

Huntsman CORP
Form DEFA14A
June 27, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 27, 2007 (June 26, 2007)**

HUNTSMAN CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-32427

(Commission File Number)

42-1648585

(IRS Employer Identification No.)

**500 Huntsman Way
Salt Lake City, Utah**

(Address of principal executive offices)

84108

(Zip Code)

Registrant's telephone number, including area code: **(801) 584-5700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On June 26, 2007, Huntsman Corporation, a Delaware corporation (the Company), announced that it had entered into an Agreement and Plan of Merger (the Agreement) with Basell AF, a Luxembourg entity (Basell) and BI Acquisition Holdings Limited, a Delaware corporation and a wholly-owned subsidiary of Basell (Merger Sub) under which Basell has agreed to acquire all of the issued and outstanding shares of Common Stock, par value \$0.01 per share (the Common Stock) of the Company. Under the terms of the Agreement, Merger Sub will be merged with and into the Company, with the Company continuing as the surviving corporation and a wholly-owned subsidiary of Parent (the Merger).

At the effective time of the Merger, each outstanding share of Common Stock, other than any shares owned by Basell, Merger Sub, the Company or its subsidiaries or any stockholders who are entitled to and who properly exercise appraisal rights under Delaware law, will be cancelled and converted into the right to receive \$25.25 in cash, without interest (the Merger Consideration). In addition, the restrictions applicable to each share of restricted Common Stock (including Common Stock underlying restricted stock units and phantom stock) issued or granted pursuant to the Company's Stock Incentive Plan (as defined in the Agreement) shall immediately lapse, and at the Effective Time, each share of such Common Stock, restricted stock units and phantom stock will be converted into the right to receive the Merger Consideration. All options to acquire shares of Common Stock outstanding under the Company's Stock Incentive Plan will vest immediately prior to the Effective Time and holders of such options will be entitled to receive an amount in cash equal to the excess, if any, of the Merger Consideration over the exercise price per share of Common Stock subject to the option for each share subject to the option.

The Board of Directors of the Company approved the Agreement on the unanimous recommendation of a transaction committee comprised entirely of independent directors.

Consummation of the Merger is not subject to a financing condition, but is subject to various other conditions, including approval of the Merger by the Company's stockholders, expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, foreign competition approvals and other customary closing conditions. The parties expect to close the transaction in the fourth quarter of 2007.

In connection with the Merger, Basell has entered into a voting agreement (the Voting Agreement) with HMP Equity Trust, and certain other stockholders, who collectively own approximately 58.6% of the Common Stock, pursuant to which the stockholders party thereto have agreed to vote their shares of Common Stock in favor of approval of the Agreement.

The Agreement contains certain termination rights, including if the Company's Board of Directors changes its recommendation to the stockholders in connection with a Superior Proposal (as defined in the Agreement), and provides that, upon the termination of the Agreement, under specified circumstances, the Company will be required to pay a termination fee of \$200 million. If the Agreement is terminated in connection with a Superior Proposal, the Voting Agreement will also be terminated.

The foregoing summary of the Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Agreement, which is attached as Exhibit 2.1 and incorporated herein by reference.

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The Agreement has been included to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about the Company. The representations, warranties and covenants contained in the Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Agreement. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors.

Important Additional Information Regarding the Merger will be Filed with the SEC:

In connection with the proposed Merger, the Company will file a proxy statement with the Securities and Exchange Commission (the "SEC"). INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER AND THE PARTIES TO THE MERGER. Investors and security holders may obtain a free copy of the proxy statement (when available) and other relevant documents filed with the SEC from the SEC's website at <http://www.sec.gov>. The Company's security holders and other interested parties will also be able to obtain, without charge, a copy of the proxy statement and other relevant documents (when available) by directing a request by mail or telephone to Huntsman Corporation Investor Relations, 500 Huntsman Way, Salt Lake City, Utah 84108, telephone: (801) 584-5700 or on the company's website at <http://www.huntsman.com>.

The Company and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies from the Company's shareholders with respect to the Merger. Information about the Company's directors and executive officers and their ownership of the Company's common stock is set forth herein and in the proxy statement for the Company's 2007 Annual Meeting of Stockholders, which was filed with the SEC on March 30, 2007. Stockholders and investors may obtain additional information regarding the interests of the Company and its directors and executive officers in the Merger, which may be different than those of the Company's stockholders generally, by reading the proxy statement and other relevant documents regarding the Merger, which will be filed with the SEC.

CAUTIONARY STATEMENTS

The statements included in and incorporated by reference into this Current Report on Form 8-K regarding the consummation of the Merger, timing and effects of the Merger and other statements that are not historical facts, are forward looking statements. These statements involve risks and uncertainties including, but not limited to, actions by regulatory authorities, the Company's financial results and performance, consummation of financing, satisfaction of closing conditions, actions by any other bidder and other factors detailed in risk factors and elsewhere in the Company's Annual Reports on Form 10-K and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize (or the consequences of such a development worsen), or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. The Company disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit

| No. | Exhibit Title |
|-----|--|
| 2.1 | Agreement and Plan of Merger, dated as of June 26, 2007, among the Company, Basell AF and BI Acquisition Holdings Limited* |

* Schedules and exhibits to the Agreement and Plan of Merger have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any omitted schedules and exhibits to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HUNTSMAN CORPORATION

Date: June 27, 2007

By: /s/ JOHN R. HESKETT
Name: John R. Heskett
Title: Vice President, Corporate Development and
Investor Relations

INDEX TO EXHIBITS

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