

Analyst: Sung Nam

**Huntsman Corp (HUN) Research Report**

**Market Price:** \$10.31      **EV/EBITDA:** 5.60      **Net Asset/Share:** \$5.79

**Not Ketchup, Chemicals**

Huntsman Corp (HUN) sells a wide range of chemicals. Business is good with revenues at \$9.3 billion in 2010 and EBIT at 10% historically, but coming in low at 3% last year.

However, this company generates about \$500 MM from Net income and depreciation. Lately, they have been reitring debt, which stands at \$4 billion, with a cash balance at \$1 billion. Steady cash flow, with NWC at around \$1 billion from operations. They average \$200-\$400 MM in capex, so they could possibly average \$500 MM in free cash flow.

EV/EBITDA multiple is near comps and doesn't have much upside as far as discount. 30% owned by insiders, so it might be a good candidate for a LBO takeover. With the strong, stead cashflow, it could support more debt.

Not sure who their customers are yet, but if the economy picks up, they may fetch a higher multiple. The sales grew only 4% in 2008, dipped 24% in 2009, and came back to 2007 sales figures in 2010 by posting a strong 21% annual growth.

It is not incredibly discounted, but just like the strong cash flow.

Using the current EV/EBITDA multiple as the exit multiple, we can back into an equity price at \$25.19, or a 19.56% annual growth, assuming 0% reinvestment rate.

Huntsman Corporation is a manufacturer of differentiated organic chemical products and of inorganic chemical products. The Company operates all of its businesses through its 100% owned subsidiary, Huntsman International LLC (Huntsman International). It owns a 50% interest in Sasol-Huntsman GmbH and Co. KG (Sasol-Huntsman). Sasol-Huntsman owns and operates a maleic anhydride facility in Moers, Germany. The Company's products consists of a range of chemicals and formulations, which it markets globally to a group of consumer and industrial customers. It operates through five segments: Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments. During the year ended December 31, 2010, its Polyurethanes, Performance Products, Advanced Materials, Textile Effects and Pigments segments, accounted for 38%, 28%, 13%, 8% and 13%, respectively, of its revenues. In April 2011, the Company acquired Indian chemical producer Laffans Petrochemicals Ltd.

<b>Company Name:</b>		<b>Huntsman Corp</b>			<b>Income Statement</b>	
Ticker Symbol:	HUN	Market Capitalization:	\$2,470,000,000.00	Revenue:	\$10,430,000,000.00	100.0%
Last Price:	\$10.31	Total Debt:	\$4,150,000,000.00	Cost of Goods Sold:	\$8,970,000,000.00	86.0%
Net Cash/Share:	-\$14.46	Total Cash:	\$683,000,000.00	Gross Profit:	\$1,460,000,000.00	14.0%
Net Cash to Last Price:	-140.27%	Net Cash/(Debt):	-\$3,467,000,000.00	EBITDA:	\$1,060,000,000.00	10.2%
Shares Outstanding:	239,730,000	Enterprise Value:	\$5,937,000,000.00	Net Income:	\$282,000,000.00	2.7%
Industry:	Specialty Chemicals	<b>EV/Share:</b>	<b>\$24.77</b>			
Sector:	Basic Materials	EBITDA:	\$1,060,000,000.00			
		EV/EBITDA Multiple:	5.60			
		<b>DCF Valuation</b>				
Institutional Ownership:	68.33%	Current Market Price:	\$10.31	Cash:	\$966,000,000.00	
Mutual Fund Ownership:	1.10%	<b>DCF Enterprise Valuation:</b>	<b>\$7.95</b>	Short Term Investment:	\$0.00	
Insider Ownership:	30.82%	Appreciation/ (Depreciation) Over Period:	-22.88%	A/R:	\$1,479,000,000.00	
Retail Ownership:	-31.07%	App./ (Dep) Per Annum Over 5 Year Holding Period:	-5.06%	PP&E:	\$6,701,000,000.00	
Float:	69.18%	Beta:	2.15	Assets:	\$8,714,000,000.00	
<b>Technicals</b>		Risk Free (5 Year Treasury):	2.11%	A/P:	\$887,000,000.00	
52 week low:	\$8.13	Average Growth Rate Used:	3.00%	Deferred Tax:	\$314,000,000.00	
Today from 52 week low:	26.81%	Discount Rate Used:	10.00%	Other Liabilities:	\$1,573,000,000.00	
52 week high:	\$21.52	Terminal Value EV/EBITDA Ratio:	5.60	Short term Debt:	\$519,000,000.00	
Today from 52 week high:	108.73%	<b>Implied Terminal Value</b>		Long Term Debt:	\$3,631,000,000.00	
50 day Moving Average:	\$11.36	EBITDA in 5 Years:	\$1,052,662,375.78	Liabilities:	\$6,924,000,000.00	
200 day Moving Average:	\$16.38	Today's EV/EBITDA Multiple:	5.60	Retained Earnings:	-\$1,090,000,000.00	
<b>Profitability Margins</b>		Implied Enterprise Value:	\$5,895,902,382.09	Paid-In Capital:	\$3,186,000,000.00	
Debt to Equity:	231.84%	Net Cash at 5 years:	\$69,508,494.99	Treasury Stock:	\$0.00	
Return on Assets:	-0.16%	Implied Equity Value:	\$5,965,410,877.08	Stockholder's Equity:	\$1,790,000,000.00	
Return on Capital:	-0.24%	<b>Implied Equity Value/Share:</b>	<b>\$25.19</b>			
Return on Equity:	-0.78%	Return over 5 Years:	144.34%			
		Annualized Return (Zero reinvestment rate):	19.56%			
<b>Analyst/Consensus</b>		<b>Waterfall Analysis Enterprise Value</b>		<b>Cash Flow</b>		
Analyst Sales Growth FY1:	22.40%	High range:	\$7,696,700,000.0	Net Income:	32,000,000.00	
Analyst Sales Growth FY2:	4.00%	High range/share:	<b>\$32.11</b>	Depreciation/Amortization:	405,000,000.00	
SN Valuation Estimate FY1:	3.00%	Mid range:	\$5,937,000,000.0	Change in Working capital:	-755,000,000.00	
SN Valuation Estimate FY2:	3.00%	Mid range/share:	\$24.77	Cash from Operating Activities:	-58,000,000.00	
Analyst Earnings Estimate FY1:	\$1.73	Low range:	\$4,389,300,000.0	Capital Expenditures:	-236,000,000.00	
Analyst Earnings Estimate FY2:	\$1.89	Low range/share:	\$18.31	Cash from Investing Activities:	-182,000,000.00	
SN Valuation Earnings Est. FY1:	\$1.59	<b>SN Valuation Mutliples</b>		Total Cash Dividends Paid:	-96,000,000.00	
SN Valuation Earnings Est. FY2:	\$2.47	Enterprise Value:	\$5,937,000,000.00	Issuance (Retirement) of Stock:	-3,000,000.00	
<b>Multiples</b>		4 Year Sum EBITDA:	\$2,351,000,000.00	Issuance (Retirement) of Debt:	-257,000,000.00	
Market Value to Book:	1.38	EV/4 Year Sum EBITDA:	2.53	Cash from Financing Activities:	-543,000,000.00	
EV to Book:	3.32					
P/E Ratio:	8.76	Enterprise Value:	\$5,937,000,000.00			
Trailing P/E Ratio:	9.41	4 Year Sum Operating Cash Flow:	\$1,761,000,000.00			
Forward P/E Ratio:	5.46	EV/4 Year Sum EBITDA:	3.37			
Net Tangible Asset:	\$1,387,000,000.00					
Net Tangible Asset/Share:	\$5.79					
<b>Competitors</b>		Implied Enterprise Value in 5 Years:	\$5,321,863,262.81			
Average EV to EBITDA:	5.82	<b>EV/Share in 5 Years:</b>	<b>\$22.20</b>			
Company EV to EBITDA:	5.60	Current EV/Share:	\$24.77			
		Appreciation/(Depreciation):	-10.36%			
Average EV to EBIT:	12.8	App./ (Dep) Per Annum Over 5 Year Holding Period:	-2.16%			
Company EV to EBIT:	26.62	5 Year Average Dividend Yield:	N/A			
		<b>Appreciation + Dividend Yield:</b>	<b>-2.16%</b>			

**SN VALUATION**

**Competitors/Industry**

**Name:**

**Huntsman Corp**

**Ticker:**

**HUN**

Ticker	Name of Company	Stock Price	Market Cap	Cash	Debt	Net Cash	Enterprise Value	EV/Market Cap	EBITDA	EV/EBITDA	EBIT	EV/EBIT
<b>HUN</b>	Huntsman Corp	\$10.31	2,470,000,000	683,000,000	4,150,000,000	-3,467,000,000	5,937,000,000	240.364%	1,060,000,000	5.60	20,000,000	296.85
<b>BASFY.PK</b>		Error	64,770,000,000	2,570,000,000	15,098,000,000	-12,528,000,000	77,298,000,000	119.342%	17,640,000,000	4.38	#VALUE!	#VALUE!
<b>DOW</b>	The Dow Chemical Co	\$27.24	32,180,000,000	2,120,000,000	23,827,000,000	-21,707,000,000	53,887,000,000	167.455%	7,340,000,000	7.34	2,802,000,000	19.23
<b>DD</b>	E I Du Pont De Nemours And Co	\$45.15	42,100,000,000	2,480,000,000	10,270,000,000	-7,790,000,000	49,890,000,000	118.504%	5,980,000,000	8.34	3,711,000,000	13.44
<b>BAYRY.PK</b>		Error	51,380,000,000	5,340,000,000	11,833,000,000	-6,493,000,000	57,873,000,000	112.637%	9,560,000,000	6.05	#VALUE!	#VALUE!
<b>TOT</b>	Total ADR repsg one Ord Shs	\$52.59	118,270,000,000	22,940,000,000	30,436,000,000	-7,496,000,000	125,766,000,000	106.338%	42,010,000,000	2.99	21,035,000,000	5.98

	12 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31
<b>Revenue</b>	<b>9,651.00</b>	<b>10,056.00</b>	<b>7,665.00</b>	<b>9,250.00</b>
COGS	8,111.00	8,776.00	6,587.00	7,789.00
<b>Gross margin</b>	<b>1,540.00</b>	<b>1,280.00</b>	<b>1,078.00</b>	<b>1,461.00</b>
SG&A (includes depreciation)	871.00	871.00	850.00	861.00
R&D	145.00	154.00	145.00	151.00
Interest expense/(income)	0.00	0.00	0.00	0.00
Unusual expense	184.00	-748.00	-726.00	216.00
Other operating expense	15.00	27.00	-18.00	10.00
<b>Operating Income (EBIT)</b>	<b>325.00</b>	<b>976.00</b>	<b>827.00</b>	<b>223.00</b>
Interest income/(expense)	-286.00	-262.00	-238.00	-229.00
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00
Other	-21.00	-26.00	-23.00	2.00
<b>Income before tax</b>	<b>31.00</b>	<b>702.00</b>	<b>569.00</b>	<b>20.00</b>
Tax	-12.00	190.00	444.00	29.00
<b>Income after tax</b>	<b>43.00</b>	<b>512.00</b>	<b>125.00</b>	<b>-9.00</b>
Minority Interest	9.00	-1.00	2.00	-5.00
Equity in affiliates	0.00	0.00	0.00	0.00
<b>Net income</b>	<b>52.00</b>	<b>511.00</b>	<b>127.00</b>	<b>-14.00</b>
*Figures are in millions (\$)				
Revenue Growth	N/A	4.20%	-23.78%	20.68%
Tax Rate	-38.71%	27.07%	78.03%	145.00%
<u>Margins</u>				
COGS	84.04%	87.27%	85.94%	84.21%
<b>Gross margin</b>	<b>15.96%</b>	<b>12.73%</b>	<b>14.06%</b>	<b>15.79%</b>
SG&A	9.02%	8.66%	11.09%	9.31%
R&D	1.50%	1.53%	1.89%	1.63%
Interest expense/(income)	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.91%	-7.44%	-9.47%	2.34%
Other operating expense	0.16%	0.27%	-0.23%	0.11%
<b>Operating Income</b>	<b>3.37%</b>	<b>9.71%</b>	<b>10.79%</b>	<b>2.41%</b>
Interest income/(expense)	-2.96%	-2.61%	-3.11%	-2.48%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%
Other	-0.22%	-0.26%	-0.30%	0.02%
<b>Income before tax</b>	<b>0.32%</b>	<b>6.98%</b>	<b>7.42%</b>	<b>0.22%</b>
Tax	-0.12%	1.89%	5.79%	0.31%
<b>Income after tax</b>	<b>0.45%</b>	<b>5.09%</b>	<b>1.63%</b>	<b>-0.10%</b>
Minority Interest	0.09%	-0.01%	0.03%	-0.05%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%
<b>Net income</b>	<b>0.54%</b>	<b>5.08%</b>	<b>1.66%</b>	<b>-0.15%</b>

	As of 2007-12-31	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31
Cash	154.00	657.00	1,745.00	966.00
Short term investment	0.00	0.00	0.00	0.00
<b>Cash and Short term</b>	<b>154.00</b>	<b>657.00</b>	<b>1,745.00</b>	<b>966.00</b>
Accounts Receivable	1,262.70	913.00	1,019.00	1,479.00
Other receivables	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>1,262.70</b>	<b>913.00</b>	<b>1,019.00</b>	<b>1,479.00</b>
Total Inventory	1,451.90	1,500.00	1,184.00	1,396.00
Prepaid Expenses	37.40	45.00	42.00	46.00
Other Current Assets	189.20	125.00	150.00	121.00
<b>Current Assets</b>	<b>3,095.20</b>	<b>3,240.00</b>	<b>4,140.00</b>	<b>4,008.00</b>
PP&E	6,099.40	6,104.00	6,442.00	6,701.00
Goodwill	92.50	92.00	94.00	94.00
Intangibles	173.20	153.00	125.00	105.00
Long term investments	227.80	267.00	250.00	234.00
Other long term assets	805.90	648.00	493.00	661.00
<b>Total Assets</b>	<b>8,165.60</b>	<b>8,058.00</b>	<b>8,626.00</b>	<b>8,714.00</b>
Accounts Payable	1,018.40	747.00	755.00	887.00
Accrued Expense	862.20	580.00	603.00	608.00
Other current Liabilities	26.20	73.00	22.00	39.00
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	68.50	205.00	431.00	519.00
Long term Debt	3,505.00	3,683.00	3,786.00	3,631.00
Capital Lease Obligations	0.00	0.00	0.00	0.00
<b>Total Debt</b>	<b>3,573.50</b>	<b>3,888.00</b>	<b>4,217.00</b>	<b>4,150.00</b>
Deferred Income tax	154.40	117.00	289.00	314.00
Minority Interest	26.50	22.00	21.00	60.00
Other liabilities	677.80	1,021.00	875.00	866.00
<b>Total Liabilities</b>	<b>6,339.00</b>	<b>6,448.00</b>	<b>6,782.00</b>	<b>6,924.00</b>
Redeemable Preferred Stock	287.50	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00
Common Stock	2.20	2.00	2.00	2.00
Additional Paid-in capital	2,831.90	3,141.00	3,155.00	3,186.00
Retained Earnings	-1,540.10	-1,031.00	-1,015.00	-1,090.00
Treasury Stock	0.00	0.00	0.00	0.00
Other Equity	245.10	-502.00	-298.00	-308.00
<b>Total Equity</b>	<b>1,826.60</b>	<b>1,610.00</b>	<b>1,844.00</b>	<b>1,790.00</b>
<b>Total Shares Outstanding</b>	<b>221.04</b>	<b>233.55</b>	<b>234.08</b>	<b>236.80</b>

	12 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31
Net Income	-181.00	610.00	112.00	32.00
Depreciation	413.00	398.00	442.00	405.00
Amortization	0.00	0.00	0.00	0.00
Deferred Taxes	-203.00	202.00	231.00	45.00
Non Cash Items	304.00	-103.00	60.00	215.00
Change in Working capital	-385.00	-340.00	259.00	-755.00
<b>Cash from Operating Activities</b>	<b>-52.00</b>	<b>767.00</b>	<b>1,104.00</b>	<b>-58.00</b>
Capital Expenditures	-665.00	-418.00	-189.00	-236.00
Other Investing Cash flow Items	865.00	-71.00	-16.00	54.00
<b>Cash from Investing Activities</b>	<b>200.00</b>	<b>-489.00</b>	<b>-205.00</b>	<b>-182.00</b>
Financing Cash flow items	-5.00	-6.00	-18.00	-187.00
Total Cash Dividends Paid	-102.00	-97.00	-96.00	-96.00
Issuance (Retirement) of Stock	0.00	-4.00	-2.00	-3.00
Issuance (Retirement) of Debt	-162.00	337.00	300.00	-257.00
<b>Cash from Financing Activities</b>	<b>-269.00</b>	<b>230.00</b>	<b>184.00</b>	<b>-543.00</b>
Foreign Exchange effect	12.00	-5.00	5.00	4.00
Beginning Cash Balance	263.00	154.00	657.00	1,745.00
<b>Net Change in Cash</b>	<b>-109.00</b>	<b>503.00</b>	<b>1,088.00</b>	<b>-779.00</b>
Ending Cash Balance	154.00	657.00	1,745.00	966.00
Cash Interest Paid	301.00	265.00	227.00	203.00
Cash Taxes Paid	73.00	34.00	155.00	6.00

Pro Forma Income Statement

Name:

Huntsman Corp

Ticker:

HUN

	Historical				Forecasted				
	12 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Revenue	9,651.00	10,056.00	7,665.00	9,250.00	9,527.50	9,813.33	10,107.72	10,410.96	10,723.29
COGS	8,111.00	8,776.00	6,587.00	7,789.00	8,101.35	8,328.96	8,576.84	8,836.60	9,100.89
<b>Gross margin</b>	<b>1,540.00</b>	<b>1,280.00</b>	<b>1,078.00</b>	<b>1,461.00</b>	<b>1,426.15</b>	<b>1,484.37</b>	<b>1,530.89</b>	<b>1,574.36</b>	<b>1,622.39</b>
SG&A	871.00	871.00	850.00	861.00	931.58	958.57	982.98	1,014.36	1,044.47
R&D	145.00	154.00	145.00	151.00	161.98	166.73	171.09	176.50	181.75
Interest expense/(income)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	184.00	-748.00	-726.00	216.00	-208.10	-152.81	-137.07	-156.08	-156.78
Other operating expense	15.00	27.00	-18.00	10.00	2.03	2.13	3.05	2.79	2.93
<b>Operating Income</b>	<b>325.00</b>	<b>976.00</b>	<b>827.00</b>	<b>223.00</b>	<b>538.67</b>	<b>509.75</b>	<b>510.84</b>	<b>536.80</b>	<b>550.03</b>
Interest income/(expense)	-286.00	-262.00	-238.00	-229.00	-255.09	-261.00	-267.51	-276.27	-284.39
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	-21.00	-26.00	-23.00	2.00	-9.80	-8.37	-8.07	-8.72	-8.87
<b>Income before tax</b>	<b>31.00</b>	<b>702.00</b>	<b>569.00</b>	<b>20.00</b>	<b>803.57</b>	<b>779.12</b>	<b>786.42</b>	<b>821.79</b>	<b>843.30</b>
Tax	-12.00	190.00	444.00	29.00	424.66	190.59	185.08	197.06	201.52
<b>Income after tax</b>	<b>43.00</b>	<b>512.00</b>	<b>125.00</b>	<b>-9.00</b>	<b>601.34</b>	<b>588.53</b>	<b>601.34</b>	<b>624.73</b>	<b>641.78</b>
Minority Interest	9.00	-1.00	2.00	-5.00	-2.44	-2.84	-3.08	-3.07	-3.19
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net income</b>	<b>52.00</b>	<b>511.00</b>	<b>127.00</b>	<b>-14.00</b>	<b>376.47</b>	<b>585.68</b>	<b>598.26</b>	<b>621.65</b>	<b>638.59</b>
*Figures are in millions (\$)									
Revenue Growth	N/A	4.20%	-23.78%	20.68%	3.00%	3.00%	3.00%	3.00%	3.00%
Tax Rate	-38.71%	27.07%	78.03%	145.00%	52.85%	75.74%	87.90%	90.37%	76.71%
<u>Margins</u>									
COGS	84.04%	87.27%	85.94%	84.21%	85.03%	84.87%	84.85%	84.88%	84.87%
<b>Gross margin</b>	<b>15.96%</b>	<b>12.73%</b>	<b>14.06%</b>	<b>15.79%</b>	<b>14.97%</b>	<b>15.13%</b>	<b>15.15%</b>	<b>15.12%</b>	<b>15.13%</b>
SG&A	9.02%	8.66%	11.09%	9.31%	9.78%	9.77%	9.72%	9.74%	9.74%
R&D	1.50%	1.53%	1.89%	1.63%	1.70%	1.70%	1.69%	1.70%	1.69%
Interest expense/(income)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.91%	-7.44%	-9.47%	2.34%	-2.18%	-1.56%	-1.36%	-1.50%	-1.46%
Other operating expense	0.16%	0.27%	-0.23%	0.11%	0.02%	0.02%	0.03%	0.03%	0.03%
<b>Operating Income</b>	<b>3.37%</b>	<b>9.71%</b>	<b>10.79%</b>	<b>2.41%</b>	<b>5.65%</b>	<b>5.19%</b>	<b>5.05%</b>	<b>5.16%</b>	<b>5.13%</b>
Interest income/(expense)	-2.96%	-2.61%	-3.11%	-2.48%	-2.68%	-2.66%	-2.65%	-2.65%	-2.65%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	-0.22%	-0.26%	-0.30%	0.02%	-0.10%	-0.09%	-0.08%	-0.08%	-0.08%
<b>Income before tax</b>	<b>0.32%</b>	<b>6.98%</b>	<b>7.42%</b>	<b>0.22%</b>	<b>8.43%</b>	<b>7.94%</b>	<b>7.87%</b>	<b>7.89%</b>	<b>7.86%</b>
Tax	-0.12%	1.89%	5.79%	0.31%	2.11%	1.94%	1.83%	1.89%	1.88%
<b>Income after tax</b>	<b>0.45%</b>	<b>5.09%</b>	<b>1.63%</b>	<b>-0.10%</b>	<b>3.98%</b>	<b>6.18%</b>	<b>6.31%</b>	<b>6.56%</b>	<b>6.74%</b>
Minority Interest	0.09%	-0.01%	0.03%	-0.03%	-0.03%	-0.03%	-0.03%	-0.03%	-0.03%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Net income</b>	<b>0.54%</b>	<b>5.08%</b>	<b>1.66%</b>	<b>-0.15%</b>	<b>3.95%</b>	<b>5.97%</b>	<b>5.92%</b>	<b>5.97%</b>	<b>5.96%</b>

	10%				
Discount Rate	10%				
Time Period	1	2	3	4	5
FCFF	-186.00	-199.64	-199.12	-186.88	-180.65
Total Cash Flow	-186.00	-199.64	-199.12	-186.88	-180.65
Present Value of Cash flow	-169.09	-164.99	-149.61	-127.64	-112.17
<b>Net Asset = Terminal Value</b>				<b>EBITDA Multiple = Terminal Value</b>	
<b>Sum of Present Value of Cash flow</b>	<b>-723.50</b>			<b>Sum of Present Value of Cash flow</b>	<b>-723.50</b>
Year 5 Net Tangible Assets	4,235.14			Implied TV from EV/EBITDA	3,080.67
<b>PV of Net Tangible Assets</b>	<b>2,629.69</b>			PV of Terminal Value	<b>1,912.85</b>
FCFE Present Value	1,906.19			FCFE Present Value	1,189.36
Cash Burn Over Period	0			Cash Burn Over Period	0
Enterprise Value	1,906.19			Enterprise Value	1,189.36
<b>Price/Share</b>	<b>\$7.95</b>			<b>Price/Share</b>	<b>\$4.96</b>

	As of 2007-12-31	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	2011	2012	2013	2014	2015
Cash	154.00	657.00	1,745.00	966.00	1,442.23	2,072.89	2,755.54	3,462.27	4,219.51
Short term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and Short term</b>	<b>154.00</b>	<b>657.00</b>	<b>1,745.00</b>	<b>966.00</b>	<b>1,442.23</b>	<b>2,072.89</b>	<b>2,755.54</b>	<b>3,462.27</b>	<b>4,219.51</b>
Accounts Receivable	1,262.70	913.00	1,019.00	1,479.00	1,679.00	1,879.00	2,079.00	2,279.00	2,479.00
Other receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>1,262.70</b>	<b>913.00</b>	<b>1,019.00</b>	<b>1,479.00</b>	<b>1,679.00</b>	<b>1,879.00</b>	<b>2,079.00</b>	<b>2,279.00</b>	<b>2,479.00</b>
Deferred Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Inventory	1,451.90	1,500.00	1,184.00	1,396.00	1,396.00	1,396.00	1,396.00	1,396.00	1,396.00
Prepaid Expenses	37.40	45.00	42.00	46.00	46.00	46.00	46.00	46.00	46.00
Other Current Assets	189.20	125.00	150.00	121.00	121.00	121.00	121.00	121.00	121.00
<b>Current Assets</b>	<b>3,095.20</b>	<b>3,240.00</b>	<b>4,140.00</b>	<b>4,008.00</b>	<b>4,684.23</b>	<b>5,514.89</b>	<b>6,397.54</b>	<b>7,304.27</b>	<b>8,261.51</b>
PP&E, Gross	6,099.40	6,104.00	6,442.00	6,701.00	6,941.00	7,181.00	7,421.00	7,661.00	7,901.00
Change in Depreciation	413.00	398.00	442.00	405.00	437.84	458.73	490.60	481.56	502.64
Accumulated Depreciation	2,328.40	2,446.00	2,888.00	3,293.00	3,730.84	4,189.57	4,680.17	5,161.73	5,664.37
PP&E, Net	3,771.00	3,658.00	3,554.00	3,408.00	3,210.16	2,991.43	2,740.83	2,499.27	2,236.63
Goodwill	92.50	92.00	94.00	94.00	94.00	94.00	94.00	94.00	94.00
Intangibles	173.20	153.00	125.00	105.00	3.07	-23.18	-56.97	-100.48	-156.49
Long term investments	227.80	267.00	250.00	234.00	234.00	234.00	234.00	234.00	234.00
Other long term assets	805.90	648.00	493.00	661.00	661.00	661.00	661.00	661.00	661.00
<b>Long Term Assets</b>	<b>7,398.80</b>	<b>7,264.00</b>	<b>7,404.00</b>	<b>7,795.00</b>	<b>4,202.23</b>	<b>3,957.26</b>	<b>3,672.86</b>	<b>3,387.79</b>	<b>3,069.14</b>
<b>Total Assets</b>	<b>8,165.60</b>	<b>8,058.00</b>	<b>8,626.00</b>	<b>8,714.00</b>	<b>8,886.47</b>	<b>9,472.15</b>	<b>10,070.41</b>	<b>10,692.06</b>	<b>11,330.65</b>
Accounts Payable	1,018.40	747.00	755.00	887.00	887.00	887.00	887.00	887.00	887.00
Accrued Expense	862.20	580.00	603.00	608.00	608.00	608.00	608.00	608.00	608.00
Other current Liabilities	26.20	73.00	22.00	39.00	39.00	39.00	39.00	39.00	39.00
<b>Total Current Liabilities</b>	<b>1,906.80</b>	<b>1,400.00</b>	<b>1,380.00</b>	<b>1,534.00</b>	<b>1,534.00</b>	<b>1,534.00</b>	<b>1,534.00</b>	<b>1,534.00</b>	<b>1,534.00</b>
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	68.50	205.00	431.00	519.00	519.00	519.00	519.00	519.00	519.00
Long term Debt	3,505.00	3,683.00	3,786.00	3,631.00	3,631.00	3,631.00	3,631.00	3,631.00	3,631.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Interest Earning Debt</b>	<b>3,573.50</b>	<b>3,888.00</b>	<b>4,217.00</b>	<b>4,150.00</b>	<b>4,150.00</b>	<b>4,150.00</b>	<b>4,150.00</b>	<b>4,150.00</b>	<b>4,150.00</b>
Deferred Income tax	154.40	117.00	289.00	314.00	314.00	314.00	314.00	314.00	314.00
Minority Interest	26.50	22.00	21.00	60.00	60.00	60.00	60.00	60.00	60.00
Other liabilities	677.80	1,021.00	875.00	866.00	866.00	866.00	866.00	866.00	866.00
<b>Total Liabilities</b>	<b>6,339.00</b>	<b>6,448.00</b>	<b>6,782.00</b>	<b>6,924.00</b>	<b>6,924.00</b>	<b>6,924.00</b>	<b>6,924.00</b>	<b>6,924.00</b>	<b>6,924.00</b>
Redeemable Preferred Stock	287.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	2.20	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Additional Paid-in capital	2,831.90	3,141.00	3,155.00	3,186.00	3,186.00	3,186.00	3,186.00	3,186.00	3,186.00
Dividends Paid					0.00	0.00	0.00	0.00	0.00
Retained Earnings	-1,540.10	-1,031.00	-1,015.00	-1,090.00	-713.53	-127.85	470.41	1,092.06	1,730.65
Treasury Stock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	245.10	-502.00	-298.00	-308.00	-308.00	-308.00	-308.00	-308.00	-308.00
<b>Total Equity</b>	<b>1,826.60</b>	<b>1,610.00</b>	<b>1,844.00</b>	<b>1,790.00</b>	<b>2,166.47</b>	<b>2,752.15</b>	<b>3,350.41</b>	<b>3,972.06</b>	<b>4,610.65</b>
<b>Liability + Equity</b>	<b>8,165.60</b>	<b>8,058.00</b>	<b>8,626.00</b>	<b>8,714.00</b>	<b>9,090.47</b>	<b>9,676.15</b>	<b>10,274.41</b>	<b>10,896.06</b>	<b>11,534.65</b>
<b>Variance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-204</b>	<b>-204</b>	<b>-204</b>	<b>-204</b>	<b>-204</b>
<b>Total Shares Outstanding</b>	<b>221.04</b>	<b>233.55</b>	<b>234.08</b>	<b>236.80</b>					



SN VALUATION

Pro Forma Cash Flow

Name:

Huntsman Corp

Ticker:

HUN

	12 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Net Income	-181.00	610.00	112.00	32.00	376.47	585.68	598.26	621.65	638.59
Depreciation	413.00	398.00	442.00	405.00	437.84	458.73	490.60	481.56	502.64
Amortization	0.00	0.00	0.00	0.00	101.93	26.25	33.79	43.51	56.02
Deferred Taxes	-203.00	202.00	231.00	45.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	304.00	-103.00	60.00	215.00	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-385.00	-340.00	259.00	-755.00	-200.00	-200.00	-200.00	-200.00	-200.00
Accounts Receivable		349.70	-106.00	-460.00	-200.00	-200.00	-200.00	-200.00	-200.00
Other Receivables		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory		-48.10	316.00	-212.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses		-7.60	3.00	-4.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable		-271.40	8.00	132.00	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>-52.00</b>	<b>767.00</b>	<b>1,104.00</b>	<b>-58.00</b>	<b>716.23</b>	<b>870.66</b>	<b>922.65</b>	<b>946.72</b>	<b>997.24</b>
Capital Expenditures	-665.00	-418.00	-189.00	-236.00	-240.00	-240.00	-240.00	-240.00	-240.00
Long term investment					0.00	0.00	0.00	0.00	0.00
Intangibles	865.00	-71.00	-16.00	54.00	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>200.00</b>	<b>-489.00</b>	<b>-205.00</b>	<b>-182.00</b>	<b>-240.00</b>	<b>-240.00</b>	<b>-240.00</b>	<b>-240.00</b>	<b>-240.00</b>
Financing Cash flow items	-5.00	-6.00	-18.00	-187.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-102.00	-97.00	-96.00	-96.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.00	-4.00	-2.00	-3.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Debt	-162.00	337.00	300.00	-257.00	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-269.00</b>	<b>230.00</b>	<b>184.00</b>	<b>-543.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	12.00	-5.00	5.00	4.00					
Beginning Cash Balance	263.00	154.00	657.00	1,745.00	966.00	1,442.23	2,072.89	2,755.54	3,462.27
<b>Net Change in Cash</b>	<b>-109.00</b>	<b>503.00</b>	<b>1,088.00</b>	<b>-779.00</b>	<b>476.23</b>	<b>630.66</b>	<b>682.65</b>	<b>706.72</b>	<b>757.24</b>
Ending Cash Balance	154.00	657.00	1,745.00	966.00	1,442.23	2,072.89	2,755.54	3,462.27	4,219.51
Cash Interest Paid	301.00	265.00	227.00	203.00					
Cash Taxes Paid	73.00	34.00	155.00	6.00					

Depreciation to Sales	4.28%	3.96%	5.77%	4.38%	4.60%	4.67%	4.85%	4.63%	4.69%
Amortization to Sales	4.28%	0.00%	0.00%	0.00%	1.07%	0.27%	0.33%	0.42%	0.52%
A/R to Sales	13.08%	9.08%	13.29%	15.99%	17.62%	19.15%	20.57%	21.89%	23.12%

**SN VALUATION**

**FCFE, FCFD, FCFE Analysis**

Name:

Huntsman Corp

Ticker:

HUN

	12 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Current assets	3,095.20	3,240.00	4,140.00	4,008.00	4,684.23	5,514.89	6,397.54	7,304.27	8,261.51
Excess cash + cash	154.00	657.00	1,745.00	966.00	1,442.23	2,072.89	2,755.54	3,462.27	4,219.51
<b>Current assets minus cash</b>	<b>2,941.20</b>	<b>2,583.00</b>	<b>2,395.00</b>	<b>3,042.00</b>	<b>3,242.00</b>	<b>3,442.00</b>	<b>3,642.00</b>	<b>3,842.00</b>	<b>4,042.00</b>
Current Liabilities	1,906.80	1,400.00	1,380.00	1,534.00	1,534.00	1,534.00	1,534.00	1,534.00	1,534.00
<b>Net Working Capital</b>	<b>1,034.40</b>	<b>1,183.00</b>	<b>1,015.00</b>	<b>1,508.00</b>	<b>1,708.00</b>	<b>1,908.00</b>	<b>2,108.00</b>	<b>2,308.00</b>	<b>2,508.00</b>
<b>Change in Working Capital (WCCF)</b>		<b>148.60</b>	<b>-168.00</b>	<b>493.00</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
Net Fixed Assets	6,099.40	6,104.00	6,442.00	6,701.00	6,941.00	7,181.00	7,421.00	7,661.00	7,901.00
Change in net fixed assets		4.60	338.00	259.00	240.00	240.00	240.00	240.00	240.00
Depreciation	413.00	398.00	442.00	405.00	437.84	458.73	490.60	481.56	502.64
Other assets	805.90	648.00	493.00	661.00					
Change in other assets		-157.90	-155.00	168.00					
<b>Net Investment Flow (NIF)</b>		<b>244.70</b>	<b>625.00</b>	<b>832.00</b>	<b>677.84</b>	<b>698.73</b>	<b>730.60</b>	<b>721.56</b>	<b>742.64</b>
Net Income	52.00	511.00	127.00	-14.00	376.47	585.68	598.26	621.65	638.59
Depreciation	413.00	398.00	442.00	405.00	437.84	458.73	490.60	481.56	502.64
<b>CFFO</b>	<b>465.00</b>	<b>909.00</b>	<b>569.00</b>	<b>391.00</b>	<b>814.31</b>	<b>1,044.41</b>	<b>1,088.86</b>	<b>1,103.22</b>	<b>1,141.22</b>
(-) NIF		-244.70	-625.00	-832.00	-677.84	-698.73	-730.60	-721.56	-742.64
(-) WCCF		-148.60	168.00	-493.00	-200.00	-200.00	-200.00	-200.00	-200.00
Principal increase (repayment) in debt		314.50	329.00	-67.00	0.00	0.00	0.00	0.00	0.00
Change in excess cash									
<b>Free cash flow to equity (FCFE)</b>		<b>830.20</b>	<b>441.00</b>	<b>-1,001.00</b>	<b>-63.53</b>	<b>145.68</b>	<b>158.26</b>	<b>181.65</b>	<b>198.59</b>
Interest on Interest bearing debt	-286.00	-262.00	-238.00	-229.00	0.00	0.00	0.00	0.00	0.00
<b>Free cash flow to debt (FCFD)</b>	<b>-286.00</b>	<b>-262.00</b>	<b>-238.00</b>	<b>-229.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
EBIT	325.00	976.00	827.00	223.00	538.67	509.75	510.84	536.80	550.03
Tax	171.75	515.79	437.04	117.85	284.67	269.39	269.96	283.68	290.67
<b>EBIT minus Tax</b>	<b>153.25</b>	<b>460.21</b>	<b>389.96</b>	<b>105.15</b>	<b>254.00</b>	<b>240.36</b>	<b>240.88</b>	<b>253.12</b>	<b>259.35</b>
Depreciation	413.00	398.00	442.00	405.00	437.84	458.73	490.60	481.56	502.64
<b>Net Operating Flow (NOF)</b>	<b>566.25</b>	<b>858.21</b>	<b>831.96</b>	<b>510.15</b>	<b>691.84</b>	<b>699.09</b>	<b>731.48</b>	<b>734.68</b>	<b>761.99</b>
(-) Net Investment Flow	0.00	-244.70	-625.00	-832.00	-677.84	-698.73	-730.60	-721.56	-742.64
(-) WCCF	0.00	-148.60	168.00	-493.00	-200.00	-200.00	-200.00	-200.00	-200.00
<b>Free Cash Flow to the Firm (FCFF)</b>		<b>464.91</b>	<b>374.96</b>	<b>-814.85</b>	<b>-186.00</b>	<b>-199.64</b>	<b>-199.12</b>	<b>-186.88</b>	<b>-180.65</b>
FCFE + FCFD	-286.00	568.20	203.00	-1,230.00	-63.53	145.68	158.26	181.65	198.59
FCFF	0.00	464.91	374.96	-814.85	-186.00	-199.64	-199.12	-186.88	-180.65
<b>Variance</b>	<b>-286.00</b>	<b>103.29</b>	<b>-171.96</b>	<b>-415.15</b>	<b>122.47</b>	<b>345.32</b>	<b>357.38</b>	<b>368.54</b>	<b>379.23</b>