Huntsman CORP
Form 10-Q
May 01, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10 Q

(Mark One)

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

For the quarterly period ended March 31, 2018

OR

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

For the transition period from to

Commission File Number	Exact Name of Registrant as Specified in its Charter, Principal Office Address and Telephone Number	State of Incorporation or Organization	I.R.S. Employer Identification No.
001 32427	Huntsman Corporation 10003 Woodloch Forest Drive The Woodlands, Texas 77380 (281) 719-6000	Delaware	42 1648585
333 85141	Huntsman International LLC 10003 Woodloch Forest Drive The Woodlands, Texas 77380 (281) 719-6000	Delaware	87 0630358

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 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. (Check one):

Huntsman Corporation	Large accelerated filer	Accelerated filer	Non accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	Emerging growth company
Huntsman International LLC	Large accelerated filer	Accelerated filer	Non accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	Emerging Growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Huntsman Corporation
Huntsman International LLC

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 April 19, 2018, 239,180,054 shares of common stock of Huntsman Corporation were outstanding and 2,728 units of membership interests of Huntsman International LLC were outstanding. There is no trading market for Huntsman International LLC's units of membership interests. All of Huntsman International LLC's units of membership interests are held by Huntsman Corporation.

This Quarterly Report on Form 10 Q 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 Quarterly Report on Form 10 Q 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 H(1)(a) and (b) of Form 10 Q and, to the extent applicable, is therefore filing this form with a reduced disclosure format.

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10 Q FOR THE QUARTERLY PERIOD

ENDED MARCH 31, 2018

TABLE OF CONTENTS

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10 Q FOR THE QUARTERLY PERIOD

ENDED MARCH 31, 2018

FORWARD LOOKING STATEMENTS

Certain information set forth in this report contains “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than historical factual information are forward looking statements, including without limitation statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other projected financial measures; management’s plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions, divestitures, business separations, spin offs, or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets we sell into; new or modified laws, regulations and accounting pronouncements; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that we intend or believe will or may occur in the future. In some cases, forward looking statements can be identified by terminology such as “believes,” “expects,” “may,” “will,” “should,” “anticipates” or “intends” o 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 whether because of new information, future events or otherwise, except as required by securities and other applicable law.

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 II. Item 1A. Risk Factors” below and “Part I. Item 1A. Risk Factors” in our Annual Report on Form 10 K for the year ended December 31, 2017.

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Millions, Except Share and Per Share Amounts)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents(a)	$ 444	$ 470
Restricted cash(a)	9	11
Accounts and notes receivable (net of allowance for doubtful accounts of $27 and $25, respectively), ($415 and $334 pledged as collateral, respectively)(a)	1,374	1,256
Accounts receivable from affiliates	33	27
Inventories(a)	1,203	1,073
Prepaid expenses	69	60
Other current assets(a)	193	202
Current assets held for sale	3,060	2,880
Total current assets	6,385	5,979
Property, plant and equipment, net(a)	3,117	3,098
Investment in unconsolidated affiliates	284	266
Intangible assets, net(a)	55	56
Goodwill	141	140
Deferred income taxes	212	208
Other noncurrent assets(a)	509	497
Total assets	$ 10,703	$ 10,244
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable(a)	$ 961	$ 946
Accounts payable to affiliates	32	18
Accrued liabilities(a)	533	569
Current portion of debt(a)	36	40
Current liabilities held for sale	1,721	1,692
Total current liabilities	3,283	3,265
Long-term debt(a)	2,298	2,258
Deferred income taxes	269	264
Other noncurrent liabilities(a)	1,084	1,086
Total liabilities	6,934	6,873

Commitments and contingencies (Notes 14 and 15)		
Equity		
Huntsman Corporation stockholders' equity:		
Common stock $0.01 par value, 1,200,000,000 shares authorized, 254,124,395 and 252,759,715 shares issued and 239,831,871 and 240,213,606 shares outstanding, respectively	3	3
Additional paid-in capital	3,939	3,889
Treasury stock, 14,292,523 and 12,607,223 shares, respectively	(201)	(150)
Unearned stock-based compensation	(26)	(15)
Retained earnings	393	161
Accumulated other comprehensive loss	(1,198)	(1,268)
Total Huntsman Corporation stockholders' equity	2,910	2,620
Noncontrolling interests in subsidiaries	859	751
Total equity	3,769	3,371
Total liabilities and equity	$ 10,703	$ 10,244

(a) At March 31, 2018 and December 31, 2017, respectively, $13 and $15 of cash and cash equivalents, $9 and $11 of restricted cash, $38 and $35 of accounts and notes receivable (net), $52 and $46 of inventories, $7 each of other current assets, $265 and $283 of property, plant and equipment (net), $10 each of intangible assets (net), $57 and $43 of other noncurrent assets, $91 and $109 of accounts payable, $32 each of accrued liabilities, $22 and $21 of current portion of debt, $83 and $86 of long term debt, and $99 and $98 of other noncurrent liabilities from consolidated variable interest entities are included in the respective balance sheet captions above. See "Note 5. Variable Interest Entities."

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Millions, Except Per Share Amounts)

	Three months ended March 31, 2018	2017
Revenues:		
Trade sales, services and fees, net	$ 2,255	$ 1,891
Related party sales	40	41
Total revenues	2,295	1,932
Cost of goods sold	1,755	1,542
Gross profit	540	390
Operating expenses:		
Selling, general and administrative	192	192
Research and development	38	34
Restructuring, impairment and plant closing costs	2	9
Other operating expense (income), net	12	(7)
Total operating expenses	244	228
Operating income	296	162
Interest expense	(27)	(48)
Equity in income of investment in unconsolidated affiliates	13	—
Other income, net	7	4
Income from continuing operations before income taxes	289	118
Income tax expense	(53)	(19)
Income from continuing operations	236	99
Income (loss) from discontinued operations, net of tax	114	(7)
Net income	350	92
Net income attributable to noncontrolling interests	(76)	(16)
Net income attributable to Huntsman Corporation	$ 274	$ 76
Basic income (loss) per share:		
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 0.66	$ 0.35
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	0.48	(0.03)
Net income attributable to Huntsman Corporation common stockholders	$ 1.14	$ 0.32
Weighted average shares	240.8	237.4
Diluted income (loss) per share:		
Income from continuing operations attributable to Huntsman Corporation common stockholders	$ 0.65	$ 0.34
Income (loss) from discontinued operations attributable to Huntsman Corporation common stockholders, net of tax	0.46	(0.03)
Net income attributable to Huntsman Corporation common stockholders	$ 1.11	$ 0.31

Weighted average shares	245.9	242.5
Amounts attributable to Huntsman Corporation common stockholders:		
Income from continuing operations	$ 160	$ 83
Income (loss) from discontinued operations, net of tax	114	(7)
Net income	$ 274	$ 76
Dividends per share	$ 0.1625	$ 0.125

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	Three months ended March 31, 2018	2017
Net income	$ 350	$ 92
Other comprehensive income, net of tax:		
Foreign currency translations adjustments	87	77
Pension and other postretirement benefits adjustments	25	18
Other, net	(9)	2
Other comprehensive income, net of tax	103	97
Comprehensive income	453	189
Comprehensive income attributable to noncontrolling interests	(83)	(18)
Comprehensive income attributable to Huntsman Corporation	$ 370	$ 171

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(In Millions, Except Share Amounts)

	Huntsman Corporation Stockholders' Equity								
	Shares Common stock	Common stock	Additional paid-in capital	Treasury stock	Unearned stock-based compensation	Retained earnings (accumulated deficit)	Accumulated other comprehensive loss	Noncontrolling interests in subsidiaries	Total equity
Balance, January 1, 2018	240,213,606	$ 3	$ 3,889	$ (150)	$ (15)	$ 161	$ (1,268)	$ 751	$ 3,371
Cumulative effect of changes in fair value of equity investments	—	—	—	—	—	10	(10)	—	—
Revised balance January 1, 2018	240,213,606	3	3,889	(150)	(15)	171	(1,278)	751	3,371
Net income	—	—	—	—	—	274	—	76	350
Other comprehensive income	—	—	—	—	—	—	80	23	103
Issuance of nonvested stock awards	—	—	14	—	(14)	—	—	—	—
Vesting of stock awards	985,493	—	11	—	—	—	—	—	11
Recognition of stock-based compensation	—	—	2	—	3	—	—	—	5
Repurchase and cancellation of stock awards	(253,345)	—	—	—	—	(11)	—	—	(11)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(18)	(18)
Stock options exercised	571,417	—	7	—	—	(2)	—	—	5
Treasury stock repurchased	(1,685,300)	—	—	(51)	—	—	—	—	(51)
Disposition of a portion of P&A Business	—	—	18	—	—	—	—	—	18

Costs of the secondary offering of P&A Business	—	—	(2)	—	—	—	—	—	(2)
Noncontrolling interest from partial disposal of P&A Business	—	—	—	—	—	—	—	27	27
Dividends declared on common stock	—	—	—	—	—	(39)	—	—	(39)
Balance, March 31, 2018	239,831,871	$ 3	$ 3,939	$ (201)	$ (26)	$ 393	$ (1,198)	$ 859	$ 3,769
Balance, January 1, 2017	236,370,347	$ 3	$ 3,447	$ (150)	$ (17)	$ (325)	$ (1,671)	$ 180	$ 1,467
Net income	—	—	—	—	—	76	—	16	92
Other comprehensive income	—	—	—	—	—	—	95	2	97
Issuance of nonvested stock awards	—	—	17	—	(17)	—	—	—	—
Vesting of stock awards	1,158,884	—	8	—	—	—	—	—	8
Recognition of stock-based compensation	—	—	2	—	5	—	—	—	7
Repurchase and cancellation of stock awards	(343,712)	—	—	—	—	(8)	—	—	(8)
Contribution from noncontrolling interests	—	—	—	—	—	—	—	2	2
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(3)	(3)
Stock options exercised	967,397	—	30	—	—	(13)	—	—	17
Dividends declared on common stock	—	—	—	—	—	(30)	—	—	(30)
Balance, March 31, 2017	238,152,916	$ 3	$ 3,504	$ (150)	$ (29)	$ (300)	$ (1,576)	$ 197	$ 1,649

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Three months ended March 31, 2018	2017
Operating Activities:		
Net income	$ 350	$ 92
Less: (Income) loss from discontinued operations, net of tax	(114)	7
Income from continuing operations	236	99
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Equity in income of investment in unconsolidated affiliates	(13)	—
Depreciation and amortization	82	76
Loss on disposal of businesses/assets, net	2	—
Noncash interest expense	—	4
Noncash restructuring and impairment charges	2	—
Deferred income taxes	2	8
Noncash loss (gain) on foreign currency transactions	5	(4)
Stock-based compensation	8	9
Other, net	—	(12)
Changes in operating assets and liabilities:		
Accounts and notes receivable	(104)	(55)
Inventories	(105)	(109)
Prepaid expenses	(8)	(2)
Other current assets	15	(14)
Other noncurrent assets	1	(7)
Accounts payable	36	83
Accrued liabilities	(42)	(16)
Other noncurrent liabilities	(6)	10
Net cash provided by operating activities from continuing operations	111	70
Net cash provided by operating activities from discontinued operations	52	23
Net cash provided by operating activities	163	93
Investing Activities:		
Capital expenditures	(55)	(51)
Acquisition of a business, net of cash acquired	(14)	—
Other, net	—	4
Net cash used in investing activities from continuing operations	(69)	(47)
Net cash (used in) provided by investing activities from discontinued operations	(67)	24
Net cash used in investing activities	(136)	(23)

(Continued)

8

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In Millions)

	Three months ended March 31, 2018	2017
Financing Activities:		
Net repayments on overdraft facilities	$ (1)	$ —
Repayments of short-term debt	(2)	(6)
Borrowings on short-term debt	2	2
Repayments of long-term debt	(4)	(7)
Proceeds from issuance of long-term debt	—	8
Repayments of notes payable	(9)	(5)
Dividends paid to noncontrolling interests	(18)	(3)
Contribution from noncontrolling interests	—	2
Dividends paid to common stockholders	(39)	(30)
Repurchase and cancellation of stock awards	(11)	(8)
Proceeds from issuance of common stock	5	17
Repurchase of common stock	(51)	—
Proceeds from the secondary offering of P&A Business	44	—
Cash paid for expenses of the secondary offering of P&A Business	(2)	—
Other, net	—	(1)
Net cash used in financing activities	(86)	(31)
Effect of exchange rate changes on cash	16	5
(Decrease) increase in cash, cash equivalents and restricted cash	(43)	44
Cash, cash equivalents and restricted cash from continuing operations at beginning of period	481	396
Cash, cash equivalents and restricted cash from discontinued operations at beginning of period	238	29
Cash, cash equivalents and restricted cash at end of period	$ 676	$ 469
Supplemental cash flow information:		
Cash paid for interest	$ 31	$ 36
Cash paid for income taxes	41	8

As of March 31, 2018 and 2017, the amount of capital expenditures in accounts payable was $32 million and $47 million, respectively. In addition, as of March 31, 2018, the amount of cash interest and cash income taxes included in our supplemental cash flow information related to cash paid for interest and cash paid for income taxes that was paid by our P&A Business was $19 million and $15 million, respectively.

See accompanying notes to condensed consolidated financial statements.

9

Table of Contents

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Millions)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents(a)	$ 444	$ 468
Restricted cash(a)	9	11
Accounts and notes receivable (net of allowance for doubtful accounts of $27 and $25, respectively), ($415 and $334 pledged as collateral, respectively)(a)	1,374	1,255
Accounts receivable from affiliates	393	373
Inventories(a)	1,203	1,073
Prepaid expenses	68	59
Other current assets(a)	196	204
Current assets held for sale	3,060	2,880
Total current assets	6,747	6,323
Property, plant and equipment, net(a)	3,115	3,095
Investment in unconsolidated affiliates	284	266
Intangible assets, net(a)	55	56
Goodwill	141	140
Deferred income taxes	212	208
Other noncurrent assets(a)	511	497
Total assets	$ 11,065	$ 10,585
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable(a)	$ 961	$ 946
Accounts payable to affiliates	89	70
Accrued liabilities(a)	531	566
Notes payable to affiliates	100	100
Current portion of debt(a)	36	40
Current liabilities held for sale	1,721	1,692
Total current liabilities	3,438	3,414
Long-term debt(a)	2,298	2,258
Notes payable to affiliates	702	742
Deferred income taxes	271	265
Other noncurrent liabilities(a)	1,077	1,072
Total liabilities	7,786	7,751
Commitments and contingencies (Notes 14 and 15)		
Equity		
Huntsman International LLC members’ equity:		
Members’ equity, 2,728 units issued and outstanding	3,639	3,616

Accumulated deficit	(28)	(270)
Accumulated other comprehensive loss	(1,191)	(1,263)
Total Huntsman International LLC members' equity	2,420	2,083
Noncontrolling interests in subsidiaries	859	751
Total equity	3,279	2,834
Total liabilities and equity	$ 11,065	$ 10,585

(a) At March 31, 2018 and December 31, 2017, respectively, $13 and $15 of cash and cash equivalents, $9 and $11 of restricted cash, $38 and $35 of accounts and notes receivable (net), $52 and $46 of inventories, $7 each of other current assets, $265 and $283 of property, plant and equipment (net), $10 each of intangible assets (net), $57 and $43 of other noncurrent assets, $91 and $109 of accounts payable, $32 each of accrued liabilities, $22 and $21 of current portion of debt, $83 and $86 of long term debt, and $99 and $98 of other noncurrent liabilities from consolidated variable interest entities are included in the respective balance sheet captions above. See "Note 5. Variable Interest Entities."

See accompanying notes to condensed consolidated financial statements.

10

Table of Contents

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Millions)

	Three months ended March 31, 2018	2017
Revenues:		
Trade sales, services and fees, net	$ 2,255	$ 1,891
Related party sales	40	41
Total revenues	2,295	1,932
Cost of goods sold	1,754	1,540
Gross profit	541	392
Operating expenses:		
Selling, general and administrative	191	190
Research and development	38	34
Restructuring, impairment and plant closing costs	2	9
Other operating expense (income), net	12	(6)
Total operating expenses	243	227
Operating income	298	165
Interest expense	(32)	(51)
Equity in income of investment in unconsolidated affiliates	13	—
Other income, net	6	4
Income from continuing operations before income taxes	285	118
Income tax expense	(52)	(19)
Income from continuing operations	233	99
Income (loss) from discontinued operations, net of tax	114	(8)
Net income	347	91
Net income attributable to noncontrolling interests	(76)	(16)
Net income attributable to Huntsman International LLC	$ 271	$ 75

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	Three months ended March 31,	
	2018	2017
Net income	$ 347	$ 91
Other comprehensive income, net of tax:		
Foreign currency translations adjustment	85	77
Pension and other postretirement benefits adjustments	25	20
Other, net	(5)	2
Other comprehensive income, net of tax	105	99
Comprehensive income	452	190
Comprehensive income attributable to noncontrolling interests	(83)	(18)
Comprehensive income attributable to Huntsman International LLC	$ 369	$ 172

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(In Millions, Except Unit Amounts)

	Huntsman International LLC Members					
	Members' equity Units	Amount	Accumulated deficit	Accumulated other comprehensive loss	Noncontrolling interests in subsidiaries	Total equity
Balance, January 1, 2018	2,728	$ 3,616	$ (270)	$ (1,263)	$ 751	$ 2,834
Cumulative effect of changes in fair value of equity investments	—	—	10	(10)	—	—
Revised balance January 1, 2018	2,728	3,616	(260)	(1,273)	751	2,834
Net income	—	—	271	—	76	347
Dividends paid to parent	—	—	(39)	—	—	(39)
Other comprehensive income	—	—	—	82	23	105
Contribution from parent	—	7	—	—	—	7
Disposition of a portion of P&A Business	—	18	—	—	—	18
Costs of the secondary offering of P&A Business	—	(2)	—	—	—	(2)
Noncontrolling interest from partial disposal of P&A Business	—	—	—	—	27	27
Dividends paid to noncontrolling interests	—	—	—	—	(18)	(18)
Balance, March 31, 2018	2,728	$ 3,639	$ (28)	$ (1,191)	$ 859	$ 3,279
Balance, January 1, 2017	2,728	$ 3,226	$ (779)	$ (1,691)	$ 180	$ 936
Net income	—	—	75	—	16	91
Dividends paid to parent	—	—	(30)	—	—	(30)
Other comprehensive income	—	—	—	97	2	99
Contribution from parent	—	9	—	—	—	9
Contribution from noncontrolling interests	—	—	—	—	2	2
Dividends paid to noncontrolling interests	—	—	—	—	(3)	(3)
Balance, March 31, 2017	2,728	$ 3,235	$ (734)	$ (1,594)	$ 197	$ 1,104

See accompanying notes to condensed consolidated financial statements.

Table of Contents

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Three months ended March 31, 2018	2017
Operating Activities:		
Net income	$ 347	$ 91
Less: (Income) loss from discontinued operations, net of tax	(114)	8
Income from continuing operations	233	99
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Equity in income of investment in unconsolidated affiliates	(13)	—
Depreciation and amortization	81	74
Loss on disposal of businesses/assets, net	2	—
Noncash interest expense	5	7
Noncash restructuring and impairment charges	2	—
Deferred income taxes	2	8
Noncash loss (gain) on foreign currency transactions	5	(4)
Noncash compensation	7	8
Other, net	—	(11)
Changes in operating assets and liabilities:		
Accounts and notes receivable	(105)	(55)
Inventories	(105)	(109)
Prepaid expenses	(8)	(2)
Other current assets	14	(14)
Other noncurrent assets	1	(7)
Accounts payable	31	80
Accrued liabilities	(42)	(17)
Other noncurrent liabilities	(5)	11
Net cash provided by operating activities from continuing operations	105	68
Net cash provided by operating activities from discontinued operations	52	22
Net cash provided by operating activities	157	90
Investing Activities:		
Capital expenditures	(55)	(51)
Acquisition of a business, net of cash acquired	(14)	—
Increase in receivable from affiliate	(9)	(7)
Other, net	—	5
Net cash used in investing activities from continuing operations	(78)	(53)
Net cash (used in) provided by investing activities from discontinued operations	(67)	24
Net cash used in investing activities	(145)	(29)

(Continued)

Table of Contents

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In Millions)

	Three months ended March 31, 2018	2017
Financing Activities:		
Net repayments on overdraft facilities	$ (1)	$ —
Repayments of short-term debt	(2)	(6)
Borrowings on short-term debt	2	2
Repayments of long-term debt	(4)	(7)
Proceeds from issuance of long-term debt	—	8
Repayments of notes payable to affiliate	(40)	(5)
Proceeds from issuance of notes payable to affiliate	—	15
Repayments of notes payable	(9)	—
Dividends paid to noncontrolling interests	(18)	(3)
Contribution from noncontrolling interests	—	2
Dividends paid to parent	(39)	(30)
Proceeds from the secondary offering of P&A Business	44	—
Cash paid for expenses of the secondary offering of P&A Business	(2)	—
Net cash used in financing activities	(69)	(24)
Effect of exchange rate changes on cash	16	5
(Decrease) increase in cash, cash equivalents and restricted cash	(41)	42
Cash, cash equivalents and restricted cash from continuing operations at beginning of period	479	395
Cash, cash equivalents and restricted cash from discontinued operations at beginning of period	238	29
Cash, cash equivalents and restricted cash at end of period	$ 676	$ 466
Supplemental cash flow information:		
Cash paid for interest	$ 31	$ 36
Cash paid for income taxes	41	8

As of March 31, 2018 and 2017, the amount of capital expenditures in accounts payable was $32 million and $47 million, respectively. During the three months ended March 31, 2018 and 2017, Huntsman Corporation contributed $7 million and $8 million, respectively, related to stock-based compensation for continuing operations. In addition, as of March 31, 2018, the amount of cash interest and cash income taxes included in our supplemental cash flow information related to cash paid for interest and cash paid for income taxes that was paid by our P&A Business after the IPO date was $19 million and $15 million, respectively.

See accompanying notes to condensed consolidated financial statements.

15

Table of Contents

HUNTSMAN CORPORATION AND SUBSIDIARIES

HUNTSMAN INTERNATIONAL LLC AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Certain Definitions

For convenience in this report, the terms “Company,” “Huntsman,” “our,” “us” or “we” may be used to refer to Huntsman Corporation and, unless the context otherwise requires, its subsidiaries and predecessors. In this report, “Huntsman International” refers to Huntsman International LLC (our wholly owned subsidiary).

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.

Interim Financial Statements

Our unaudited interim condensed consolidated financial statements and Huntsman International’s unaudited interim condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP” or “U.S. GAAP”) and in management’s opinion reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of results of operations, comprehensive income, financial position and cash flows for the periods presented. Results for interim periods are not necessarily indicative of those to be expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes to consolidated financial statements included in the Annual Report on Form 10 K for the year ended December 31, 2017 for our Company and Huntsman International.

Description of Business

We are a global manufacturer of differentiated organic chemical products. Our products comprise a broad range of chemicals and formulations, which we market globally to a diversified group of consumer and industrial customers.

Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, personal care and hygiene, durable and non-durable consumer products, digital inks, electronics, medical, packaging, coatings and construction, power generation, refining, synthetic fiber, textile chemicals and dyes industries. We are a leading global producer in many of our key product lines, including MDI, amines, surfactants, maleic anhydride, epoxy-based polymer formulations, textile chemicals and dyes.

We operate in four segments: Polyurethanes, Performance Products, Advanced Materials and Textile Effects. In August 2017, we separated our Titanium Dioxide and Performance Additives business (the “P&A Business”) through an initial public offering (“IPO”) of ordinary shares of Venator Materials PLC (“Venator”), formerly our wholly-owned subsidiary (the “Separation”). Beginning in the third quarter of 2017, we reported the results of the P&A Business as discontinued operations. See “Note 3. Discontinued Operations.” In a series of transactions beginning in 2006, we sold or shut down substantially all of our Australian styrenics operations and our North American polymers and base chemicals operations. We also report the results of these businesses as discontinued operations.

Company

Our Company, a Delaware corporation, was formed in 2004 to hold the Huntsman businesses. 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 wholly-owned subsidiary. Huntsman International is a Delaware limited liability company and was formed in 1999.

Table of Contents

Huntsman Corporation and Huntsman International Financial Statements

Except where otherwise indicated, these notes relate to the condensed consolidated financial statements for both our Company and Huntsman International. The differences between our financial statements and Huntsman International's 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; and
- a note payable from Huntsman International to us.

Principles of Consolidation

Our condensed 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. Intercompany accounts and transactions have been eliminated.

Reclassifications

Certain amounts in the consolidated financial statements for prior periods have been reclassified to conform with the current presentation. These reclassifications presented the other components of net periodic pension cost and net periodic postretirement cost within other nonoperating income in accordance with Accounting Standards Update ("ASU") No. 2017-07, Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. We previously presented these amounts within cost of goods sold and selling, general and administrative expenses. See "Note 2. Recently Issued Pronouncements."

Recent Developments

Demilec Acquisition

On April 23, 2018, we acquired Demilec (USA) Inc. and Demilec Inc. (collectively, “Demilec”) for approximately $350 million, subject to customary working capital adjustments, in an all-cash transaction (“Demilec Acquisition”), which was funded from our revolving facility (“Revolving Facility”) and our U.S. accounts receivable securitization program (“U.S. A/R Program”). Demilec is a leading North American manufacturer and distributor of spray polyurethane foam formulations for residential and commercial applications. The acquired business will be integrated into our Polyurethanes segment. The Demilec Acquisition is aligned with our Company’s stated strategy to grow its downstream polyurethanes business and leverage its global platform to expand Demilec’s portfolio of spray polyurethane foam formulations into international markets. The preliminary purchase price allocation is in its early stages, and all items are pending valuation.

Share Repurchase Program

On February 7, 2018, our Board of Directors authorized our Company to repurchase up to an additional $400 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. During the three months ended March 31, 2018, we repurchased 1,685,300 shares of our common stock for approximately $51 million under the repurchase program. From April 1, 2018 through April 19, 2018, we repurchased an additional 1,822,315 shares of our common stock for approximately $52 million. See “Note 12. Huntsman Corporation Stockholders’ Equity.”

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

Table of Contents

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.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Accounting Pronouncements Adopted During 2018

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014 09, Revenue from Contracts with Customers (Topic 606), outlining a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers and supersedes most current revenue recognition guidance. In March 2016, the FASB issued ASU No. 2016 08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), clarifying the implementation guidance on principal versus agent considerations, in April 2016, the FASB issued ASU No. 2016 10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, clarifying the implementation guidance on identifying performance obligations in a contract and determining whether an entity’s promise to grant a license provides a customer with either a right to use the entity’s intellectual property (which is satisfied at a point in time) or a right to access the entity’s intellectual property (which is satisfied over time), in May 2016, the FASB issued ASU No. 2016 12, Revenue from Customers (Topic 606): Narrow Scope Improvements and Practical Expedients, providing clarifications and practical expedients for certain narrow aspects in Topic 606, and in December 2016, the FASB issued ASU 2016 20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers. The amendments in these ASUs are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The amendments in ASU No. 2014 09, ASU No. 2016 08, ASU No. 2016 10, ASU No. 2016 12 and ASU No. 2016 20 should be applied retrospectively. On January 1, 2018, we adopted the amendments in ASU No. 2014 09, ASU No. 2016 08, ASU No. 2016 10, ASU No. 2016 12 and ASU No. 2016 20 to all current revenue contracts using the modified retrospective approach, and the initial adoption of these amendments did not have an impact on our condensed consolidated financial statements. As a result of the adoption of these amendments, we revised our accounting policy for revenue recognition as detailed in “Note 10. Revenue Recognition,” and, except for the changes noted in “Note 10. Revenue Recognition,” no material changes have been made to our significant accounting policies disclosed in “Note 2. Summary of Significant Accounting Policies” of our Annual Report on Form 10-K, filed on February 23, 2018, for the year ended December 31, 2017.

In January 2016, the FASB issued ASU No. 2016 01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities. The amendments in this ASU require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. The amendments allow equity investments that do not have readily determinable fair values to be remeasured at fair value either upon the occurrence of an observable price change or upon identification of an impairment. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. An entity should apply the amendments by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. On January 1, 2018, we adopted the amendments in ASU No. 2016 01 and upon transition recorded a cumulative-effect adjustment of approximately $10 million, net of tax, relating to prior years' changes in fair value of equity investments from other comprehensive income to retained earnings. Beginning in the first quarter of 2018, we also started recognizing the current period change in fair value of equity investments in net income.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The amendments in this ASU clarify and include specific guidance to address diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The amendments in this ASU should be applied using a retrospective transition method to each period presented. We adopted the amendments in this ASU effective January 1, 2018, and the initial adoption of the amendments in this ASU did not have a significant impact on our condensed consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016 18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this ASU require that a statement of cash flows explain the change during the period in the

Table of Contents

total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, and interim period within those fiscal years. The amendments in this ASU were applied using a retrospective transition method to each period presented. We adopted the amendments in this ASU effective January 1, 2018, and the initial adoption of the amendments in this ASU did not have a significant impact on our condensed consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017 01, Business Combinations (Topic 805): Clarifying the Definition of a Business. The amendments in this ASU clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendments in this ASU should be applied prospectively on or after the effective date. No disclosures are required at transition. We adopted the amendments in this ASU effective January 1, 2018, and the initial adoption of this ASU did not have a significant impact on our condensed consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The amendments in this ASU require that an employer report the service cost component of net periodic pension cost and net periodic postretirement benefit cost in the same line items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside of income from operations. The amendments in this ASU also allow only the service cost component to be eligible for capitalization when applicable (for example, as a cost of internally manufactured inventory or a self-constructed asset). The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendments in this ASU should be applied retrospectively for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement and prospectively, on and after the effective date, for the capitalization of the service cost component of net periodic pension cost and net periodic postretirement benefit cost in assets. We adopted the amendments in this ASU effective January 1, 2018, which impacted the presentation of our condensed consolidated financial statements. Our previous presentation of service cost components was consistent with the amendments in this ASU. However, we now present the other components within other income, net, whereas we previously presented these within cost of goods sold and selling, general and administrative expenses.

Accounting Pronouncements Pending Adoption in Future Periods

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The amendments in this ASU will increase transparency and comparability among entities by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this ASU will require lessees to recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. In January 2018, the FASB issued ASU No. 2018-01, Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842, providing an optional transition practical expedient to not evaluate under Topic 842 existing or expired land easements that were not previously accounted for as leases under the current leases guidance in Topic 840. The amendments in these ASUs are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early application of the amendments in these ASUs is permitted for all entities. Reporting entities are required to recognize and measure leases under these amendments at the beginning of the earliest period presented using a modified retrospective approach. We are currently evaluating the impact of the adoption of the amendments in this ASU on our condensed consolidated financial statements and believe, based on our preliminary assessment, that we will record significant additional right-to-use assets and lease obligations.

In August 2017, the FASB issued ASU No. 2017 12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities. The amendments in this ASU better align an entity’s risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships as well as the recognition and presentation of the effects of

Table of Contents

the hedging instrument and the hedged item in the financial statements to increase the understandability of the results of an entity's intended hedging strategies. The amendments in this ASU also include certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted in any interim period after the issuance of this ASU. Transition requirements and elections should be applied to hedging relationships existing on the date of adoption. For cash flow and net investment hedges, an entity should apply a cumulative-effect adjustment related to eliminating the separate measurement of ineffectiveness, and the amended presentation and disclosure guidance is required only prospectively. We do not expect the adoption of the amendments in this ASU to have a significant impact on our condensed consolidated financial statements.

3. DISCONTINUED OPERATIONS

In 2017, we separated the P&A Business and conducted both an IPO and a secondary offering of ordinary shares of Venator, formerly a wholly-owned subsidiary of Huntsman. On January 3, 2018, the underwriters purchased an additional 1,948,955 Venator ordinary shares pursuant to the exercise of the underwriters' option to purchase additional shares. All of the ordinary shares offered in the IPO and the secondary offering were sold by Huntsman, and Venator did not receive any proceeds from the offerings. As of March 31, 2018, we retained approximately 53% ownership in Venator. We intend to monetize our retained ownership in Venator at prevailing market conditions and expect to conduct multiple follow-on capital market or block transactions to permit the orderly distribution of our retained shares.

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

The following table summarizes the major classes of assets and liabilities constituting assets and liabilities held for sale (dollars in millions):

	March 31, 2018	December 31, 2017
Carrying amounts of major classes of assets held for sale:		
Accounts receivable	$ 439	$ 380

Inventories	482	454
Other current assets	311	318
Property, plant and equipment, net	1,534	1,424
Deferred income taxes	153	158
Other noncurrent assets	141	146
Total assets held for sale	$ 3,060	$ 2,880
Carrying amounts of major classes of liabilities in held for sale:		
Accounts payable	$ 387	$ 385
Accrued liabilities	249	236
Other current liabilities	19	25
Long term debt	747	746
Other noncurrent liabilities	319	300
Total liabilities held for sale	$ 1,721	$ 1,692

(1) The assets and liabilities held for sale are classified as current as of March 31, 2018 and December 31, 2017 because it is probable that the sale of our controlling financial interest in Venator ordinary shares will occur and proceeds will be collected within one year.

The following table summarizes major classes of line items constituting pretax and after-tax income of discontinued operations (dollars in millions):

Table of Contents

Huntsman Corporation

	March 31, 2018	2017
Major classes of line items constituting pretax income (loss) of discontinued operations:		
Trade sales, services and fees, net	$ 627	$ 543
Cost of goods sold	476	470
Selling, general and administrative	51	40
Restructuring, impairment and plant closing costs	9	27
Business separation expenses	—	9
Interest expense	9	—
Other operating income, net	(50)	—
Other (income) loss, net	(2)	1
Income (loss) from discontinued operations before income taxes	134	(4)
Income tax expense	(20)	(3)
Income (loss) from discontinued operations, net of tax	114	(7)
Net income attributable to noncontrolling interests	(2)	(3)
Net income (loss) attributable to discontinued operations	$ 112	$ (10)

Huntsman International

	March 31, 2018	2017
Major classes of line items constituting pretax income (loss) of discontinued operations:		
Trade sales, services and fees, net	$ 627	$ 543
Cost of goods sold	476	471
Selling, general and administrative	51	40
Restructuring, impairment and plant closing costs	9	27
Business separation expenses	—	9
Interest expense	9	—
Other operating income, net	(50)	—
Other (income) loss, net	(2)	1
Income (loss) from discontinued operations before income taxes	134	(5)
Income tax expense	(20)	(3)
Income (loss) from discontinued operations, net of tax	114	(8)
Net income attributable to noncontrolling interests	(2)	(3)
Net income (loss) attributable to discontinued operations	$ 112	$ (11)

4. INVENTORIES

Inventories are stated at the lower of cost or market, with cost determined using LIFO, first-in first-out, and average cost methods for different components of inventory. Inventories consisted of the following (dollars in millions):

	March 31, 2018	December 31, 2017
Raw materials and supplies	$ 240	$ 189
Work in progress	50	48
Finished goods	972	897
Total	1,262	1,134
LIFO reserves	(59)	(61)
Net inventories	$ 1,203	$ 1,073

For both March 31, 2018 and December 31, 2017, approximately 13% and 12% of inventories were recorded using the LIFO cost method, respectively.

Table of Contents

5. VARIABLE INTEREST ENTITIES

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

· Rubicon LLC is our 50%-owned joint venture with Lanxess that manufactures products for our Polyurethanes and Performance Products segments. The structure of the joint venture is such that the total equity investment at risk is not sufficient to permit the joint venture to finance its activities without additional financial support. By virtue of the operating agreement with this joint venture, we purchase a majority of the output, absorb a majority of the operating costs and provide a majority of the additional funding.

· Arabian Amines Company is our 50%-owned joint venture with Zamil group that manufactures products for our Performance Products segment. As required in the operating agreement governing this joint venture, we purchase all of Arabian Amines Company's production and sell it to our customers. Substantially all of the joint venture's activities are conducted on our behalf.

· Sasol Huntsman is our 50%-owned joint venture with Sasol that owns and operates a maleic anhydride facility in Moers, Germany. This joint venture manufactures products for our Performance Products segment. The joint venture uses our technology and expertise, and at the time of the last reconsideration event, we took on a disproportionate amount of risk of loss due to a related party loan to Sasol Huntsman for which we assumed the default risk.

Creditors of these entities have no recourse to our general credit. See "Note 7. Debt—Direct and Subsidiary Debt." As the primary beneficiary of these variable interest entities at March 31, 2018, the joint ventures' assets, liabilities and results of operations are included in our condensed consolidated financial statements.

The following table summarizes the carrying amount of our variable interest entities' assets and liabilities included in our condensed consolidated balance sheet as of March 31, 2018 and our consolidated balance sheet as of December 31, 2017 (dollars in millions):

	March 31, 2018	December 31, 2017
Current assets	$ 120	$ 114
Property, plant and equipment, net	265	283
Other noncurrent assets	134	116
Deferred income taxes	33	33
Intangible assets	10	10
Goodwill	15	14

Total assets	$	577	$	570
Current liabilities	$	144	$	163
Long-term debt		83		86
Deferred income taxes		13		12
Other noncurrent liabilities		99		98
Total liabilities	$	339	$	359

The revenues, income from continuing operations before income taxes and net cash provided by operating activities for our variable interest entities for the three months ended March 31, 2018 and 2017 are as follows (dollars in millions):

	Three months ended March 31,	
	2018	2017
Revenues	$ 37	$ 31
Income from continuing operations before income taxes	9	4
Net cash provided by operating activities	15	12

Table of Contents

6. RESTRUCTURING, IMPAIRMENT AND PLANT CLOSING COSTS

As of March 31, 2018 and December 31, 2017, accrued restructuring costs of continuing operations by type of cost and initiative consisted of the following (dollars in millions):

	Workforce reductions(1)	Demolition and decommissioning	Non-cancelable lease and contract termination costs	Other restructuring costs	Total(2)
Accrued liabilities as of January 1, 2018	$ 5	$ 2	$ 41	$ 5	$ 53
2018 credits for 2017 and prior initiatives	—	—	—	(5)	(5)
2018 charges for 2018 initiatives	—	—	—	5	5
2018 (credits) payments for 2017 and prior initiatives	(1)	(1)	(1)	5	2
2018 payments for 2018 initiatives	—	—	—	(1)	(1)
Foreign currency effect on liability balance	1	—	2	—	3
Accrued liabilities as of March 31, 2018	$ 5	$ 1	$ 42	$ 9	$ 57

(1) The workforce reduction reserves relate to the termination of 125 positions, of which 81 positions had not been terminated as of March 31, 2018.

(2) Accrued liabilities by initiatives were as follows (dollars in millions):

	March 31, 2018	December 31, 2017
2016 and prior initiatives	$ 51	$ 51
2017 initiatives	2	2
2018 initiatives	4	—
Total	$ 57	$ 53

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

	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Corporate and other	Total
Accrued liabilities as of January 1, 2018	$ 1	$ 1	$ 3	$ 47	$ 1	$ 53
2018 credits for 2017 and prior initiatives	—	—	—	(5)	—	(5)
2018 charges for 2018 initiatives	—	—	—	—	5	5
2018 (credits) payments for 2017 and prior initiatives	(1)	—	—	3	—	2
2018 payments for 2018 initiatives	—	—	—	—	(1)	(1)
Foreign currency effect on liability balance	—	—	1	2	—	3
Accrued liabilities as of March 31, 2018	$ —	$ 1	$ 4	47	$ 5	$ 57
Current portion of restructuring reserves	$ —	$ 1	$ 1	$ 7	$ 5	$ 14
Long-term portion of restructuring reserves	—	—	3	40	—	43

Table of Contents

Details with respect to cash and noncash restructuring charges from continuing operations for the three months ended March 31, 2018 and 2017 by initiative are provided below (dollars in millions):

	Three months ended March 31, 2018
Cash charges:	
2018 credits for 2017 and prior initiatives	$ (5)
2018 charges for 2018 initiatives	5
Pension-related charges	—
Noncash charges:	
Accelerated depreciation	—
Other noncash credits	2
Total 2018 Restructuring, Impairment and Plant Closing Costs	$ 2

	Three months ended March 31, 2017
Cash charges:	
2017 charges for 2016 and prior initiatives	$ 3
2017 charges for 2017 initiatives	6
Noncash charges:	
Accelerated depreciation	1
Other noncash credits	(1)
Total 2017 Restructuring, Impairment and Plant Closing Costs	$ 9

2018 Restructuring Activities

In September 2011, we implemented a significant restructuring of our Textile Effects segment, including the closure of our production facilities and business support offices in Basel, Switzerland. In connection with this restructuring plan, during the three months ended March 31, 2018, our Textile Effects segment recorded a credit of $5 million related to an installment payment for the sale of land at the Basel, Switzerland site.

2017 Restructuring Activities

In connection with the Textile Effects Restructuring Plan, we recorded restructuring expense of $6 million in the three months ended March 31, 2017 related primarily to workforce reductions.

Table of Contents

7. DEBT

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

Huntsman Corporation

	March 31, 2018	December 31, 2017
Senior Credit Facilities:		
Revolving facility	$ —	$ —
Amounts outstanding under A/R programs	184	180
Senior notes	1,964	1,927
Variable interest entities	105	107
Other	81	84
Total debt	$ 2,334	$ 2,298
Total current portion of debt	$ 36	$ 40
Long-term portion of debt	2,298	2,258
Total debt	$ 2,334	$ 2,298

Huntsman International

	March 31, 2018	December 31, 2017
Senior Credit Facilities:		
Revolving facility	$ —	$ —
Amounts outstanding under A/R programs	184	180
Senior notes	1,964	1,927
Variable interest entities	105	107
Other	81	84
Total debt, excluding debt to affiliates	$ 2,334	$ 2,298
Total current portion of debt	$ 36	$ 40
Long-term portion of debt	2,298	2,258
Total debt, excluding debt to affiliates	$ 2,334	$ 2,298
Total debt, excluding debt to affiliates	$ 2,334	$ 2,298
Notes payable to affiliates-current	100	100
Notes payable to affiliates-noncurrent	702	742
Total debt	$ 3,136	$ 3,140

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 (“Nonguarantors”) 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.

Debt Issuance Costs

We record debt issuance costs related to a debt liability on the balance sheet as a reduction to the face amount of that debt liability. As of March 31, 2018 and December 31, 2017, the amount of debt issuance costs directly reducing the debt liability was $10 million and $11 million, respectively. We record the amortization of debt issuance costs as interest expense.

Table of Contents

Senior Credit Facilities

As of March 31, 2018, our senior credit facilities ("Senior Credit Facilities") consisted of our Revolving Facility as follows (dollars in millions):

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

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

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

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

In connection with the Demilec Acquisition on April 23, 2018, we borrowed $275 million under the Revolving Facility and $75 million under our U.S. A/R Program. See "Note 1. General—Recent Developments—Demilec Acquisition."

A/R Programs

Our U.S. A/R Program and our European accounts receivable securitization program ("EU A/R Program" and collectively with the U.S. A/R Program, "A/R Programs") are structured so that we transfer certain of our trade receivables to the U.S. special purpose entity ("U.S. SPE") and the European special purpose entity ("EU SPE") in transactions intended to be true sales or true contributions. The receivables collateralize debt incurred by the U.S. SPE and the EU SPE. Information regarding our A/R Programs as of March 31, 2018 was as follows (monetary amounts in millions):

Facility	Maturity	Maximum Funding Availability(1)	Amount Outstanding		Interest Rate(2)
U.S. A/R Program	April 2020	$ 250	$ 90	(3)	Applicable rate plus 0.95%
EU A/R Program	April 2020	€ 150 (approximately $186)	€ 76 (approximately $94)		Applicable rate plus 1.30%

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

(2) The applicable rate for our U.S. A/R Program is defined by the lender as either USD LIBOR or CP rate. The applicable rate for our EU A/R Program is either GBP LIBOR, USD LIBOR or EURIBOR. 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) As of March 31, 2018, 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 March 31, 2018 and December 31, 2017, $415 million and $334 million, respectively, of accounts receivable were pledged as collateral under our A/R Programs.

Table of Contents

Note Payable from Huntsman International to Huntsman Corporation

As of March 31, 2018, we had a loan of $802 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 March 31, 2018 on our condensed consolidated balance sheets. As of March 31, 2018, 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.

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

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

If Huntsman International fails to comply with the Leverage Covenant, then we may not have access to liquidity under our Revolving Facility. If Huntsman International fails to comply with the Leverage Covenant at a time when we have 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 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.

8. 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.

All derivatives, whether designated as 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. To the extent applicable, we perform effectiveness assessments in order to use hedge accounting at each reporting period. For a derivative that does not qualify as a hedge, changes in fair value are recognized in earnings.

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 as an unrealized currency translation adjustment in accumulated other comprehensive loss.

Our revenues and expenses are denominated in various foreign currencies, and our cash flows and earnings are thus subject to fluctuations due to exchange rate variations. From time to time, we may 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 one year or less). We do not hedge our foreign currency exposures in a manner that would eliminate the effect of changes in exchange rates on our cash flows and earnings. As of March 31, 2018, we had approximately $126 million in notional amount (in U.S. dollar equivalents) outstanding in forward foreign currency contracts.

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

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 included in our consolidated results. See "Note 5. Variable Interest Entities." The notional amount of the swap as of March 31, 2018 was $14 million, and the interest rate contract was not designated as a cash flow hedge. As of March 31, 2018, the fair value of the swap was $1 million and was recorded in noncurrent liabilities on our condensed consolidated balance sheets. For each of the three months ended March 31, 2018 and 2017, we recorded a reduction of interest expense of nil due to changes in fair value of the swap.

In November 2014, we entered into two five year cross-currency interest rate contracts and one eight year cross-currency interest rate contract to swap an aggregate notional $200 million for an aggregate notional €161 million. This swap was designated as a hedge of net investment for financial reporting purposes. Under the cross-currency interest rate contract, we were to receive fixed U.S. dollar payments of $5 million semiannually on May 15 and November 15 (equivalent to an annual rate of 5.125%) and make interest payments of approximately €3 million (equivalent to an annual rate of approximately 3.6%). In August 2017, we terminated these cross-currency interest rate contracts and received $7 million from the counterparties.

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

Foreign currency transaction gains and losses on intercompany loans that are not designated as permanent loans are recorded in earnings. Foreign currency transaction gains and losses on intercompany loans that are designated as permanent loans are recorded in other comprehensive income on our condensed consolidated statements of 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 March 31, 2018, we have designated approximately €585 million (approximately $725 million) of euro-denominated debt as a hedge of our net investment. For the three months ended March 31, 2018, the amount of loss recognized on the hedge of our net investment was $24 million and was recorded in other comprehensive income (loss) on our condensed consolidated statements of comprehensive income.

Table of Contents

9. FAIR VALUE

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

	March 31, 2018		December 31, 2017	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Non-qualified employee benefit plan investments	$ 24	$ 24	$ 33	$ 33
Interest rate contracts	(1)	(1)	(1)	(1)
Long-term debt (including current portion)	(2,334)	(2,483)	(2,298)	(2,483)

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

The fair value estimates presented herein are based on pertinent information available to management as of March 31, 2018 and December 31, 2017. The estimated fair value amounts have not been comprehensively revalued for purposes of these financial statements since March 31, 2018 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	March 31, 2018	Quoted prices in active markets for identical assets (Level 1)(2)	Significant other observable inputs (Level 2)(2)	Significant unobservable inputs (Level 3)
Assets:				
Equity securities:				
Non-qualified employee benefit plan investments	$ 24	$ 24	$ —	$ —
Liabilities:				
Derivatives:				

Interest rate contracts(1)	$ (1)	$ —	$ (1)	$ —

		Fair Value Amounts Using		
Description	December 31, 2017	Quoted prices in active markets for identical assets (Level 1)(2)	Significant other observable inputs (Level 2)(2)	Significant unobservable inputs (Level 3)
Assets:				
Equity securities:				
Non-qualified employee benefit plan investments	$ 33	$ 33	$ —	$ —
Liabilities:				
Derivatives:				
Interest rate contracts(1)	$ (1)	$ —	$ (1)	$ —

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

(2) There were no transfers between Levels 1 and 2 within the fair value hierarchy during the three months ended March 31, 2018 and the year ended December 31, 2017.

29

Table of Contents

The following table shows a reconciliation of beginning and ending balances for the three months ended March 31, 2017 for instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (dollars in millions). During the three months ended March 31, 2018, there were no instruments categorized as Level 3 within the fair value hierarchy.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Cross-Currency Interest Rate Contracts
Beginning balance	$ 29
Transfers into Level 3	—
Transfers out of Level 3	—
Total (losses) gains:	
Included in earnings	—
Included in other comprehensive income (loss)	—
Purchases, sales, issuances and settlements	—
Ending balance, March 31, 2017	$ 29
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at March 31, 2017	$ —

There were no gains or losses (realized and unrealized) included in earnings for instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

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 each of the three months ended March 31, 2018 and 2017, we recorded charges of nil for the impairment of long lived assets.

10. REVENUE RECOGNITION

We generate substantially all of our revenues through sales in the open market and long term supply agreements. We recognize revenue when control of the promised goods is transferred to our customers. Control of goods usually passes to the customer at the time shipment is made. Revenue is measured as the amount that reflects the consideration that we expect to be entitled to in exchange for those goods. Sales, value add, and other taxes we collect concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expense. We have elected to account for all shipping and handling activities as fulfillment costs. We have also elected to expense commissions when incurred as the amortization period of the commission asset that we would have otherwise recognized is less than one year.

30

Table of Contents

The following table disaggregates our revenue by major source for the three months ended March 31, 2018 (dollars in millions):

	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Eliminations	Total
Primary Geographic Markets						
U.S. and Canada	$ 357	$ 343	$ 69	$ 17	$ (8)	$ 778
Europe	340	108	118	35	(1)	600
Asia Pacific	299	110	68	114	—	591
Rest of world	226	42	24	34	—	326
	$ 1,222	$ 603	$ 279	$ 200	$ (9)	$ 2,295
Major Product Groupings						
MDI urethanes	$ 1,085					$ 1,085
MTBE	137					137
Differentiated		$ 539				539
Upstream		64				64
Specialty			$ 236			236
Non-specialty			43			43
Textile chemicals and dyes and digital inks				$ 200		200
Eliminations					$ (9)	(9)
	$ 1,222	$ 603	$ 279	$ 200	$ (9)	$ 2,295

Substantially all of our revenue is generated through product sales in which revenue is recognized at a point in time. At contract inception, we assess the goods and services, if any, promised in our contracts and identify a performance obligation for each promise to transfer to the customer a good or service that is distinct. In substantially all cases, a contract has a single performance obligation to deliver a promised good to the customer. Revenue is recognized when control of the product is transferred to the customer (i.e., when our performance obligation is satisfied), which typically occurs at shipment. Further, in determining whether control has transferred, we consider if there is a present right to payment and legal title, along with risks and rewards of ownership having transferred to the customer.

The amount of consideration we receive and revenue we recognize is based upon the terms stated in the sales contract, which may contain variable consideration such as discounts or rebates. We allocate the transaction price to each distinct product based on their relative standalone selling price. The product price as specified on the purchase order or in the sales contract is considered the standalone selling price as it is an observable input that depicts the price as if sold to a similar customer in similar circumstances. In order to estimate the applicable variable consideration, we use historical and current trend information to estimate the amount of discounts or rebates to which customers are likely to be entitled. Historically, actual discount or rebate adjustments relative to those estimated and included when determining the transaction price have not materially differed. Payment terms vary by business but are generally less than one year. As our standard payment terms are less than one year, we have elected to not assess whether a contract has a significant financing component. In the normal course of business, we do not accept product returns unless the item is defective as manufactured. We establish provisions for estimated returns based on an analysis of historical experience.

Table of Contents

11. EMPLOYEE BENEFIT PLANS

Components of the net periodic benefit costs from continuing operations for the three months ended March 31, 2018 and 2017 were as follows (dollars in millions):

Huntsman Corporation

	Defined Benefit Plans Three months ended March 31,		Other Postretirement Benefit Plans Three months ended March 31,	
	2018	2017	2018	2017
Service cost	$ 17	$ 15	$ 1	$ 1
Interest cost	20	20	1	1
Expected return on assets	(43)	(38)	—	—
Amortization of prior service benefit	(2)	(2)	(1)	(2)
Amortization of actuarial loss	18	18	—	1
Settlement loss	2	—	—	—
Net periodic benefit cost	$ 12	$ 13	$ 1	$ 1

Huntsman International

	Defined Benefit Plans Three months ended March 31,		Other Postretirement Benefit Plans Three months ended March 31,	
	2018	2017	2018	2017
Service cost	$ 17	$ 15	$ 1	$ 1
Interest cost	20	20	1	1
Expected return on assets	(43)	(38)	—	—
Amortization of prior service benefit	(2)	(2)	(1)	(2)
Amortization of actuarial loss	19	19	—	1
Settlement loss	2	—	—	—
Net periodic benefit cost	$ 13	$ 14	$ 1	$ 1

During the three months ended March 31, 2018 and 2017, we made contributions to our pension and other postretirement benefit plans related to continuing operations of $25 million and $11 million, respectively. During the remainder of 2018, we expect to contribute an additional amount of approximately $73 million to these plans.

12. HUNTSMAN CORPORATION STOCKHOLDERS' EQUITY

Share Repurchase Program

On February 7, 2018, our Board of Directors authorized our Company to repurchase up to an additional $400 million in shares of our common stock in addition to the $50 million remaining under our September 2015 share repurchase authorization. Repurchases may be made through the open market or in privately negotiated transactions, and repurchases may be commenced or suspended from time to time without prior notice. Shares of common stock acquired through the repurchase program are held in treasury at cost. During the three months ended March 31, 2018, we repurchased 1,685,300 shares of our common stock for approximately $51 million under the repurchase program. From April 1, 2018 through April 19, 2018, we repurchased an additional 1,822,315 shares of our common stock for approximately $52.

Dividends on Common Stock

During the quarter ended March 31, 2018 we paid dividends of $39 million, or $0.1625 per share, and during the quarter ended March 31, 2017, we paid dividends of $30 million, or $0.125 per share, to common stockholders.

Table of Contents

13. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income (loss) and changes in accumulated other comprehensive loss by component were as follows (dollars in millions):

Huntsman Corporation

	Foreign currency translation adjustment(a)	Pension and other postretirement benefits adjustments(b)	Other comprehensive income of unconsolidated affiliates	Other, net	Total	Amounts attributable to noncontrolling interests	Amounts attributable to Huntsman Corporation
Beginning balance, January 1, 2018	$ (249)	$ (1,189)	$ 3	$ 24	$ (1,411)	$ 143	$ (1,268)
Cumulative effect of changes in fair value of equity investments	—	—	—	(10)	(10)	—	(10)
Revised beginning balance, January 1, 2018	(249)	(1,189)	3	14	(1,421)	143	(1,278)
Other comprehensive income (loss) before reclassifications, gross	83	(2)	—	—	81	(7)	74
Tax benefit (expense)	4	—	—	(3)	1	—	1
Amounts reclassified from accumulated other comprehensive loss, gross(c)	—	22	—	—	22	—	22
Tax benefit (expense)	—	5	—	(6)	(1)	—	(1)
Net current-period other comprehensive income (loss)	87	25	—	(9)	103	(7)	96
Disposition of a portion of P&A Business	—	—	—	—	—	(16)	(16)
Ending balance, March 31, 2018	$ (162)	$ (1,164)	$ 3	$ 5	$ (1,318)	$ 120	$ (1,198)

(a) Amounts are net of tax of $61 and $65 as of March 31, 2018 and January 1, 2018, respectively.

(b) Amounts are net of tax of \$177 and \$172 as of March 31, 2018 and January 1, 2018, respectively.

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

Foreign currency	Pension and other postretirement	Other comprehensive income of	Amounts	Amounts