Celanese

Celanese 3Q 2009 Earnings

Conference Call / Webcast

Tuesday, October 27, 2009 10:00 a.m. ET

Dave Weidman, Chairman and CEO
Steven Sterin, Senior Vice President and CFO

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Forward Looking Statements, Reconciliation and Use of Non-GAAP Measures to U.S. GAAP

Forward-Looking Statements

This presentation may contain "forward-looking statements," which include information concerning the company's plans, objectives, goals, strategies, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. When used in this release, the words "outlook," "forecast," "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the company will realize these expectations or that these beliefs will prove correct. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this release. Numerous factors, many of which are beyond the company's control, could cause actual results to differ materially from those expressed as forward-looking statements. Certain of these risk factors are discussed in the company's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and the company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Reconciliation of Non-U.S. GAAP Measures to U.S. GAAP

This presentation reflects five performance measures, operating EBITDA, affiliate EBITDA, adjusted earnings per share, net debt and adjusted free cash flow, as non-U.S. GAAP measures. The most directly comparable financial measure presented in accordance with U.S. GAAP in our consolidated financial statements for operating EBITDA is operating profit; for affiliate EBITDA is equity in net earnings of affiliates; for adjusted earnings per share is earnings per common share-diluted; for net debt is total debt; and for adjusted free cash flow is cash flow from operations.

Use of Non-U.S. GAAP Financial Information

- *Operating EBITDA, a measure used by management to measure performance, is defined as operating profit from continuing operations, plus equity in net earnings from affiliates, other income and depreciation and amortization, and further adjusted for other charges and adjustments. We may provide guidance on operating EBITDA and are unable to reconcile forecasted operating EBITDA to a U.S.GAAP financial measure because a forecast of Other Charges and Adjustments is not practical. Our management believes operating EBITDA is useful to investors because it is one of the primary measures our management uses for its planning and budgeting processes and to monitor and evaluate financial and operating results. Operating EBITDA is not a recognized term under U.S. GAAP and does not purport to be an alternative to operating profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of operating EBITDA may not be comparable to other similarly titled measures of other companies. Additionally, operating EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements nor does it represent the amount used in our debt covenants.*
- *Affiliate EBITDA, a measure used by management to measure performance of its equity investments, is defined as the proportional operating profit plus the proportional depreciation and amortization of its equity investments. Affiliate EBITDA, including Celanese Proportional Share of affiliate information on Table 8, is not a recognized term under U.S. GAAP and is not meant to be an alternative to operating cash flow of the equity investments. The company has determined that it does not have sufficient ownership for operating control of these investments to consider their results on a consolidated basis. The company believes that investors should consider affiliate EBITDA when determining the equity investments' overall value in the company.*
- *Adjusted earnings per share is a measure used by management to measure performance. It is defined as net earnings (loss) available to common shareholders plus preferred dividends, adjusted for other charges and adjustments, and divided by the number of basic common shares, diluted preferred shares, and options valued using the treasury method. We may provide guidance on an adjusted earnings per share basis and are unable to reconcile forecasted adjusted earnings per share to a GAAP financial measure without unreasonable effort because a forecast of Other Items is not practical. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding various financial and business trends relating to our financial condition and results of operations, and that when U.S. GAAP information is viewed in conjunction with non-U.S. GAAP information, investors are provided with a more meaningful understanding of our ongoing operating performance. This non-U.S. GAAP information is not intended to be considered in isolation or as a substitute for U.S. GAAP financial information.*
- *The tax rate used for adjusted earnings per share approximates the midpoint in a range of forecasted tax rates for the year, excluding changes in uncertain tax positions, discrete items and other material items adjusted out of our U.S. GAAP earnings for adjusted earnings per share purposes, and changes in management's assessments regarding the ability to realize deferred tax assets. We analyze this rate quarterly and adjust if there is a material change in the range of forecasted tax rates; an updated forecast would not necessarily result in a change to our tax rate used for adjusted earnings per share. The adjusted tax rate is an estimate and may differ significantly from the tax rate used for U.S. GAAP reporting in any given reporting period. It is not practical to reconcile our prospective adjusted tax rate to the actual U.S. GAAP tax rate in any future period.*
- *Net debt is defined as total debt less cash and cash equivalents. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding changes to the company's capital structure. Our management and credit analysts use net debt to evaluate the company's capital structure and assess credit quality. This non-U.S. GAAP information is not intended to be considered in isolation or as a substitute for U.S. GAAP financial information.*
- *Adjusted free cash flow is defined as cash flow from operations less capital expenditures, other productive asset purchases, operating cash from discontinued operations and certain other charges and adjustments. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding changes to the company's cash flow. Our management and credit analysts use adjusted free cash flow to evaluate the company's liquidity and assess credit quality. This non-U.S. GAAP information is not intended to be considered in isolation or as a substitute for U.S. GAAP financial information.*

Results Unaudited

The results presented in this presentation, together with the adjustments made to present the results on a comparable basis, have not been audited and are based on internal financial data furnished to management. Quarterly results should not be taken as an indication of the results of operations to be reported for any subsequent period or for the full fiscal year.

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Dave Weidman

Chairman and Chief Executive Officer

Celanese Corporation 3Q 2009 highlights

$ in millions (except EPS)	3rd Qtr 2009	3rd Qtr 2008
Net Sales	**$1,304**	$1,823
Operating Profit/(Loss)	**$65**	$151
Adjusted EPS	**$0.58**	$0.78
Operating EBITDA	**$241**	$314

Third Quarter 2009:

- Earnings reflect stabilization in demand across end markets
- Selected geographic and end market recovery – Asia continues to lead recovery
- Fixed spending reductions delivering significant benefits - $150 million in FY 2009
- Strong cash generation continues to be a Celanese strength

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Steven Sterin

Senior Vice President and CFO

Consumer Specialties

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$ in millions	3rd Qtr 2009	3rd Qtr 2008
Net Sales	**$271**	$295
Operating EBITDA	**$68**	$56

Third Quarter 2009:

- Improved performance with higher level of earnings driven by expanded margins
- Modest volume decline from reduction in consumer spending and inventory destocking in the late-cycle businesses
- Continues to be a strong cash generator

Outlook:

- Sustained margins with continued benefits through lower fixed spending
- 4Q 2009 seasonality

Advanced Engineered Materials

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$ in millions	3rd Qtr 2009	3rd Qtr 2008
Net Sales	**$220**	$272
Operating EBITDA	**$56**	$45

Third Quarter 2009:

- Continued year-over-year volume pressure in NA/EU with growth in Asia across all industries
- Significant sequential EBITDA improvement for second consecutive quarter on increased volumes and continued benefits from fixed spending reduction

Outlook:

- Improving global automotive build trends continue with historic seasonal patterns
- Margins sustained with significant earnings leverage to recovery volume
- Equity affiliate earnings lower due to planned 4Q 2009 turnaround

Industrial Specialties

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$ in millions	3rd Qtr 2009	3rd Qtr 2008
Net Sales	**$236**	$378
Operating EBITDA	**$29**	$36

Third Quarter 2009:

- PVOH divestiture impact vs. 3Q 2008: approximately $74 million in net sales and $8 million in operating EBITDA
- Margins expand with lower raw material and energy costs, along with the benefits of fixed spending reductions, more than offsetting lower pricing
- Volume growth in Asia and Europe offset impact of the AT Plastics / EVA Performance Polymers force majeure

Outlook:

- Stable margins with normal 4Q seasonality
- Continued growth in Asia and modest recovery in NA/EU

Acetyl Intermediates

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$ in millions	3rd Qtr 2009	3rd Qtr 2008
Net Sales	**$666**	$1,056
Operating EBITDA	**$105**	$182

Third Quarter 2009:

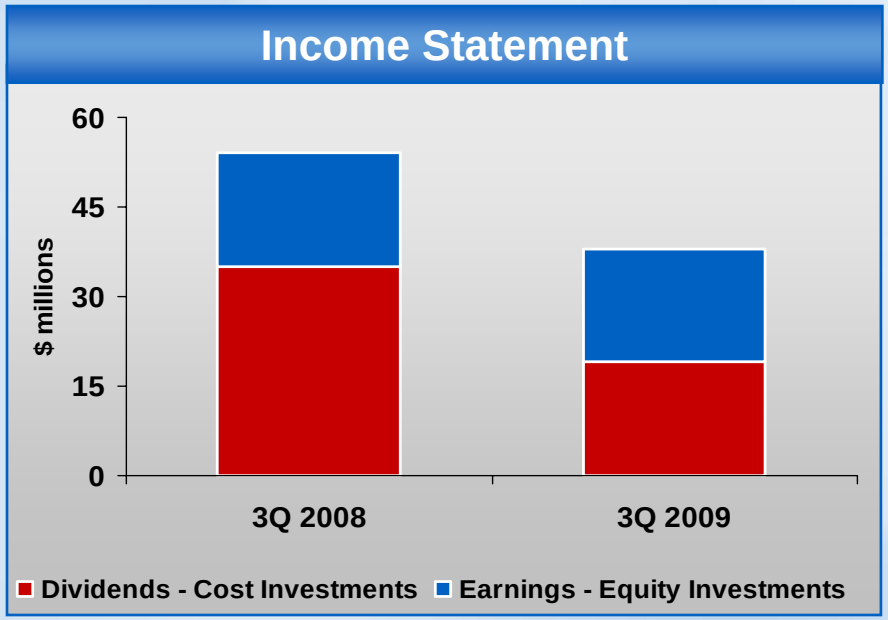
- Decrease in net sales driven by lower industry pricing on lower industry utilization and lower raw material costs
- Results exclude $87 million in charges related to closure of Pardies site
- Volume pressures continue in downstream acetic acid derivatives

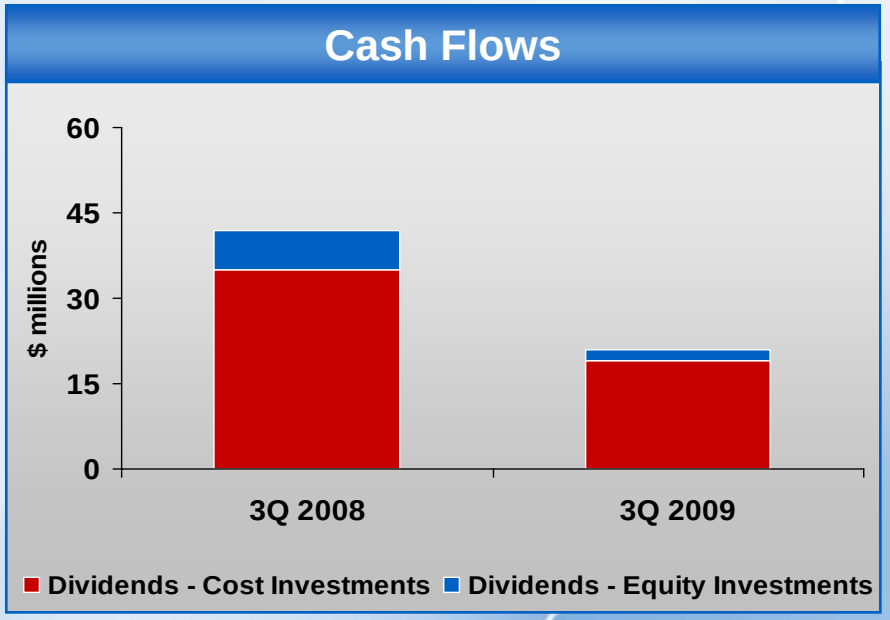
Outlook:

- Volumes sustained; segment performing at normalized trough profile
- Stable margins expected due to advantaged technology and cost position
- Benefits from capacity realignment strategy

Affiliate Performance

- 3Q 2009: Earnings contribution decreased to $38 million from $54 million on lower dividends from cost affiliate and lower earnings from AEM equity affiliates
- AEM 3Q 2009 equity earnings benefited from timing of planned 4Q 2009 turnaround





Solid cash generation

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Adjusted Free Cash Flow		
$ in millions	2009 YTD	2008 YTD
Net cash provided by operating activities	**$408**	$345
Adjustments to operating cash for discontinued operations	**$1**	($10)
Net cash provided by operating activities from continuing operations	**$409**	$335
Less: Capital expenditures	**($130)**	($212)
Other charges and adjustments[1]	**($11)**	$72
Adjusted Free Cash Flow	**$268**	$195

2009E Cash Flow Guidance	
$ in millions	2009E[2]
Cash Taxes	**$40 – $50**
Capital Expenditures	**$165 – $175**
Reserve/Other	**$80 – $90**
Net Interest	**$200 – $210**
Pension	**$40 – $50**
Adjusted Free Cash Outflows	**$525 – $575**
Dividends / Debt Service	**$75 – $100**
Total Cash Outflows	**$600 – $675**

Factors contributing to cash generation during third quarter 2009:

- Favorable working capital
- Lower cash taxes
- Reduced capital expenditures

[1]Amounts primarily associated with Kelsterbach relocation and the cash outflows for purchases of other productive assets that are classified as 'investing activities' for U.S. GAAP purposes.
[2]Starting from an Operating EBITDA base, excludes net cash inflow of $168 million for PVOH and net Kelsterbach relocation cash inflow of ~$45 million.

2010 Earnings Improvement

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Volume Driven

- AEM: Destocking complete
- AI: Technology, 2009 FIFO effect
- IS: Asia growth focus
- CS: Sustain performance

→ **$80 - $100**

Productivity Driven

- Pardies & Cangrejera closures
- Other manufacturing realignment
- SG&A realignment

→ **At least $100**

Tax Rate

- Sustain lower tax rate
- Benefits of manufacturing and administrative restructuring
- Cash taxes rate expected to be similar

→ **Low 20% range vs. 29%**

Represents approximately $1.00 per share in 2010 earnings improvement

$ in millions

Appendix

3Q 2009 Other Charges and Other Adjustments by Segment

in millions	AEM	CS	IS	AI	Other	Total
Employee termination benefits	2	3	2	58	-	65
Plant/office closures	-	-	-	20	-	20
Ticona Kelsterbach plant relocation	4	-	-	-	-	4
Clear Lake insurance recoveries	-	-	-	-	-	-
Plumbing actions	-	-	-	-	-	-
Asset impairments	-	-	-	7	-	7
Other	-	-	-	-	-	-
Total other charges	6	3	2	85	-	96
Business optimization	-	-	-	-	-	-
Ticona Kelsterbach plant relocation	1	-	-	-	-	1
Plant closures	-	-	-	10	-	10
Gain on sale of PVOH business	-	-	(31)	(3)	-	(34)
Other	-	-	3	(5)	(1)	(3)
Total other adjustments	1	-	(28)	2	(1)	(26)
Total other charges and other adjustments	**7**	**3**	**(26)**	**87**	**(1)**	**70**

Reg G: Reconciliation of Adjusted EPS

Adjusted Earnings (Loss) Per Share - Reconciliation of a Non-U.S. GAAP Measure

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in $ millions, except per share data)	**2009**	**2008**	**2009**	**2008**
Earnings (loss) from continuing operations before tax	**49**	152	**155**	617
Non-U.S. GAAP adjustments				
Other charges and other adjustments [1]	**70**	20	**100**	66
Adjusted earnings (loss) from continuing operations before tax	**119**	172	**255**	683
Income tax (provision) benefit on adjusted earnings [2]	**(27)**	(45)	**(66)**	(178)
Less: Noncontrolling interests	**-**	-	**-**	(1)
Adjusted earnings (loss) from continuing operations	**92**	**127**	**189**	**506**
Preferred dividends	**(3)**	(3)	**(8)**	(8)
Adjusted net earnings (loss) available to common shareholders	**89**	**124**	**181**	**498**
Add back: Preferred dividends	**3**	3	**8**	8
Adjusted net earnings (loss) for adjusted EPS	**92**	**127**	**189**	**506**
Diluted shares (millions) [3]				
Weighted average shares outstanding	**143.6**	147.1	**143.5**	150.0
Assumed conversion of preferred shares	**12.1**	12.0	**12.1**	12.0
Assumed conversion of restricted stock units	**0.2**	0.4	**0.2**	0.6
Assumed conversion of stock options	**1.7**	3.4	**0.9**	3.4
Total diluted shares	**157.6**	162.9	**156.7**	166.0
Adjusted EPS	**0.58**	**0.78**	**1.21**	**3.05**

[1] See Table 7 for details

[2] The adjusted effective tax rate for the three months ended September 30, 2009 is 23%. The adjusted effective tax rate for the six months ended June 30, 2009 is 29%.

[3] Potentially dilutive shares are included in the adjusted earnings per share calculation when adjusted earnings are positive.

Reg G: Reconciliation of Net Debt

Net Debt - Reconciliation of a Non-U.S. GAAP Measure

(in $ millions)	September 30, 2009	December 31, 2008
Short-term borrowings and current installments of long-term debt - third party and affiliates	**265**	233
Long-term debt	**3,312**	3,300
Total debt	**3,577**	**3,533**
Less: Cash and cash equivalents	**1,293**	676
Net Debt	**2,284**	**2,857**

Reg G: Other Charges and Other Adjustments

Reconciliation of Other Charges and Other Adjustments

(in $ millions)	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
Employee termination benefits	**65**	8	**94**	19
Plant/office closures	**20**	-	**20**	7
Ticona Kelsterbach plant relocation	**4**	3	**10**	8
Clear Lake insurance recoveries	**-**	(23)	**(6)**	(23)
Plumbing actions	**-**	-	**(3)**	-
Sorbates settlement	**-**	(8)	**-**	(8)
Asset impairments	**7**	21	**8**	21
Total	**96**	**1**	**123**	**24**

Other Adjustments: [1]

(in $ millions)	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008	Income Statement Classification
Ethylene pipeline exit costs	**-**	-	**-**	(2)	Other (income) expense, net
Business optimization	**-**	9	**3**	27	SG&A
Ticona Kelsterbach plant relocation	**1**	(2)	**3**	(6)	Cost of sales
Plant closures	**10**	7	**16**	14	Cost of sales
Gain on sale of PVOH business	**(34)**	-	**(34)**	-	(Gain) loss on disposition
Other[2]	**(3)**	5	**(11)**	9	Various
Total	**(26)**	**19**	**(23)**	**42**	
Total other charges and other adjustments	**70**	**20**	**100**	**66**	

[1] These items are included in net earnings but not included in other charges.

[2] September 30, 2009 year-to-date includes a one-time adjustment to Equity in net earnings (loss) of affiliates of $19 million.

Reg G: Reconciliation of Operating EBITDA

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Segment Data and Reconciliation of Operating Profit (Loss) to Operating EBITDA - a Non-U.S. GAAP Measure

(in $ millions)	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
Net Sales				
Advanced Engineered Materials	220	272	569	866
Consumer Specialties	271	295	817	869
Industrial Specialties	236	378	745	1,129
Acetyl Intermediates	666	1,056	1,860	3,219
Other Activities [1]	-	-	1	1
Intersegment eliminations	(89)	(178)	(298)	(547)
Total	1,304	1,823	3,694	5,537
Operating Profit (Loss)				
Advanced Engineered Materials	21	13	2	80
Consumer Specialties	52	42	184	138
Industrial Specialties	44	18	73	55
Acetyl Intermediates	(30)	100	22	425
Other Activities [1]	(22)	(22)	(100)	(106)
Total	65	151	181	592
Equity Earnings, Cost - Dividend Income and Other Income (Expense)				
Advanced Engineered Materials	11	12	26	32
Consumer Specialties	-	1	56	49
Industrial Specialties	-	-	-	-
Acetyl Intermediates	21	33	29	95
Other Activities [1]	1	12	12	17
Total	33	58	123	193
Other Charges and Other Adjustments [2]				
Advanced Engineered Materials	7	1	3	3
Consumer Specialties	3	-	6	1
Industrial Specialties	(26)	3	(18)	11
Acetyl Intermediates	87	13	96	33
Other Activities [1]	(1)	3	13	18
Total	70	20	100	66
Depreciation and Amortization Expense				
Advanced Engineered Materials	17	19	53	58
Consumer Specialties	13	13	37	40
Industrial Specialties	11	15	35	43
Acetyl Intermediates	27	36	82	102
Other Activities [1]	5	2	9	7
Total	73	85	216	250
Operating EBITDA				
Advanced Engineered Materials	56	45	84	173
Consumer Specialties	68	56	283	228
Industrial Specialties	29	36	90	109
Acetyl Intermediates	105	182	229	655
Other Activities [1]	(17)	(5)	(66)	(64)
Total	241	314	620	1,101

[1] Other Activities primarily includes corporate selling, general and administrative expenses and the results from captive insurance companies.

[2] *See Table 7.*

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Reg G: Equity Affiliate Preliminary Results and Celanese Proportional Share - Unaudited

Equity Affiliate Preliminary Results - Total - Unaudited

(in $ millions)	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
Net Sales				
Ticona Affiliates[1]	322	368	761	1,117
Infraserv Affiliates[2]	547	566	1,544	1,706
Total	869	934	2,305	2,823
Operating Profit				
Ticona Affiliates	45	41	35	116
Infraserv Affiliates	36	31	87	79
Total	81	72	122	195
Depreciation and Amortization				
Ticona Affiliates	20	16	66	54
Infraserv Affiliates	28	29	75	85
Total	48	45	141	139
Affiliate EBITDA[3]				
Ticona Affiliates	65	57	101	170
Infraserv Affiliates	64	60	162	164
Total	129	117	263	334
Net Income				
Ticona Affiliates	24	21	15	67
Infraserv Affiliates	26	24	61	49
Total	50	45	76	116
Net Debt				
Ticona Affiliates	212	188	212	188
Infraserv Affiliates	499	358	499	358
Total	711	546	711	546

Equity Affiliate Preliminary Results - Celanese Proportional Share - Unaudited[4]

(in $ millions)	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
Net Sales				
Ticona Affiliates	148	170	351	515
Infraserv Affiliates	179	182	497	549
Total	327	352	848	1,064
Operating Profit				
Ticona Affiliates	21	19	17	53
Infraserv Affiliates	11	10	27	25
Total	32	29	44	78
Depreciation and Amortization				
Ticona Affiliates	9	8	30	25
Infraserv Affiliates	9	9	24	28
Total	18	17	54	53
Affiliate EBITDA[3]				
Ticona Affiliates	30	27	47	78
Infraserv Affiliates	20	19	51	53
Total	50	46	98	131
Equity in net earnings of affiliates (as reported on the Income Statement)				
Ticona Affiliates[5]	11	12	7	31
Infraserv Affiliates	8	7	18	15
Total	19	19	25	46
Affiliate EBITDA in excess of Equity in net earnings of affiliates[6]				
Ticona Affiliates	19	15	40	47
Infraserv Affiliates	12	12	33	38
Total	31	27	73	85
Net Debt				
Ticona Affiliates	95	86	95	86
Infraserv Affiliates	163	113	163	113
Total	258	199	258	199

[1] Ticona Affiliates accounted for using the equity method include Polyplastics (45% ownership), Korean Engineering Plastics (50%), Fortron Industries (50%) and Una SA (50%)

[2] Infraserv Affiliates accounted for using the equity method include Infraserv Hoechst (32% ownership), Infraserv Gendorf (39%) and Infraserv Knapsack (27%)

[3] Affiliate EBITDA, a non-U.S. GAAP measure, is the sum of Operating Profit and Depreciation and Amortization

[4] Calculated by multiplying each affiliate's total share amount by Celanese's respective ownership percentage, netted by reporting category

[5] September 30, 2009 year-to-date excludes a one-time tax adjustment to Equity in net earnings of affiliates of $19 million

[6] Calculated as Celanese proportion of Affiliate EBITDA less Equity in net earnings of affiliates; not included in Celanese operating EBITDA