

Company Registration No. 3767080

Huntsman (UK) Limited
Report and Financial Statements
for the year ended 31 December 2011

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Huntsman (UK) Limited, Company Registration 3767080

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Huntsman (UK) Limited, Company Registration 3767080

OFFICERS AND PROFESSIONAL ADVISERS

Directors

P R Huntsman
J K Esplin
D Emerson
M A J Maughan
M C Dixon

Secretary

M A J Maughan

Registered Office

Haverton Hill Road
Billingham
England
TS23 1PS

Solicitors

Dickinson Dees LLP
St Anns Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

Huntsman (UK) Limited, Company Registration 3767080

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

ACTIVITIES AND CURRENT DEVELOPMENTS

Huntsman (UK) Limited is a UK intermediate holding company for certain of the worldwide subsidiaries of Huntsman Corporation. The principal areas of operation of the group are the manufacture and sale of titanium dioxide pigments, textile chemicals and dyes, polyurethane chemicals and surfactants.

During the year the company increased its share capital by 97,580,207 £1 ordinary shares at a premium of £0.25p. All shares were purchased by Huntsman (Holdings) UK Limited.

FUTURE PROSPECTS

The directors consider the state of affairs at the end of the year and the future prospects of the company to be satisfactory.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5. A dividend of £nil (2010: £668,361,101) was paid during the year.

GOING CONCERN

The company is a non-trading entity and is therefore impacted by the current uncertain economic environment to the extent it impacts the availability of finance and support from its ultimate parent company. The company has foreign exchange swap agreements in place with other group companies. The value of these swap agreements is impacted by the movements in foreign exchange rates. A letter of support has been received from Huntsman International LLC confirming its commitment to provide necessary support to the company as may be required. The Directors are not aware of any circumstances that would impact on the ability of Huntsman International LLC to provide the funds required to remain in operation for the foreseeable future taking into account reasonable possible changes in trading performance. As a result the directors have concluded that it is appropriate to prepare the company's financial statements on a going concern basis.

DIRECTORS AND THEIR INTERESTS

The following persons held office as Directors during the year and since:

P R Huntsman	D Emerson
L R Healy (resigned 20 February 2012)	M A J Maughan
J K Esplin	M C Dixon

AUDITORS

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Directors
and signed on behalf of the Board


M C Dixon
Director

Date: 27 September 2012

Huntsman (UK) Limited, Company Registration 3767080

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to be 'M C Dixon', written over a horizontal line.

M C Dixon
Director

Date 27 September 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUNTSMAN (UK) LIMITED

We have audited the financial statements of Huntsman (UK) Limited for the year ended 31st December 2011 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, the statement of total recognised gains and losses and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the accounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters in which we are required to report by exception

We have nothing to report in respect of the following matters which the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Paul Feechan (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle-upon-Tyne
Date: 27 September 2012

Huntsman (UK) Limited, Company Registration 3767080

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
OPERATING RESULT	3	-	-
Provisions raised against investments	7	-	(89)
Interest receivable and similar income	4	914	521
Interest payable and similar charges	5	(13)	(1,723)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>901</u>	<u>(1 291)</u>
Tax on profit/(loss) on ordinary activities	6	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u>901</u>	<u>(1 291)</u>

All of the results are derived from continuing operations

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
As at 1 January		6 337	414,478
Profit/(Loss) for the financial year attributable to the members		901	(1 291)
Retranslation of investments	13	(3,952)	10,387
Shares issued in the year	13	121,975	251 124
Dividend paid on equity shares		-	(668,361)
Closing shareholders' funds		<u>125,261</u>	<u>6,337</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2011

	2011 £'000	2010 £'000
Profit/(Loss) for the financial year	901	(1,291)
Retranslation of Investments	(3,952)	10,387
Total recognised (loss)/gains in the year	<u>(3,051)</u>	<u>9,096</u>

Huntsman (UK) Limited, Company Registration 3767080

BALANCE SHEET

31 December 2011

	Note	2011 £'000	2011 £'000	2010 £'000	2010 £'000
FIXED ASSETS					
Investments	7		2,690		2,690
Debtors					
Due within one year	8	596		3,952	
Due after one year	9	121,975		-	
DEBTORS		<u>122,571</u>		<u>3,952</u>	
CREDITORS amounts falling due within one year	10	-		(305)	
NET CURRENT LIABILITIES			<u>122,571</u>		<u>3,647</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>125,261</u>		<u>6,337</u>
CREDITORS amounts falling due after more than one year			-		-
NET ASSETS			<u><u>125,261</u></u>		<u><u>6,337</u></u>
CAPITAL AND RESERVES					
Called-up share capital	12		97,580		-
Share premium	13		24,395		-
Foreign exchange translation	13		-		-
Profit and loss account	13		3,286		6,337
TOTAL SHAREHOLDERS' FUNDS	13		<u><u>125,261</u></u>		<u><u>6,337</u></u>

These financial statements of Huntsman (UK) Limited (Registration number 3767080) were approved by the Board of Directors on 27 September 2012, and signed on their behalf by



M C Dixon
Director

Huntsman (UK) Limited, Company Registration 3767080

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies which have been applied consistently in both the current and prior years are described below.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Going Concern

The company is a non-trading entity and is therefore impacted by the current uncertain economic environment to the extent it impacts the availability of finance and support from its ultimate parent company. The company has foreign exchange swap agreements in place with other group companies. The value of these swap agreements is impacted by the movements in foreign exchange rates. A letter of support has been received from Huntsman International LLC confirming its commitment to provide necessary support to the company as may be required. The Directors are not aware of any circumstances that would impact on the ability of Huntsman International LLC to provide the funds required to remain in operation for the foreseeable future taking into account reasonable possible changes in trading performance. As a result the directors have concluded that it is appropriate to prepare the company's financial statements on a going concern basis.

Consolidation

The company has taken advantage of section 401 of the Companies Act 2006; therefore, consolidated group accounts have not been prepared.

Cash Flow

The company does not publish a cash flow statement in accordance with Financial Reporting Standard 1-"Cash Flow Statements (Revised 1996)" as the ultimate parent company's statements include a consolidated cash flow statement.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value. Those held as fixed assets are stated at the lower of cost and net realisable value. Investments held in foreign currencies are translated at historic or hedged rates. Any differences from historic rate are taken to the foreign exchange retranslation reserve.

Foreign Exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the ruling rates at that date. These translation differences are dealt with in the profit and loss account.

Current Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any remuneration in respect of services to the company during the period (2010 £nil). The company had no other employees during the period (2010 nil).

3 OPERATING RESULT

Auditor remuneration of £5,000 (2010 £5,000) has been incurred for the audit of the company's statutory accounts. This has been paid by a fellow Huntsman subsidiary in both the current and prior year. The amount is not reclaimed by the subsidiary. There were no fees for non-audit services in either the current or prior period.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £'000	2010 £'000
Foreign exchange gains on intergroup loans	-	521
Interest receivable on intergroup loans	914	-
	<u>914</u>	<u>521</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest payable on intergroup loans	13	1,723
	<u>13</u>	<u>1,723</u>

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
Analysis of tax on ordinary activities		
Current taxation	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Factors affecting tax on ordinary activities -	2011	2010
The current tax charge for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 26.5% (2010 28%)	%	%
The differences are explained below		
Standard tax rate for the year as a percentage of (loss)/profit	(26.5)	(28)
Effects of -		
Utilisation of tax losses	26.5	-
Income not taxable for tax purposes	-	2
Imputed Interest	-	(1)
Group Relief surrendered	-	27
	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

7	INVESTMENTS HELD AS FIXED ASSETS	2011 £'000 Shares in Subsidiaries	2010 £'000 Shares in Subsidiaries
	Cost		
	As at 1 January	11,937	518,553
	Disposals	-	(506,616)
	As at 31 December	<u>11,937</u>	<u>11,937</u>
	Provision for diminution in value		
	As at 1 January	9,247	9,158
	Provisions made in the year	-	89
	As at 31 December	<u>9,247</u>	<u>9,247</u>
	Net Book Value	<u>2,690</u>	<u>2,690</u>

There have been no additions or disposals during the year. The company has continued to hold its investment in Tioxide Overseas Holdings Limited.

In April 2012 the investee company Tioxide Overseas Holdings Limited, reduced its share capital by £25 million to £1 and its net assets were reduced accordingly. In consequence the recoverable value of the company's investment was also reduced and an impairment will be reflected in the 2012 financial statements.

The company had the following direct investment in a subsidiary as at 31 December 2011. This subsidiary was involved in the holding of investments in various Huntsman subsidiary companies.

	Country of Registration and Operation	Proportion of Nominal Value of Ordinary Shares Held
Tioxide Overseas Holdings Limited	England & Wales	100%

8	DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £'000	2010 £'000
	Amounts owed by group undertakings		
	Subsidiary undertakings	-	-
	Other	<u>596</u>	<u>3,952</u>
		<u>596</u>	<u>3,952</u>
9	DEBTORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2011 £'000	2010 £'000
	Amounts owed by group undertakings		
	Subsidiary undertakings	-	-
	Other	<u>121,975</u>	<u>-</u>
		<u>121,975</u>	<u>-</u>

NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

10	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 £'000	2010 £'000
	Amounts owed to group undertakings		
	Parent company	-	-
	Other group companies	-	305
		<u>-</u>	<u>305</u>

11 DEFERRED TAX

A deferred tax asset has not been recognised in respect of timing differences relating to non trading losses carried forward, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £3,638 000 (2010 £3,816 000). Any such deferred tax asset would be recovered if sufficient taxable profits were made in future years.

12	CALLED-UP SHARE CAPITAL	2011 No Shares	2011 £'000	2010 No Shares	2010 £'000
	Called-up, allotted and fully paid				
	Ordinary shares of £1 each	97 580,208	97 580	1	-
		<u>97 580 208</u>	<u>97 580</u>	<u>1</u>	<u>-</u>

On 20 September 2011 the company issued 97,580,207 £1 ordinary shares at a premium of £0.25 each for a total proceeds of £121,975,259.

13 STATEMENT OF MOVEMENTS IN RESERVES

	Share Capital £'000	Share Premium £'000	Profit & Loss Account £'000	Total £'000
Balance at 1 January 2011	-	-	6,337	6,337
Retained profit for the year	-	-	901	901
Shares issued in the year	97,580	24,395	-	121,975
Realised revaluation surplus	-	-	(3 952)	(3,952)
Balance at 31 December 2011	<u>97,580</u>	<u>24,395</u>	<u>3,286</u>	<u>125,261</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

14 EVENTS OCCURRING AFTER THE YEAR END

No events have occurred between the balance sheet date and the date of signing of these accounts which fall to be disclosed within these financial statements

15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available within FRS 8 "Related Party Disclosures" which allows it not to disclose transactions with other group companies

16 ULTIMATE PARENT COMPANY

The immediate parent company is Huntsman (Holdings) UK. At 31 December 2011, the ultimate parent undertaking of Huntsman (UK) Limited was Huntsman Corporation, a company incorporated in the United States of America.

The results of Huntsman (UK) Limited for the year ended 31 December 2011 have been consolidated in the accounts of Huntsman International LLC and Huntsman Corporation, being the smallest and the largest parent undertaking to prepare group accounts which include Huntsman (UK) Limited.

Copies of the financial statements of Huntsman International LLC and Huntsman Corporation may be obtained from the Internet at www.huntsman.com

17 DERIVATIVES

The company has entered into a series of inter company foreign exchange swap contracts with the prime objective of hedging against a euro (€) denominated investment. As at the 2011 year end the company had no open exchange contracts. In 2010, there was one open contract and Management assessed the fair value of this open contract to be a liability of £3,952,000.