) | 22 | | 10 |

**(1)** Contains activity for International Polyurethanes Investments B.V. for the period from January 1, 2012 to the date of consolidation on July 3, 2012.

In 2008, we and our joint venture partner, the Zamil Group, formed Arabian Amines Company, our ethyleneamines manufacturing joint venture in Jubail, Saudi Arabia. Arabian Amines Company's funding requirements have been satisfied through a combination of debt and equity, with the equity already provided on a 50/50 basis by us and the Zamil Group. Trial production commenced in the second quarter of 2010, and from July 2010, Arabian Amines Company generated significant revenues from the sale of product. The plant has an approximate annual capacity of 60 million pounds. We purchase and sell all of the production from this joint venture. Arabian Amines Company was accounted for under the equity method during its development stage; we began consolidating this joint venture beginning July 1, 2010. For more information, see "Note 7. Variable Interest Entities."

During 2010, we recorded an immaterial non-recurring $18 million credit to equity income of investment in unconsolidated affiliates to appropriately reflect our investment in the Sasol-Huntsman joint venture. This credit represented a cumulative correction of an error that was also individually immaterial in each year since our initial investment in the joint venture in 1997. In connection with the expansion of the maleic anhydride capacity at our Sasol-Huntsman joint venture, a variable interest entity reconsideration event occurred in the second quarter of 2011 when the plant expansion began production. As a result of our assessment, we concluded that the joint venture is a variable interest entity and that we are the primary beneficiary. Accordingly, we began consolidating this joint venture during the second quarter of 2011. For more information, see "Note 7. Variable Interest Entities."

On November 13, 2012, we entered into an agreement to form a joint venture with Sinopec. The joint venture will involve the construction and operation of a PO/MTBE facility in China. Under the joint venture agreement, we will have a 49% interest in the joint venture and Sinopec will hold a 51% interest. Our equity investment is anticipated to be approximately $120 million, and we expect to receive significant license fees from the joint venture. The timing of equity contributions and license fee payments depends on various factors, but the majority are intended to be made over the course of the construction period of the plant (expected to be completed by the end of 2014).

## STOCK-BASED COMPENSATION PLANS (Tables)

| | 12 Months Ended |
|---|---|
| | Dec. 31, 2012 |

### STOCK-BASED COMPENSATION PLAN

**Compensation cost from continuing operations under the Stock Incentive Plan**

The compensation cost from continuing operations under the Stock Incentive Plan for our Company and Huntsman International were as follows (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Huntsman Corporation compensation cost | $27 | $24 | $27 |
| Huntsman International compensation cost | 26 | 22 | 24 |

**Assumptions used to calculate fair value of each stock option award estimated on the date of grant using the Black-Scholes valuation model**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Dividend yield | 3.0 % | 2.3 % | 3.0 % |
| Expected volatility | 65.3 % | 65.6 % | 69.0 % |
| Risk-free interest rate | 1.3 % | 2.8 % | 3.1 % |
| Expected life of stock options granted during the period | 6.6 years | 6.6 years | 6.6 years |

**Summary of stock option activity under the Stock Incentive Plan**

| Option Awards | Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
|---|---|---|---|---|
| | (in thousands) | | (years) | (in millions) |
| Outstanding at January 1, 2012 | 10,345 | $13.83 | | |
| Granted | 1,363 | 13.41 | | |
| Exercised | (902) | 3.37 | | |
| Forfeited | (289) | 19.48 | | |
| Outstanding at December 31, 2012 | 10,517 | 14.52 | 5.4 | $42 |
| Exercisable at December 31, 2012 | 8,390 | 14.56 | 4.5 | 39 |

Summary of status of nonvested shares under the Stock Incentive Plan

| | 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, 2012 | 2,287 | $9.92 | 1,100 | $9.42 |
| Granted | 934 | 13.41 | 383 | 13.41 |
| Vested | (1,402)(1) | 7.09 | (760) | 6.53 |
| Forfeited | (30) | 15.27 | (85) | 15.16 |
| Nonvested at December 31, 2012 | 1,789 | 13.87 | 638 | 14.50 |

**(1)** As of December 31, 2012, a total of 516,338 restricted stock units were vested, of which 72,161 vested during 2012. Only 176,327 of these shares have 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.

| OTHER COMPREHENSIVE LOSS (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Accumulated loss** | | | |
| Foreign currency translation adjustments | $ 269 | $ 218 | |
| Pension and other postretirement benefit adjustments | (1,036) | (800) | |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | 8 | |
| Other, net | 3 | 3 | |
| Total | (757) | (571) | |
| Amounts attributable to non controlling interests | 13 | 12 | |
| Amounts attributable to the entity | (744) | (559) | |
| **Loss** | | | |
| Foreign currency translations adjustments | 51 | (80) | 24 |
| Foreign currency translation adjustments, tax amount | 20 | 24 | |
| Pension and other postretirement benefits adjustments | (236) | (187) | (33) |
| Pension and other postretirement benefit adjustment, tax amount | 197 | 124 | |
| Other comprehensive income (loss) of unconsolidated affiliates | (1) | 1 | |
| Other, net | | (1) | (2) |
| Other comprehensive loss | (186) | (267) | (11) |
| Amounts attributable to non controlling interests | 1 | 5 | 1 |
| Amounts attributable to the entity | (185) | (262) | (10) |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Accumulated loss** | | | |
| Foreign currency translation adjustments | 268 | 217 | |
| Pension and other postretirement benefit adjustments | (1,076) | (845) | |
| Other comprehensive income (loss) of unconsolidated affiliates | 7 | 8 | |
| Other, net | (3) | (3) | |
| Total | (804) | (623) | |
| Amounts attributable to non controlling interests | 13 | 12 | |
| Amounts attributable to the entity | (791) | (611) | |
| **Loss** | | | |
| Foreign currency translations adjustments | 51 | (79) | 23 |
| Foreign currency translation adjustments, tax amount | 7 | 11 | |
| Pension and other postretirement benefits adjustments | (231) | (182) | (28) |
| Pension and other postretirement benefit adjustment, tax amount | 228 | 155 | |
| Other comprehensive income (loss) of unconsolidated affiliates | (1) | 1 | |
| Other, net | | (2) | (2) |
| Other comprehensive loss | (181) | (262) | (7) |
| Amounts attributable to non controlling interests | 1 | 5 | 1 |
| Amounts attributable to the entity | $ (180) | $ (257) | $ (6) |

## INVENTORIES

INVENTORIES

INVENTORIES

**12 Months Ended Dec. 31, 2012**

**4. INVENTORIES**

Inventories consisted of the following (dollars in millions):

| | December 31, | |
|---|---|---|
| | **2012** | **2011** |
| Raw materials and supplies | $484 | $374 |
| Work in progress | 98 | 92 |
| Finished goods | 1,311 | 1,162 |
| **Total** | 1,893 | 1,628 |
| LIFO reserves | (74 ) | (89 ) |
| **Net** | $1,819 | $1,539 |

As of December 31, 2012 and 2011, approximately 11% and 12%, respectively, of inventories were recorded using the LIFO cost method.

In the normal course of operations we, at times, exchange raw materials and finished goods with other companies for the purpose of reducing transportation costs. The net non-monetary open exchange positions are valued at cost. The amounts included in inventory under non-monetary open exchange agreements receivable by us for December 31, 2012 and 2011 were $6 million and $3 million, respectively. Other open exchanges are settled in cash and result in a net deferred profit margin. The amounts under these open exchange agreements for both December 31, 2012 and 2011 were nil.

**PROPERTY, PLANT AND EQUIPMENT** | **12 Months Ended Dec. 31, 2012**

**PROPERTY, PLANT AND EQUIPMENT**

PROPERTY, PLANT AND EQUIPMENT

**5. PROPERTY, PLANT AND EQUIPMENT**

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

**Huntsman Corporation**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Land | $151 | $148 |
| Buildings | 666 | 629 |
| Plant and equipment | 6,242 | 5,951 |
| Construction in progress | 549 | 330 |
| **Total** | 7,608 | 7,058 |
| Less accumulated depreciation | (3,863 ) | (3,436 ) |
| **Net** | $3,745 | $3,622 |

Depreciation expense for 2012, 2011 and 2010 was $399 million, $398 million and $363 million, respectively, of which $5 million, nil and $1 million was related to discontinued operations in 2012, 2011 and 2010, respectively.

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Land | $151 | $148 |
| Buildings | 666 | 629 |
| Plant and equipment | 6,270 | 6,058 |
| Construction in progress | 549 | 330 |
| **Total** | 7,636 | 7,165 |
| Less accumulated depreciation | (3,980 ) | (3,655 ) |
| **Net** | $3,656 | $3,510 |

Depreciation expense for 2012, 2011 and 2010 was $375 million, $374 million and $340 million, respectively, of which $5 million, nil and $1 million was related to discontinued operations in 2012, 2011 and 2010, respectively.

Property, plant and equipment includes gross assets acquired under capital leases of $1 million and $2 million, respectively, at December 31, 2012 and 2011 and related amounts included in accumulated depreciation were nil and $1 million at December 31, 2012 and 2011, respectively.

| VARIABLE INTEREST ENTITIES | 12 Months Ended Dec. 31, 2012 |
| --- | --- |
| **VARIABLE INTEREST ENTITIES** | |
| VARIABLE INTEREST ENTITIES | |

**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 four joint ventures for which we are the primary beneficiary:

- Rubicon LLC manufactures products for our Polyurethanes and Performance Products segments. The structure of the joint venture is such that the total equity investment at risk is not sufficient to permit the joint venture to finance its activities without additional financial support. By virtue of the operating agreement with this joint venture, we purchase a majority of the output, absorb a majority of the operating costs and provide a majority of the additional funding.

- Pacific Iron Products Sdn Bhd manufactures products for our Pigments segment. In this joint venture we supply all the raw materials through a fixed cost supply contract, operate the manufacturing facility and market the products of the joint venture to customers. Through a fixed price raw materials supply contract with the joint venture we are exposed to the risk related to the fluctuation of raw material pricing.

- Arabian Amines Company manufactures products for our Performance Products segment. Prior to July 1, 2010, this joint venture was in the development stage and the total equity investment at risk was sufficient for the joint venture to finance its activities without additional support. Therefore, Arabian Amines Company was accounted for under the equity method. In July 2010, Arabian Amines Company exited the development stage, which triggered the reconsideration of Arabian Amines Company as a variable interest entity. As required in the operating agreement governing this joint venture, we purchase all of Arabian Amines Company's production and sell it to our customers. Substantially all of the joint venture's activities are conducted on our behalf. Accordingly, we concluded that we were the primary beneficiary and began consolidating Arabian Amines Company beginning July 1, 2010.

- 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. Prior to April 1, 2011, we accounted for Sasol-Huntsman using the equity method. In April 2011, an expansion at this facility began production, which triggered the reconsideration of this joint venture as a variable interest entity. 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.

As a result, we concluded that we were the primary beneficiary and began consolidating Sasol-Huntsman beginning April 1, 2011.

Creditors of these entities have no recourse to our general credit, except in the event that we offer guarantees of specified indebtedness. See "Note 14. Debt—Direct and Subsidiary Debt." As the primary beneficiary of these variable interest entities at December 31, 2012, 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, before intercompany eliminations, as of December 31, 2012 and 2011 (dollars in millions):

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Current assets | $163 | $140 |
| Property, plant and equipment, net | 378 | 403 |
| Other noncurrent assets | 61 | 61 |
| Deferred income taxes | 45 | 45 |
| Intangible assets | 19 | 23 |
| Goodwill | 16 | 15 |
| Total assets | $682 | $687 |
| Current liabilities | $348 | $145 |
| Long-term debt | 82 | 269 |
| Deferred income taxes | 8 | 9 |
| Other noncurrent liabilities | 102 | 110 |
| Total liabilities | $540 | $533 |

In April 2011, Arabian Amines Company settled a dispute with its contractors and received an amount totaling $11 million. Of this $11 million settlement, $8 million was related to damages incurred due to the delayed initial acceptance of the plant. This amount was recorded as other operating (income) expense in the consolidated statements of operations and included in the cash flows from operating activities in the consolidated statements of cash flows. The remaining $3 million of the settlement was received for the reimbursement of capital expenditures for work left unfinished by the contractors. This amount was included in cash flows from investing activities in the consolidated statements of cash flows.

The following table summarizes the fair value of Sasol-Huntsman's assets and liabilities recorded upon initial consolidation in our consolidated balance sheet, before intercompany eliminations (dollars in millions):

| | April 1, 2011 |
|---|---|
| Current assets | $61 |
| Property, plant and equipment, net | 155 |
| Intangible assets | 16 |
| Goodwill | 17 |
| Total assets | $249 |
| Current liabilities | $23 |
| Long-term debt | 93 |
| Deferred income taxes | 8 |
| Other noncurrent liabilities | 7 |

| | |
|---|---|
| Total liabilities | $131 |

Goodwill of $17 million was recognized upon consolidation of Sasol-Huntsman, of which approximately $12 million is deductible for income tax purposes. The total amount of goodwill changed approximately $2 million from the date of consolidation to December 31, 2011, due to a change in the foreign currency exchange rate. All other intangible assets are being amortized over an average useful life of 18 years. The net change to goodwill in response to changes in the foreign currency exchange rate during 2012 was $1 million.

Sasol-Huntsman had revenues and earnings of $116 million and $7 million, respectively, for the period from the date of consolidation to December 31, 2011. If this consolidation had occurred on January 1, 2010, the approximate pro forma revenues attributable to both our Company and Huntsman International would have been $11,259 million and $9,337 million for 2011 and 2010, respectively. There would have been no impact to the combined earnings attributable to us or Huntsman International excluding a one-time noncash gain of approximately $12 million recognized upon consolidation included in other operating income in the consolidated statements of operations and comprehensive (loss) income. Upon consolidation we also recognized a one-time noncash income tax expense of approximately $2 million. The fair value of the noncontrolling interest was estimated to be $61 million at April 1, 2011. The noncontrolling interest was valued at 50% of the fair value of the net assets as of April 1, 2011, as dictated by the ownership interest percentages, adjusted for certain tax consequences only applicable to one parent.

| RELATED PARTY TRANSACTIONS (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|

**RELATED PARTY TRANSACTIONS**

Schedule of transactions with affiliates

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

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Sales to: | | | |
| Unconsolidated affiliates | $223 | $180 | $201 |
| Inventory purchases from: | | | |
| Unconsolidated affiliates | 565 | 465 | 369 |

| SELECTED UNAUDITED QUARTERLY FINANCIAL DATA (Details) (USD $) In Millions, except Per Share data, unless otherwise specified | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Quarterly Financial Information** | | | | | | | | | | | |
| Revenues | $ 2,619 | $ 2,741 | $ 2,914 | $ 2,913 | $ 2,632 | $ 2,976 | $ 2,934 | $ 2,679 | $ 11,187 | $ 11,221 | $ 9,250 |
| Gross profit | 420 | 537 | 527 | 550 | 389 | 490 | 501 | 460 | 2,034 | 1,840 | 1,461 |
| Restructuring, impairment and plant closing costs | 40 | 47 | 5 | | (4) | 155 | 9 | 7 | 92 | 167 | 29 |
| Income (loss) from continuing operations | (39) | 120 | 130 | 167 | 89 | (42) | 124 | 80 | 378 | 251 | (9) |
| Income (loss) before extraordinary gain | (39) | 119 | 128 | 163 | 93 | (32) | 123 | 66 | 371 | 250 | 33 |
| Net income (loss) | (38) | 120 | 128 | 163 | 95 | (32) | 124 | 67 | 373 | 254 | 32 |
| Net income (loss) attributable to Huntsman Corporation or Huntsman International LLC | (40) | 116 | 124 | 163 | 105 | (34) | 114 | 62 | 363 | 247 | 27 |
| **Basic income (loss) per share:** | | | | | | | | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders (in dollars per share) | $ (0.17) | $ 0.49 | $ 0.53 | $ 0.71 | $ 0.42 | $ (0.19) | $ 0.48 | $ 0.32 | $ 1.55 | $ 1.03 | $ (0.06) |
| Net income (loss) attributable to Huntsman Corporation common stockholders (in dollars per share) | $ (0.17) | $ 0.49 | $ 0.52 | $ 0.69 | $ 0.45 | $ (0.14) | $ 0.48 | $ 0.26 | $ 1.53 | $ 1.04 | $ 0.11 |
| **Diluted income (loss) per share:** | | | | | | | | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders (in dollars per share) | $ (0.17) | $ 0.48 | $ 0.52 | $ 0.70 | $ 0.41 | $ (0.19) | $ 0.47 | $ 0.31 | $ 1.53 | $ 1.01 | $ (0.06) |
| Net income (loss) attributable to Huntsman Corporation common stockholders (in dollars per share) | $ (0.17) | $ 0.48 | $ 0.52 | $ 0.68 | $ 0.44 | $ (0.14) | $ 0.47 | $ 0.26 | $ 1.51 | $ 1.02 | $ 0.11 |
| HUNTSMAN INTERNATIONAL LLC | | | | | | | | | | | |
| **Quarterly Financial Information** | | | | | | | | | | | |
| Revenues | 2,619 | 2,741 | 2,914 | 2,913 | 2,632 | 2,976 | 2,934 | 2,679 | 11,187 | 11,221 | 9,250 |
| Gross profit | 413 | 542 | 532 | 554 | 393 | 495 | 505 | 465 | 2,041 | 1,858 | 1,478 |
| Restructuring, impairment and plant closing costs | 40 | 47 | 5 | | (4) | 155 | 9 | 7 | 92 | 167 | 29 |
| Income (loss) from continuing operations | (44) | 121 | 133 | 170 | 88 | (39) | 127 | 81 | 380 | 257 | 144 |
| Income (loss) before extraordinary gain | (44) | 120 | 131 | 166 | 92 | (29) | 126 | 67 | 373 | 256 | 186 |
| Net income (loss) | (43) | 121 | 131 | 166 | 94 | (29) | 127 | 68 | 375 | 260 | 185 |
| Net income (loss) attributable to Huntsman Corporation or Huntsman International LLC | $ (45) | $ 117 | $ 127 | $ 166 | $ 104 | $ (31) | $ 117 | $ 63 | $ 365 | $ 253 | $ 180 |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 3) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | | 3 Months Ended | | | 12 Months Ended | | | | | | | | | 12 Months Ended | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2012 Polyurethanes | Sep. 30, 2012 Polyurethanes | Mar. 31, 2012 Polyurethanes | Dec. 31, 2012 Polyurethanes | Dec. 31, 2009 Polyurethanes | Dec. 31, 2011 Performance Products | Dec. 31, 2010 Performance Products | Dec. 31, 2012 Advanced Materials | Dec. 31, 2011 Advanced Materials | Dec. 31, 2010 Advanced Materials | Dec. 31, 2012 Textile Effects | Dec. 31, 2011 Textile Effects | Dec. 31, 2010 Textile Effects | Dec. 31, 2012 Pigments | Dec. 31, 2011 Pigments | Dec. 31, 2010 Pigments | Dec. 31, 2011 Discontinued Operations | Dec. 31, 2010 Discontinued Operations | Dec. 31, 2012 Discontinued Operations | Dec. 31, 2010 Corporate and other | Dec. 31, 2012 Corporate and other | Dec. 31, 2011 Corporate and other |
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | $ 92 | $ 49 | $ 75 | | | | | $ 2 | $ 1 | $ 1 | $ 12 | $ 2 | $ 7 | $ 69 | $ 25 | $ 17 | $ 3 | $ 8 | $ 11 | $ 8 | $ 34 | $ 6 | $ 4 | $ 2 | $ 1 |
| Restructuring charges | | | | 1 | 32 | 5 | | | | | 38 | 20 | | 4 | 22 | | | 10 | | | | | | | |
| Reversal of reserves no longer required | (16) | (5) | (7) | | | | | | | | | (1) | (3) | (16) | (4) | (1) | | | (2) | | | | (1) | | |
| Restructuring payments | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net activity of discontinued operations | | (2) | (26) | | | | | | | | | | | | | | | | | (2) | (26) | | | | |
| Foreign currency effect on liability balance | 4 | (10) | 4 | | | | 1 | | | | 2 | (2) | | 2 | (8) | 3 | (1) | | | | | | 1 | | |
| Accrued liabilities at the end of the period | 105 | 92 | 49 | 27 | | | 27 | 2 | 1 | 1 | 27 | 12 | 2 | 42 | 69 | 25 | 1 | 3 | 8 | 6 | 8 | 6 | 5 | 2 | 1 |
| Current portion of restructuring reserves | 93 | 91 | | 27 | | | 27 | | | | 26 | | | 31 | | | 1 | | | | | 6 | | 2 | |
| Long-term portion of restructuring reserve | 12 | 1 | | | | | | | | | 1 | | | 11 | | | | | | | | | | | |
| **Estimated additional future charges for current restructuring projects** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | 100 | | | | | | 3 | | | | 17 | | | 80 | | | | | | | | | | | |
| Estimated additional charges beyond one year | $ 2 | | | | | | | | | | $ 2 | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 3) (USD $) In Millions, unless otherwise specified | Dec. 31, 2010 2005 initiatives | Dec. 31, 2010 2005 initiatives Polyurethanes | Dec. 31, 2010 2005 initiatives Pigments | Dec. 31, 2010 2006 initiatives | Dec. 31, 2010 2006 initiatives Textile Effects | Dec. 31, 2011 2006 initiatives and prior | Dec. 31, 2011 2006 initiatives and prior Textile Effects | Dec. 31, 2011 2006 initiatives and prior Pigments | Dec. 31, 2012 2007 initiatives and prior | Dec. 31, 2012 2007 initiatives and prior Textile Effects | Dec. 31, 2011 2008 initiatives | Dec. 31, 2010 2008 initiatives | Dec. 31, 2010 2008 initiatives Polyurethanes | Dec. 31, 2011 2008 initiatives Textile Effects | Dec. 31, 2010 2008 initiatives Textile Effects | Dec. 31, 2011 2008 initiatives Pigments | Dec. 31, 2010 2008 initiatives Pigments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | | | | | | | | | $ 2 | | | | | | | | |
| Restructuring charges | 1 | | 1 | | | 1 | 1 | | 2 | 2 | | 1 | | | 1 | | |
| Reversal of reserves no longer required | | | | | | | | | | | | | | | | | |
| Restructuring payments | (2) | (1) | (1) | (3) | (3) | (3) | (2) | (1) | (3) | (3) | (2) | (7) | (1) | (1) | (5) | (1) | (1) |
| Net activity of discontinued operations | | | | | | | | | | | | | | | | | |
| Foreign currency effect on liability balance | | | | | | | | | | | | | | | | | |
| Accrued liabilities at the end of the period | | | | | | | | | 2 | | | | | | | | |
| Current portion of restructuring reserves | | | | | | | | | | | | | | | | | |
| Long-term portion of restructuring reserve | | | | | | | | | | | | | | | | | |
| **Estimated additional future charges for current restructuring projects** | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | | | | | | |
| Estimated additional charges beyond one year | | | | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 3) (USD $) In Millions, unless otherwise specified | | | | | | | | | | 12 Months Ended | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 2009 initiatives | Dec. 31, 2011 2009 initiatives | Dec. 31, 2010 2009 initiatives | Dec. 31, 2012 2009 initiatives Advanced Materials | Dec. 31, 2011 2009 initiatives Advanced Materials | Dec. 31, 2010 2009 initiatives Advanced Materials | Dec. 31, 2010 2009 initiatives Textile Effects | Dec. 31, 2012 2009 initiatives Pigments | Dec. 31, 2011 2009 initiatives Pigments | Dec. 31, 2010 2009 initiatives Pigments | Dec. 31, 2010 2009 initiatives Corporate and other | Dec. 31, 2012 2010 initiatives | Dec. 31, 2011 2010 initiatives | Dec. 31, 2010 2010 initiatives | Dec. 31, 2012 2010 initiatives Performance Products | Dec. 31, 2010 2010 initiatives Performance Products | Dec. 31, 2012 2010 initiatives Textile Effects | Dec. 31, 2011 2010 initiatives Textile Effects | Dec. 31, 2010 2010 initiatives Textile Effects | Dec. 31, 2012 2010 initiatives Corporate and other | Dec. 31, 2011 2010 initiatives Corporate and other | Dec. 31, 2010 2010 initiatives Corporate and other |
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | $ 11 | | | | | | | | | | | $ 16 | | | | | | | | | | |
| Restructuring charges | 5 | 7 | 9 | 1 | | 1 | | 4 | 7 | 8 | | 2 | 15 | 23 | 1 | 2 | | 13 | 15 | 1 | 2 | 6 |
| Reversal of reserves no longer required | | | | | | | | | | | | | | | | | | | | | | |
| Restructuring payments | (6) | (12) | (16) | (1) | (1) | (3) | (2) | (5) | (11) | (8) | (3) | (4) | (21) | (3) | (2) | (1) | (1) | (15) | | (1) | (6) | (2) |
| Net activity of discontinued operations | | | | | | | | | | | | | | | | | | | | | | |
| Foreign currency effect on liability balance | | | | | | | | | | | | | | | | | | | | | | |
| Accrued liabilities at the end of the period | 7 | 11 | | | | | | | | | | 9 | 16 | | | | | | | | | |
| Current portion of restructuring reserves | | | | | | | | | | | | | | | | | | | | | | |
| Long-term portion of restructuring reserve | | | | | | | | | | | | | | | | | | | | | | |
| **Estimated additional future charges for current restructuring projects** | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | | | | | | | | | | | |
| Estimated additional charges beyond one year | | | | | | | | | | | | | | | | | | | | | | |

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Details 3) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 2011 initiatives | Dec. 31, 2011 2011 initiatives | Dec. 31, 2012 2011 initiatives Advanced Materials | Dec. 31, 2011 2011 initiatives Advanced Materials | Dec. 31, 2012 2011 initiatives Textile Effects | Dec. 31, 2011 2011 initiatives Textile Effects | Dec. 31, 2011 2011 initiatives Pigments | Dec. 31, 2012 2012 initiatives | Dec. 31, 2012 2012 initiatives Polyurethanes | Dec. 31, 2012 2012 initiatives Advanced Materials | Dec. 31, 2012 2012 initiatives Corporate and other | Dec. 31, 2010 2005 initiatives and prior |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Accrued restructuring costs rollforward** | | | | | | | | | | | | |
| Accrued liabilities at the beginning of the period | $ 63 | | | | | | | | | | | |
| Restructuring charges | 15 | 89 | 3 | 21 | 12 | 65 | 3 | 69 | 38 | 30 | 1 | 1 |
| Reversal of reserves no longer required | | | | | | | | | | | | |
| Restructuring payments | (37) | (14) | (14) | (7) | (23) | (5) | (2) | (18) | (12) | (6) | | |
| Net activity of discontinued operations | | | | | | | | | | | | |
| Foreign currency effect on liability balance | | | | | | | | | | | | |
| Accrued liabilities at the end of the period | 34 | 63 | | | | | | 53 | | | | |
| Current portion of restructuring reserves | | | | | | | | | | | | |
| Long-term portion of restructuring reserve | | | | | | | | | | | | |
| **Estimated additional future charges for current restructuring projects** | | | | | | | | | | | | |
| Estimated additional charges within one year | | | | | | | | | | | | |
| Estimated additional charges beyond one year | | | | | | | | | | | | |

| CONDENSED CONSOLIDATING FINANCIAL INFORMATION OF HUNTSMAN INTERNATIONAL LLC (UNAUDITED) (Tables) (HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES) | 12 Months Ended |
|---|---|
| | Dec. 31, 2012 |

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

**Condensed consolidating financial statements**

CONDENSED CONSOLIDATING BALANCE SHEETS (UNAUDITED)

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING BALANCE SHEETS**
**AS OF DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets:** | | | | | |
| Cash and cash equivalents | $7 | $2 | $201 | $— | $210 |
| Restricted cash | — | — | 9 | — | 9 |
| Accounts and notes receivable, net | 16 | 182 | 1,336 | — | 1,534 |
| Accounts receivable from affiliates | 1,733 | 3,907 | 101 | (5,442) | 299 |
| Inventories | 111 | 309 | 1,404 | (5) | 1,819 |
| Prepaid expenses | 10 | 7 | 43 | (12) | 48 |
| Deferred income taxes | 7 | — | 57 | (13) | 51 |
| Other current assets | 203 | 5 | 225 | (211) | 222 |
| **Total current assets** | 2,087 | 4,412 | 3,376 | (5,683) | 4,192 |
| Property, plant and equipment, net | 371 | 898 | 2,386 | 1 | 3,656 |
| Investment in unconsolidated affiliates | 5,413 | 1,360 | 159 | (6,694) | 238 |
| Intangible assets, net | 27 | 2 | 42 | (1) | 70 |
| Goodwill | (18) | 82 | 53 | — | 117 |
| Deferred income taxes | 248 | — | 224 | (243) | 229 |
| Notes receivable from affiliates | 21 | 941 | 2 | (962) | 2 |
| Other noncurrent assets | 72 | 139 | 156 | (1) | 366 |

| | | | | | |
|---|---|---|---|---|---|
| **Total assets** | $8,221 | $7,834 | $6,398 | $(13,583) | $8,870 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts payable | $87 | $280 | $734 | $— | $1,101 |
| Accounts payable to affiliates | 2,987 | 1,111 | 1,406 | (5,442) | 62 |
| Accrued liabilities | 87 | 342 | 518 | (224) | 723 |
| Deferred income taxes | — | 45 | 9 | (15) | 39 |
| Note payable to affiliate | 100 | — | — | — | 100 |
| Current portion of debt | 15 | — | 273 | — | 288 |
| **Total current liabilities** | 3,276 | 1,778 | 2,940 | (5,681) | 2,313 |
| Long-term debt | 3,026 | — | 388 | — | 3,414 |
| Notes payable to affiliates | 595 | — | 965 | (961) | 599 |
| Deferred income taxes | 14 | 169 | 49 | (62) | 170 |
| Other noncurrent liabilities | 216 | 190 | 751 | — | 1,157 |
| **Total liabilities** | 7,127 | 2,137 | 5,093 | (6,704) | 7,653 |
| **Equity** | | | | | |
| **Huntsman International LLC members' equity** | | | | | |
| Members' equity | 3,109 | 4,689 | 2,262 | (6,951) | 3,109 |
| Accumulated deficit | (1,224) | (243) | (354) | 597 | (1,224) |
| Accumulated other comprehensive (loss) income | (791) | 1,251 | (692) | (559) | (791) |
| **Total Huntsman International LLC members' equity** | 1,094 | 5,697 | 1,216 | (6,913) | 1,094 |
| Noncontrolling interests in subsidiaries | — | — | 89 | 34 | 123 |
| **Total equity** | 1,094 | 5,697 | 1,305 | (6,879) | 1,217 |
| **Total liabilities and equity** | $8,221 | $7,834 | $6,398 | $(13,583) | $8,870 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING BALANCE SHEETS**
**AS OF DECEMBER 31, 2011**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets:** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Cash and cash equivalents | $4 | $— | $227 | $— | $231 |
| Restricted cash | — | — | 8 | — | 8 |
| Accounts and notes receivable, net | 13 | 151 | 1,365 | — | 1,529 |
| Accounts receivable from affiliates | 1,105 | 3,041 | 93 | (4,091) | 148 |
| Inventories | 105 | 271 | 1,167 | (4) | 1,539 |
| Prepaid expenses | 9 | 7 | 43 | (13) | 46 |
| Deferred income taxes | 6 | — | 49 | (15) | 40 |
| Other current assets | 90 | 9 | 222 | (101) | 220 |
| **Total current assets** | 1,332 | 3,479 | 3,174 | (4,224) | 3,761 |
| Property, plant and equipment, net | 393 | 868 | 2,247 | 2 | 3,510 |
| Investment in unconsolidated affiliates | 5,286 | 1,460 | 147 | (6,691) | 202 |
| Intangible assets, net | 42 | 2 | 52 | (3) | 93 |
| Goodwill | (16) | 82 | 48 | — | 114 |
| Deferred income taxes | 154 | — | 191 | (182) | 163 |
| Notes receivable from affiliates | 20 | 920 | 5 | (940) | 5 |
| Other noncurrent assets | 81 | 137 | 264 | — | 482 |
| **Total assets** | $7,292 | $6,948 | $6,128 | $(12,038) | $8,330 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities:** | | | | | |
| Accounts payable | $53 | $205 | $604 | $— | $862 |
| Accounts payable to affiliates | 2,244 | 822 | 1,089 | (4,091) | 64 |
| Accrued liabilities | 117 | 204 | 487 | (114) | 694 |
| Deferred income taxes | — | 39 | 7 | (17) | 29 |
| Note payable to affiliate | 100 | — | — | — | 100 |
| Current portion of debt | 33 | — | 179 | — | 212 |
| **Total current liabilities** | 2,547 | 1,270 | 2,366 | (4,222) | 1,961 |
| Long-term debt | 3,128 | — | 602 | — | 3,730 |
| Notes payable to affiliates | 435 | — | 944 | (940) | 439 |
| Deferred income taxes | 9 | 79 | 98 | (80) | 106 |
| Other noncurrent liabilities | 196 | 163 | 644 | — | 1,003 |
| **Total liabilities** | 6,315 | 1,512 | 4,654 | (5,242) | 7,239 |
| **Equity** | | | | | |
| **Huntsman International LLC members' equity:** | | | | | |
| Members' equity | 3,081 | 4,754 | 2,343 | (7,097) | 3,081 |

| | | | | | |
|---|---|---|---|---|---|
| Accumulated deficit | (1,493) | (820) | (396) | 1,216 | (1,493) |
| Accumulated other comprehensive (loss) income | (611) | 1,502 | (546) | (956) | (611) |
| **Total Huntsman International LLC members' equity** | 977 | 5,436 | 1,401 | (6,837) | 977 |
| Noncontrolling interests in subsidiaries | — | — | 73 | 41 | 114 |
| **Total equity** | 977 | 5,436 | 1,474 | (6,796) | 1,091 |
| **Total liabilities and equity** | $7,292 | $6,948 | $6,128 | $(12,038) | $8,330 |

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS (UNAUDITED)

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $932 | $3,443 | $6,589 | $— | $10,964 |
| Related party sales | 745 | 447 | 1,161 | (2,130) | 223 |
| **Total revenues** | 1,677 | 3,890 | 7,750 | (2,130) | 11,187 |
| **Cost of goods sold** | 1,424 | 3,003 | 6,849 | (2,130) | 9,146 |
| **Gross profit** | 253 | 887 | 901 | — | 2,041 |
| Selling, general and administrative | 191 | 120 | 623 | — | 934 |
| Research and development | 47 | 36 | 69 | — | 152 |
| Other operating (income) expense | (5) | 2 | (3) | — | (6) |
| Restructuring, impairment and plant closing costs | 4 | 7 | 81 | — | 92 |
| **Operating income** | 16 | 722 | 131 | — | 869 |
| Interest (expense) income, net | (207) | 42 | (73) | — | (238) |
| Equity in income of investment in affiliates and subsidiaries | 503 | 40 | 9 | (545) | 7 |
| Loss on early extinguishment of debt | (80) | — | — | — | (80) |

| | | | | | |
|---|---|---|---|---|---|
| Other (expense) income | (12) | 14 | (1) | — | 1 |
| **Income from continuing operations before income taxes** | 220 | 818 | 66 | (545) | 559 |
| Income tax benefit (expense) | 141 | (243) | 1 | (78) | (179) |
| **Income from continuing operations** | 361 | 575 | 67 | (623) | 380 |
| Income (loss) from discontinued operations, net of tax | 4 | 1 | (12) | — | (7) |
| **Income before extraordinary gain** | 365 | 576 | 55 | (623) | 373 |
| Extraordinary gain on the acquisition of a business, net of tax of nil | — | — | 2 | — | 2 |
| **Net income** | 365 | 576 | 57 | (623) | 375 |
| Net income attributable to noncontrolling interests | — | — | (16) | 6 | (10) |
| **Net income attributable to Huntsman International LLC** | $365 | $576 | $41 | $(617) | $365 |
| **Net income** | $365 | $576 | $57 | $(623) | $375 |
| Other comprehensive loss | (180) | (250) | (148) | 397 | (181) |
| Comprehensive income attributable to noncontrolling interests | — | — | (16) | 7 | (9) |
| Comprehensive income (loss) attributable to Huntsman International LLC | $185 | $326 | $(107) | $(219) | $185 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**

YEAR ENDED DECEMBER 31, 2011
(Dollars in Millions)

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $885 | $3,349 | $6,807 | $— | $11,041 |
| Related party sales | 453 | 493 | 1,098 | (1,864) | 180 |
| **Total revenues** | 1,338 | 3,842 | 7,905 | (1,864) | 11,221 |
| **Cost of goods sold** | 1,178 | 3,160 | 6,855 | (1,830) | 9,363 |
| **Gross profit** | 160 | 682 | 1,050 | (34) | 1,858 |
| Selling, general and administrative | 182 | 97 | 637 | — | 916 |
| Research and development | 50 | 34 | 82 | — | 166 |
| Other operating expense (income) | 35 | (18) | (37) | — | (20) |
| Restructuring, impairment and plant closing costs | 1 | — | 166 | — | 167 |
| **Operating (loss) income** | (108) | 569 | 202 | (34) | 629 |
| Interest (expense) income, net | (216) | 43 | (89) | — | (262) |
| Equity in income of investment in affiliates and subsidiaries | 381 | 77 | 9 | (459) | 8 |
| Loss on early extinguishment of debt | (7) | — | — | — | (7) |
| Other (expense) income | (35) | — | 1 | 36 | 2 |
| **Income from continuing operations before income taxes** | 15 | 689 | 123 | (457) | 370 |
| Income tax benefit (expense) | 232 | (210) | (35) | (100) | (113) |
| **Income from continuing operations** | 247 | 479 | 88 | (557) | 257 |
| Income (loss) from discontinued | 6 | (1) | (6) | — | (1) |

| | | | | | |
|---|---|---|---|---|---|
| operations, net of tax | | | | | |
| **Income before extraordinary gain** | 253 | 478 | 82 | (557) | 256 |
| Extraordinary gain on the acquisition of a business, net of tax of nil | — | — | 4 | — | 4 |
| **Net income** | 253 | 478 | 86 | (557) | 260 |
| Net income attributable to noncontrolling interests | — | (2) | (6) | 1 | (7) |
| **Net income attributable to Huntsman International LLC** | $253 | $476 | $80 | $(556) | $253 |
| **Net income** | $253 | $478 | $86 | $(557) | $260 |
| Other comprehensive loss | (257) | (98) | (232) | 325 | (262) |
| Comprehensive income attributable to noncontrolling interests | — | (3) | (1) | 2 | (2) |
| **Comprehensive (loss) income attributable to Huntsman International LLC** | $(4) | 377 | $(147) | $(230) | $(4) |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**
**YEAR ENDED DECEMBER 31, 2010**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Trade sales, services and fees, net | $790 | $2,514 | $5,745 | $— | $9,049 |
| Related party sales | 262 | 513 | 958 | (1,532) | 201 |
| **Total revenues** | 1,052 | 3,027 | 6,703 | (1,532) | 9,250 |
| **Cost of goods sold** | 869 | 2,594 | 5,815 | (1,506) | 7,772 |
| **Gross profit** | 183 | 433 | 888 | (26) | 1,478 |
| **Operating expenses:** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Selling, general and administrative | 185 | 88 | 582 | — | 855 |
| Research and development | 52 | 30 | 69 | — | 151 |
| Other operating (income) expense | (34) | 11 | 23 | — | — |
| Restructuring, impairment and plant closing costs | 1 | 3 | 25 | — | 29 |
| **Operating income** | (21) | 301 | 189 | (26) | 443 |
| Interest (expense) income, net | (215) | 38 | (71) | — | (248) |
| Equity in (loss) income of investment in affiliates and subsidiaries | (1,199) | 91 | 24 | 1,108 | 24 |
| Loss on early extinguishment of debt | (37) | — | — | — | (37) |
| Dividends income | 1,569 | — | — | (1,569) | — |
| Other (expense) income | (25) | — | 2 | 25 | 2 |
| **Income from continuing operations before income taxes** | 72 | 430 | 144 | (462) | 184 |
| Income tax benefit (expense) | 101 | (127) | (14) | — | (40) |
| **Income from continuing operations** | 173 | 303 | 130 | (462) | 144 |
| Income (loss) from discontinued operations, net of tax | 7 | 68 | (33) | — | 42 |
| **Income before extraordinary loss** | 180 | 371 | 97 | (462) | 186 |
| Extraordinary loss on the acquisition of a business, net of tax of nil | — | — | (1) | — | (1) |
| **Net income** | 180 | 371 | 96 | (462) | 185 |
| Net income attributable to noncontrolling interests | — | (2) | (4) | 1 | (5) |

| | | | | | |
|---|---|---|---|---|---|
| **Net income attributable to Huntsman International LLC** | $180 | $369 | $92 | $(461) | $180 |
| **Net income** | $180 | $371 | $96 | $(462) | $185 |
| Other comprehensive (loss) income | (7) | 1,539 | — | (1,539) | (7) |
| Comprehensive income attributable to noncontrolling interests | — | (1) | (5) | 2 | (4) |
| **Comprehensive income attributable to Huntsman International LLC** | $173 | 1,909 | $91 | $(1,999) | $174 |

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS (UNAUDITED)

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2012**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash provided by operating activities** | $85 | 269 | $508 | $(2) | $860 |
| **Investing activities:** | | | | | |
| Capital expenditures | (23) | (111) | (278) | — | (412) |
| Acquisition of businesses, net of cash acquired and post-closing adjustments | — | — | (18) | — | (18) |
| Proceeds from sale of businesses/ assets | — | — | 6 | — | 6 |
| Increase in receivable from affiliate | (108) | — | — | — | (108) |
| Investment in affiliate | 225 | (62) | 48 | (211) | — |

| | | | | | |
|---|---|---|---|---|---|
| Investment in unconsolidated affiliates | (3) | (100) | (24) | — | (127) |
| Cash received from unconsolidated affiliates | — | 80 | 2 | — | 82 |
| Other, net | — | 1 | (1) | (1) | (1) |
| **Net cash provided by (used in) investing activities** | 91 | (192) | (265) | (212) | (578) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | — | — | (15) | — | (15) |
| Net borrowings on overdraft facilities | — | — | 2 | — | 2 |
| Repayments of short-term debt | — | — | (53) | — | (53) |
| Repayments of long-term debt | (625) | — | (69) | — | (694) |
| Proceeds from issuance of long-term debt | 400 | — | 5 | — | 405 |
| Repayments of notes payable to affiliate | (139) | — | — | — | (139) |
| Proceeds from notes payable to affiliate | 299 | — | — | — | 299 |
| Repayments of notes payable | (33) | — | (4) | — | (37) |
| Borrowings on notes payable | 33 | — | 1 | — | 34 |
| Debt issuance costs paid | (11) | — | — | — | (11) |
| Call premiums related to early extinguishment of debt | (2) | — | — | — | (2) |
| Contribution from parent | — | 14 | — | (14) | — |
| Distribution to parent | — | (87) | (138) | 225 | — |

| | | | | | |
|---|---|---|---|---|---|
| Dividends paid to parent | (96) | (2) | (1) | 3 | (96) |
| Excess tax benefit related to stock-based compensation | 4 | — | — | — | 4 |
| Other, net | (3) | — | — | — | (3) |
| **Net cash used in financing activities** | (173) | (75) | (272) | 214 | (306) |
| Effect of exchange rate changes on cash | — | — | 3 | — | 3 |
| Increase (decrease) in cash and cash equivalents | 3 | 2 | (26) | — | (21) |
| Cash and cash equivalents at beginning of period | 4 | — | 227 | — | 231 |
| Cash and cash equivalents at end of period | $7 | 2 | $201 | $— | $210 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2011**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash provided by operating activities** | $304 | $99 | $34 | $(5) | $432 |
| **Investing activities:** | | | | | |
| Capital expenditures | (21) | (70) | (239) | — | (330) |
| Proceeds from settlements treated as reimbursement of capital expenditures | — | — | 3 | — | 3 |

| | | | | | |
|---|---|---|---|---|---|
| Acquisition of businesses, net of cash acquired and post-closing adjustments | — | — | (34) | — | (34) |
| Cash assumed in connection with the initial consolidation of a variable interest entity | — | — | 28 | — | 28 |
| Proceeds from sale of businesses/ assets | — | 8 | 40 | — | 48 |
| Increase in receivable from affiliate | (57) | — | — | — | (57) |
| Investment in affiliates | (56) | (16) | — | 72 | — |
| Investment in unconsolidated affiliate | — | (26) | — | — | (26) |
| Cash received from unconsolidated affiliates | — | 30 | 2 | — | 32 |
| Other, net | — | — | (4) | 3 | (1) |
| **Net cash used in investing activities** | (134) | (74) | (204) | 75 | (337) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | — | — | (2) | — | (2) |
| Net borrowings on overdraft facilities | — | — | 9 | — | 9 |
| Repayments of short-term debt | — | — | (187) | — | (187) |
| Borrowings on short-term debt | — | — | 162 | — | 162 |
| Repayments of long-term debt | (305) | — | (103) | — | (408) |

| | | | | | |
|---|---|---|---|---|---|
| Proceeds from issuance of long-term debt | — | — | 98 | — | 98 |
| Repayments of notes payable to affiliate | (105) | — | — | — | (105) |
| Proceeds from notes payable to affiliate | 105 | — | — | — | 105 |
| Repayments of notes payable | (32) | — | (2) | — | (34) |
| Borrowings on notes payable | 33 | — | 2 | — | 35 |
| Debt issuance costs paid | (7) | — | — | — | (7) |
| Call premiums related to early extinguishment of debt | (6) | — | — | — | (6) |
| Contribution from parent | — | (32) | 104 | (72) | — |
| Dividends paid to parent | (79) | (2) | — | 2 | (79) |
| Dividends paid to noncontrolling interests | — | — | (9) | — | (9) |
| Excess tax benefit related to stock-based compensation | 10 | — | — | — | 10 |
| Other, net | — | — | — | — | — |
| **Net cash (used in) provided by financing activities** | (386) | (34) | 72 | (70) | (418) |
| Effect of exchange rate changes on cash | — | — | (7) | — | (7) |
| Decrease in cash and cash equivalents | (216) | (9) | (105) | — | (330) |
| Cash and cash equivalents at beginning of period | 220 | 9 | 332 | — | 561 |

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| Cash and cash equivalents at end of period | $4 | $— | $227 | $— | $231 |

**HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**YEAR ENDED DECEMBER 31, 2010**
**(Dollars in Millions)**

| | Parent Company | Guarantors | Nonguarantors | Eliminations | Consolidated Huntsman International LLC |
|---|---|---|---|---|---|
| **Net cash (used in) provided by operating activities** | $(241) | $15 | $182 | $(2) | $(46) |
| **Investing activities:** | | | | | |
| Capital expenditures | (26) | (51) | (159) | — | (236) |
| Proceeds from settlements treated as reimbursement of capital expenditures | — | 34 | — | — | 34 |
| Cash assumed in connection with the initial consolidation of a variable interest entity | — | — | 14 | — | 14 |
| Proceeds from sale of businesses/ assets | — | — | 2 | — | 2 |
| Increase in receivable from affiliate | (57) | — | — | — | (57) |
| Investment in affiliate | (65) | (13) | — | 78 | — |
| Investment in unconsolidated affiliates | — | (24) | (3) | — | (27) |
| Cash received from unconsolidated affiliates | — | 26 | 5 | — | 31 |
| Other, net | — | — | 1 | — | 1 |

| | | | | | |
|---|---|---|---|---|---|
| **Net cash used in investing activities** | (148) | (28) | (140) | 78 | (238) |
| **Financing activities:** | | | | | |
| Net repayments under revolving loan facilities | — | — | (6) | — | (6) |
| Revolving loan facility from A/R Programs | 254 | — | — | — | 254 |
| Net borrowings on overdraft facilities | — | — | (2) | — | (2) |
| Repayments of short-term debt | — | — | (175) | — | (175) |
| Borrowings on short-term debt | — | — | 212 | — | 212 |
| Repayments of long-term debt | (1,154) | — | (53) | — | (1,207) |
| Proceeds from issuance of long-term debt | 894 | — | 29 | — | 923 |
| Repayments of note payable to affiliate | (125) | — | — | — | (125) |
| Proceeds from notes payable to affiliate | 110 | — | — | — | 110 |
| Intercompany repayments | — | — | (5) | 5 | — |
| Repayments of notes payable | (38) | — | (15) | — | (53) |
| Borrowings on notes payable | 33 | — | 13 | — | 46 |
| Debt issuance costs paid | (29) | — | — | — | (29) |
| Call premiums paid related to early extinguishment of debt | (28) | — | — | — | (28) |
| Contribution from parent | — | — | 83 | (83) | — |
| Dividends paid to parent | — | (2) | — | 2 | — |
| Excess tax benefit related | 4 | — | — | — | 4 |

| | | | | | |
|---|---|---|---|---|---|
| to stock-based compensation | | | | | |
| Other, net | — | — | (2) | — | (2) |
| **Net cash (used in) provided by financing activities** | (79) | (2) | 79 | (76) | (78) |
| Effect of exchange rate changes on cash | — | — | 4 | — | 4 |
| (Decrease) increase in cash and cash equivalents | (468) | (15) | 125 | — | (358) |
| Cash and cash equivalents at beginning of period | 688 | 24 | 207 | — | 919 |
| Cash and cash equivalents at end of period | $220 | $9 | $332 | $— | $561 |

| INCOME TAXES (Details 2) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | | |
|---|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2009 |
| **Operating loss carryforwards** | | | | |
| Valuation allowance on net deferred tax assets | $ 736 | $ 756 | $ 797 | $ 842 |
| Releases of valuation allowances in various jurisdictions | (24) | (27) | (20) | |
| Additional foreign tax credits claimed | 31 | | | |
| Valuation allowance against incremental deferred tax asset | 21 | | | |
| Non-US | | | | |
| **Operating loss carryforwards** | | | | |
| Net operating loss carryforwards | 2,893 | | | |
| Operating loss carryforwards, subject to expiration | 1,327 | | | |
| Portion of operating loss carryforwards that are subject to expiration, subject to valuation allowance | 1,127 | | | |
| Non-US \| Scheduled to expire in 2013 | | | | |
| **Operating loss carryforwards** | | | | |
| Portion of operating loss carryforwards that are subject to expiration, subject to valuation allowance | 17 | | | |
| Luxembourg | | | | |
| **Operating loss carryforwards** | | | | |
| Net operating loss carryforwards | 860 | | | |
| Operating loss carryforwards, valuation allowance | 222 | | | |
| Valuation allowance on net deferred tax assets | 247 | | | |
| Releases of valuation allowances in various jurisdictions | 12 | | | |
| Australia and Luxembourg | | | | |
| **Operating loss carryforwards** | | | | |
| Releases of valuation allowances in various jurisdictions | | | 20 | |
| China | | | | |
| **Operating loss carryforwards** | | | | |
| Releases of valuation allowances in various jurisdictions | 9 | | | |
| China, the U.S. and Luxembourg | | | | |
| **Operating loss carryforwards** | | | | |
| Releases of valuation allowances in various jurisdictions | 24 | | | |
| India, Indonesia and the U.S. | | | | |
| **Operating loss carryforwards** | | | | |
| Releases of valuation allowances in various jurisdictions | 23 | | | |
| United States | | | | |
| **Operating loss carryforwards** | | | | |
| Releases of valuation allowances in various jurisdictions | 2 | | | |
| France, Spain, Singapore, Australia and Luxembourg | | | | |
| **Operating loss carryforwards** | | | | |
| Releases of valuation allowances in various jurisdictions | | $ 27 | | |

**DISCONTINUED OPERATIONS (Tables)**

**12 Months Ended Dec. 31, 2012**

AUSTRALIA STYRENICS BUSINESS SHUTDOWN

**DISCONTINUED OPERATIONS**

Results of operations presented as discontinued operations in the accompanying consolidated statements of operations

The following results of operations of our former Australian styrenics business have been presented as discontinued operations in the accompanying consolidated statements of operations (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Revenues | $37 | $38 | $52 |
| Operating costs and expenses, net of credits | (47) | (44) | (85) |
| Nonoperating expenses | | — | (19) |
| Operating loss | (10) | (6) | (52) |
| Income tax benefit | 3 | 2 | 28 |
| Loss from discontinued operations, net of tax | $(7) | $(4) | $(24) |

U.S. Base Chemicals Disposition

**DISCONTINUED OPERATIONS**

Results of operations presented as discontinued operations in the accompanying consolidated statements of operations

The following results of our former U.S base chemicals business have been presented as discontinued operations in the accompanying consolidated statements of operations (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Other expenses | $— | $(1) | $(6) |
| Gain on insurance settlements, net | — | — | 110 |
| (Loss) income before income taxes | — | (1) | 104 |
| Income tax expense | — | — | (38) |
| (Loss) income from discontinued operations, net of tax | $— | $(1) | $66 |

| FAIR VALUE (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | Dec. 31, 2011 |
|---|---|---|
| **Fair values of financial instruments** | | |
| Non-qualified employee benefit plan investments | $ 14 | $ 12 |
| Carrying Amount | | |
| **Fair values of financial instruments** | | |
| Non-qualified employee benefit plan investments | 14 | 12 |
| Long-term debt (including current portion) | (3,702) | (3,942) |
| Carrying Amount \| Cross Currency Interest Rate Contract | | |
| **Fair values of financial instruments** | | |
| Derivative contracts - assets | 18 | 27 |
| Carrying Amount \| Interest rate contract | | |
| **Fair values of financial instruments** | | |
| Derivative contracts - liabilities | (18) | (17) |
| Estimated Fair Value | | |
| **Fair values of financial instruments** | | |
| Non-qualified employee benefit plan investments | 14 | 12 |
| Long-term debt (including current portion) | (3,869) | (4,061) |
| Estimated Fair Value \| Cross Currency Interest Rate Contract | | |
| **Fair values of financial instruments** | | |
| Derivative contracts - assets | 18 | 27 |
| Estimated Fair Value \| Interest rate contract | | |
| **Fair values of financial instruments** | | |
| Derivative contracts - liabilities | $ (18) | $ (17) |

**DISCONTINUED OPERATIONS**

**DISCONTINUED OPERATIONS**

DISCONTINUED OPERATIONS

**12 Months Ended Dec. 31, 2012**

**25. DISCONTINUED OPERATIONS**

**AUSTRALIA STYRENICS BUSINESS SHUTDOWN**

During the first quarter of 2010, we ceased operation of our former Australian styrenics business. During 2010, we recorded additional closure costs of $6 million. Also during 2010, we recorded a $19 million loss from the recognition of cumulative currency translation losses upon the liquidation and substantial liquidation of foreign entities related to this business. Furthermore, we recorded an additional tax benefit of $28 million in 2010 related to the closure of this business. The following results of operations of our former Australian styrenics business have been presented as discontinued operations in the accompanying consolidated statements of operations (dollars in millions):

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Revenues | $37 | $38 | $52 |
| Operating costs and expenses, net of credits | (47) | (44) | (85) |
| Nonoperating expenses | | — | (19) |
| Operating loss | (10) | (6) | (52) |
| Income tax benefit | 3 | 2 | 28 |
| Loss from discontinued operations, net of tax | $(7) | $(4) | $(24) |

In 2006, product defect actions were filed against HCCA in Australian courts relating to the sale and supply of vinyl ester resins that were used in the manufacture of fiberglass swimming pools. HCCA ceased manufacturing these specific resin formulations by 2004 and sold the business that manufactured and sold these resins in 2007.

During the first quarter of 2011, HCCA increased its estimate of probable loss related to these claims and recorded a liability for the full estimated value of the claims and a corresponding receivable relating to our indemnity protection with a net charge to discontinued operations for any potential shortfall in insurance coverage. Following mediation held in August 2011, HCCA and its insurers reached an agreement with two claimants to settle their claims for amounts within our insurance coverage after our self-insured retention was satisfied. Accordingly, during the third quarter of 2011, HCCA reduced its estimate of probable loss proportionately and reversed a portion of the liability related to this matter. The settlements were paid in the fourth quarter of 2011.

The results of our former Australian styrenics business were previously included in our Corporate and other segment and have been presented as discontinued operations in the accompanying consolidated statements of operations for all periods presented.

**U.S. BASE CHEMICALS BUSINESS**

On November 5, 2007, we completed a disposition of our U.S. base chemicals businesses, which included our former olefins manufacturing assets located at Port Arthur, Texas. A captive ethylene unit at the retained Port Neches, Texas site of our Performance Products segment operations was not included in the sale. This asset, along with a long-term post-closing arrangement for the supply of ethylene and propylene from Flint Hills Resources to us, will continue to provide feedstock for our downstream derivative units.

The following results of our former U.S base chemicals business have been presented as discontinued operations in the accompanying consolidated statements of operations (dollars in millions):

| | Year ended December 31, | | |
| --- | --- | --- | --- |
| | 2012 | 2011 | 2010 |
| Other expenses | $— | $(1) | $(6) |
| Gain on insurance settlements, net | — | — | 110 |
| (Loss) income before income taxes | — | (1) | 104 |
| Income tax expense | — | — | (38) |
| (Loss) income from discontinued operations, net of tax | $— | $(1) | $66 |

During 2010, we recorded a $110 million pretax gain in connection with the final settlement of insurance claims related to the 2006 fire at our former Port Arthur, Texas plant and a pretax gain of $7 million from the settlement of insurance claims related to the 2005 gulf coast storms. Of the $110 million payment, $34 million was reflected within the statement of cash flows as cash flows from investing activities and the remaining $76 million was reflected as cash flows from operating activities. The results of our former U.S. base chemicals business are included in discontinued operations for all periods presented. These 2010 insurance settlement gains were offset in part by income taxes and legal fees related to the arbitration of the fire insurance claim.

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS (Tables) | 12 Months Ended |
|---|---|
| | Dec. 31, 2012 |

**RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS**

**Accrued restructuring costs by type of cost and initiative**

As of December 31, 2012, 2011 and 2010, accrued restructuring, impairment and plant closing costs by type of cost and initiative consisted of the following (dollars in millions):

| | Workforce reductions(1) | Demolition and decommissioning | Non-cancelable lease costs | Other restructuring costs | Total(2) |
|---|---|---|---|---|---|
| Accrued liabilities as of January 1, 2010 | $60 | $2 | $2 | $11 | $75 |
| 2010 charges for 2005 and prior initiatives | 1 | — | — | — | 1 |
| 2010 charges for 2008 initiatives | 1 | — | — | — | 1 |
| 2010 charges for 2009 initiatives | 4 | — | — | 5 | 9 |
| 2010 charges for 2010 initiatives | 22 | — | — | 1 | 23 |
| Reversal of reserves no longer required | (6) | — | (1) | — | (7) |
| 2010 payments for 2005 and prior initiatives | (1) | (1) | — | — | (2) |
| 2010 payments for 2006 initiatives | (3) | — | — | — | (3) |
| 2010 payments for 2008 initiatives | (7) | — | — | — | (7) |
| 2010 payments for 2009 initiatives | (11) | — | — | (5) | (16) |
| 2010 payments for 2010 initiatives | (1) | — | — | (2) | (3) |
| Net activity of discontinued operations | (26) | — | — | — | (26) |
| Foreign currency effect on liability balance | 3 | — | — | 1 | 4 |
| Accrued liabilities as of December 31, 2010 | 36 | 1 | 1 | 11 | 49 |
| 2011 charges for 2006 and prior initiatives | 1 | — | — | — | 1 |
| 2011 charges for 2009 initiatives | 1 | — | — | 6 | 7 |
| 2011 charges for 2010 initiatives | 2 | 2 | 10 | 1 | 15 |
| 2011 charges for 2011 initiatives | 87 | — | 1 | 1 | 89 |
| Reversal of reserves no longer required | (5) | — | — | — | (5) |
| 2011 payments for 2006 and prior initiatives | (1) | — | (1) | (1) | (3) |
| 2011 payments for 2008 initiatives | (2) | — | — | — | (2) |
| 2011 payments for 2009 initiatives | (6) | — | — | (6) | (12) |
| 2011 payments for 2010 initiatives | (17) | (3) | — | (1) | (21) |
| 2011 payments for 2011 initiatives | (13) | — | — | (1) | (14) |
| Net activity of discontinued operations | — | — | — | (2) | (2) |
| Foreign currency effect on liability balance | (10) | — | — | — | (10) |

**(1)** The total workforce reduction reserves of $90 million relate to the termination of 831 positions, of which 786 positions had not been terminated as of December 31, 2012.

**(2)** Accrued liabilities remaining at December 31, 2012 and 2011 by year of initiatives were as follows (dollars in millions):

| | | |
|---|---|---|
| 2007 initiatives and prior | $2 | $2 |
| 2009 initiatives | 7 | 11 |
| 2010 initiatives | 9 | 16 |
| 2011 initiatives | 34 | 63 |
| 2012 initiatives | 53 | — |
| Total | $105 | $92 |

Accrued restructuring costs by type of initiative

| | December 31, | |
|---|---|---|
| | **2012** | **2011** |
| 2007 initiatives and prior | $2 | $2 |
| 2009 initiatives | 7 | 11 |
| 2010 initiatives | 9 | 16 |
| 2011 initiatives | 34 | 63 |
| 2012 initiatives | 53 | — |
| Total | $105 | $92 |

Details with respect to reserves for restructuring, impairment and plant closing costs, provided by segment and initiative

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

| | Polyurethanes | Performance Products | Advanced Materials | Textile Effects | Pigments | Discontinued Operations | Corporate & Other | Total |
|---|---|---|---|---|---|---|---|---|
| Accrued liabilities as of January 1, 2010 | $2 | $— | $7 | $17 | $11 | $34 | $4 | $75 |
| 2010 charges for 2005 initiatives | — | — | — | — | 1 | — | — | 1 |
| 2010 charges for 2008 initiatives | — | — | — | 1 | — | — | — | 1 |
| 2010 charges for 2009 initiatives | — | — | 1 | — | 8 | — | — | 9 |
| 2010 charges for 2010 initiatives | — | 2 | — | 15 | — | — | 6 | 23 |
| Reversal of reserves no longer required | — | — | (3) | (1) | (2) | — | (1) | (7) |
| 2010 payments for 2005 initiatives | (1) | — | — | — | (1) | — | — | (2) |
| 2010 payments for 2006 initiatives | — | — | — | (3) | — | — | — | (3) |
| 2010 payments for 2008 initiatives | (1) | — | — | (5) | (1) | — | — | (7) |
| 2010 payments for 2009 initiatives | — | — | (3) | (2) | (8) | — | (3) | (16) |
| 2010 payments for 2010 initiatives | — | (1) | — | — | — | — | (2) | (3) |
| Net activity of discontinued operations | — | — | — | — | — | (26) | — | (26) |
| Foreign currency effect on liability balance | — | — | — | 3 | — | — | 1 | 4 |
| Accrued liabilities as of December 31, 2010 | — | 1 | 2 | 25 | 8 | 8 | 5 | 49 |

[Cash and non-cash restructuring charges by initiative]()

Details wi 2011 and 2

| | |
|---|---|
| Cash charges: | |
| 2012 charges for 2007 and prior initiatives | $2 |
| 2012 charges for 2009 initiatives | 5 |
| 2012 charges for 2010 initiatives | 2 |
| 2012 charges for 2011 initiatives | 15 |
| 2012 charges for 2012 initiatives | 69 |
| Reversal of reserves no longer required | (16 ) |
| Non-cash charges | 15 |
| Total 2012 Restructuring, Impairment and Plant Closing Costs | $92 |
| Cash charges: | |
| 2011 charges for 2006 and prior initiatives | $1 |
| 2011 charges for 2009 initiatives | 7 |
| 2011 charges for 2010 initiatives | 15 |
| 2011 charges for 2011 initiatives | 89 |
| Reversal of reserves no longer required | (5 ) |
| Non-cash charges | 60 |
| Total 2011 Restructuring, Impairment and Plant Closing Costs | $167 |
| Cash charges: | |
| 2010 charges for 2005 and prior initiatives | $1 |
| 2010 charges for 2008 initiatives | 1 |
| 2010 charges for 2009 initiatives | 9 |
| 2010 charges for 2010 initiatives | 23 |
| Reversal of reserves no longer required | (7 ) |
| Non-cash charges | 2 |
| Total 2010 Restructuring, Impairment and Plant Closing Costs | $29 |

**ASSET RETIREMENT OBLIGATIONS**

**12 Months Ended Dec. 31, 2012**

**ASSET RETIREMENT OBLIGATIONS**

ASSET RETIREMENT OBLIGATIONS

**12. ASSET RETIREMENT OBLIGATIONS**

Asset retirement obligations consist primarily of landfill capping, closure and post-closure costs and asbestos abatement costs. We are legally required to perform capping and closure and post-closure care on the landfills and asbestos abatement on certain of our premises. For each asset retirement obligation we recognized the estimated fair value of a liability and capitalized the cost as part of the cost basis of the related asset.

The following table describes changes to our asset retirement obligation liabilities, all of which were recorded in other noncurrent liabilities on the accompanying balance sheets (dollars in millions):

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Asset retirement obligation at beginning of year | $26 | $24 |
| Accretion expense | 2 | 2 |
| Liabilities incurred | 2 | — |
| Liabilities assumed in connection with the consolidation of a variable interest entity | — | 2 |
| Liabilities settled | (3) | (1) |
| Foreign currency effect on reserve balance | 1 | (1) |
| Asset retirement obligation at end of year | $28 | $26 |

| OPERATING SEGMENT INFORMATION (Details 2) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Segment reporting information** | | | |
| Capital Expenditures | $ 412 | $ 330 | $ 236 |
| Total Assets | 8,884 | 8,657 | |
| Polyurethanes | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 107 | 85 | 59 |
| Total Assets | 3,268 | 3,144 | |
| Performance Products | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 117 | 96 | 66 |
| Total Assets | 2,455 | 2,348 | |
| Advanced Materials | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 41 | 39 | 24 |
| Total Assets | 1,366 | 1,307 | |
| Textile Effects | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 27 | 34 | 23 |
| Total Assets | 745 | 686 | |
| Pigments | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 98 | 57 | 49 |
| Total Assets | 1,597 | 1,428 | |
| Corporate and other | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 22 | 19 | 15 |
| Total Assets | (547) | (256) | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 412 | 330 | 236 |
| Total Assets | 8,870 | 8,330 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Polyurethanes | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 107 | 85 | 59 |
| Total Assets | 3,221 | 3,086 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Performance Products | | | |
| **Segment reporting information** | | | |

| | | | |
|---|---|---|---|
| Capital Expenditures | 117 | 96 | 66 |
| Total Assets | 2,449 | 2,340 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Advanced Materials | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 41 | 39 | 24 |
| Total Assets | 1,366 | 1,307 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Textile Effects | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 27 | 34 | 23 |
| Total Assets | 745 | 686 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Pigments | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 98 | 57 | 49 |
| Total Assets | 1,562 | 1,384 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES \| Corporate and other | | | |
| **Segment reporting information** | | | |
| Capital Expenditures | 22 | 19 | 15 |
| Total Assets | $ (473) | $ (473) | |

| EMPLOYEE BENEFIT PLANS | 12 Months Ended Dec. 31, 2012 |
|---|---|

**EMPLOYEE BENEFIT PLANS**

EMPLOYEE BENEFIT PLANS

**17. EMPLOYEE BENEFIT PLANS**

**DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS**

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

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

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

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

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

The following table sets forth the funded status of the plans for us and Huntsman International and the amounts recognized in the consolidated balance sheets at December 31, 2012 and 2011 (dollars in millions):

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $834 | $2,331 | $761 | $2,255 | $128 | $7 | $129 | $7 |
| Service cost | 26 | 32 | 23 | 44 | 4 | — | 3 | — |
| Interest cost | 42 | 102 | 44 | 110 | 6 | — | 7 | 1 |
| Participant contributions | — | 9 | — | 14 | 5 | — | 5 | — |
| Plan amendments | (26) | — | — | (1) | — | — | — | — |
| Foreign currency exchange rate changes | — | 80 | — | (13) | — | — | — | (1) |
| Settlements/ transfers | — | (2) | — | (20) | — | — | — | — |
| Curtailments | — | — | — | (38) | — | — | — | — |
| Special termination benefits | — | — | — | 8 | — | — | — | — |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Actuarial loss | 127 | 360 | 47 | 83 | 9 | — | 1 | — |
| Benefits paid | (45) | (157) | (41) | (111) | (16) | — | (17) | (1) |
| Benefit obligation at end of year | $958 | $2,755 | $834 | $2,331 | $136 | $7 | $128 | $6 |
| **Change in plan assets** | | | | | | | | |
| Fair value of plan assets at beginning of year | $538 | $2,026 | $517 | $2,025 | $— | $— | $— | $— |
| Actual return on plan assets | 71 | 221 | (7) | 43 | — | — | — | — |
| Foreign currency exchange rate changes | — | 65 | — | (10) | — | — | — | — |
| Participant contributions | — | 9 | — | 14 | 5 | — | 5 | — |
| Other | — | — | — | (1) | — | — | — | — |
| Company contributions | 72 | 75 | 69 | 86 | 11 | 1 | 12 | 1 |
| Settlements/ transfers | — | (2) | — | (20) | — | — | — | — |
| Benefits paid | (45) | (157) | (41) | (111) | (16) | (1) | (17) | (1) |
| Fair value of plan assets at end of year | $636 | $2,237 | $538 | $2,026 | $— | $— | $— | $— |
| **Funded status** | | | | | | | | |
| Fair value of plan assets | $636 | $2,237 | $538 | $2,026 | $— | $— | $— | $— |
| Benefit obligation | 958 | 2,755 | 834 | 2,331 | 136 | 7 | 128 | 6 |
| Accrued benefit cost | $(322) | $(518) | $(296) | $(305) | $(136) | $(7) | $(128) | $(6) |
| **Amounts recognized in balance sheet:** | | | | | | | | |
| Noncurrent asset | $— | $1 | $— | $100 | $— | $— | $— | $— |
| Current liability | (6) | (5) | (6) | (6) | (11) | (1) | (12) | — |
| Noncurrent liability | (316) | (514) | (290) | (399) | (125) | (6) | (116) | (6) |
| | $(322) | $(518) | $(296) | $(305) | $(136) | $(7) | $(128) | $(6) |

**Huntsman Corporation**

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $448 | $797 | $366 | $562 | $32 | $1 | $25 | $1 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Prior service cost | (42) | 4 | (22) | 2 | (8) | — | (10) | — |
| Transition obligation | 1 | — | 1 | — | — | — | — | — |
| | $407 | $801 | $345 | $564 | $24 | $1 | $15 | $1 |

**Huntsman International**

| | Defined Benefit Plans | | | | Other Postretirement Benefit Plans | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | | 2011 | | 2012 | | 2011 | |
| | 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 | $449 | $867 | $368 | $636 | $32 | $1 | $25 | $1 |
| Prior service cost | (42) | 4 | (22) | 2 | (8) | — | (10) | — |
| Transition obligation | 1 | — | 1 | — | — | — | — | — |
| | $408 | $871 | $347 | $638 | $24 | $1 | $15 | $1 |

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

**Huntsman Corporation**

| | Defined Benefit Plans | | Other Postretirement Benefit Plans | |
|---|---|---|---|---|
| | U.S. Plans | Non-U.S. Plans | U.S. Plans | Non-U.S. Plans |
| Actuarial loss | $34 | $46 | $2 | $— |
| Prior service cost | (6) | — | (3) | — |
| Total | $28 | $46 | $(1) | $— |

**Huntsman International**

| | Defined Benefit Plans | | Other Postretirement | |
|---|---|---|---|---|
| | U.S. Plans | Non-U.S. Plans | U.S. Plans | Non-U.S. |
| Actuarial loss | $34 | $50 | $2 | $— |
| Prior service cost | (6) | 1 | (3) | — |
| Total | $28 | $51 | $(1) | $— |

Components of net periodic benefit costs for the years ended December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

**Huntsman Corporation**

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $26 | $23 | $21 | $32 | $44 | $44 |
| Interest cost | 42 | 44 | 40 | 102 | 110 | 102 |
| Expected return on plan assets | (48) | (47) | (42) | (133) | (140) | (121) |
| Amortization of prior service cost | (6) | (4) | (5) | (1) | (2) | (1) |
| Amortization of actuarial loss | 21 | 16 | 11 | 23 | 16 | 14 |
| Settlement loss | — | — | — | 13 | — | — |
| Special termination benefits | — | — | — | — | 8 | — |
| Net periodic benefit cost | $35 | $32 | $25 | $36 | $36 | $38 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |

| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|
| Service cost | $4 | $3 | $3 | $— | $— | $— |
| Interest cost | 7 | 7 | 7 | 1 | 1 | — |
| Amortization of prior service cost | (3 ) | (3 ) | (3 ) | — | — | — |
| Amortization of actuarial loss | 2 | 2 | 1 | — | — | — |
| Net periodic benefit cost | $10 | $9 | $8 | $1 | $1 | $— |

**Huntsman International**

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $26 | $23 | $21 | $32 | $44 | $44 |
| Interest cost | 42 | 44 | 40 | 102 | 110 | 102 |
| Expected return on plan assets | (48 ) | (47 ) | (42 ) | (133 ) | (140 ) | (121 ) |
| Amortization of prior service cost | (6 ) | (4 ) | (5 ) | (1 ) | (2 ) | (1 ) |
| Amortization of actuarial loss | 21 | 16 | 11 | 28 | 21 | 19 |
| Settlement loss | — | — | — | 13 | — | — |
| Special termination benefits | — | — | — | | 8 | — |
| Net periodic benefit cost | $35 | $32 | $25 | $41 | $41 | $43 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Service cost | $4 | $3 | $3 | $— | $— | $— |
| Interest cost | 7 | 7 | 7 | 1 | 1 | — |
| Amortization of prior service cost | (3 ) | (3 ) | (3 ) | — | — | — |
| Amortization of actuarial loss | 2 | 2 | 1 | — | — | — |
| Net periodic benefit cost | $10 | $9 | $8 | $1 | $1 | $— |

The amounts recognized in net periodic benefit cost and other comprehensive loss as of December 31, 2012, 2011 and 2010 were as follows (dollars in millions):

**Huntsman Corporation**

| | Defined Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $103 | $101 | $16 | $272 | $182 | $20 |
| Amortization of actuarial gain | (21 ) | (16 ) | (11 ) | (23 ) | (16 ) | (14 ) |
| Current year prior service cost | (26 ) | — | — | — | (2 ) | — |
| Amortization of prior service cost | 6 | 4 | 4 | 1 | 2 | 1 |
| Curtailment effects | — | — | — | — | (38 ) | — |
| Settlements | — | — | — | (13 ) | — | — |
| Total recognized in other comprehensive loss | 62 | 89 | 9 | 237 | 128 | 7 |
| Net periodic benefit cost | 35 | 32 | 25 | 36 | 36 | 38 |
| Total recognized in net periodic benefit cost and other comprehensive loss | $97 | $121 | $34 | $273 | $164 | $45 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $9 | $1 | $5 | $— | $— | $— |
| Amortization of actuarial gain | (2 ) | (1 ) | (2 ) | — | — | — |
| Amortization of prior service cost | 3 | 2 | 3 | — | — | — |
| Total recognized in other comprehensive loss | 10 | 2 | 6 | — | — | — |
| Net periodic benefit cost | 10 | 9 | 8 | 1 | 1 | — |
| Total recognized in net periodic benefit cost and other comprehensive loss | $20 | $11 | $14 | $1 | $1 | $— |

**Huntsman International**

Defined Benefit Plans

| | U.S. plans | | | Non-U.S. plans | | |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $103 | $101 | $16 | $272 | $182 | $20 |
| Amortization of actuarial gain | (21 ) | (16 ) | (11 ) | (28 ) | (21 ) | (19 ) |
| Current year prior service cost | (26 ) | — | — | — | (2 ) | — |
| Amortization of prior service cost | 6 | 4 | 4 | 1 | 2 | 1 |
| Curtailment effects | — | — | — | — | (38 ) | — |
| Settlements | — | — | — | (13 ) | — | — |
| Total recognized in other comprehensive loss | 62 | 89 | 9 | 232 | 123 | 2 |
| Net periodic benefit cost | 35 | 32 | 25 | 41 | 41 | 43 |
| Total recognized in net periodic benefit cost and other comprehensive loss | $97 | $121 | $34 | $273 | $164 | $45 |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non-U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| Current year actuarial loss | $9 | $1 | $5 | $— | $— | $— |
| Amortization of actuarial gain | (2 ) | (1 ) | (2 ) | — | — | — |
| Amortization of prior service cost | 3 | 2 | 3 | — | — | — |
| Total recognized in other comprehensive loss | 10 | 2 | 6 | — | — | — |
| Net periodic benefit cost | 10 | 9 | 8 | 1 | 1 | — |
| Total recognized in net periodic benefit cost and other comprehensive loss | $20 | $11 | $14 | $1 | $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 | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Projected benefit obligation** | | | | | | |
| Discount rate | 4.18 % | 5.30 % | 5.70 % | 3.38 % | 4.39 % | 4.69 % |
| Rate of compensation increase | 4.19 % | 3.88 % | 3.88 % | 3.34 % | 3.44 % | 3.38 % |
| **Net periodic pension cost** | | | | | | |
| Discount rate | 5.30 % | 5.70 % | 5.90 % | 4.39 % | 4.69 % | 4.94 % |
| Rate of compensation increase | 3.88 % | 3.88 % | 3.88 % | 3.44 % | 3.38 % | 3.23 % |
| Expected return on plan assets | 8.00 % | 8.19 % | 8.20 % | 6.52 % | 6.62 % | 6.65 % |

| | Other Postretirement Benefit Plans | | | | | |
|---|---|---|---|---|---|---|
| | U.S. plans | | | Non U.S. plans | | |
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |
| **Projected benefit obligation** | | | | | | |
| Discount rate | 3.89 % | 5.09 % | 5.46 % | 5.79 % | 6.09 % | 6.69 % |
| **Net periodic pension cost** | | | | | | |
| Discount rate | 5.09 % | 5.46 % | 5.59 % | 6.09 % | 6.69 % | 7.47 % |

In both 2012 and 2011, the health care trend rate used to measure the expected increase in the cost of benefits was assumed to be 7.5% decreasing to 5% after 2017. 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 | 3.6 | (3.1 ) |

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, 2012 and 2011 were as follows (dollars in millions):

| U.S. plans | | Non-U.S. plans | |
|---|---|---|---|
| 2012 | 2011 | 2012 | 2011 |

| | | | | |
|---|---|---|---|---|
| **Projected benefit obligation in excess of plan assets** | | | | |
| Projected benefit obligation | $958 | $834 | $2,742 | $1,897 |
| Fair value of plan assets | 636 | 538 | 2,223 | 1,492 |

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, 2012 and 2011 were as follows (dollars in millions):

| | U.S. plans | | Non-U.S. plans | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| **Accumulated benefit obligation in excess of plan assets** | | | | |
| Projected benefit obligation | $958 | $834 | $1,751 | $1,618 |
| Accumulated benefit obligation | 925 | 789 | 1,603 | 1,500 |
| Fair value of plan assets | 636 | 538 | 1,266 | 1,251 |

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

| | U.S. Plans | | Non-U.S. Plans | |
|---|---|---|---|---|
| | Defined Benefit Plans | Other Postretirement Benefit Plans | Defined Benefit Plans | Other Postretirement Benefit Plans |
| **2013 expected employer contributions** | | | | |
| To plan trusts | $73 | $11 | $81 | $1 |
| **Expected benefit payments** | | | | |
| 2013 | 58 | 11 | 175 | 1 |
| 2014 | 54 | 11 | 98 | 1 |
| 2015 | 53 | 11 | 103 | 1 |
| 2016 | 55 | 11 | 105 | 1 |
| 2017 | 59 | 11 | 107 | 1 |
| 2018 - 2022 | 325 | 49 | 578 | 2 |

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

Our pension plan assets are managed by outside investment managers. The investment managers value our plan assets using quoted market prices, other observable inputs or unobservable inputs. For certain assets, the investment managers obtain third-party appraisals at least annually, which use valuation techniques and inputs specific to the applicable property, market, or geographic location. During 2012, there was a net transfer out of Level 3 assets of $7 million due to a change in the significance of unobservable inputs for several investments, which are immaterial both individually and in the aggregate. These assets are all contained within the real estate/other category.

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

The fair value of plan assets for the pension plans was $2.9 billion and $2.6 billion at December 31, 2012 and 2011, 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, 2012 | 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 | $340 | $195 | $145 | $— |
| Fixed income | 196 | 116 | 80 | — |
| Real estate/other | 89 | 48 | — | 41 |
| Cash | 11 | 11 | — | — |

| | | | | |
|---|---|---|---|---|
| Total U.S. pension plan assets | $636 | $370 | $225 | $41 |
| Non-U.S. pension plans: | | | | |
| Equities | $862 | $649 | $213 | $— |
| Fixed income | 905 | 632 | 273 | — |
| Real estate/other | 357 | 27 | 303 | 27 |
| Cash | 113 | 112 | 1 | — |
| Total non-U.S. pension plan assets | $2,237 | $1,420 | $790 | $27 |

| | | Fair Value Amounts Using | | |
|---|---|---|---|---|
| Asset category | December 31, 2011 | 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 | $294 | $166 | $128 | $— |
| Fixed income | 170 | 106 | 64 | — |
| Real estate/other | 72 | 45 | — | 27 |
| Cash | 2 | 2 | — | — |
| Total U.S. pension plan assets | $538 | $319 | $192 | $27 |
| Non-U.S. pension plans: | | | | |
| Equities | $771 | $361 | $410 | $— |
| Fixed income | 923 | 304 | 619 | — |
| Real estate/other | 316 | 1 | 281 | 34 |
| Cash | 16 | 16 | — | — |
| Total non-U.S. pension plan assets | $2,026 | $682 | $1,310 | $34 |

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 | |
|---|---|---|
| Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3) | Year ended December 31, 2012 | Year ended December 31, 2011 |
| Balance at beginning of period | $61 | $52 |
| Return on pension plan assets | 4 | (1) |
| Purchases, sales and settlements | 10 | 10 |
| Transfers in (out) of Level 3 | (7) | — |
| Balance at end of period | $68 | $61 |

| | Fixed Income | |
|---|---|---|
| Fair Value Measurements of Plan Assets Using Significant Unobservable Inputs (Level 3) | Year ended December 31, 2012 | Year ended December 31, 2011 |
| Balance at beginning of period | $— | $1 |
| Purchases, sales and settlements | — | (1) |
| Balance at end of period | $— | $— |

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 6.52% and 8.20%. The asset allocation for our pension plans at December 31, 2012 and 2011 and the target allocation for 2013, by asset category are as follows:

| Asset category | Target Allocation 2013 | Allocation at December 31, 2012 | Allocation at December 31, 2011 |
|---|---|---|---|
| U.S. pension plans: | | | |

| | | | |
|---|---|---|---|
| Equities | 54 % | 53 % | 55 % |
| Fixed income | 32 % | 31 % | 32 % |
| Real estate/other | 14 % | 14 % | 13 % |
| Cash | — | 2 % | — |
| Total U.S. pension plans | 100 % | 100 % | 100 % |
| Non-U.S. pension plans: | | | |
| Equities | 40 % | 38 % | 38 % |
| Fixed income | 40 % | 41 % | 46 % |
| Real estate/other | 19 % | 20 % | 15 % |
| Cash | 1 % | 1 % | 1 % |
| Total non-U.S. pension plans | 100 % | 100 % | 100 % |

Equity securities in our pension plans did not include any equity securities of our Company or our affiliates at the end of 2012.

**DEFINED CONTRIBUTION PLANS**

We have a money purchase pension plan covering substantially all of our domestic employees who were hired prior to January 1, 2004. Employer contributions are made based on a percentage of employees' earnings (ranging up to 8%).

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

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

Our total combined expense for the above defined contribution plans for each of the years ended December 31, 2012, 2011 and 2010 was $14 million.

**SUPPLEMENTAL SALARY DEFERRAL PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

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

The 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, 2012 and 2011 were $14 million and $12 million, respectively. During each of the years ended December 31, 2012, 2011 and 2010 we expensed a total of $1 million as contributions to the Huntsman SSP and the SERP.

**STOCK-BASED INCENTIVE PLAN**

In connection with the initial public offering of common and preferred stock on February 16, 2005, we adopted the Huntsman Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan permits the grant of non-qualified stock options, incentive stock options, stock appreciation rights, nonvested stock, phantom stock, performance awards and other stock-based awards to our employees, directors and consultants and to employees and consultants of our subsidiaries, provided that incentive stock options may be granted solely to employees. As of December 31, 2012 we are authorized to grant up to 32.6 million shares under the Stock Incentive Plan. See "Note 22. 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 the consolidated financial statements in other long-term liabilities.

| EMPLOYEE BENEFIT PLANS (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
|---|---|---|---|
| **Amounts recognized in balance sheet:** | | | |
| Noncurrent asset | $ 1 | $ 100 | |
| Defined Benefit Plans | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Period of additional annual pay credits | 5 years | | |
| **Change in plan assets** | | | |
| Fair value of plan assets at beginning of year | 2,600 | | |
| Fair value of plan assets at end of year | 2,900 | | |
| **Funded status** | | | |
| Fair value of plan assets | 2,900 | | |
| Defined Benefit Plans \| Minimum | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Annual pay credits, percentage of eligible pay | 4.00% | | |
| Additional annual pay credits, percentage of eligible pay for participants in the plan on July 1, 2004 | 1.00% | | |
| Defined Benefit Plans \| Maximum | | | |
| **DEFINED BENEFIT AND OTHER POSTRETIREMENT BENEFIT PLANS** | | | |
| Annual pay credits, percentage of eligible pay | 12.00% | | |
| Additional annual pay credits, percentage of eligible pay for participants in the plan on July 1, 2004 | 8.00% | | |
| U.S. Defined Benefit Plans | | | |
| **Change in benefit obligation** | | | |
| Benefit obligation at beginning of year | 834 | 761 | |
| Service cost | 26 | 23 | 21 |
| Interest cost | 42 | 44 | 40 |
| Plan amendments | (26) | | |
| Actuarial loss | 127 | 47 | |
| Benefits paid | (45) | (41) | |
| Benefit obligation at end of year | 958 | 834 | 761 |
| **Change in plan assets** | | | |
| Fair value of plan assets at beginning of year | 538 | 517 | |
| Actual return on plan assets | 71 | (7) | |
| Company contributions | 72 | 69 | |
| Benefits paid | (45) | (41) | |
| Fair value of plan assets at end of year | 636 | 538 | 517 |
| **Funded status** | | | |
| Fair value of plan assets | 636 | 538 | 517 |

| | | | |
|---|---|---|---|
| Benefit obligation | 958 | 834 | 761 |
| Accrued benefit cost | (322) | (296) | |
| **Amounts recognized in balance sheet:** | | | |
| Current liability | (6) | (6) | |
| Noncurrent liability | (316) | (290) | |
| Total | (322) | (296) | |
| Non-U.S. Defined Benefit Plans | | | |
| **Change in benefit obligation** | | | |
| Benefit obligation at beginning of year | 2,331 | 2,255 | |
| Service cost | 32 | 44 | 44 |
| Interest cost | 102 | 110 | 102 |
| Participant contributions | 9 | 14 | |
| Plan amendments | | (1) | |
| Foreign currency exchange rate changes | 80 | (13) | |
| Settlements/transfers | (2) | (20) | |
| Curtailments | | (38) | |
| Special termination benefits | | (8) | |
| Actuarial loss | 360 | 83 | |
| Benefits paid | (157) | (111) | |
| Benefit obligation at end of year | 2,755 | 2,331 | 2,255 |
| **Change in plan assets** | | | |
| Fair value of plan assets at beginning of year | 2,026 | 2,025 | |
| Actual return on plan assets | 221 | 43 | |
| Foreign currency exchange rate changes | 65 | (10) | |
| Participant contributions | 9 | 14 | |
| Other | | (1) | |
| Company contributions | 75 | 86 | |
| Settlements/transfers | (2) | (20) | |
| Benefits paid | (157) | (111) | |
| Fair value of plan assets at end of year | 2,237 | 2,026 | 2,025 |
| **Funded status** | | | |
| Fair value of plan assets | 2,237 | 2,026 | 2,025 |
| Benefit obligation | 2,755 | 2,331 | 2,255 |
| Accrued benefit cost | (518) | (305) | |
| **Amounts recognized in balance sheet:** | | | |
| Noncurrent asset | 1 | 100 | |
| Current liability | (5) | (6) | |
| Noncurrent liability | (514) | (399) | |
| Total | (518) | (305) | |
| U.S. Other Postretirement Benefit Plans | | | |
| **Change in benefit obligation** | | | |
| Benefit obligation at beginning of year | 128 | 129 | |
| Service cost | 4 | 3 | 3 |
| Interest cost | 6 | 7 | 7 |

| | | | |
|---|---|---|---|
| Participant contributions | 5 | 5 | |
| Actuarial loss | 9 | 1 | |
| Benefits paid | (16) | (17) | |
| Benefit obligation at end of year | 136 | 128 | 129 |
| **Change in plan assets** | | | |
| Participant contributions | 5 | 5 | |
| Company contributions | 11 | 12 | |
| Benefits paid | (16) | (17) | |
| **Funded status** | | | |
| Benefit obligation | 136 | 128 | 129 |
| Accrued benefit cost | (136) | (128) | |
| **Amounts recognized in balance sheet:** | | | |
| Current liability | (11) | (12) | |
| Noncurrent liability | (125) | (116) | |
| Total | (136) | (128) | |
| Non-U.S. Other Postretirement Benefit Plans | | | |
| **Change in benefit obligation** | | | |
| Benefit obligation at beginning of year | 6 | 7 | |
| Interest cost | 1 | 1 | |
| Foreign currency exchange rate changes | | (1) | |
| Benefits paid | (1) | (1) | |
| Benefit obligation at end of year | 6 | 6 | |
| **Change in plan assets** | | | |
| Company contributions | 1 | 1 | |
| Benefits paid | (1) | (1) | |
| **Funded status** | | | |
| Benefit obligation | 6 | 6 | |
| Accrued benefit cost | (7) | (6) | |
| **Amounts recognized in balance sheet:** | | | |
| Current liability | (1) | | |
| Noncurrent liability | (6) | (6) | |
| Total | $ (7) | $ (6) | |

| OTHER NONCURRENT ASSETS (Tables) | 12 Months Ended Dec. 31, 2012 |
|---|---|
| **OTHER NONCURRENT ASSETS** | |
| Schedule of components of other noncurrent assets | Other noncurrent assets consisted of the following (dollars in millions): |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Pension assets | $1 | $100 |
| Debt issuance costs | 29 | 31 |
| Capitalized turnaround costs | 127 | 141 |
| Spare parts inventory | 93 | 89 |
| Catalyst assets | 25 | 23 |
| Deposits | 33 | 31 |
| Other | 58 | 67 |
| **Total** | $366 | $482 |

| COMMITMENTS AND CONTINGENCIES (Details) Share data in Millions, unless otherwise specified | 12 Months Ended | | | | | | | | | | | | 0 Months Ended | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 USD ($) | Dec. 31, 2011 USD ($) | Dec. 31, 2010 USD ($) | Dec. 31, 2012 Accepted and tendered cases USD ($) lawsuit | Dec. 31, 2011 Accepted and tendered cases lawsuit | Dec. 31, 2010 Accepted and tendered cases lawsuit | Dec. 31, 2012 Accepted cases not subject to indemnification USD ($) lawsuit | Dec. 31, 2011 Accepted cases not subject to indemnification USD ($) lawsuit | Dec. 31, 2010 Accepted cases not subject to indemnification USD ($) lawsuit | Dec. 31, 2012 Product Delivery Claim USD ($) | Dec. 31, 2012 Product Delivery Claim EUR (€) | Dec. 31, 2012 Antitrust matters - Purported Class Action Civil Cases lawsuit | Dec. 21, 2012 Indemnification Matter | Jul. 03, 2012 Indemnification Matter |
| **COMMITMENTS AND CONTINGENCIES** | | | | | | | | | | | | | | |
| Minimum contracts period which require minimum volume purchases | 1 year | | | | | | | | | | | | | |
| **Purchase commitments:** | | | | | | | | | | | | | | |
| 2013 | $ 1,138,000,000 | | | | | | | | | | | | | |
| 2014 | 435,000,000 | | | | | | | | | | | | | |
| 2015 | 237,000,000 | | | | | | | | | | | | | |
| 2016 | 59,000,000 | | | | | | | | | | | | | |
| 2017 | 59,000,000 | | | | | | | | | | | | | |
| Thereafter | 30,000,000 | | | | | | | | | | | | | |
| Total | 1,958,000,000 | | | | | | | | | | | | | |
| **Operating Leases** | | | | | | | | | | | | | | |
| Rent expense | 79,000,000 | 83,000,000 | 62,000,000 | | | | | | | | | | | |
| Sublease rentals | 4,000,000 | 4,000,000 | 4,000,000 | | | | | | | | | | | |
| Minimum sublease rentals | 57,000,000 | | | | | | | | | | | | | |
| **Future minimum payments** | | | | | | | | | | | | | | |
| 2013 | 79,000,000 | | | | | | | | | | | | | |
| 2014 | 68,000,000 | | | | | | | | | | | | | |
| 2015 | 53,000,000 | | | | | | | | | | | | | |
| 2016 | 45,000,000 | | | | | | | | | | | | | |
| 2017 | 40,000,000 | | | | | | | | | | | | | |
| Thereafter | 60,000,000 | | | | | | | | | | | | | |
| Total | 345,000,000 | | | | | | | | | | | | | |
| **LEGAL MATTERS** | | | | | | | | | | | | | | |
| Experience with tendering cases | | | | 19 years | | | | | | | | | | |
| **Information about the cases** | | | | | | | | | | | | | | |
| Unresolved at beginning of period (number of cases) | | | | 1,080 | 1,116 | 1,138 | 36 | 37 | 39 | | | | | |
| Tendered during period | | | | 3 | 10 | 24 | | | | | | | | |
| Filed during period | | | | | | | 21 | 11 | 5 | | | | | |
| Resolved during period | | | | 3 | 46 | 46 | 7 | 12 | 7 | | | | | |
| Unresolved at end of period (number of cases) | | | | 1,080 | 1,080 | 1,116 | 50 | 36 | 37 | | | | | |
| Payment of gross settlement costs | | | | | | | 559,000 | 584,000 | 201,000 | | | | | |
| Accrued liability relating to the cases | | | | 10,000,000 | | | | | | | | | | |
| Receivable relating to indemnity protection of the cases | | | | 10,000,000 | | | | | | | | | | |
| Number of purported class action cases filed | | | | | | | | | | | | 2 | | |
| Amount of claims of customer | | | | | | | | | | 202,000,000 | 153,000,000 | | | |
| Amount of insurance available for claims in excess of specified amount | | | | | | | | | | 10,000,000 | | | | |
| Aggregate amount of current claims | | | | | | | | | | 149,000,000 | 113,000,000 | | | |
| Minimum range of possible loss | | | | | | | | | | | 0 | | | |
| Maximum range of possible loss | | | | | | | | | | | € 113,000,000 | | | |
| Common stock loss due to Banks' misrepresentations (in shares) | | | | | | | | | | | | | | 19 |
| Appeal Deadline after Entry of Order | | | | | | | | | | | | | 90 days | |

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Policies) | 12 Months Ended |
|---|---|
| | Dec. 31, 2012 |

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Allowance for Doubtful Trade Receivables

**ALLOWANCE FOR DOUBTFUL TRADE RECEIVABLES**

An allowance for doubtful trade receivables is estimated based on a combination of write-off history, aging analysis and any specific, known troubled accounts.

Asset Retirement Obligations

**ASSET RETIREMENT OBLIGATIONS**

We accrue for asset retirement obligations, which consist primarily of landfill closure costs and asbestos abatement costs, in the period in which the obligations are incurred. Asset retirement obligations are accrued at estimated fair value. When the liability is initially recorded, we capitalize the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its 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. See "Note 12. Asset Retirement Obligations."

Carrying Value of Long-Lived Assets

**CARRYING VALUE OF LONG-LIVED ASSETS**

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

Cash and Cash Equivalents

**CASH AND CASH EQUIVALENTS**

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

Cost of Goods Sold

**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

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

Environmental Expenditures

**ENVIRONMENTAL 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 20. Environmental, Health and Safety Matters."

Financial Instruments

**FINANCIAL INSTRUMENTS**

The carrying amounts reported in the balance sheet for cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments. The fair value of non-qualified employee benefit plan investments is estimated 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.

Foreign Currency Translation

**FOREIGN CURRENCY TRANSLATION**

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

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

Foreign currency transaction gains and losses are recorded in other operating (income) expense in the consolidated statements of operations and were net losses of $4 million, $3 million and $2 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Income Taxes

**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.

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

Accounting for uncertainty in income taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The application of income tax law is inherently complex. We are required to determine if an income tax position meets the criteria of more-likely-than-not to be realized based on the merits of the position under tax law, in order to recognize an income tax benefit. This requires us to make significant judgments regarding the merits of income tax positions and the application of income tax law. Additionally, if a tax position meets the recognition criteria of more-likely-than-not we are required to make judgments and apply assumptions 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 the consolidated financial statements.

Intangible Assets and Goodwill

**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 | 15 - 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.

Inventories

**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.

Investment in Unconsolidated Affiliates

**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.

Legal Costs

**LEGAL COSTS**

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

Net Income (Loss) Per Share Attributable to Huntsman Corporation

## NET INCOME PER SHARE ATTRIBUTABLE TO HUNTSMAN CORPORATION

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

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

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2012** | **2011** | **2010** |
| **Numerator:** | | | |
| **Basic and diluted income from continuing operations:** | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation | $368 | $244 | $(14 ) |
| **Basic and diluted net income:** | | | |
| Net income attributable to Huntsman Corporation | $363 | $247 | $27 |
| **Shares (denominator):** | | | |
| Weighted average shares outstanding | 237.6 | 237.6 | 236.0 |
| Dilutive securities: | | | |
| Stock-based awards | 3.0 | 4.1 | — |
| Total weighted average shares outstanding, including dilutive shares | 240.6 | 241.7 | 236.0 |

Additional stock-based awards of 7.8 million, 6.7 million and 11.5 million weighted average equivalent shares of stock were outstanding during the years ended December 31, 2012, 2011 and 2010, 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.

The impact of the share repurchase program did not increase earnings per share for the year ended December 31, 2012. For more information on the share repurchase program, see "Note 21. Huntsman Corporation Stockholders' Equity—Share Repurchase Program."

Other Noncurrent Assets

## OTHER NONCURRENT ASSETS

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

Principles of Consolidation

## 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, except for intercompany sales between continuing and discontinued operations.

Property, Plant and Equipment

## 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 | 10 - 33 years |
| Plant and equipment | 3 - 25 years |
| Furniture, fixtures and leasehold improvements | 5 - 20 years |

Interest expense capitalized as part of plant and equipment was $4 million, $2 million and $1 million for the years ended December 31, 2012, 2011 and 2010, respectively.

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

Research and Development

**RESEARCH AND DEVELOPMENT**

Research and development costs are expensed as incurred.

Revenue Recognition

**REVENUE RECOGNITION**

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

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

Securitization of Accounts Receivable

**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 through a conduit program (in both U.S. dollars and euros). Receivables transferred under the A/R Programs qualified as sales through December 31, 2009. Upon adoption of new accounting guidance on January 1, 2010, transfers of accounts receivable under our A/R Programs no longer met the criteria for derecognition. Accordingly, the amounts outstanding under our A/R Programs are accounted for as secured borrowings beginning in 2010. See "Note 14. Debt—A/R Programs."

Stock-Based Compensation

**STOCK-BASED COMPENSATION**

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which the employee is required to provide services in exchange for the award. See "Note 22. Stock-Based Compensation Plan."

Subsequent Events

**SUBSEQUENT EVENTS**

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

Use of Estimates

**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.

| HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY (Details) (USD $) In Millions, except Share data, unless otherwise specified | 1 Months Ended | | | | | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sep. 30, 2010 | Jun. 30, 2010 | Mar. 31, 2010 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Value of stock repurchased | | | | | | | | | | | | | | $ 50 | |
| **DIVIDENDS ON COMMON STOCK** | | | | | | | | | | | | | | | |
| Cash dividends paid | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 96 | 96 | 96 |
| Cash dividends paid (in dollars per share) | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.10 | $ 0.40 | $ 0.40 | $ 0.40 |
| Common stock | | | | | | | | | | | | | | | |
| Amount authorized for repurchase of common stock | | | | | | | | | | | | | 100 | | |
| Number of shares repurchased | | | | | | | | | | | | | | 4,000,000 | |
| Value of stock repurchased | | | | | | | | | | | | | | 50 | |
| **DIVIDENDS ON COMMON STOCK** | | | | | | | | | | | | | | | |
| Remaining amount of authorized repurchase of common stock | | | | | | | | | | | | | $ 50 | | |

| CONSOLIDATED STATEMENTS OF OPERATIONS (Parenthetical) (USD $) | 12 Months Ended | | |
| --- | --- | --- | --- |
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| Tax on extraordinary gain (loss) | | | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | |
| Tax on extraordinary gain (loss) | | | |

| OTHER NONCURRENT LIABILITIES (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | | Dec. 31, 2011 | | Dec. 31, 2010 |
|---|---|---|---|---|---|
| **Other noncurrent liabilities** | | | | | |
| Pension liabilities | $ 830 | | $ 689 | | |
| Other postretirement benefits | 131 | | 122 | | |
| Environmental accruals | 24 | | 29 | | |
| Restructuring and plant closing costs | 12 | | 1 | | |
| Asset retirement obligations | 28 | | 26 | | 24 |
| Employee benefit accrual | 34 | | 22 | | |
| Legal reserve | 11 | | 22 | | |
| Other | 91 | | 101 | | |
| Other noncurrent liabilities | 1,161 | [1] | 1,012 | [1] | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | | |
| **Other noncurrent liabilities** | | | | | |
| Pension liabilities | 830 | | 689 | | |
| Other postretirement benefits | 131 | | 122 | | |
| Environmental accruals | 24 | | 29 | | |
| Restructuring and plant closing costs | 12 | | 1 | | |
| Asset retirement obligations | 28 | | 26 | | |
| Employee benefit accrual | 34 | | 22 | | |
| Legal reserve | 11 | | 22 | | |
| Other | 87 | | 92 | | |
| Other noncurrent liabilities | $ 1,157 | [1] | $ 1,003 | [1] | |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

GENERAL

GENERAL
GENERAL

12 Months Ended
Dec. 31, 2012

**1. GENERAL**

**DEFINITIONS**

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

In this report, we may use, without definition, the common names of competitors or other industry participants. We may also use the common names or abbreviations for certain chemicals or products.

**DESCRIPTION OF BUSINESS**

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

We operate in five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments. Our Polyurethanes, Performance Products, Advanced Materials and Textile Effects segments produce differentiated organic chemical products and our Pigments segment produces inorganic chemical products. In a series of transactions beginning in 2006, we sold or shutdown substantially all of our Australian styrenics operations and our North American polymers and base chemicals operations. We report the results of these businesses as discontinued operations. See "Note 25. Discontinued Operations."

**COMPANY**

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

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

**HUNTSMAN CORPORATION AND HUNTSMAN INTERNATIONAL FINANCIAL STATEMENTS**

Except where otherwise indicated, these notes relate to the consolidated financial statements for both our Company and Huntsman International. The differences between our consolidated financial statements and Huntsman International's consolidated financial statements relate primarily to the following:

- purchase accounting recorded at our Company for the 2003 step-acquisition of Huntsman International Holdings LLC, the former parent company of Huntsman International that was merged into Huntsman International in 2005;

- the different capital structures;

- a note payable from Huntsman International to us;

- expenses associated with the Terminated Merger and related litigation;

**COMMITMENTS AND CONTINGENCIES (Tables)**

**12 Months Ended Dec. 31, 2012**

**COMMITMENTS AND CONTINGENCIES**

Schedule of total purchase commitments

Total purchase commitments as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | |
|---|---|
| 2013 | $1,138 |
| 2014 | 435 |
| 2015 | 237 |
| 2016 | 59 |
| 2017 | 59 |
| Thereafter | 30 |
| | $1,958 |

Schedule of future minimum lease payments under operating leases

Future minimum lease payments under operating leases as of December 31, 2012 are as follows (dollars in millions):

| Year ending December 31 | |
|---|---|
| 2013 | $79 |
| 2014 | 68 |
| 2015 | 53 |
| 2016 | 45 |
| 2017 | 40 |
| Thereafter | 60 |
| | $345 |

Schedule of cases for which service has been tendered and accepted

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 1,080 | 1,116 | 1,138 |
| Tendered during period | 3 | 10 | 24 |
| Resolved during period(1) | 3 | 46 | 46 |
| Unresolved at end of period | 1,080 | 1,080 | 1,116 |

**(1)** Although the indemnifying party informs us when tendered cases have been resolved, it generally does not inform us of the settlement amounts relating to such cases, if any. The indemnifying party has informed us that it typically manages our defense together with the defense of other entities in such cases and resolves claims involving multiple defendants simultaneously, and that it considers the allocation of settlement amounts, if any, among defendants to be confidential and proprietary. Consequently, we are not able to provide the number of cases resolved with payment by the indemnifying party or the amount of such payments.

Schedule of cases filed and received by the company

| | Year ended December 31, 2012 | Year ended December 31, 2011 | Year ended December 31, 2010 |
|---|---|---|---|
| Unresolved at beginning of period | 36 | 37 | 39 |
| Filed during period | 21 | 11 | 5 |
| Resolved during period | 7 | 12 | 7 |
| Unresolved at end of period | 50 | 36 | 37 |

| ACCRUED LIABILITIES (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | | Dec. 31, 2011 | |
|---|---|---|---|---|
| **Accrued Liabilities** | | | | |
| Payroll and related costs | $ 149 | | $ 158 | |
| Interest | 34 | | 49 | |
| Volume and rebate accruals | 85 | | 91 | |
| Income taxes | 24 | | 46 | |
| Taxes other than income taxes | 87 | | 61 | |
| Restructuring and plant closing costs | 93 | | 91 | |
| Environmental accruals | 10 | | 7 | |
| Pension liabilities | 11 | | 12 | |
| Other postretirement benefits | 12 | | 12 | |
| Self-insured casualty loss reserves | 11 | | 13 | |
| Deferred Revenue | 16 | | 28 | |
| Legal reserve | 15 | | 15 | |
| Other miscellaneous accruals | 158 | | 112 | |
| Total | 705 | [1] | 695 | [1] |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| **Accrued Liabilities** | | | | |
| Payroll and related costs | 149 | | 158 | |
| Interest | 34 | | 49 | |
| Volume and rebate accruals | 85 | | 91 | |
| Income taxes | 44 | | 46 | |
| Taxes other than income taxes | 87 | | 61 | |
| Restructuring and plant closing costs | 93 | | 91 | |
| Environmental accruals | 10 | | 7 | |
| Pension liabilities | 11 | | 12 | |
| Other postretirement benefits | 12 | | 12 | |
| Self-insured casualty loss reserves | 11 | | 13 | |
| Deferred Revenue | 16 | | 28 | |
| Legal reserve | 15 | | 15 | |
| Other miscellaneous accruals | 156 | | 111 | |
| Total | $ 723 | [1] | $ 694 | [1] |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| ENVIRONMENTAL, HEALTH AND SAFETY MATTERS (Details) (USD $) In Millions, unless otherwise specified | 1 Months Ended | 12 Months Ended | | |
|---|---|---|---|---|
| | Jun. 30, 2007 | Dec. 31, 2012 t item | Dec. 31, 2011 | Dec. 31, 2010 |
| **ENVIRONMENTAL, HEALTH AND SAFETY MATTERS** | | | | |
| Capital expenditures for EHS matters | | $ 105 | $ 92 | $ 85 |
| Number of former facilities or third party sites with claims against the entity for cleanup liabilities | | 10 | | |
| Number of former facilities or third party sites with claims against the entity for cleanup liabilities operated by predecessor companies | | 1 | | |
| Liability related to estimated environmental remediation costs | | 29 | | |
| Accrued environmental liabilities | | 34 | 36 | |
| Accrued environmental liabilities, classified as accrued liabilities | | 10 | 7 | |
| Accrued environmental liabilities, classified as other noncurrent liabilities | | 24 | 29 | |
| Maximum period for payment of remediation liabilities | | 30 years | | |
| Period over which Registration, Evaluation and Authorization of Chemicals (REACH) program is phased | 11 years | | | |
| Minimum quantity of chemical substances and isolated intermediates, companies can manufacture in or import into the EEA per year which will require registration | | 1 | | |
| REACH compliance expenditures | | $ 8 | $ 5 | $ 9 |

| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | |
|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Foreign Currency Translation** | | | |
| Cumulative inflation rate used to determine if economic environment is highly inflationary (as a percent) | 100.00% | | |
| Period used to determine if economic environment is highly inflationary | 3 years | | |
| Foreign currency transaction net losses | $ 4 | $ 3 | $ 2 |
| Minimum | | | |
| **DERIVATIVES AND HEDGING ACTIVITIES** | | | |
| Minimum interval period of effectiveness assessments | 3 months | | |
| Derivative designated as a cash flow hedge, effectiveness percentage (as a percent) | 80.00% | | |
| Maximum | | | |
| **DERIVATIVES AND HEDGING ACTIVITIES** | | | |
| Derivative designated as a cash flow hedge, effectiveness percentage (as a percent) | 125.00% | | |

## INCOME TAXES

| INCOME TAXES | 12 Months Ended Dec. 31, 2012 |
|---|---|

**INCOME TAXES**

INCOME TAXES

**18. INCOME TAXES**

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

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income tax expense (benefit): | | | |
| U.S. | | | |
| Current | $156 | $69 | $(35 ) |
| Deferred | 17 | 4 | 47 |
| Non-U.S. | | | |
| Current | 51 | 63 | 41 |
| Deferred | (55 ) | (27 ) | (24 ) |
| Total | $169 | $109 | $29 |

**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income tax expense (benefit): | | | |
| U.S. | | | |
| Current | $52 | $7 | $(23 ) |
| Deferred | 129 | 69 | 45 |
| Non-U.S. | | | |
| Current | 51 | 63 | 41 |
| Deferred | (53 ) | (26 ) | (23 ) |
| Total | $179 | $113 | $40 |

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

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income from continuing operations before income taxes | $547 | $360 | $20 |
| Expected tax expense at U.S. statutory rate of 35% | $192 | $126 | $7 |
| Change resulting from: | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4 ) |
| Non-U.S. tax rate differentials | 1 | 6 | (16 ) |
| Effects of non-U.S. operations | (2 ) | 8 | 22 |
| U.S. domestic manufacturing deduction | (16 ) | (5 ) | — |

| | | | |
|---|---|---|---|
| Unrealized currency exchange gains and losses | 11 | (5) | (6) |
| Effect of tax holidays | (12) | (1) | 2 |
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | — |
| Portion of Convertible Note loss on early extinguishment of debt treated as equity repurchase for tax purposes | — | — | 43 |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) |
| Change in valuation allowance | (11) | (16) | (19) |
| Other, net | 7 | (11) | 16 |
| Total income tax expense | $169 | $109 | $29 |

**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Income from continuing operations before income taxes | $559 | $370 | $184 |
| Expected tax expense at U.S. statutory rate of 35% | $196 | $130 | $64 |
| Change resulting from: | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4) |
| Non-U.S. tax rate differentials | 1 | 6 | (16) |
| Effects of non-U.S. operations | (1) | 8 | 22 |
| U.S. domestic manufacturing deduction | (8) | — | — |
| Unrealized currency exchange gains and losses | 11 | (5) | (6) |
| Effect of tax holidays | (12) | (1) | 2 |
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | — |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) |
| Change in valuation allowance | (14) | (19) | (22) |
| Other, net | 7 | (13) | 16 |
| Total income tax expense | $179 | $113 | $40 |

On September 8, 2009, we announced the closure of our Australia styrenics operations. U.S. tax law, under our relevant facts, provides for a deduction on investments that are "worthless" for U.S. tax purposes. Therefore, during 2012, 2011, and 2010, we recorded tax benefits of $3 million, $2 million and $28 million, respectively, in discontinued operations related to the closure of and the cumulative U.S. investments in our Australia styrenics business.

We operate in 42 non-U.S. tax jurisdictions, and there is no specific country where our operations earn a predominant amount of our off-shore earnings. While the vast majority of these countries have income tax rates that are lower than the U.S. statutory rate, the operating losses we incur in some of our non-U.S. jurisdictions mitigate the amount of tax rate benefit we would otherwise realize from these tax rate differentials.

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

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

**Huntsman Corporation**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| U.S. | $482 | $256 | $(126) |
| Non-U.S. | 65 | 104 | 146 |
| Total | $547 | $360 | $20 |

**Huntsman International**

| | Year ended December 31, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| U.S. | $494 | $255 | $38 |
| Non-U.S. | 65 | 115 | 146 |
| Total | $559 | $370 | $184 |

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

**Huntsman Corporation**

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Deferred income tax assets: | | |
| Net operating loss carryforwards | $819 | $783 |
| Pension and other employee compensation | 289 | 256 |
| Property, plant and equipment | 69 | 77 |
| Intangible assets | 34 | 36 |
| Foreign tax credits | 71 | 46 |
| Other, net | 107 | 139 |
| Total | $1,389 | $1,337 |
| Deferred income tax liabilities: | | |
| Property, plant and equipment | $(551) | $(549) |
| Pension and other employee compensation | — | (25) |
| Other, net | (88) | (108) |
| Total | $(639) | $(682) |
| Net deferred tax asset before valuation allowance | $750 | $655 |
| Valuation allowance | (736) | (756) |
| Net deferred tax asset (liability) | $14 | $(101) |
| Current deferred tax asset | $51 | $20 |

| | | |
|---|---|---|
| Current deferred tax liability | (38) | (7) |
| Non-current deferred tax asset | 229 | 195 |
| Non-current deferred tax liability | (228) | (309) |
| Net deferred tax asset (liability) | $14 | $(101) |

**Huntsman International**

| | December 31, 2012 | December 31, 2011 |
|---|---|---|
| Deferred income tax assets: | | |
| Net operating loss and AMT credit carryforwards | $819 | $895 |
| Pension and other employee compensation | 288 | 254 |
| Property, plant and equipment | 69 | 77 |
| Intangible assets | 33 | 35 |
| Foreign tax credits | 113 | 82 |
| Other, net | 106 | 140 |
| Total | $1,428 | $1,483 |
| Deferred income tax liabilities: | | |
| Property, plant and equipment | $(524) | $(515) |
| Pension and other employee compensation | — | (25) |
| Other, net | (88) | (107) |
| Total | $(612) | $(647) |
| Net deferred tax asset before valuation allowance | $816 | $836 |
| Valuation allowance | (745) | (768) |
| Net deferred tax asset | $71 | $68 |
| Current deferred tax asset | $51 | $40 |
| Current deferred tax liability | (39) | (29) |
| Non-current deferred tax asset | 229 | 163 |
| Non-current deferred tax liability | (170) | (106) |
| Net deferred tax asset | $71 | $68 |

We have net operating loss carryforwards ("NOLs") of $2,893 million in various non-U.S. jurisdictions. While the majority of the non-U.S. NOLs have no expiration date, $1,327 million have a limited life (of which $1,127 million are subject to a valuation allowance) and $17 million are scheduled to expire in 2013 (all of which are subject to a valuation allowance). We had no NOLs expire unused in 2012.

Included in the $2,893 million of non-U.S. NOLs is $860 million attributable to our Luxembourg entities. As of December 31, 2012, there is a valuation allowance of $222 million against these net tax-effected NOLs of $247 million. Due to the uncertainty surrounding the realization of the benefits of these losses, we have reduced substantially all of the related deferred tax asset with a valuation allowance.

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.

During 2012, we released valuation allowances of $24 million on a portion of our net deferred tax assets in China, in certain U.S. states and in Luxembourg, and we established valuation allowances of $23 million on certain net deferred tax assets in the U.S., India and Indonesia.

Primarily as a result of a cumulative history of operating profits, we released certain valuation allowances in China and in certain U.S. state tax jurisdictions of $9 million and $2 million, respectively. Additionally, a partial valuation allowance release was recognized in Luxembourg for $12 million as a result of significant changes in estimated future taxable income resulting from changed circumstances.

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

During 2011, we released valuation allowances of $27 million on certain net deferred tax assets in France and Spain (as a result of recent profitability in our Pigments business), Singapore (as a result of a cumulative history of operating profits), Australia (as a result of discontinuing the unprofitable portion of the business operations in that country) and Luxembourg (as a result of restructuring our internal treasury activities such that a portion of the deferred tax assets is more likely than not to be realized). During 2010, we released valuation allowances of $20 million on certain net deferred tax assets, principally in Australia (as a result of discontinuing the unprofitable portion of the business operations in that country) and Luxembourg (as a result of restructuring our internal treasury activities such that a portion of the deferred tax assets is more likely than not to be realized).

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.

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

**Huntsman Corporation**

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Valuation allowance as of January 1 | $756 | $797 | $842 |
| Valuation allowance as of December 31 | 736 | 756 | 797 |
| Net decrease | 20 | 41 | 45 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 5 | (27) |
| Change in valuation allowance per rate reconciliation | $11 | $16 | $19 |
| Components of change in valuation allowance affecting tax expense: | | | |
| Pre-tax losses in jurisdictions with valuation allowances resulting in no tax expense or benefit | $10 | $(6) | $(1) |

| | | | |
|---|---|---|---|
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | — |
| Change in valuation allowance per rate reconciliation | $11 | $16 | $19 |

**Huntsman International**

| | 2012 | 2011 | 2010 |
|---|---|---|---|
| Valuation allowance as of January 1 | $768 | $813 | $861 |
| Valuation allowance as of December 31 | 745 | 768 | 813 |
| Net decrease | 23 | 45 | 48 |
| Foreign currency movements | 7 | (30) | 1 |
| (Decrease) increase to deferred tax assets with an offsetting (decrease) increase to valuation allowances | (16) | 4 | (27) |
| Change in valuation allowance per rate reconciliation | $14 | $19 | $22 |
| Components of change in valuation allowance affecting tax expense: | | | |
| Pre-tax income (losses) in jurisdictions with valuation allowances resulting in no tax expense or benefit | $13 | $(3) | $2 |
| Releases of valuation allowances in various jurisdictions | 24 | 27 | 20 |
| Establishments of valuation allowances in various jurisdictions | (23) | (5) | — |
| Change in valuation allowance per rate reconciliation | $14 | $19 | $22 |

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

| | 2012 | 2011 |
|---|---|---|
| Unrecognized tax benefits as of January 1 | $39 | $43 |
| Gross increases and decreases—tax positions taken during a prior period | 15 | (3) |
| Gross increases and decreases—tax positions taken during the current period | 9 | 3 |
| Decreases related to settlements of amounts due to tax authorities | (3) | — |
| Reductions resulting from the lapse of statutes of limitation | (3) | (4) |
| Foreign currency movements | — | — |
| Unrecognized tax benefits as of December 31 | $57 | $39 |

As of December 31, 2012 and 2011, the amount of unrecognized tax benefits which, if recognized, would affect the effective tax rate is $37 million and $31 million, respectively.

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, | | |
|---|---|---|---|
| | 2012 | 2011 | 2010 |
| Interest expense included in tax expense | $(1 ) | $5 | $1 |
| Penalties expense included in tax expense | — | — | — |

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Accrued liability for interest | $10 | $13 |
| Accrued liability for penalties | 1 | 2 |

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 | 2001 and later |
| France | 2002 and later |
| India | 2004 and later |
| Italy | 2008 and later |
| Malaysia | 2003 and later |
| Switzerland | 2006 and later |
| The Netherlands | 2007 and later |
| United Kingdom | 2009 and later |
| United States federal | 2011 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 $1 million to $19 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 no corresponding benefit to our income tax expense.

During 2012, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, Hong Kong, Thailand and Japan. During 2011, 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, Australia, China, France and Germany. During 2010, we concluded and settled tax examinations in the U.S. (both federal and various states) and various non-U.S. jurisdictions including, but not limited to, Belgium, Spain, Indonesia, Thailand and the U.K.

For non-U.S. entities that were not treated as branches for U.S. tax purposes, we do not provide for income taxes on the undistributed earnings of these subsidiaries as earnings are reinvested and, in the opinion of management, will continue to be reinvested indefinitely. The undistributed earnings of foreign subsidiaries that are deemed to be permanently invested were approximately $215 million at December 31, 2012. It is not practicable to determine the unrecognized deferred tax liability on those earnings. We have material inter-company debt obligations owed by our non-U.S. subsidiaries to the U.S. We do not intend to repatriate earnings to the U.S. via dividend based on estimates of future domestic cash generation and our ability to return cash to the U.S. through payments of inter-company debt owned by our non-U.S. subsidiaries to the U.S. To the extent that cash is required in the U.S., rather than repatriate earnings to the U.S. via dividend, we expect to utilize our inter-company debt. If any earnings were repatriated via dividend, we would need to accrue and pay taxes on the distributions.

| CONDENSED CONSOLIDATING FINANCIAL INFORMATION OF HUNTSMAN INTERNATIONAL LLC (UNAUDITED) (Details) (USD $) In Millions, unless otherwise specified | Dec. 31, 2012 | | Dec. 31, 2011 | | Dec. 31, 2010 | Dec. 31, 2009 |
|---|---|---|---|---|---|---|
| **Condensed consolidating financial statements** | | | | | | |
| Percentage of holding in subsidiaries | 100.00% | | | | | |
| **Current assets:** | | | | | | |
| Cash and cash equivalents | $ 387 | [1] | $ 554 | [1] | $ 966 | $ 1,745 |
| Restricted cash | 9 | [1] | 8 | [1] | | |
| Accounts and notes receivable (net) | 1,534 | [1] | 1,529 | [1] | | |
| Accounts receivable from affiliates | 49 | | 5 | | | |
| Inventories | 1,819 | [1] | 1,539 | [1] | | |
| Prepaid expenses | 48 | | 46 | | | |
| Deferred income taxes | 51 | | 20 | | | |
| Other current assets | 222 | [1] | 245 | [1] | | |
| Total current assets | 4,119 | | 3,946 | | | |
| Property, plant and equipment, net | 3,745 | [1] | 3,622 | [1] | | |
| Investment in unconsolidated affiliates | 238 | | 202 | | | |
| Intangible assets, net | 68 | [1] | 91 | [1] | | |
| Goodwill | 117 | | 114 | | | |
| Deferred income taxes | 229 | | 195 | | | |
| Notes receivable from affiliates | 2 | | 5 | | | |
| Other noncurrent assets | 366 | [1] | 482 | [1] | | |
| Total assets | 8,884 | | 8,657 | | | |
| **Current liabilities:** | | | | | | |
| Accounts payable | 1,102 | [1] | 862 | [1] | | |
| Accounts payable to affiliates | 48 | | 50 | | | |
| Accrued liabilities | 705 | [1] | 695 | [1] | | |
| Deferred income taxes | 38 | | 7 | | | |
| Current portion of debt | 288 | [1] | 212 | [1] | | |
| Total current liabilities | 2,181 | | 1,826 | | | |
| Long-term debt | 3,414 | [1] | 3,730 | [1] | | |
| Notes payable to affiliates | 4 | | 4 | | | |
| Deferred income taxes | 228 | | 309 | | | |
| Other noncurrent liabilities | 1,161 | [1] | 1,012 | [1] | | |

| | | | | |
|---|---|---|---|---|
| Total liabilities | 6,988 | 6,881 | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | |
| Accumulated deficit | (687) | (947) | | |
| Accumulated other comprehensive (loss) income | (744) | (559) | | |
| Noncontrolling interests in subsidiaries | 123 | 114 | | |
| Total liabilities and equity | 8,884 | 8,657 | | |
| Parent Company | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | 7 | 4 | 220 | 688 |
| Accounts and notes receivable (net) | 16 | 13 | | |
| Accounts receivable from affiliates | 1,733 | 1,105 | | |
| Inventories | 111 | 105 | | |
| Prepaid expenses | 10 | 9 | | |
| Deferred income taxes | 7 | 6 | | |
| Other current assets | 203 | 90 | | |
| Total current assets | 2,087 | 1,332 | | |
| Property, plant and equipment, net | 371 | 393 | | |
| Investment in unconsolidated affiliates | 5,413 | 5,286 | | |
| Intangible assets, net | 27 | 42 | | |
| Goodwill | (18) | (16) | | |
| Deferred income taxes | 248 | 154 | | |
| Notes receivable from affiliates | 21 | 20 | | |
| Other noncurrent assets | 72 | 81 | | |
| Total assets | 8,221 | 7,292 | | |
| **Current liabilities:** | | | | |
| Accounts payable | 87 | 53 | | |
| Accounts payable to affiliates | 2,987 | 2,244 | | |
| Accrued liabilities | 87 | 117 | | |
| Note payable to affiliate | 100 | 100 | | |
| Current portion of debt | 15 | 33 | | |
| Total current liabilities | 3,276 | 2,547 | | |
| Long-term debt | 3,026 | 3,128 | | |
| Notes payable to affiliates | 595 | 435 | | |
| Deferred income taxes | 14 | 9 | | |
| Other noncurrent liabilities | 216 | 196 | | |
| Total liabilities | 7,127 | 6,315 | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | |
| Members' equity | 3,109 | 3,081 | | |
| Accumulated deficit | (1,224) | (1,493) | | |
| Accumulated other comprehensive (loss) income | (791) | (611) | | |
| Total Huntsman International LLC members' equity | 1,094 | 977 | | |
| Total equity | 1,094 | 977 | | |

| | | | | |
|---|---|---|---|---|
| Total liabilities and equity | 8,221 | 7,292 | | |
| Guarantors | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | 2 | | 9 | 24 |
| Accounts and notes receivable (net) | 182 | 151 | | |
| Accounts receivable from affiliates | 3,907 | 3,041 | | |
| Inventories | 309 | 271 | | |
| Prepaid expenses | 7 | 7 | | |
| Other current assets | 5 | 9 | | |
| Total current assets | 4,412 | 3,479 | | |
| Property, plant and equipment, net | 898 | 868 | | |
| Investment in unconsolidated affiliates | 1,360 | 1,460 | | |
| Intangible assets, net | 2 | 2 | | |
| Goodwill | 82 | 82 | | |
| Notes receivable from affiliates | 941 | 920 | | |
| Other noncurrent assets | 139 | 137 | | |
| Total assets | 7,834 | 6,948 | | |
| **Current liabilities:** | | | | |
| Accounts payable | 280 | 205 | | |
| Accounts payable to affiliates | 1,111 | 822 | | |
| Accrued liabilities | 342 | 204 | | |
| Deferred income taxes | 45 | 39 | | |
| Total current liabilities | 1,778 | 1,270 | | |
| Deferred income taxes | 169 | 79 | | |
| Other noncurrent liabilities | 190 | 163 | | |
| Total liabilities | 2,137 | 1,512 | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | |
| Members' equity | 4,689 | 4,754 | | |
| Accumulated deficit | (243) | (820) | | |
| Accumulated other comprehensive (loss) income | 1,251 | 1,502 | | |
| Total Huntsman International LLC members' equity | 5,697 | 5,436 | | |
| Total equity | 5,697 | 5,436 | | |
| Total liabilities and equity | 7,834 | 6,948 | | |
| Non-guarantors | | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | 201 | 227 | 332 | 207 |
| Restricted cash | 9 | 8 | | |
| Accounts and notes receivable (net) | 1,336 | 1,365 | | |
| Accounts receivable from affiliates | 101 | 93 | | |
| Inventories | 1,404 | 1,167 | | |
| Prepaid expenses | 43 | 43 | | |
| Deferred income taxes | 57 | 49 | | |
| Other current assets | 225 | 222 | | |

| | | |
|---|---|---|
| Total current assets | 3,376 | 3,174 |
| Property, plant and equipment, net | 2,386 | 2,247 |
| Investment in unconsolidated affiliates | 159 | 147 |
| Intangible assets, net | 42 | 52 |
| Goodwill | 53 | 48 |
| Deferred income taxes | 224 | 191 |
| Notes receivable from affiliates | 2 | 5 |
| Other noncurrent assets | 156 | 264 |
| Total assets | 6,398 | 6,128 |
| **Current liabilities:** | | |
| Accounts payable | 734 | 604 |
| Accounts payable to affiliates | 1,406 | 1,089 |
| Accrued liabilities | 518 | 487 |
| Deferred income taxes | 9 | 7 |
| Current portion of debt | 273 | 179 |
| Total current liabilities | 2,940 | 2,366 |
| Long-term debt | 388 | 602 |
| Notes payable to affiliates | 965 | 944 |
| Deferred income taxes | 49 | 98 |
| Other noncurrent liabilities | 751 | 644 |
| Total liabilities | 5,093 | 4,654 |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | |
| Members' equity | 2,262 | 2,343 |
| Accumulated deficit | (354) | (396) |
| Accumulated other comprehensive (loss) income | (692) | (546) |
| Total Huntsman International LLC members' equity | 1,216 | 1,401 |
| Noncontrolling interests in subsidiaries | 89 | 73 |
| Total equity | 1,305 | 1,474 |
| Total liabilities and equity | 6,398 | 6,128 |
| Eliminations | | |
| **Current assets:** | | |
| Accounts receivable from affiliates | (5,442) | (4,091) |
| Inventories | (5) | (4) |
| Prepaid expenses | (12) | (13) |
| Deferred income taxes | (13) | (15) |
| Other current assets | (211) | (101) |
| Total current assets | (5,683) | (4,224) |
| Property, plant and equipment, net | 1 | 2 |
| Investment in unconsolidated affiliates | (6,694) | (6,691) |
| Intangible assets, net | (1) | (3) |
| Deferred income taxes | (243) | (182) |
| Notes receivable from affiliates | (962) | (940) |
| Other noncurrent assets | (1) | |

| | | | | |
|---|---|---|---|---|
| Total assets | (13,583) | (12,038) | | |
| **Current liabilities:** | | | | |
| Accounts payable to affiliates | (5,442) | (4,091) | | |
| Accrued liabilities | (224) | (114) | | |
| Deferred income taxes | (15) | (17) | | |
| Total current liabilities | (5,681) | (4,222) | | |
| Notes payable to affiliates | (961) | (940) | | |
| Deferred income taxes | (62) | (80) | | |
| Total liabilities | (6,704) | (5,242) | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | |
| Members' equity | (6,951) | (7,097) | | |
| Accumulated deficit | 597 | 1,216 | | |
| Accumulated other comprehensive (loss) income | (559) | (956) | | |
| Total Huntsman International LLC members' equity | (6,913) | (6,837) | | |
| Noncontrolling interests in subsidiaries | 34 | 41 | | |
| Total equity | (6,879) | (6,796) | | |
| Total liabilities and equity | (13,583) | (12,038) | | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| **Condensed consolidating financial statements** | | | | |
| Percentage of holding in subsidiaries | 100.00% | | | |
| **Current assets:** | | | | |
| Cash and cash equivalents | 210 | [1] 231 | [1] 561 | 919 |
| Restricted cash | 9 | [1] 8 | [1] | |
| Accounts and notes receivable (net) | 1,534 | [1] 1,529 | [1] | |
| Accounts receivable from affiliates | 299 | 148 | | |
| Inventories | 1,819 | [1] 1,539 | [1] | |
| Prepaid expenses | 48 | 46 | | |
| Deferred income taxes | 51 | 40 | | |
| Other current assets | 222 | [1] 220 | [1] | |
| Total current assets | 4,192 | 3,761 | | |
| Property, plant and equipment, net | 3,656 | [1] 3,510 | [1] | |
| Investment in unconsolidated affiliates | 238 | 202 | | |
| Intangible assets, net | 70 | [1] 93 | [1] | |
| Goodwill | 117 | 114 | | |
| Deferred income taxes | 229 | 163 | | |
| Notes receivable from affiliates | 2 | 5 | | |
| Other noncurrent assets | 366 | [1] 482 | [1] | |
| Total assets | 8,870 | 8,330 | | |
| **Current liabilities:** | | | | |
| Accounts payable | 1,101 | [1] 862 | [1] | |
| Accounts payable to affiliates | 62 | 64 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Accrued liabilities | 723 | [1] | 694 | [1] | | |
| Deferred income taxes | 39 | | 29 | | | |
| Note payable to affiliate | 100 | | 100 | | | |
| Current portion of debt | 288 | [1] | 212 | [1] | | |
| Total current liabilities | 2,313 | | 1,961 | | | |
| Long-term debt | 3,414 | [1] | 3,730 | [1] | | |
| Notes payable to affiliates | 599 | | 439 | | | |
| Deferred income taxes | 170 | | 106 | | | |
| Other noncurrent liabilities | 1,157 | [1] | 1,003 | [1] | | |
| Total liabilities | 7,653 | | 7,239 | | | |
| **Huntsman Corporation stockholders' equity or Huntsman International LLC members' equity:** | | | | | | |
| Members' equity | 3,109 | | 3,081 | | | |
| Accumulated deficit | (1,224) | | (1,493) | | | |
| Accumulated other comprehensive (loss) income | (791) | | (611) | | | |
| Total Huntsman International LLC members' equity | 1,094 | | 977 | | | |
| Noncontrolling interests in subsidiaries | 123 | | 114 | | | |
| Total equity | 1,217 | | 1,091 | | 1,088 | 847 |
| Total liabilities and equity | $ 8,870 | | $ 8,330 | | | |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| Schedule I-Condensed Financial Information of Registrant (PARENT ONLY) (Details 5) (USD $) In Millions, unless otherwise specified | 1 Months Ended | | | | | | | | | | | | 3 Months Ended | | | | | | | | 12 Months Ended | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2010 | Sep. 30, 2010 | Jun. 30, 2010 | Mar. 31, 2010 | Dec. 31, 2012 | Sep. 30, 2012 | Jun. 30, 2012 | Mar. 31, 2012 | Dec. 31, 2011 | Sep. 30, 2011 | Jun. 30, 2011 | Mar. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 |
| **Operating Activities:** | | | | | | | | | | | | | | | | | | | | | | | |
| Net income | | | | | | | | | | | | | $ (40) | $ 116 | $ 124 | $ 163 | $ 105 | $ (34) | $ 114 | $ 62 | $ 363 | $ 247 | $ 27 |
| Equity in income of subsidiaries | | | | | | | | | | | | | | | | | | | | | (7) | (8) | (24) |
| Loss on disposal of businesses/ assets, net | | | | | | | | | | | | | | | | | | | | | | (38) | 8 |
| Stock-based compensation | | | | | | | | | | | | | | | | | | | | | 27 | 24 | 27 |
| Net cash provided by (used in) operating activities | | | | | | | | | | | | | | | | | | | | | 774 | 365 | (58) |
| **Investing Activities:** | | | | | | | | | | | | | | | | | | | | | | | |
| Net cash used in investing activities | | | | | | | | | | | | | | | | | | | | | (471) | (280) | (182) |
| **Financing Activities:** | | | | | | | | | | | | | | | | | | | | | | | |
| Call premiums related to early extinguishment of debt | | | | | | | | | | | | | | | | | | | | | (2) | (6) | (160) |
| Dividends paid to common stockholders | (24) | (24) | (24) | (24) | (24) | (24) | (24) | (24) | (24) | (24) | (24) | (24) | | | | | | | | | (96) | (96) | (96) |
| Repurchase and cancellation of stock awards | | | | | | | | | | | | | | | | | | | | | (7) | (8) | (6) |
| Proceeds from issuance of common stock | | | | | | | | | | | | | | | | | | | | | 3 | 3 | 3 |
| Repurchase of common stock | | | | | | | | | | | | | | | | | | | | | | (50) | |
| Other, net | | | | | | | | | | | | | | | | | | | | | (6) | | (2) |
| Net cash used in financing activities | | | | | | | | | | | | | | | | | | | | | (473) | (490) | (543) |
| Increase (Decrease) in cash and cash equivalents | | | | | | | | | | | | | | | | | | | | | (167) | (412) | (779) |
| Cash and cash equivalents at beginning of period | | | | | | | | | | | | | | | | 554 [1] | | | | 966 | 554 [1] | 966 | 1,745 |
| Cash and cash equivalents at end of period | 387 [1] | | | | 554 [1] | | | | 966 | | | | 387 [1] | | | | 554 [1] | | | | 387 [1] | 554 [1] | 966 |
| Huntsman Corporation | | | | | | | | | | | | | | | | | | | | | | | |
| **Operating Activities:** | | | | | | | | | | | | | | | | | | | | | | | |
| Net income | | | | | | | | | | | | | | | | | | | | | 363 | 247 | 27 |
| Equity in income of subsidiaries | | | | | | | | | | | | | | | | | | | | | (257) | (170) | (165) |
| Loss on disposal of businesses/ assets, net | | | | | | | | | | | | | | | | | | | | | | | 146 |
| Stock-based compensation | | | | | | | | | | | | | | | | | | | | | 1 | 1 | 3 |
| Noncash interest income | | | | | | | | | | | | | | | | | | | | | (13) | (13) | (19) |
| Changes in operating assets and liabilities | | | | | | | | | | | | | | | | | | | | | 128 | 62 | (4) |
| Net cash provided by (used in) operating activities | | | | | | | | | | | | | | | | | | | | | 222 | 127 | (12) |
| **Investing Activities:** | | | | | | | | | | | | | | | | | | | | | | | |
| Loan to affiliate | | | | | | | | | | | | | | | | | | | | | (299) | (105) | (110) |
| Repayments of loan by affiliate | | | | | | | | | | | | | | | | | | | | | 139 | 105 | 125 |
| Net cash used in investing activities | | | | | | | | | | | | | | | | | | | | | (160) | | 15 |
| **Financing Activities:** | | | | | | | | | | | | | | | | | | | | | | | |
| Repayments of Convertible Note | | | | | | | | | | | | | | | | | | | | | | | (250) |
| Call premiums related to early extinguishment of debt | | | | | | | | | | | | | | | | | | | | | | | (132) |
| Dividends paid to common stockholders | | | | | | | | | | | | | | | | | | | | | (96) | (96) | (96) |
| Repurchase and cancellation of stock awards | | | | | | | | | | | | | | | | | | | | | (7) | (8) | (6) |
| Proceeds from issuance of common stock | | | | | | | | | | | | | | | | | | | | | 3 | 3 | 3 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Increase (decrease) in receivable from affiliate | | | | | | | (108) | (57) | 57 |
| Repurchase of common stock | | | | | | | | (50) | |
| Other, net | | | | | | | | (1) | |
| Net cash used in financing activities | | | | | | | (208) | (209) | (424) |
| Increase (Decrease) in cash and cash equivalents | | | | | | | (146) | (82) | (421) |
| Cash and cash equivalents at beginning of period | | | | | 323 | 405 | 323 | 405 | 826 |
| Cash and cash equivalents at end of period | $ 177 | $ 323 | $ 405 | $ 177 | $ 323 | | $ 177 | $ 323 | $ 405 |

[1] At December 31, 2012 and 2011, respectively, $28 and $44 of cash and cash equivalents, $9 and $2 of restricted cash, $38 and $29 of accounts and notes receivable (net), $55 and $47 of inventories, nil and $1 of other current assets, $378 and $403 of property, plant and equipment (net), $19 and $23 of intangible assets (net), $28 and $21 of other noncurrent assets, $76 and $55 of accounts payable, $26 and $21 of accrued liabilities, $193 and $16 of current portion of debt, $77 and $264 of long-term debt, and $101 and $111 of other noncurrent liabilities from consolidated variable interest entities are included in the respective Balance Sheet captions above. See "Note 7. Variable Interest Entities."

| BUSINESS COMBINATIONS AND DISPOSITIONS (Details) (USD $)<br>In Millions, unless otherwise specified | 12 Months Ended | | | 1 Months Ended | 12 Months Ended | | | 1 Months Ended | 3 Months Ended | 12 Months Ended |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2011<br>EMA Acquisition | Dec. 31, 2011<br>EMA Acquisition | Dec. 31, 2010<br>EMA Acquisition | Dec. 30, 2011<br>EMA Acquisition | Nov. 30, 2011<br>Stereolithography resin and Digitalis machine manufacturing businesses | Dec. 31, 2011<br>Stereolithography resin and Digitalis machine manufacturing businesses | Dec. 31, 2010<br>Stereolithography resin and Digitalis machine manufacturing businesses |
| **BUSINESS COMBINATIONS AND DISPOSITIONS** | | | | | | | | | | |
| Cash paid for business acquisition, net of cash acquired | $ 18 | $ 34 | | $ 11 | | | | | | |
| Net sales related to the business acquired | | | | | 23 | 17 | | | | |
| Net loss associated with the business acquired | | | | | 3 | | | | | |
| Cash received from 3D Systems Corporation | | | | | | | | 41 | | |
| Revenues | | | | | | | | | | 7 |
| Gain on sale included in other income | | 38 | (8) | | | | | | 34 | |
| Goodwill derecognized due to sale of business | | | | | | | | 2 | | |
| Goodwill recorded in conjunction with acquisition | | | | | | | $ 9 | | | |

| SELECTED UNAUDITED QUARTERLY FINANCIAL DATA | 12 Months Ended Dec. 31, 2012 |
|---|---|

SELECTED UNAUDITED QUARTERLY FINANCIAL DATA

SELECTED UNAUDITED QUARTERLY FINANCIAL DATA

**29. SELECTED UNAUDITED QUARTERLY FINANCIAL DATA**

A summary of selected unaudited quarterly financial data for the years ended December 31, 2012 and 2011 is as follows (dollars in millions, except per share amounts):

**Huntsman Corporation**

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2012(1) | June 30, 2012 | September 30, 2012(1) | December 31, 2012(1)(2) |
| Revenues | $2,913 | $2,914 | $2,741 | $2,619 |
| Gross profit | 550 | 527 | 537 | 420 |
| Restructuring, impairment and plant closing costs | — | 5 | 47 | 40 |
| Income (loss) from continuing operations | 167 | 130 | 120 | (39) |
| Income (loss) before extraordinary gain | 163 | 128 | 119 | (39) |
| Net income (loss) | 163 | 128 | 120 | (38) |
| Net income (loss) attributable to Huntsman Corporation | 163 | 124 | 116 | (40) |
| Basic income (loss) per share(1): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.71 | 0.53 | 0.49 | (0.17) |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.69 | 0.52 | 0.49 | (0.17) |
| Diluted income (loss) per share(1): | | | | |

| | | | | |
|---|---|---|---|---|
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.70 | 0.52 | 0.48 | (0.17) |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.68 | 0.52 | 0.48 | (0.17) |

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2011 | June 30, 2011 | September 30, 2011(4) | December 31, 2011(5) |
| Revenues | $2,679 | $2,934 | $2,976 | $2,632 |
| Gross profit | 460 | 501 | 490 | 389 |
| Restructuring, impairment and plant closing costs (credits) | 7 | 9 | 155 | (4) |
| Income (loss) from continuing operations | 80 | 124 | (42) | 89 |
| Income (loss) before extraordinary gain | 66 | 123 | (32) | 93 |
| Net income (loss) | 67 | 124 | (32) | 95 |
| Net income (loss) attributable to Huntsman Corporation | 62 | 114 | (34) | 105 |
| Basic income (loss) per share(3): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.32 | 0.48 | (0.19) | 0.42 |
| Net income (loss) attributable to Huntsman Corporation | 0.26 | 0.48 | (0.14) | 0.45 |

| | | | | |
|---|---|---|---|---|
| common stockholders | | | | |
| Diluted income (loss) per share(3): | | | | |
| Income (loss) from continuing operations attributable to Huntsman Corporation common stockholders | 0.31 | 0.47 | (0.19) | 0.41 |
| Net income (loss) attributable to Huntsman Corporation common stockholders | 0.26 | 0.47 | (0.14) | 0.44 |

**Huntsman International**

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2012(1) | June 30, 2012 | September 30, 2012(1) | December 31, 2012(1)(2) |
| Revenues | $2,913 | $2,914 | $2,741 | $2,619 |
| Gross profit | 554 | 532 | 542 | 413 |
| Restructuring, impairment and plant closing costs | — | 5 | 47 | 40 |
| Income (loss) from continuing operations | 170 | 133 | 121 | (44) |
| Income (loss) before extraordinary gain | 166 | 131 | 120 | (44) |
| Net income (loss) | 166 | 131 | 121 | (43) |
| Net income (loss) attributable to Huntsman International LLC | 166 | 127 | 117 | (45) |

| | Three months ended | | | |
|---|---|---|---|---|
| | March 31, 2011 | June 30, 2011 | September 30, 2011(4) | December 31, 2011(5) |
| Revenues | $2,679 | $2,934 | $2,976 | $2,632 |
| Gross profit | 465 | 505 | 495 | 393 |
| Restructuring, impairment and | 7 | 9 | 155 | (4) |

| | | | | |
|---|---|---|---|---|
| plant closing costs | | | | |
| Income (loss) from continuing operations | 81 | 127 | (39) | 88 |
| Income (loss) before extraordinary gain | 67 | 126 | (29) | 92 |
| Net income (loss) | 68 | 127 | (29) | 94 |
| Net income (loss) attributable to Huntsman International LLC | 63 | 117 | (31) | 104 |

**(1)** During 2012, our Polyurethanes segment implemented a restructuring program to reduce annualized fixed costs by $75 million by the third quarter of 2013. In connection with this program, we recorded restructuring expenses of $5 million, $32 million and $1 million in the first, third and fourth quarters of 2012, respectively.

**(2)** During the fourth quarter of 2012, our Advanced Materials segment began implementing a global transformational change program, subject to consultation with relevant employee representatives, designed to improve the segment's manufacturing efficiencies, enhance commercial excellence and ensure its long-term global competitiveness. In connection with this global transformational change program, we recorded charges of $28 million related primarily to workforce reduction costs.
Also during the fourth quarter of 2012, we recorded a loss on early extinguishment of debt of $77 million in connection with the redemption of $400 million of our 2016 Senior Notes.

**(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)** During the quarter ended September 30, 2011, we announced plans to implement a significant restructuring of our Textile Effects business, including the closure of our production facilities and business support offices in Basel, Switzerland. In connection with this plan during 2011, we recorded a charge of $62 million for workforce reduction and a noncash $53 million charge for the impairment of long-lived assets at our Basel, Switzerland manufacturing facility.

**(5)** During the quarter ended December 31, 2011, our Advanced Materials division completed the sale of its stereolithography resin and Digitalis® machine manufacturing businesses to 3D Systems Corporation and recognized a pre-tax gain of $34 million.

| RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS | 12 Months Ended Dec. 31, 2012 |
|---|---|

**RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS**

RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

### 11. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

As of December 31, 2012, 2011 and 2010, accrued restructuring, impairment and plant closing costs by type of cost and initiative consisted of the following (dollars in millions):

| | Workforce reductions(1) | Demolition and decommissioning | Non-cancelable lease costs | Other restructuring costs | Total(2) |
|---|---|---|---|---|---|
| Accrued liabilities as of January 1, 2010 | $60 | $2 | $2 | $11 | $75 |
| 2010 charges for 2005 and prior initiatives | 1 | — | — | — | 1 |
| 2010 charges for 2008 initiatives | 1 | — | — | — | 1 |
| 2010 charges for 2009 initiatives | 4 | — | — | 5 | 9 |
| 2010 charges for 2010 initiatives | 22 | — | — | 1 | 23 |
| Reversal of reserves no longer required | (6) | — | (1) | — | (7) |
| 2010 payments for 2005 and prior initiatives | (1) | (1) | — | — | (2) |
| 2010 payments for 2006 initiatives | (3) | — | — | — | (3) |
| 2010 payments for 2008 initiatives | (7) | — | — | — | (7) |
| 2010 payments for 2009 initiatives | (11) | — | — | (5) | (16) |
| 2010 payments for 2010 initiatives | (1) | — | — | (2) | (3) |

| | | | | | |
|---|---|---|---|---|---|
| Net activity of discontinued operations | (26) | — | — | — | (26) |
| Foreign currency effect on liability balance | 3 | — | — | 1 | 4 |
| Accrued liabilities as of December 31, 2010 | 36 | 1 | 1 | 11 | 49 |
| 2011 charges for 2006 and prior initiatives | 1 | — | — | — | 1 |
| 2011 charges for 2009 initiatives | 1 | — | — | 6 | 7 |
| 2011 charges for 2010 initiatives | 2 | 2 | 10 | 1 | 15 |
| 2011 charges for 2011 initiatives | 87 | — | 1 | 1 | 89 |
| Reversal of reserves no longer required | (5) | — | — | — | (5) |
| 2011 payments for 2006 and prior initiatives | (1) | — | (1) | (1) | (3) |
| 2011 payments for 2008 initiatives | (2) | — | — | — | (2) |
| 2011 payments for 2009 initiatives | (6) | — | — | (6) | (12) |
| 2011 payments for 2010 initiatives | (17) | (3) | — | (1) | (21) |
| 2011 payments for 2011 initiatives | (13) | — | — | (1) | (14) |
| Net activity of discontinued operations | — | — | — | (2) | (2) |
| Foreign currency | (10) | — | — | — | (10) |

| | | | | | |
|---|---|---|---|---|---|
| effect on liability balance | | | | | |
| Accrued liabilities as of December 31, 2011 | 73 | — | 11 | 8 | 92 |
| 2012 charges for 2007 and prior initiatives | 2 | — | — | — | 2 |
| 2012 charges for 2009 initiatives | 1 | — | — | 4 | 5 |
| 2012 charges for 2010 initiatives | 2 | — | — | — | 2 |
| 2012 charges for 2011 initiatives | 4 | 5 | — | 6 | 15 |
| 2012 charges for 2012 initiatives | 64 | — | — | 5 | 69 |
| Reversal of reserves no longer required | (15) | — | — | (1) | (16) |
| 2012 payments for 2007 and prior initiatives | (2) | — | — | (1) | (3) |
| 2012 payments for 2009 initiatives | (1) | — | — | (5) | (6) |
| 2012 payments for 2010 initiatives | (3) | — | (1) | — | (4) |
| 2012 payments for 2011 initiatives | (25) | (6) | (1) | (5) | (37) |
| 2012 payments for 2012 initiatives | (12) | — | — | (6) | (18) |
| Foreign currency effect on liability balance | 2 | 1 | — | 1 | 4 |
| Accrued liabilities as | $90 | $— | $9 | $6 | $105 |

of December 31, 2012

(1) The total workforce reduction reserves of $90 million relate to the termination of 831 positions, of which 786 positions had not been terminated as of December 31, 2012.

(2) Accrued liabilities remaining at December 31, 2012 and 2011 by year of initiatives were as follows (dollars in millions):

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| 2007 initiatives and prior | $2 | $2 |
| 2009 initiatives | 7 | 11 |
| 2010 initiatives | 9 | 16 |
| 2011 initiatives | 34 | 63 |
| 2012 initiatives | 53 | — |
| Total | $105 | $92 |

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

| | Polyurethanes | Performance Products | Advanced Materials | Textile Effects | Pigments | Discontinued Operations | Corporate & Other | Total |
|---|---|---|---|---|---|---|---|---|
| Accrued liabilities as of January 1, 2010 | $2 | $— | $7 | $17 | $11 | $34 | $4 | $75 |
| 2010 charges for 2005 initiatives | — | — | — | — | 1 | — | — | 1 |
| 2010 charges for 2008 initiatives | — | — | — | 1 | — | — | — | 1 |
| 2010 charges for 2009 initiatives | — | — | 1 | — | 8 | — | — | 9 |
| 2010 charges for 2010 initiatives | — | 2 | — | 15 | — | — | 6 | 23 |
| Reversal of reserves no longer required | — | — | (3) | (1) | (2) | — | (1) | (7) |
| 2010 payments for 2005 initiatives | (1) | — | — | — | (1) | — | — | (2) |
| 2010 payments for 2006 initiatives | — | — | — | (3) | — | — | — | (3) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2010 payments for 2008 initiatives | (1 ) | — | — | (5 ) | (1 ) | — | — | (7 ) |
| 2010 payments for 2009 initiatives | — | — | (3 ) | (2 ) | (8 ) | — | (3 ) | (16 ) |
| 2010 payments for 2010 initiatives | — | (1 ) | — | — | — | — | (2 ) | (3 ) |
| Net activity of discontinued operations | — | — | — | — | — | (26 ) | — | (26 ) |
| Foreign currency effect on liability balance | — | — | — | 3 | — | — | 1 | 4 |
| Accrued liabilities as of December 31, 2010 | — | 1 | 2 | 25 | 8 | 8 | 5 | 49 |
| 2011 charges for 2006 and prior initiatives | — | — | — | 1 | — | — | — | 1 |
| 2011 charges for 2009 Initiatives | — | — | — | — | 7 | — | — | 7 |
| 2011 charges for 2010 Initiatives | — | — | — | 13 | — | — | 2 | 15 |
| 2011 charges for 2011 Initiatives | — | — | 21 | 65 | 3 | — | — | 89 |
| Reversal of reserves no longer required | — | — | (1 ) | (4 ) | — | — | — | (5 ) |
| 2011 payments for 2006 and prior initiatives | — | — | — | (2 ) | (1 ) | — | — | (3 ) |
| 2011 payments for 2008 Initiatives | — | — | — | (1 ) | (1 ) | — | — | (2 ) |
| 2011 payments for 2009 Initiatives | — | — | (1 ) | — | (11 ) | — | — | (12 ) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2011 payments for 2010 Initiatives | — | — | — | (15) | — | — | (6) | (21) |
| 2011 payments for 2011 Initiatives | — | — | (7) | (5) | (2) | — | — | (14) |
| Net activity of discontinued operations | — | — | — | — | — | (2) | — | (2) |
| Foreign currency effect on liability balance | — | — | (2) | (8) | — | — | — | (10) |
| Accrued liabilities as of December 31, 2011 | — | 1 | 12 | 69 | 3 | 6 | 1 | 92 |
| 2012 charges for 2007 and prior initiatives | — | — | — | 2 | — | — | — | 2 |
| 2012 charges for 2009 Initiatives | — | — | 1 | — | 4 | — | — | 5 |
| 2012 charges for 2010 Initiatives | — | 1 | — | — | — | — | 1 | 2 |
| 2012 charges for 2011 Initiatives | — | — | 3 | 12 | — | — | — | 15 |
| 2012 charges for 2012 Initiatives | 38 | — | 30 | — | — | — | 1 | 69 |
| Reversal of reserves no longer required | — | — | — | (16) | — | — | — | (16) |
| 2012 payments for 2007 and prior initiatives | — | — | — | (3) | — | — | — | (3) |
| 2012 payments for 2009 Initiatives | — | — | (1) | — | (5) | — | — | (6) |
| 2012 payments for 2010 Initiatives | — | (2) | — | (1) | — | — | (1) | (4) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2012 payments for 2011 Initiatives | — | — | (14) | (23) | — | — | — | (37) |
| 2012 payments for 2012 Initiatives | (12) | — | (6) | — | — | — | — | (18) |
| Foreign currency effect on liability balance | 1 | — | 2 | 2 | (1) | — | — | 4 |
| Accrued liabilities as of December 31, 2012 | $27 | $— | $27 | $42 | $1 | $6 | $2 | $105 |
| Current portion of restructuring reserves | $27 | $— | $26 | $31 | $1 | $6 | $2 | $93 |
| Long-term portion of restructuring reserve | — | — | 1 | 11 | — | — | — | 12 |
| Estimated additional future charges for current restructuring projects | | | | | | | | |
| Estimated additional charges within one year | $3 | $— | $17 | $80 | $— | $— | $— | $100 |
| Estimated additional charges beyond one year | — | — | 2 | — | — | — | — | 2 |

Details with respect to cash and noncash restructuring charges for the years ended December 31, 2012, 2011 and 2010 by initiative are provided below (dollars in millions):

| | |
|---|---|
| Cash charges: | |
| 2012 charges for 2007 and prior initiatives | $2 |
| 2012 charges for 2009 initiatives | 5 |
| 2012 charges for 2010 initiatives | 2 |
| 2012 charges for 2011 initiatives | 15 |
| 2012 charges for 2012 initiatives | 69 |
| Reversal of reserves no longer required | (16) |

| | |
|---|---|
| Non-cash charges | 15 |
| Total 2012 Restructuring, Impairment and Plant Closing Costs | $92 |
| Cash charges: | |
| 2011 charges for 2006 and prior initiatives | $1 |
| 2011 charges for 2009 initiatives | 7 |
| 2011 charges for 2010 initiatives | 15 |
| 2011 charges for 2011 initiatives | 89 |
| Reversal of reserves no longer required | (5 ) |
| Non-cash charges | 60 |
| Total 2011 Restructuring, Impairment and Plant Closing Costs | $167 |
| Cash charges: | |
| 2010 charges for 2005 and prior initiatives | $1 |
| 2010 charges for 2008 initiatives | 1 |
| 2010 charges for 2009 initiatives | 9 |
| 2010 charges for 2010 initiatives | 23 |
| Reversal of reserves no longer required | (7 ) |
| Non-cash charges | 2 |
| Total 2010 Restructuring, Impairment and Plant Closing Costs | $29 |

**2012 RESTRUCTURING ACTIVITIES**

During 2012, our Polyurethanes segment implemented a restructuring program to reduce annualized fixed costs by approximately $75 million by the third quarter of 2013. In connection with this program, we recorded restructuring expenses of $38 million during 2012 primarily for workforce reductions. As of December 31, 2012, our Polyurethanes segment restructuring reserve consisted of $27 million related to this program. We expect to incur additional charges of $3 million through 2013 related to our initiative.

During the fourth quarter of 2012, our Advanced Materials segment began implementing a global transformational change program, subject to consultation with relevant employee representatives, designed to improve the segment's manufacturing efficiencies, enhance commercial excellence and ensure its long-term global competitiveness. As of December 31, 2012, our Advanced Materials segment restructuring reserve consisted of $27 million primarily related to this program. During 2012, we recorded charges of $38, million of which $28 million related to our global transformational change program, $3 million related to the reorganization of our global structure and relocation of our divisional headquarters from Basel, Switzerland to The Woodlands, Texas and $3 million related primarily to a redesign of our planning process focused on inventory reduction. Our Advanced Materials segment also recorded noncash charges of $4 million related to pension settlements. We expect to incur additional charges of $19 million through the first half of 2014 related to our initiatives.

During 2011, our Textile Effects segment began implementing a significant restructuring program, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the segment's long-term global competitiveness. In connection with this plan, during 2012, we recorded cash charges of $1 million for workforce reductions, $9 million for decommissioning and other restructuring expenses, and noncash charges of $11 million primarily for pension settlements. We expect to incur additional restructuring and plant closing charges of up to approximately $80 million through 2014 related to the closure of our production facilities and business support offices in Basel, Switzerland. In addition, during 2012, our Textile Effects segment recorded charges of $4 million of which $2 million related to the closure of our St. Fons, France facility and $2 million related to a global transfer pricing initiative. We reversed charges of $16 million which were no longer required for workforce reductions at our production facility in Langweid, Germany, the simplification of the commercial organization and optimization of our distribution network, the consolidation of manufacturing activities and processes at our site in Basel, Switzerland and the closure of our production facilities in Basel, Switzerland.

As of December 31, 2012, our Textile Effects segment restructuring reserve consisted of $42 million, of which $2 million related to opening balance sheet liabilities from the Textile Effects Acquisition, $9 million related to the consolidation of our Switzerland manufacturing facilities and $31 million related to the closure of our production facilities and business support offices in Basel, Switzerland.

As of December 31, 2012, our Pigments segment restructuring reserve consisted of $1 million primarily related to workforce reductions at our Scarlino, Italy plant. During 2012, our Pigments segment recorded charges of $4 million related to the closure of our Grimsby, U.K. plant.

The restructuring reserve related to discontinued operations as of December 31, 2012 of $6 million was associated with the closure of our Australian styrenics business. For more information, see "Note 25. Discontinued Operations—Australian Styrenics Business Shutdown."

As of December 31, 2012, our Corporate and other segment restructuring reserve consisted of $2 million primarily related to a reorganization and regional consolidation of our purchasing activities. During 2012, we recorded charges of $2 million in Corporate and other primarily related to workforce reductions in connection with this project.

**2011 RESTRUCTURING ACTIVITIES**

As of December 31, 2011, our Advanced Materials segment restructuring reserve consisted of $12 million related to workforce reductions in connection with a reorganization of its global structure and relocation of its divisional headquarters from Basel, Switzerland to The Woodlands, Texas. During 2011, our Advanced Materials segment recorded net charges of $20 million primarily related this activity.

On September 27, 2011, we announced plans to implement a significant restructuring of our Textile Effects segment, including the closure of our production facilities and business support offices in Basel, Switzerland, as part of an ongoing strategic program aimed at improving the Textile Effects segment's long-term global competitiveness. In connection with this plan during 2011, we recorded a charge of $62 million for workforce reduction, a pension curtailment gain of $38 million and a charge of $53 million for the impairment of long-lived assets at our Basel, Switzerland manufacturing facility. For purposes of calculating the impairment charge, the fair value of the Basel, Switzerland manufacturing facility was based on the discounted cash flows of that facility. As of December 31, 2011, our Textile Effects segment restructuring reserve consisted of $69 million, of which $2 million related to opening balance sheet liabilities from the Textile Effects Acquisition, $2 million related to workforce reductions at our production facility in Langweid, Germany, $2 million related to the simplification of the commercial organization and optimization of our distribution network, $15 million related to the consolidation of manufacturing activities and processes at our site in Basel, Switzerland, $47 million related to the closure of our production facilities and business support offices in Basel, Switzerland and $1 million related to the consolidation of our North Carolina sites.

In addition, during 2011, our Textile Effects segment recorded charges of $22 million, of which $5 million related to simplification of our commercial organization and optimization of our distribution network, $12 million related to non-workforce reductions incurred for the consolidation of our Switzerland manufacturing facilities, and $4 million related to the consolidation of our North Carolina sites. We reversed charges of $4 million which were no longer required for workforce reductions at our production facility in Langweid, Germany and the consolidation of manufacturing activities and processes at our site in Basel, Switzerland.

As of December 31, 2011, our Pigments segment restructuring reserve consisted of $3 million primarily related to workforce reductions at our Huelva, Spain and Scarlino, Italy plants. During 2011, our Pigments segment recorded charges of $10 million, of which $7 million related to the closure of our Grimsby, U.K. plant and $3 million related to workforce reductions at our Umbogintwini, South Africa plant.

The restructuring reserve related to discontinued operations as of December 31, 2011 of $6 million was associated with the closure of our Australian styrenics business. For more information, see "Note 25. Discontinued Operations—Australian Styrenics Business Shutdown."

As of December 31, 2011, our Corporate and other segment restructuring reserve consisted of $1 million primarily related to a reorganization and regional consolidation of our transactional accounting activities. During 2011, we recorded charges of $2 million in Corporate and other primarily related to workforce reductions in connection with this project.

**2010 RESTRUCTURING ACTIVITIES**

As of December 31, 2010, our Performance Products segment restructuring reserve consisted of $1 million related to workforce reductions in connection with a new Performance Products organizational structure. During 2010, we recorded charges of $2 million related to workforce reductions in connection with this project.

As of December 31, 2010, our Advanced Materials segment restructuring reserve consisted of $2 million related to workforce reductions in connection with a reorganization designed to implement a regional management structure. During 2010, we recorded net reversals of $2 million primarily related to workforce reductions in connection to this project.

As of December 31, 2010, our Textile Effects segment restructuring reserve consisted of $25 million, of which $2 million related to opening balance sheet liabilities from the Textile Effects Acquisition, $1 million related to the streamlining of the textile effects business into two global strategic business units as announced during the fourth quarter of 2008, $3 million related to workforce reductions at our production facility in Langweid, Germany and $19 million related to the consolidation of manufacturing activities and processes at our site in Basel, Switzerland. During 2010, our Textile Effects segment recorded net charges of $15 million primarily related to the consolidation of manufacturing activities and processes at our site in Basel, Switzerland.

As of December 31, 2010, our Pigments segment restructuring reserve consisted of $8 million primarily related to workforce reductions at our Scarlino, Italy plant. During 2010, our Pigments segment recorded net charges of $7 million primarily related to the closure of our Grimsby, U.K. plant.

The restructuring reserve related to discontinued operations as of December 31, 2010 of $8 million was associated with the closure of our Australian styrenics business. For more information, see "Note 25. Discontinued Operations—Australian Styrenics Business Shutdown."

As of December 31, 2010, our Corporate and other segment restructuring reserve consisted of $5 million primarily related to a reorganization and regional consolidation of our transactional accounting and purchasing activities. During 2010, we recorded net charges of $5 million in Corporate and other primarily related to workforce reductions in connection with these projects.

| INCOME TAXES (Details) (USD $) In Millions, unless otherwise specified | 12 Months Ended | | | |
|---|---|---|---|---|
| | Dec. 31, 2012 item | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2009 |
| **U.S.** | | | | |
| Current | $ 156 | $ 69 | $ (35) | |
| Deferred | 17 | 4 | 47 | |
| **Non-U.S.** | | | | |
| Current | 51 | 63 | 41 | |
| Deferred | (55) | (27) | (24) | |
| Total income tax expense | 169 | 109 | 29 | |
| **Reconciliation between the U.S. federal income taxes at the U.S. statutory rate to the provision (benefit) for income taxes** | | | | |
| Income (loss) from continuing operations before income taxes | 547 | 360 | 20 | |
| Expected tax expense at U.S. statutory rate of 35% | 192 | 126 | 7 | |
| **Change resulting from:** | | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4) | |
| Non-U.S. tax rate differentials | 1 | 6 | (16) | |
| Effects of non-U.S. operations | (2) | 8 | 22 | |
| U.S. domestic manufacturing deduction | (16) | (5) | | |
| Unrealized currency exchange gains and losses | 11 | (5) | (6) | |
| Effect of tax holidays | (12) | (1) | 2 | |
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | | |
| Portion of Convertible Note loss on early extinguishment of debt treated as equity repurchase for tax purposes | | | 43 | |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) | |
| Change in valuation allowance | (11) | (16) | (19) | |
| Other, net | 7 | (11) | 16 | |
| Total income tax expense | 169 | 109 | 29 | |
| U.S. income tax statutory rate (as a percent) | 35.00% | 35.00% | 35.00% | |
| Income tax expense (benefit)-discontinued operations | 3 | 5 | (10) | |
| Number of non-U.S. tax jurisdictions in which the entity is operating | 42 | | | |
| **Component of income (loss) from continuing operations before income taxes** | | | | |
| U.S. | 482 | 256 | (126) | |
| Non-U.S. | 65 | 104 | 146 | |
| Income from continuing operations before income taxes | 547 | 360 | 20 | |
| **Deferred income tax assets:** | | | | |
| Net operating loss carryforwards | 819 | 783 | | |
| Pension and other employee compensation | 289 | 256 | | |
| Property, plant and equipment | 69 | 77 | | |
| Intangible assets | 34 | 36 | | |
| Foreign tax credits | 71 | 46 | | |
| Other, net | 107 | 139 | | |

| | | | | |
|---|---|---|---|---|
| Total | 1,389 | 1,337 | | |
| **Deferred income tax liabilities:** | | | | |
| Property, plant and equipment | (551) | (549) | | |
| Pension and other employee compensation | | (25) | | |
| Other, net | (88) | (108) | | |
| Total | (639) | (682) | | |
| Net deferred tax asset before valuation allowance | 750 | 655 | | |
| Valuation allowance | (736) | (756) | (797) | (842) |
| Net deferred tax assets (liability) | 14 | (101) | | |
| Current deferred tax asset | 51 | 20 | | |
| Current deferred tax liability | (38) | (7) | | |
| Non-current deferred tax asset | 229 | 195 | | |
| Non-current deferred tax liability | (228) | (309) | | |
| Australian styrenics business | | | | |
| **Change resulting from:** | | | | |
| Income tax expense (benefit)-discontinued operations | 3 | 2 | 28 | |
| HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES | | | | |
| **U.S.** | | | | |
| Current | 52 | 7 | (23) | |
| Deferred | 129 | 69 | 45 | |
| **Non-U.S.** | | | | |
| Current | 51 | 63 | 41 | |
| Deferred | (53) | (26) | (23) | |
| Total income tax expense | 179 | 113 | 40 | |
| **Reconciliation between the U.S. federal income taxes at the U.S. statutory rate to the provision (benefit) for income taxes** | | | | |
| Income (loss) from continuing operations before income taxes | 559 | 370 | 184 | |
| Expected tax expense at U.S. statutory rate of 35% | 196 | 130 | 64 | |
| **Change resulting from:** | | | | |
| State tax expense (benefit) net of federal benefit | 15 | 7 | (4) | |
| Non-U.S. tax rate differentials | 1 | 6 | (16) | |
| Effects of non-U.S. operations | (1) | 8 | 22 | |
| U.S. domestic manufacturing deduction | (8) | | | |
| Unrealized currency exchange gains and losses | 11 | (5) | (6) | |
| Effect of tax holidays | (12) | (1) | 2 | |
| U.S. foreign tax credits, net of associated income and taxes | (21) | (4) | | |
| Tax authority audits and dispute resolutions | 5 | 4 | (16) | |
| Change in valuation allowance | (14) | (19) | (22) | |
| Other, net | 7 | (13) | 16 | |
| Total income tax expense | 179 | 113 | 40 | |
| U.S. income tax statutory rate (as a percent) | 35.00% | 35.00% | 35.00% | |
| Income tax expense (benefit)-discontinued operations | 3 | 5 | (10) | |
| **Component of income (loss) from continuing operations before income taxes** | | | | |

| | | | | |
|---|---|---|---|---|
| U.S. | 494 | 255 | 38 | |
| Non-U.S. | 65 | 115 | 146 | |
| Income from continuing operations before income taxes | 559 | 370 | 184 | |
| **Deferred income tax assets:** | | | | |
| Net operating loss carryforwards | 819 | 895 | | |
| Pension and other employee compensation | 288 | 254 | | |
| Property, plant and equipment | 69 | 77 | | |
| Intangible assets | 33 | 35 | | |
| Foreign tax credits | 113 | 82 | | |
| Other, net | 106 | 140 | | |
| Total | 1,428 | 1,483 | | |
| **Deferred income tax liabilities:** | | | | |
| Property, plant and equipment | (524) | (515) | | |
| Pension and other employee compensation | | (25) | | |
| Other, net | (88) | (107) | | |
| Total | (612) | (647) | | |
| Net deferred tax asset before valuation allowance | 816 | 836 | | |
| Valuation allowance | (745) | (768) | (813) | (861) |
| Net deferred tax assets (liability) | 71 | 68 | | |
| Current deferred tax asset | 51 | 40 | | |
| Current deferred tax liability | (39) | (29) | | |
| Non-current deferred tax asset | 229 | 163 | | |
| Non-current deferred tax liability | $ (170) | $ (106) | | |