

CELANESE CORP

FORM 8-K (Current report filing)

Filed 10/04/07 for the Period Ending 10/04/07

Address	222 W. LAS COLINAS BLVD., SUITE 900N IRVING, TX, 75039-5421
Telephone	972-443-4000
CIK	0001306830
Symbol	CE
SIC Code	2820 - Plastic Material, Synthetic Resin/Rubber, Cellulos (No Glass)
Industry	Commodity Chemicals
Sector	Basic Materials
Fiscal Year	12/31

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): October 4, 2007

CELANESE CORPORATION

(Exact Name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

001-32410

(Commission File
Number)

98-0420726

(IRS Employer
Identification No.)

1601 West LBJ Freeway, Dallas, Texas 75234-6034

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (972) 443-4000

Not Applicable

(Former name or former address, if changed since last report):

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))
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Item 2.02. Results of Operations and Financial Condition

Item 7.01 Regulation FD Disclosure

On December 13, 2006, the Company announced a realignment of its businesses to drive strategic growth, group businesses with similar dynamics and growth opportunities, and increase transparency. We will begin reporting our financial results in the new segments beginning with our third quarter 2007 results to be released later this month. In connection with this effort, we are providing quarterly historical financial data in the new reporting segments for fiscal years 2005 and 2006 and for the first two fiscal quarters of 2007. We are including (i) the slide presentation we intend to give to certain of our investors simultaneously with the release of this Current Report and (ii) the accompanying financial tables to provide more detail and to reconcile certain non-GAAP performance measures used in the slide presentation, as Exhibits 99.1 and 99.2, respectively, to this Current Report. The exhibits are incorporated herein solely for purposes of these furnished disclosures. The slide presentation and accompanying financial tables may also be accessed on our website at www.celanese.com through the “Investor” link.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Selected Quarterly Resegmented Financial Data, including reconciliation of non-GAAP financial measures*
99.2	Slide Presentation dated October 4, 2007*

* The information in this Current Report, including the exhibits attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section. The information in this Current Report, including the exhibits, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

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.

CELANESE CORPORATION

By: /s/ Steven M. Sterin

Name: Steven M. Sterin

Title: Senior Vice President and Chief Financial
Officer

Date: October 4, 2007

Exhibit Index

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

<i>(in \$ millions)</i>	March 31, 2005	Three Months Ended			December 31, 2005	Twelve Months Ended December 31, 2005
	2005	June 30, 2005	September 30, 2005	2005	2005	2005
Net Sales						
Advanced Engineered Materials	239	223	212	213	887	
Consumer Specialties	212	219	208	200	839	
Industrial Specialties	206	263	305	286	1,060	
Acetyl Intermediates	690	707	731	783	2,911	
Other Activities ¹	12	8	6	6	32	
Intersegment eliminations	(95)	(99)	(113)	(153)	(460)	
Total	1,264	1,321	1,349	1,335	5,269	
Operating Profit (Loss)						
Advanced Engineered Materials	39	5	18	(2)	60	
Consumer Specialties	24	27	21	56	128	
Industrial Specialties	—	5	5	(14)	(4)	
Acetyl Intermediates	143	121	76	146	486	
Other Activities ¹	(83)	(33)	(38)	(30)	(184)	
Total	123	125	82	156	486	
Equity Earnings and Other Income/(Expense) ²						
Advanced Engineered Materials	12	16	15	11	54	
Consumer Specialties	—	2	(2)	3	3	
Industrial Specialties	—	—	—	—	—	
Acetyl Intermediates	12	(10)	32	35	69	
Other Activities ¹	(8)	18	(2)	5	13	
Total	16	26	43	54	139	
Other Charges and Other Adjustments ³						
Advanced Engineered Materials	1	20	4	6	31	
Consumer Specialties	1	—	10	(24)	(13)	
Industrial Specialties	—	2	8	1	11	
Acetyl Intermediates	19	11	15	(30)	15	
Other Activities ¹	45	(10)	2	3	40	
Total	66	23	39	(44)	84	
Depreciation and Amortization Expense						
Advanced Engineered Materials	15	14	13	18	60	
Consumer Specialties	12	12	7	11	42	
Industrial Specialties	12	11	7	17	47	
Acetyl Intermediates	17	24	35	34	110	
Other Activities ¹	2	2	4	1	9	
Total	58	63	66	81	268	
Operating EBITDA*						
Advanced Engineered Materials	67	55	50	33	205	
Consumer Specialties	37	41	36	46	160	
Industrial Specialties	12	18	20	4	54	
Acetyl Intermediates	191	146	158	185	680	
Other Activities ¹	(44)	(23)	(34)	(21)	(122)	
Total	263	237	230	247	977	
<i>*Quarterly earnings for the discontinued Edmonton Methanol operations have been included in Other Charges and Other Adjustments.</i>	18	10	4	3	35	
Oxo Alcohol Divestiture	22	28	22	9	81	
Total Operating EBITDA — as reported	285	265	252	256	1,058	

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

² *Includes equity earnings from affiliates, dividends from cost investments and other income/(expense).*

³ *Excludes adjustments to minority interest, net interest, taxes, depreciation, amortization and discontinued operations.*

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

<i>(in \$ millions)</i>	<u>March 31,</u> 2006	<u>June 30,</u> 2006	<u>Three Months Ended September 30,</u> 2006	<u>December 31,</u> 2006	<u>Twelve Months Ended December 31,</u> 2006
Net Sales					
Advanced Engineered Materials	231	230	230	224	915
Consumer Specialties	216	223	213	224	876
Industrial Specialties	311	326	335	309	1,281
Acetyl Intermediates	809	839	872	831	3,351
Other Activities ¹	5	6	5	6	22
Intersegment eliminations	(152)	(167)	(184)	(164)	(667)
Total	1,420	1,457	1,471	1,430	5,778
Operating Profit (Loss)					
Advanced Engineered Materials	41	38	37	29	145
Consumer Specialties	42	47	35	41	165
Industrial Specialties	15	3	17	9	44
Acetyl Intermediates	103	120	126	107	456
Other Activities ¹	(45)	(56)	(43)	(46)	(190)
Total	156	152	172	140	620
Equity Earnings and Other Income/(Expense) ²					
Advanced Engineered Materials	14	14	14	13	55
Consumer Specialties	—	22	—	2	24
Industrial Specialties	—	(1)	—	—	(1)
Acetyl Intermediates	7	15	18	23	63
Other Activities ¹	3	(3)	10	12	22
Total	24	47	42	50	163
Other Charges and Other Adjustments ³					
Advanced Engineered Materials	(2)	(2)	—	(1)	(5)
Consumer Specialties	—	—	—	—	-
Industrial Specialties	1	10	3	2	16
Acetyl Intermediates	12	14	10	16	52
Other Activities ¹	13	15	3	(2)	29
Total	24	37	16	15	92
Depreciation and Amortization Expense					
Advanced Engineered Materials	16	16	16	17	65
Consumer Specialties	11	9	9	10	39
Industrial Specialties	14	15	16	14	59
Acetyl Intermediates	23	32	23	23	101
Other Activities ¹	1	2	2	—	5
Total	65	74	66	64	269
Operating EBITDA*					
Advanced Engineered Materials	69	66	67	58	260
Consumer Specialties	53	78	44	53	228
Industrial Specialties	30	27	36	25	118
Acetyl Intermediates	145	181	177	169	672
Other Activities ¹	(28)	(42)	(28)	(36)	(134)
Total	269	310	296	269	1,144
<i>*Quarterly earnings for the discontinued Edmonton Methanol operations have been included in Other Charges and Other Adjustments.</i>	14	12	10	16	52
Oxo Alcohol Divestiture**	—	—	26	39	65
Total Operating EBITDA — as reported	269	310	322	308	1,209

** For comparative purposes. The Oxo Alcohol Divestiture was reflected as a discontinued operation for the three months ended March 31, 2006 and June 30, 2006 in conjunction with reporting the results for the first and second quarter of 2007.

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

companies.

² *Includes equity earnings from affiliates, dividends from cost investments and other income/(expense).*

³ *Excludes adjustments to minority interest, net interest, taxes, depreciation, amortization and discontinued operations.*

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

<i>(in \$ millions)</i>	Three Months Ended <u>March 31,</u> 2007	June 30, 2007	Six Months Ended <u>June 30,</u> 2007
Net Sales			
Advanced Engineered Materials	262	257	519
Consumer Specialties	269	281	550
Industrial Specialties	346	355	701
Acetyl Intermediates	839	834	1,673
Other Activities ¹	1	(5)	(4)
Intersegment eliminations	(162)	(166)	(328)
Total	1,555	1,556	3,111
Operating Profit (Loss)			
Advanced Engineered Materials	36	32	68
Consumer Specialties	48	48	96
Industrial Specialties	12	(1)	11
Acetyl Intermediates	132	91	223
Other Activities ¹	(22)	(99)	(121)
Total	206	71	277
Equity Earnings and Other Income/(Expense) ²			
Advanced Engineered Materials	14	16	30
Consumer Specialties	—	35	35
Industrial Specialties	—	—	-
Acetyl Intermediates	5	18	23
Other Activities ¹	4	(2)	2
Total	23	67	90
Other Charges and Other Adjustments ³			
Advanced Engineered Materials	—	5	5
Consumer Specialties	1	8	9
Industrial Specialties	—	19	19
Acetyl Intermediates	46	11	57
Other Activities ¹	4	72	76
Total	51	115	166
Depreciation and Amortization Expense			
Advanced Engineered Materials	17	17	34
Consumer Specialties	11	13	24
Industrial Specialties	14	16	30
Acetyl Intermediates	24	26	50
Other Activities ¹	2	1	3
Total	68	73	141
Operating EBITDA*			
Advanced Engineered Materials	67	70	137
Consumer Specialties	60	104	164
Industrial Specialties	26	34	60
Acetyl Intermediates	207	146	353
Other Activities ¹	(12)	(28)	(40)
Total	348	326	674
<i>*Quarterly earnings for the discontinued Edmonton Methanol operations have been included in Other Charges and Other Adjustments.</i>	33	(2)	31

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

² Includes equity earnings from affiliates, dividends from cost investments and other income/(expense).

³ Excludes adjustments to minority interest, net interest, taxes, depreciation, amortization and discontinued operations.



Celanese Resegmentation



Reconciliation and Use of Non-GAAP Measures to U.S. GAAP and Unaudited Results

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

The financial information included in this presentation and the accompanying tables reflect the performance measure operating EBITDA, a non-U.S. GAAP measure. The most directly comparable financial measure presented in accordance with U.S. GAAP in our consolidated financial statements for operating EBITDA is operating profit.

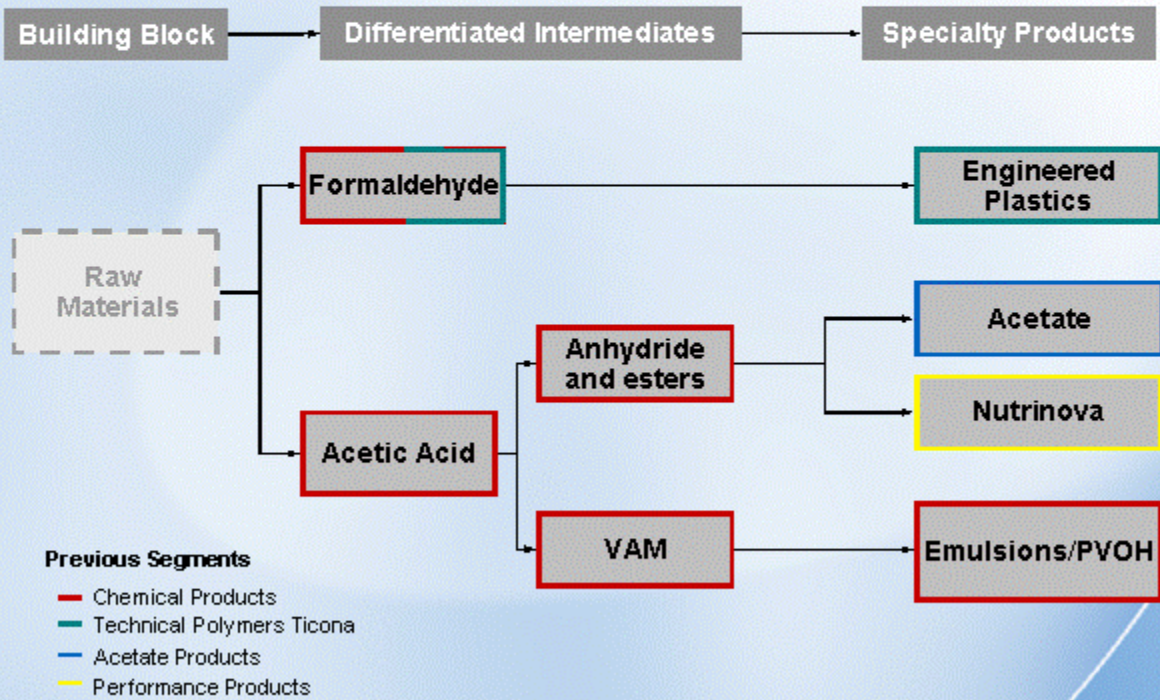
Use of Non-U.S. GAAP Financial Information

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. 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.

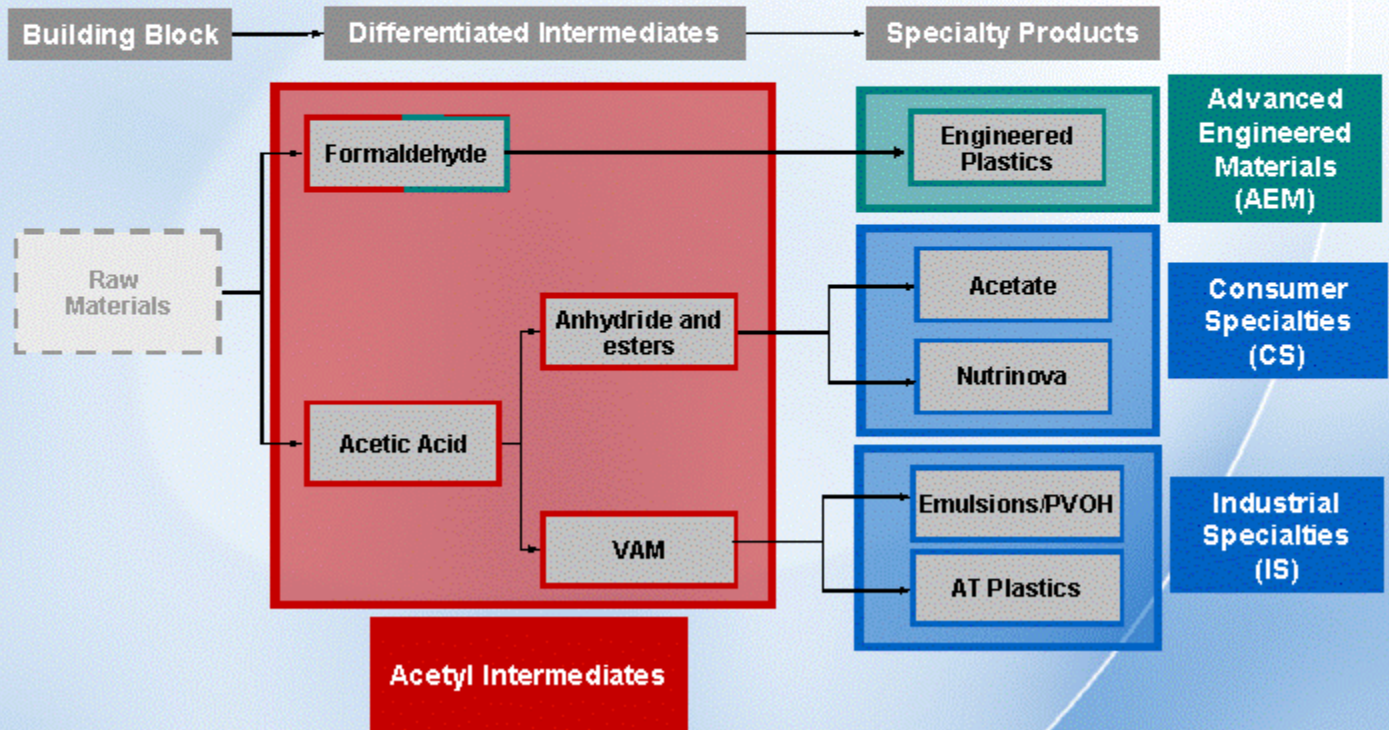
Results Unaudited

The results presented in this presentation and the accompanying tables, 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.

Celanese historical reporting segments



Celanese resegmentation: Realigning the businesses to accelerate growth



New Celanese reporting segment highlights

▶ **Advanced Engineered Materials**

- Represents previously reported 'Technical Polymers Ticona' segment

▶ **Consumer Specialties**

- Combines previously reported 'Acetate Products' and 'Performance Products' segments
- Transfer Price adjustment consistent with Industrial Specialties (market-based)

▶ **Industrial Specialties**

- Combines Emulsions/PVOH and AT Plastics businesses which were previously reported in Chemical Products and Other segments, respectively
- Transfer Price adjustment consistent with Consumer Specialties (market-based)

▶ **Acetyl Intermediates**

- Represents previously reported Chemical Products segment excluding the Emulsions and PVOH businesses
- Transfer Price adjustment to Consumer and Industrial Specialties (market-based)

▶ **Other**

- Primarily represents Corporate activities and the results from Captive Insurance companies

2005 Sales Walkforward

New Reporting Segments

Previous Reporting Segments	2005 Sales ¹	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Intersegment Eliminations	Total
	Chemical Products			948	2,911		(324)	3,535
	Technical Polymers Ticona	887						887
	Acetate Products		659					659
	Performance Products		180					180
	Other			112		32		144
	Intersegment Eliminations						(136)	(136)
	Total	887	839	1,060	2,911	32	(460)	5,269

2005 Operating EBITDA Walkforward

New Reporting Segments

Previous Reporting Segments	2005 ¹ Operating EBITDA	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Total
	Chemical Products		10	45	680		735
	Technical Polymers Ticona	205					205
	Acetate Products		86				86
	Performance Products		64				64
	Other				9	(122)	(113)
	Total		205	160	54	680	(122)

2006 Sales Walkforward

New Reporting Segments

Previous Reporting Segments	2006 Sales ¹	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Intersegment Eliminations	Total
	Chemical Products			1,046	3,351		(533)	3,864
	Technical Polymers Ticona	915						915
	Acetate Products		700					700
	Performance Products		176					176
	Other			235		22		257
	Intersegment Eliminations						(134)	(134)
	Total	915	876	1,281	3,351	22	(667)	5,778

¹Excludes Sales from the oxo alcohol and Edmonton methanol businesses which were discontinued in 2007.

2006 Operating EBITDA Walkforward

		New Reporting Segments					
		Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Total
Previous Reporting Segments	2006 Operating EBITDA ¹						
	Chemical Products		9	95	672		776
	Technical Polymers Ticona	260					260
	Acetate Products		151				151
	Performance Products		68				68
	Other			23		(134)	(111)
Total		260	228	118	672	(134)	1,144

¹Excludes Operating EBITDA from the oxo alcohol business which was discontinued in 2007.

YTD 2007 Sales Walkforward

New Reporting Segments

Previous Reporting Segments	YTD 2007 Sales ¹	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Intersegment Eliminations	Total
	Chemical Products			580	1,673		(249)	2,004
	Technical Polymers Ticona	519						519
	Acetate Products		458					458
	Performance Products		92					92
	Other			121		(4)		117
	Intersegment Eliminations						(79)	(79)
	Total	519	550	701	1,673	(4)	(328)	3,111

¹Excludes Sales from the oxo alcohol and Edmonton methanol businesses which were discontinued in 2007.

YTD 2007 Operating EBITDA Walkforward

		New Reporting Segments					
		Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Total
Previous Reporting Segments	YTD 2007 Operating EBITDA ¹						
	Chemical Products		6	49	353		408
	Technical Polymers Ticona	137					137
	Acetate Products		117				117
	Performance Products		41				41
	Other			11		(40)	(29)
Total		137	164	60	353	(40)	674

¹Excludes Operating EBITDA from the oxo alcohol business which was discontinued in 2007.