

CELANESE CORP

FORM 8-K (Current report filing)

Filed 10/26/10 for the Period Ending 10/26/10

Address	222 W. LAS COLINAS BLVD., SUITE 900N IRVING, TX, 75039-5421
Telephone	972-443-4000
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Industry	Commodity Chemicals
Sector	Basic Materials
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**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): October 26, 2010

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 7.01 Regulation FD Disclosure.

On September 15, 2010, Celanese US Holdings LLC (the “Issuer”), a wholly-owned subsidiary of Celanese Corporation (the “Parent Guarantor”), issued \$600 million of senior notes due 2018 (the “Notes”) pursuant to an exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”). The Notes are guaranteed by the Parent Guarantor and substantially all of its US subsidiaries (the “Subsidiary Guarantors”). Under the indenture, dated September 24, 2010, between the Issuer and Wells Fargo Bank, N.A. as trustee (the “Indenture”), the Issuer is required to provide to the Securities and Exchange Commission (“SEC”) certain financial information described in Rule 3-10 of Regulation S-X promulgated under the Securities Act. In connection with this reporting requirement, the consolidating financial statements for the Parent Guarantor, the Issuer, the Subsidiary Guarantors and the non-guarantors are being furnished as Exhibit 99.1 to this Current Report on Form 8-K (“Form 8-K”) and are incorporated herein by reference in their entirety.

The information in this Item 7.01 of this Form 8-K should be read in conjunction with the Parent Guarantor’s Quarterly Report on Form 10-Q filed with the SEC on October 26, 2010.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Consolidated Financial Statements for Parent Guarantor*

* In connection with the disclosure set forth in Item 7.01, 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/ James R. Peacock III
Name: James R. Peacock III
Title: Vice President, Deputy General Counsel and
Assistant Corporate Secretary

Date: October 26, 2010

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
99.1	Consolidated Financial Statements for Parent Guarantor*

- * In connection with the disclosure set forth in Item 7.01, 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.

Consolidating Guarantor Financial Information

On September 24, 2010, the Company completed the issuance of senior unsecured notes (the “Notes”) by Celanese US (the “Issuer”). The Notes are guaranteed by Celanese Corporation (the “Parent Guarantor”) and substantially all of its US subsidiaries (the “Subsidiary Guarantors”). The consolidating financial statements for the Parent Guarantor, the Issuer, the Subsidiary Guarantors and the non-guarantors are as follows:

**CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended September 30, 2010					Consolidated
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non- Guarantors	Eliminations	
	(In \$ millions)					
Net sales	—	—	600	1,164	(258)	1,506
Cost of sales	—	—	(416)	(989)	245	(1,160)
Gross profit	—	—	184	175	(13)	346
Selling, general and administrative expenses	—	—	(38)	(85)	—	(123)
Amortization of intangible assets	—	—	(4)	(11)	—	(15)
Research and development expenses	—	—	(13)	(6)	—	(19)
Other (charges) gains, net	—	—	41	(5)	—	36
Foreign exchange gain (loss), net	—	—	—	(1)	—	(1)
Gain (loss) on disposition of businesses and assets, net	—	—	(1)	(2)	—	(3)
Operating profit	—	—	169	65	(13)	221
Equity in net earnings (loss) of affiliates	153	194	43	28	(381)	37
Interest expense	—	(41)	(10)	(11)	14	(48)
Interest income	—	5	8	1	(14)	—
Refinancing expense	—	(16)	—	—	—	(16)
Dividend income — cost investments	—	—	—	1	—	1
Other income (expense), net	—	—	—	(4)	—	(4)
Earnings (loss) from continuing operations before tax	153	142	210	80	(394)	191
Income tax (provision) benefit	(1)	11	(37)	(23)	6	(44)
Earnings (loss) from continuing operations	152	153	173	57	(388)	147
Earnings (loss) from operation of discontinued operations	—	—	(1)	(2)	—	(3)
Gain (loss) on disposal of discontinued operations	—	—	—	—	—	—
Income tax (provision) benefit from discontinued operations	—	—	—	1	—	1
Earnings (loss) from discontinued operations	—	—	(1)	(1)	—	(2)
Net earnings (loss)	152	153	172	56	(388)	145
Net (earnings) loss attributable to noncontrolling interests	—	—	—	—	—	—
Net earnings (loss) attributable to Celanese Corporation	152	153	172	56	(388)	145

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended September 30, 2010					
	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In \$ millions)					
Net sales	—	—	1,703	3,401	(693)	4,411
Cost of sales	—	—	(1,281)	(2,958)	695	(3,544)
Gross profit	—	—	422	443	2	867
Selling, general and administrative expenses	—	—	(126)	(243)	—	(369)
Amortization of intangible assets	—	—	(10)	(35)	—	(45)
Research and development expenses	—	—	(35)	(21)	—	(56)
Other (charges) gains, net	—	—	51	(98)	—	(47)
Foreign exchange gain (loss), net	—	—	—	1	—	1
Gain (loss) on disposition of businesses and assets, net	—	—	(1)	13	—	12
Operating profit	—	—	301	60	2	363
Equity in net earnings (loss) of affiliates	297	392	109	97	(764)	131
Interest expense	—	(121)	(29)	(34)	38	(146)
Interest income	—	16	21	4	(39)	2
Refinancing expense	—	(16)	—	—	—	(16)
Dividend income — cost investments	—	—	—	73	—	73
Other income (expense), net	—	—	(1)	2	—	1
Earnings (loss) from continuing operations before tax	297	271	401	202	(763)	408
Income tax (provision) benefit	(1)	26	(82)	(50)	22	(85)
Earnings (loss) from continuing operations	296	297	319	152	(741)	323
Earnings (loss) from operation of discontinued operations	—	—	(6)	(2)	—	(8)
Gain (loss) on disposal of discontinued operations	—	—	2	—	—	2
Income tax (provision) benefit from discontinued operations	—	—	1	1	—	2
Earnings (loss) from discontinued operations	—	—	(3)	(1)	—	(4)
Net earnings (loss)	296	297	316	151	(741)	319
Net (earnings) loss attributable to noncontrolling interests	—	—	—	—	—	—
Net earnings (loss) attributable to Celanese Corporation	296	297	316	151	(741)	319

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30, 2009					
	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In \$ millions)					
Net sales	—	—	513	1,021	(230)	1,304
Cost of sales	—	—	(363)	(907)	232	(1,038)
Gross profit	—	—	150	114	2	266
Selling, general and administrative expenses	—	—	(46)	(64)	—	(110)
Amortization of intangible assets	—	—	(2)	(18)	—	(20)
Research and development expenses	—	—	(10)	(8)	—	(18)
Other (charges) gains, net	—	—	(1)	(95)	—	(96)
Foreign exchange gain (loss), net	—	—	—	(2)	—	(2)
Gain (loss) on disposition of businesses and assets, net	—	—	18	25	2	45
Operating profit	—	—	109	(48)	4	65
Equity in net earnings (loss) of affiliates	379	355	21	29	(748)	36
Interest expense	—	(43)	(10)	(11)	13	(51)
Interest income	—	6	7	2	(13)	2
Refinancing expense	—	—	—	—	—	—
Dividend income — cost investments	—	—	—	1	—	1
Other income (expense), net	—	1	(1)	(5)	—	(5)
Earnings (loss) from continuing operations before tax	379	319	126	(32)	(744)	48
Income tax (provision) benefit	15	60	296	(20)	(1)	350
Earnings (loss) from continuing operations	394	379	422	(52)	(745)	398
Earnings (loss) from operation of discontinued operations	—	—	—	—	—	—
Gain (loss) on disposal of discontinued operations	—	—	—	—	—	—
Income tax (provision) benefit from discontinued operations	—	—	—	—	—	—
Earnings (loss) from discontinued operations	—	—	—	—	—	—
Net earnings (loss)	394	379	422	(52)	(745)	398
Net (earnings) loss attributable to noncontrolling interests	—	—	—	—	—	—
Net earnings (loss) attributable to Celanese Corporation	394	379	422	(52)	(745)	398

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended September 30, 2009					
	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In \$ millions)					
Net sales	—	—	1,507	2,892	(705)	3,694
Cost of sales	—	—	(1,081)	(2,604)	705	(2,980)
Gross profit	—	—	426	288	—	714
Selling, general and administrative expenses	—	—	(139)	(199)	—	(338)
Amortization of intangible assets	—	—	(8)	(50)	—	(58)
Research and development expenses	—	—	(33)	(23)	—	(56)
Other (charges) gains, net	—	—	(4)	(119)	—	(123)
Foreign exchange gain (loss), net	—	—	—	1	—	1
Gain (loss) on disposition of businesses and assets, net	—	—	7	25	9	41
Operating profit	—	—	249	(77)	9	181
Equity in net earnings (loss) of affiliates	469	510	63	60	(1,025)	77
Interest expense	—	(128)	(34)	(35)	41	(156)
Interest income	—	19	21	9	(42)	7
Refinancing expense	—	—	—	—	—	—
Dividend income — cost investments	—	—	38	19	—	57
Other income (expense), net	—	4	(2)	(4)	—	(2)
Earnings (loss) from continuing operations before tax	469	405	335	(28)	(1,017)	164
Income tax (provision) benefit	15	64	276	(26)	(1)	328
Earnings (loss) from continuing operations	484	469	611	(54)	(1,018)	492
Earnings (loss) from operation of discontinued operations	—	—	—	—	—	—
Gain (loss) on disposal of discontinued operations	—	—	—	—	—	—
Income tax (provision) benefit from discontinued operations	—	—	—	—	—	—
Earnings (loss) from discontinued operations	—	—	—	—	—	—
Net earnings (loss)	484	469	611	(54)	(1,018)	492
Net (earnings) loss attributable to noncontrolling interests	—	—	—	—	—	—
Net earnings (loss) attributable to Celanese Corporation	484	469	611	(54)	(1,018)	492

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of September 30, 2010					
	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In \$ millions)					
ASSETS						
Current assets						
Cash and cash equivalents	3	—	255	626	—	884
Trade receivables — third party and affiliates	—	—	255	743	(101)	897
Non-trade receivables	—	544	653	386	(1,319)	264
Inventories	—	—	163	460	(45)	578
Deferred income taxes	—	—	33	10	(1)	42
Marketable securities, at fair value	—	—	1	1	—	2
Assets held for sale	—	—	9	—	—	9
Other assets	—	57	30	68	(64)	91
Total current assets	<u>3</u>	<u>601</u>	<u>1,399</u>	<u>2,294</u>	<u>(1,530)</u>	<u>2,767</u>
Investments in affiliates	908	3,704	1,360	518	(5,673)	817
Property, plant and equipment, net	—	—	623	2,261	—	2,884
Deferred income taxes	12	36	380	71	—	499
Marketable securities, at fair value	—	—	79	—	—	79
Other assets	—	76	121	516	(421)	292
Goodwill	—	—	298	487	—	785
Intangible assets, net	—	—	83	188	—	271
Total assets	<u>923</u>	<u>4,417</u>	<u>4,343</u>	<u>6,335</u>	<u>(7,624)</u>	<u>8,394</u>
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Short-term borrowings and current installments of long-term debt — third party and affiliates	—	1,191	17	224	(1,171)	261
Trade payables — third party and affiliates	—	2	232	507	(101)	640
Other liabilities	—	76	225	524	(236)	589
Deferred income taxes	—	—	(6)	39	—	33
Income taxes payable	3	(323)	323	120	(9)	114
Total current liabilities	<u>3</u>	<u>946</u>	<u>791</u>	<u>1,414</u>	<u>(1,517)</u>	<u>1,637</u>
Long-term debt	—	2,510	561	354	(415)	3,010
Deferred income taxes	—	—	—	132	—	132
Uncertain tax positions	3	17	36	210	—	266
Benefit obligations	—	—	1,148	109	—	1,257
Other liabilities	—	36	146	1,009	(16)	1,175
Total Celanese Corporation shareholders' equity	917	908	1,661	3,107	(5,676)	917
Noncontrolling interests	—	—	—	—	—	—
Total shareholders' equity	<u>917</u>	<u>908</u>	<u>1,661</u>	<u>3,107</u>	<u>(5,676)</u>	<u>917</u>
Total liabilities and shareholders' equity	<u>923</u>	<u>4,417</u>	<u>4,343</u>	<u>6,335</u>	<u>(7,624)</u>	<u>8,394</u>

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of December 31, 2009					
	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
	(In \$ millions)					
ASSETS						
Current assets						
Cash and cash equivalents	5	—	520	729	—	1,254
Trade receivables — third party and affiliates	—	—	274	602	(155)	721
Non-trade receivables	—	13	774	335	(860)	262
Inventories	—	—	148	415	(41)	522
Deferred income taxes	—	—	32	11	(1)	42
Marketable securities, at fair value	—	—	2	1	—	3
Assets held for sale	—	—	—	2	—	2
Other assets	—	12	25	59	(46)	50
Total current assets	<u>5</u>	<u>25</u>	<u>1,775</u>	<u>2,154</u>	<u>(1,103)</u>	<u>2,856</u>
Investments in affiliates	574	3,282	1,316	465	(4,845)	792
Property, plant and equipment, net	—	—	634	2,163	—	2,797
Deferred income taxes	12	40	375	57	—	484
Marketable securities, at fair value	—	—	80	—	—	80
Other assets	—	614	133	533	(969)	311
Goodwill	—	—	284	514	—	798
Intangible assets, net	—	—	60	234	—	294
Total assets	<u>591</u>	<u>3,961</u>	<u>4,657</u>	<u>6,120</u>	<u>(6,917)</u>	<u>8,412</u>
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Short-term borrowings and current installments of long-term debt — third party and affiliates	—	768	16	197	(739)	242
Trade payables — third party and affiliates	—	—	261	543	(155)	649
Other liabilities	—	98	209	465	(161)	611
Deferred income taxes	—	—	(6)	39	—	33
Income taxes payable	3	(297)	284	86	(4)	72
Total current liabilities	<u>3</u>	<u>569</u>	<u>764</u>	<u>1,330</u>	<u>(1,059)</u>	<u>1,607</u>
Long-term debt	—	2,756	1,109	358	(964)	3,259
Deferred income taxes	—	—	—	137	—	137
Uncertain tax positions	2	18	19	190	—	229
Benefit obligations	—	—	1,167	121	—	1,288
Other liabilities	—	44	176	1,105	(19)	1,306
Total Celanese Corporation shareholders' equity	586	574	1,422	2,879	(4,875)	586
Noncontrolling interests	—	—	—	—	—	—
Total shareholders' equity	<u>586</u>	<u>574</u>	<u>1,422</u>	<u>2,879</u>	<u>(4,875)</u>	<u>586</u>
Total liabilities and shareholders' equity	<u>591</u>	<u>3,961</u>	<u>4,657</u>	<u>6,120</u>	<u>(6,917)</u>	<u>8,412</u>

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2010					<u>Consolidated</u>
	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	
	(In \$ millions)					
Net cash provided by (used in) operating activities	1	242	(140)	260	—	363
Investing activities from continuing operations						
Capital expenditures on property, plant and equipment	—	—	(51)	(71)	—	(122)
Acquisitions, net of cash acquired	—	—	(46)	—	—	(46)
Proceeds from sale of businesses and assets, net	—	—	1	21	—	22
Capital expenditures related to Ticona Kelsterbach plant relocation	—	—	—	(219)	—	(219)
Other, net	—	—	(6)	(10)	—	(16)
Net cash provided by (used in) investing activities	—	—	(102)	(279)	—	(381)
Financing activities from continuing operations						
Short-term borrowings (repayments), net	—	—	2	(6)	—	(4)
Proceeds from long-term debt	—	604	33	—	(37)	600
Repayments of long-term debt	—	(822)	(5)	(58)	37	(848)
Refinancing costs	—	(24)	—	—	—	(24)
Purchases of treasury stock, including related fees	(41)	—	—	—	—	(41)
Dividends from subsidiary	53	—	—	—	(53)	—
Dividends to parent	—	—	(53)	—	53	—
Stock option exercises	8	—	—	—	—	8
Series A common stock dividends	(20)	—	—	—	—	(20)
Preferred stock dividends	(3)	—	—	—	—	(3)
Net cash provided by (used in) financing activities	(3)	(242)	(23)	(64)	—	(332)
Exchange rate effects on cash and cash equivalents	—	—	—	(20)	—	(20)
Net increase (decrease) in cash and cash equivalents	(2)	—	(265)	(103)	—	(370)
Cash and cash equivalents at beginning of period	5	—	520	729	—	1,254
Cash and cash equivalents at end of period	<u>3</u>	<u>—</u>	<u>255</u>	<u>626</u>	<u>—</u>	<u>884</u>

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2009					<u>Consolidated</u>
	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	
	(In \$ millions)					
Net cash provided by (used in) operating activities	—	20	167	221	—	408
Investing activities from continuing operations						
Capital expenditures on property, plant and equipment	—	—	(41)	(89)	—	(130)
Acquisitions, net of cash acquired	—	—	—	(1)	—	(1)
Proceeds from sale of businesses and assets, net	—	—	131	37	—	168
Deferred proceeds on Ticona Kelsterbach plant relocation	—	—	—	412	—	412
Capital expenditures related to Ticona Kelsterbach plant relocation	—	—	—	(248)	—	(248)
Proceeds from sale of marketable securities	—	—	—	15	—	15
Other, net	—	—	5	(30)	—	(25)
Net cash provided by (used in) investing activities	—	—	95	96	—	191
Financing activities from continuing operations						
Short-term borrowings (repayments), net	—	—	(8)	39	—	31
Proceeds from long-term debt	—	4	—	—	(4)	—
Repayments of long-term debt	—	(21)	(19)	(20)	4	(56)
Refinancing costs	—	(3)	—	—	—	(3)
Dividends from subsidiary	24	—	—	—	(24)	—
Dividends to parent	—	—	(24)	—	24	—
Stock option exercises	1	—	—	—	—	1
Series A common stock dividends	(17)	—	—	—	—	(17)
Preferred stock dividends	(8)	—	—	—	—	(8)
Net cash provided by (used in) financing activities	—	(20)	(51)	19	—	(52)
Exchange rate effects on cash and cash equivalents	—	—	—	70	—	70
Net increase (decrease) in cash and cash equivalents	—	—	211	406	—	617
Cash and cash equivalents at beginning of period	—	—	224	452	—	676
Cash and cash equivalents at end of period	—	—	435	858	—	1,293