CELANESE CORP

FORM 8-K
(Current report filing)

Filed 07/18/13 for the Period Ending 07/18/13

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

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): **July 18, 2013**

CELANESE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**001-32410**	**98-0420726**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

222 West Las Colinas Blvd. Suite 900N, Irving, TX 75039
(Address of Principal Executive Offices) (Zip Code)

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

(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))

Item 2.02 Results of Operations and Financial Condition

On July 18, 2013 , Celanese Corporation (the " Company ") issued a press release reporting the financial results for its second quarter 2013 . A copy of the press release is attached to this Current Report on Form 8-K (" Current Report ") as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

Item 7.01 Regulation FD Disclosure

On July 19, 2013, Mark C. Rohr, Chairman and Chief Executive Officer of the Company, and Steven M. Sterin, Senior Vice President and Chief Financial Officer of the Company, will make a presentation to investors and analysts via a webcast hosted by the Company at 10:00 a.m. ET (9:00 a.m. CT). The webcast, prepared remarks from Mark Rohr and Steven Sterin and a slide presentation may be accessed on our website at www.celanese.com under Investor Events & Presentations. A copy of the slide presentation and a copy of the prepared remarks posted for the webcast are attached to this Current Report as Exhibit 99.2 and Exhibit 99.3, respectively, and are incorporated herein solely for purposes of this Item 7.01 disclosure.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
99.1	Press Release dated July 18, 2013*
99.2	Slide Presentation dated July 18, 2013*
99.3	Prepared Remarks from M. Rohr and S. Sterin dated July 18, 2013*

*In connection with the disclosure set forth in Item 2.02 and 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:	July 18, 2013

INDEX TO EXHIBITS

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Exhibit 99.1

Celanese Corporation
222 West Las Colinas Blvd.
Suite 900N
Irving, Texas 75039

Celanese Corporation Reports Second Quarter 2013 Results

Company Expects Adjusted Earnings Growth of Approximately 12 Percent for 2013

Second quarter 2013 financial highlights:

- Adjusted earnings per share of $1.12 , down $0.02 from the prior quarter
- Segment income margin increased to 22.3 percent in Advanced Engineered Materials, Consumer Specialties and Industrial Specialties
- Cash on hand increased to $1.1 billion
- Net debt decreased to less than $2.0 billion
- GAAP earnings per share of $0.83 , down $0.05 from the prior quarter
- GAAP operating profit of $169 million , down $15 million from the prior quarter

Dallas, July 18, 2013 : Celanese Corporation (NYSE: CE), a global technology and specialty materials company, today reported second quarter 2013 adjusted earnings per share of $1.12 versus $1.14 in the prior quarter.

	Three Months Ended	
	June 30, 2013	March 31, 2013
	(unaudited) (In $ millions, except per share data)	
Net sales	1,653	1,605
Operating profit (loss)	169	184
Net earnings (loss)	133	142
Adjusted EBIT / Total segment income [(1)]	264	269
Operating EBITDA [(1)]	339	345
Diluted EPS - continuing operations	$ 0.83	$ 0.88
Diluted EPS - total	$ 0.83	$ 0.89
Adjusted EPS [(2)]	$ 1.12	$ 1.14

(1) Non-U.S. GAAP measure. See Table 1 for reconciliation.

(2) Non-U.S. GAAP measure. See Table 3 for reconciliation.

Additional information about our prior period performance is included in our Quarterly Reports on Form 10-Q and in our Current Year Reconciliations to Non-GAAP Financial Measures available on our website at www.celanese.com in the Investor Relations section.

"Celanese's second quarter results reflect the continued success we are having by delivering value-added solutions to our customers in diverse end-use markets and geographic regions as we increased segment income margins to 22.3 percent sequentially in Advanced Engineered Materials, Consumer Specialties and Industrial Specialties. This success was tempered by lower segment margins in Acetyl Intermediates as the economies of Asia and Europe demonstrated softer conditions than the first quarter and as we executed a number of plant turnarounds," said Mark Rohr, chairman and chief executive officer. "Celanese continued to deliver good cash flow results in the second quarter and further increased the cash on our balance sheet and reduced net debt to the lowest quarterly level since March 2005. We are well positioned to pursue our balanced cash deployment strategy."

Recent Highlights

- Signed an agreement with Mitsui & Co., Ltd., of Tokyo, Japan, to establish a joint venture for the production of methanol at Celanese's integrated chemical plant in Clear Lake, Texas. The total investment in the facility is estimated to be $800 million. Celanese's portion of the cash investment is estimated to be $300 million, in addition to previously invested assets at the company's Clear Lake facility. The planned methanol facility will have an annual capacity of 1.3 million tons and is expected to begin operations in mid-2015.
- Announced that its board of directors approved a 20 percent increase in the company's Series A Common Stock quarterly cash dividend. The quarterly dividend rate increased to $0.09 from $0.075 per share of Common Stock on a quarterly basis and to $0.36 from $0.30 per share of Common Stock on an annual basis. The new dividend rate began in May 2013.

Second Quarter Business Segment Overview

Advanced Engineered Materials

Advanced Engineered Materials delivered record quarterly net sales of $352 million on record quarterly volumes which were 8 percent higher than the first quarter. Segment income increased to $86 million , or 10 percent higher than the prior quarter, as volumes increased on continued success in penetrating autos, particularly in the U.S., and due to the impact of higher value applications on product mix. Segment income margin increased 70 bps from the prior quarter to 24.4 percent . Operating profit, which excludes affiliate earnings, increased to $39 million from $36 million in the prior quarter.

Consumer Specialties

Second quarter segment income in Consumer Specialties was $109 million , consistent with the first quarter of $108 million . Healthy global demand for acetate tow drove higher sequential volumes and price increases. Segment income margin decreased 190 bps from the prior quarter primarily due to higher raw material costs. Operating profit, which excludes China acetate dividends, increased to $83 million from $78 million in the prior quarter.

Industrial Specialties

Industrial Specialties' segment income increased to $19 million , or 19 percent higher than the prior quarter, as record results in Emulsions more than offset continued weak global demand for EVA applications. Volumes increased 2 percent as higher volumes in Emulsions in Europe and Asia more than offset lower global demand for EVA applications. Pricing increased 1 percent sequentially on improved regional mix in EVA and higher Emulsions pricing in Europe and North America. Segment income margin increased 80 bps from the prior quarter to 6.4 percent . Operating profit was $18 million in the second quarter compared with $15 million in the prior quarter.

Acetyl Intermediates

Second quarter segment income in Acetyl Intermediates was $66 million compared to $79 million in the first quarter on flat volumes and pricing reflecting continued weak global demand for acetyl derivative products in Europe and Asia. Additionally, company and customer turnarounds in vinyl acetate monomer (VAM) and a raw material supply issue at one of the company's facilities also impacted segment income. Segment income margin decreased 160 bps from the prior quarter to 8.2 percent due to the turnarounds and the supply issue. Operating profit was $55 million in the second quarter compared with $75 million in the prior quarter.

Capital Structure

During the second quarter of 2013, the company generated $229 million of operating cash flow driven by continued strong cash generation and lower trade working capital usage as compared to the prior quarter. Adjusted free cash flow for the quarter was $154 million .

As of June 30, 2013, the company's net debt was $1.977 billion , a $162 million decrease from December 31, 2012 and the lowest quarterly level for the company since March 31, 2005.

During the quarter, the company spent $6 million on share repurchases and expects to continue repurchasing shares. As of June 30, 2013, the company had a remaining share repurchase authorization of $386 million . Additionally, the company's strong cash flow allows it to continue to delever the balance sheet and increase its dividends.

Strategic Affiliates

Earnings from equity investments were $55 million , similar to the prior quarter. Cash dividends received in the second quarter from equity investments were $45 million , similar to the prior quarter.

During the second quarter of 2013, the company received a quarterly dividend of $23 million from its China acetate ventures, $1 million lower than the prior quarter. In 2013, the company began receiving quarterly dividends from its China acetate ventures. In prior years, dividends from China acetate ventures were received annually in the second quarter. In the second quarter of 2012, the company received an annual dividend of $83 million . During the first six months of 2013, the company received two quarterly dividends totaling $47 million .

Taxes

The tax rate for adjusted earnings per share was 19 percent in the second quarter of 2013, consistent with the prior quarter. The effective tax rate for GAAP for the second quarter of 2013 was 36 percent compared to 35 percent in the first quarter.

Net cash taxes paid in the second quarter of 2013 were $30 million compared with $14 million in the first quarter primarily due to the timing of tax refunds received.

Outlook

"As we look to the remainder of 2013, we expect the weak economic conditions that exist today will continue. Our global teams continue to focus on Celanese-specific innovation and productivity initiatives that will allow us to achieve our earnings growth objective of approximately 12 percent growth. However, further deterioration of global demand would pressure this objective," said Rohr.

The company's earnings presentation and prepared remarks related to the second quarter results will be posted on its website at www.celanese.com in the investor section after market close on July 18.

Contacts:

Investor Relations	**Media - U.S.**	**Media - Europe**
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Celanese Corporation is a global technology leader in the production of differentiated chemistry solutions and specialty materials used in most major industries and consumer applications. With sales almost equally divided between North America, Europe and Asia, the company uses the full breadth of its global chemistry, technology and business expertise to create value for customers and the corporation. Celanese partners with customers to solve their most critical needs while making a positive impact on its communities and the world. Based in Dallas, Texas, Celanese employs approximately 7,600 employees worldwide and had 2012 net sales of $6.4 billion. For more information about Celanese Corporation and its product offerings, visit www.celanese.com or our blog at www.celaneseblog.com

Forward-Looking Statements

This release 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. 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 results expressed or implied in the forward-looking statements contained in this release. These risks and uncertainties include, among other things: changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate; the length and depth of product and industry business cycles, particularly in the automotive, electrical, electronics and construction industries; changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources; the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases; the ability to maintain plant utilization rates and to implement planned capacity additions and expansions; the ability to improve productivity by implementing technological improvements to existing plants; increased price competition and the introduction of competing products by other companies; market acceptance of our technology; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the company; changes in the degree of intellectual property and other legal protection afforded to our products or technology, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, cyber security incidents, terrorism or political unrest or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, including the occurrence of acts of war or terrorist incidents or as a result of weather or natural disasters; potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating to climate change; potential liability resulting from pending or future litigation, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate; changes in currency exchange rates and interest rates; our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; and various other factors discussed from time to time 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-US GAAP Measures to US GAAP

This release provides information about the following non-US GAAP measures: adjusted EBIT, operating EBITDA, adjusted earnings per share, adjusted free cash flow and net debt as non-US GAAP measures. These measurements are not recognized in accordance with US GAAP and should not be viewed as an alternative to US GAAP measures of performance. The most directly comparable financial measure presented in accordance with US GAAP in our consolidated financial statements for adjusted EBIT and operating EBITDA is net earnings (loss); for adjusted earnings per share is earnings (loss) from continuing operations per common share-diluted; for adjusted free cash flow is cash flow from operations; and for net debt is total debt.

Use of Non-US GAAP Financial Information

- *Adjusted EBIT is defined by the Company as net earnings (loss) less interest income plus loss (earnings) from discontinued operations, interest expense and taxes, and further adjusted for other charges and other adjustments. We believe that adjusted EBIT provides transparent and useful information to management, investors and analysts in evaluating and assessing our core operating results from period-to-period after removing the impact of unusual, non-operational or restructuring-related activities that affect comparability. Our management recognizes that adjusted EBIT has inherent limitations because of the excluded items. Adjusted EBIT is one of the measures management uses for planning and budgeting, monitoring and evaluating financial and operating results and as a performance metric in the Company's incentive compensation plan. We may provide guidance on adjusted EBIT but are unable to reconcile forecasted adjusted EBIT to a GAAP financial measure without unreasonable effort because a forecast of other charges and other adjustments is not practical. Adjusted EBIT by business segment may also be referred to by management as segment income.*

- *Operating EBITDA is defined by the Company as net earnings (loss) less interest income plus loss (earnings) from discontinued operations, interest expense, taxes and depreciation and amortization, and further adjusted for other charges and other adjustments. Operating EBITDA is equal to adjusted EBIT plus depreciation and amortization, and has the same uses and limitations as adjusted EBIT described above.*

- *Adjusted earnings per share is defined by the Company as earnings (loss) from continuing operations, adjusted for income tax (provision) benefit, other charges and other adjustments, refinancing and related expenses and noncontrolling interests, divided by the number of basic common shares, convertible preferred shares and dilutive restricted stock units and stock options calculated using the treasury method. We believe that adjusted earnings per share provides transparent and useful information to management, investors and analysts in evaluating and assessing our core operating results from period-to-period after removing the impact of unusual, non-operational or restructuring-related activities that affect comparability. We may provide guidance on adjusted earnings per share but are unable to reconcile forecasted adjusted earnings per share to a GAAP financial measure without unreasonable effort because a forecast of other charges and other adjustments is not practical.*

  Note: The income tax rate used for adjusted earnings per share approximates the midpoint in a range of forecasted tax rates for the year. This range may include certain partial or full-year forecasted tax opportunities, where applicable, and specifically excludes changes in uncertain tax positions, discrete items and other material items adjusted out of our GAAP earnings for adjusted earnings per share purposes, and changes in management's assessments regarding the ability to realize deferred tax assets. We also reflect the impact of foreign tax credits when utilized for the adjusted earnings per share tax rate. 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 from the actual tax rate used for GAAP reporting in any given reporting period. It is not practical to reconcile our prospective adjusted tax rate to the actual GAAP tax rate in any given future period.

- *Adjusted free cash flow is defined by the Company as cash flow from operations less other productive asset purchases, operating cash flow from discontinued operations and certain cash flow adjustments. We believe that adjusted free cash flow provides useful information to management, investors and analysts in evaluating the Company’s liquidity and credit quality assessment. Although we use adjusted free cash flow as a financial measure to assess the performance of our business, the use of adjusted free cash flow has important limitations, including that adjusted free cash flow does not reflect the cash requirements necessary to service our indebtedness, lease obligations, unconditional purchase obligations or pension and postretirement funding obligations.*

- *Net debt is defined by the Company as total debt less cash and cash equivalents. We believe that net debt provides useful information to management, investors and analysts in evaluating changes to the Company's capital structure and credit quality assessment.*

Results Unaudited

The results in this document, 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.

Change in accounting policy regarding pension and other postretirement benefits

Effective January 1, 2013, we elected to change our policy for recognizing actuarial gains and losses and the change in fair value of plan assets for our defined benefit pension plans and other postretirement benefit plans. We now immediately recognize the change in fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is required to be remeasured. The remaining components of our net periodic benefit cost are recorded on a quarterly basis.

In connection with the change in accounting policy for pension and other postretirement benefits and to properly match the actual operational expenses each business segment is incurring, we changed our allocation of net periodic benefit cost. We now allocate only the service cost and amortization of prior service cost components of our pension and postretirement plans to each business segment on a ratable basis. All other components of net periodic benefit cost (interest cost, expected return on assets and net actuarial gains and losses) are recorded to Other Activities as these components are considered financing activities managed at the corporate level. Financial information for prior periods has been retrospectively adjusted and can be identified by the heading "As Adjusted".

Consolidated Statements of Operations - Unaudited

	Three Months Ended		
	June 30, 2013	March 31, 2013	June 30, 2012
			As Adjusted
	(In $ millions, except share and per share data)		
Net sales	1,653	1,605	1,675
Cost of sales	(1,334)	(1,272)	(1,340)
Gross profit	319	333	335
Selling, general and administrative expenses	(113)	(106)	(115)
Amortization of intangible assets	(9)	(11)	(13)
Research and development expenses	(23)	(26)	(25)
Other (charges) gains, net	(3)	(4)	(3)
Foreign exchange gain (loss), net	(2)	(1)	(1)
Gain (loss) on disposition of businesses and asset, net	—	(1)	—
Operating profit (loss)	169	184	178
Equity in net earnings (loss) of affiliates	55	54	62
Interest expense	(44)	(43)	(45)
Refinancing expense	—	—	—
Interest income	1	—	—
Dividend income - cost investments	23	24	84
Other income (expense), net	4	(1)	(1)
Earnings (loss) from continuing operations before tax	208	218	278
Income tax (provision) benefit	(75)	(77)	(57)
Earnings (loss) from continuing operations	133	141	221
Earnings (loss) from operation of discontinued operations	—	2	—
Gain (loss) on disposition of discontinued operations	—	—	—
Income tax (provision) benefit from discontinued operations	—	(1)	—
Earnings (loss) from discontinued operations	—	1	—
Net earnings (loss)	133	142	221
Net (earnings) loss attributable to noncontrolling interests	—	—	—
Net earnings (loss) attributable to Celanese Corporation	133	142	221
Amounts attributable to Celanese Corporation			
Earnings (loss) per common share - basic			
Continuing operations	0.83	0.88	1.40
Discontinued operations	—	0.01	—
Net earnings (loss) - basic	0.83	0.89	1.40
Earnings (loss) per common share - diluted			
Continuing operations	0.83	0.88	1.38
Discontinued operations	—	0.01	—
Net earnings (loss) - diluted	0.83	0.89	1.38
Weighted average shares (in millions)			
Basic	159.7	159.7	158.2
Diluted	160.1	160.2	159.8

Consolidated Balance Sheets - Unaudited

	As of June 30, 2013	As of December 31, 2012
		As Adjusted
	(In $ millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	1,107	959
Trade receivables - third party and affiliates, net	929	827
Non-trade receivables, net	280	209
Inventories	738	711
Deferred income taxes	50	49
Marketable securities, at fair value	45	53
Other assets	31	31
Total current assets	3,180	2,839
Investments in affiliates	808	800
Property, plant and equipment, net	3,325	3,350
Deferred income taxes	602	606
Other assets	483	463
Goodwill	772	777
Intangible assets, net	152	165
Total assets	9,322	9,000
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	224	168
Trade payables - third party and affiliates	716	649
Other liabilities	439	475
Deferred income taxes	25	25
Income taxes payable	140	38
Total current liabilities	1,544	1,355
Long-term debt	2,860	2,930
Deferred income taxes	47	50
Uncertain tax positions	184	181
Benefit obligations	1,560	1,602
Other liabilities	1,142	1,152
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock	—	—
Common stock	—	—
Treasury stock, at cost	(911)	(905)
Additional paid-in capital	745	731
Retained earnings	2,242	1,993
Accumulated other comprehensive income (loss), net	(91)	(89)
Total Celanese Corporation stockholders' equity	1,985	1,730
Noncontrolling interests	—	—
Total equity	1,985	1,730
Total liabilities and equity	9,322	9,000

Table 1
Reconciliation of Consolidated Net Earnings (Loss) to Adjusted EBIT and Operating EBITDA - Non-GAAP Measures - Unaudited

	Three Months Ended	
	June 30, 2013	March 31, 2013
	(In $ millions)	
Net earnings (loss)	133	142
(Earnings) loss from discontinued operations	—	(1)
Interest income	(1)	—
Interest expense	44	43
Refinancing expense	—	—
Income tax provision (benefit)	75	77
Other charges (gains), net [(1)]	3	4
Other adjustments [(1)]	10	4
Adjusted EBIT	264	269
Depreciation and amortization expense [(2)]	75	76
Operating EBITDA	339	345

	Three Months Ended	
	June 30, 2013	March 31, 2013
	(In $ millions)	
Advanced Engineered Materials	—	—
Consumer Specialties	—	—
Industrial Specialties	—	—
Acetyl Intermediates	—	—
Other Activities [(3)]	—	—
Accelerated depreciation and amortization expense	—	—
Depreciation and amortization expense [(2)]	75	76
Total depreciation and amortization expense	75	76

(1) See Table 8 for details.

(2) Excludes accelerated depreciation and amortization expense as detailed in the table above and included in Other adjustments above.

(3) Other Activities includes corporate Selling, general and administrative expenses, the results of captive insurance companies and certain components of net periodic benefit cost, including interest cost, expected return on assets and net actuarial gains and losses.

Table 2

Segment Data and Reconciliation of Operating Profit (Loss) to Adjusted EBIT and Operating EBITDA - Non-GAAP Measures - Unaudited

	Three Months Ended			
	June 30, 2013		March 31, 2013	
	(In $ millions, except percentages)			
Operating Profit (Loss) / Operating Margin [1]				
Advanced Engineered Materials	39	11.1%	36	10.9%
Consumer Specialties	83	26.4%	78	26.4%
Industrial Specialties	18	6.1%	15	5.2%
Acetyl Intermediates	55	6.8%	75	9.3%
Other Activities [2]	(26)		(20)	
Total	169	10.2%	184	11.5%
Equity Earnings, Cost - Dividend Income and Other Income (Expense)				
Advanced Engineered Materials	45		40	
Consumer Specialties	24		26	
Industrial Specialties	—		—	
Acetyl Intermediates	3		3	
Other Activities [2]	10		8	
Total	82		77	
Other Charges and Other Adjustments [3]				
Advanced Engineered Materials	2		2	
Consumer Specialties	2		4	
Industrial Specialties	1		1	
Acetyl Intermediates	8		1	
Other Activities [2]	—		—	
Total	13		8	
Adjusted EBIT / Adjusted EBIT Margin [1]				
Advanced Engineered Materials	86	24.4%	78	23.7%
Consumer Specialties	109	34.7%	108	36.6%
Industrial Specialties	19	6.4%	16	5.6%
Acetyl Intermediates	66	8.2%	79	9.8%
Other Activities [2]	(16)		(12)	
Total	264	16.0%	269	16.8%
Depreciation and Amortization Expense [4]				
Advanced Engineered Materials	27		29	
Consumer Specialties	10		10	
Industrial Specialties	12		12	
Acetyl Intermediates	22		21	
Other Activities [2]	4		4	
Total	75		76	
Operating EBITDA				
Advanced Engineered Materials	113		107	
Consumer Specialties	119		118	
Industrial Specialties	31		28	
Acetyl Intermediates	88		100	
Other Activities [2]	(12)		(8)	
Total	339		345	

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(1) Defined as Operating profit (loss) and Adjusted EBIT, respectively, divided by Net sales. See Table 4 for Net sales.

(2) Other Activities includes corporate Selling, general and administrative expenses, the results of captive insurance companies and certain components of net periodic benefit cost, including interest cost, expected return on assets and net actuarial gains and losses.

(3) See Table 8 for details.

(4) Excludes accelerated depreciation and amortization expense. See Table 1 for details.

Table 3
Adjusted Earnings (Loss) Per Share - Reconciliation of a Non-GAAP Measure - Unaudited

	Three Months Ended				Six Months Ended	
	June 30, 2013		March 31, 2013		June 30, 2013	
		per share		per share		per share
	(In $ millions, except per share data)					
Earnings (loss) from continuing operations	133	0.83	141	0.88	274	1.71
Deduct: Income tax (provision) benefit	(75)		(77)		(152)	
Earnings (loss) from continuing operations before tax	208		218		426	
Other charges and other adjustments [1]	13		8		21	
Refinancing expense	—		—		—	
Adjusted earnings (loss) from continuing operations before tax	221		226		447	
Income tax (provision) benefit on adjusted earnings [2]	(42)		(43)		(85)	
Noncontrolling interests	—		—		—	
Adjusted earnings (loss) from continuing operations	179	1.12	183	1.14	362	2.26
	Diluted shares (in millions) [3]					
Weighted average shares outstanding	159.7		159.7		159.7	
Dilutive stock options	0.2		0.2		0.2	
Dilutive restricted stock units	0.2		0.3		0.2	
Total diluted shares	160.1		160.2		160.1	

[1] See Table 8 for details.

[2] The adjusted effective tax rate is 19% for the three and six months ended June 30, 2013 and three months ended March 31, 2013.

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

Table 4
Factors Affecting Increase (Decrease) in Segment Net Sales - Unaudited

	Three Months Ended	
	June 30, 2013	March 31, 2013
	(In $ millions)	
Net Sales		
Advanced Engineered Materials	352	329
Consumer Specialties	314	295
Industrial Specialties	295	288
Acetyl Intermediates	809	808
Other Activities [1]	—	—
Intersegment eliminations	(117)	(115)
Total	1,653	1,605

[1] Other Activities includes corporate Selling, general and administrative expenses, the results of captive insurance companies and certain components of net periodic benefit cost, including interest cost, expected return on assets and net actuarial gains and losses.

Three Months Ended June 30, 2013 Compared to Three Months Ended March 31, 2013

	Volume	Price	Currency	Other	Total
			(In percentages)		
Advanced Engineered Materials	8	(1)	—	—	7
Consumer Specialties	6	1	—	—	7
Industrial Specialties	2	1	—	—	3
Acetyl Intermediates	—	—	—	—	—
Total Company	**3**	**—**	**—**	**—**	**3**

Table 5
Adjusted Free Cash Flow - Reconciliation of a Non-GAAP Measure - Unaudited

	Three Months Ended	
	June 30, 2013	March 31, 2013
	(In $ millions)	
Net cash provided by (used in) operating activities	229	147
Adjustments to operating cash for discontinued operations	6	(1)
Net cash provided by (used in) operating activities from continuing operations	235	146
Capital expenditures	(75)	(74)
Cash flow adjustments [1]	(6)	(8)
Adjusted free cash flow	154	64

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[1] Amounts primarily associated with Kelsterbach plant relocation related cash expenses and purchases of other productive assets that are classified as 'investing activities' for GAAP purposes.

Table 6
Cash Dividends Received - Unaudited

	Three Months Ended	
	June 30, 2013	March 31, 2013
	(In $ millions)	
Dividends from equity investments	45	47
Dividends from cost investments	23	24
Total	68	71

Table 7
Net Debt - Reconciliation of a Non-GAAP Measure - Unaudited

	As of June 30, 2013	As of December 31, 2012
	(In $ millions)	
Short-term borrowings and current installments of long-term debt - third party and affiliates	224	168
Long-term debt	2,860	2,930
Total debt	3,084	3,098
Less: Cash and cash equivalents	1,107	959
Net debt	1,977	2,139

Table 8
Other Charges and Other Adjustments - Presentation of a Non-GAAP Measure - Unaudited

	Three Months Ended		Six Months Ended	
	June 30, 2013	March 31, 2013	June 30, 2013	Income Statement Classification
	(In $ millions)			
Other Charges (Gains), net				
Employee termination benefits	1	2	3	
Kelsterbach plant relocation	2	2	4	
Total	3	4	7	
Other Adjustments [1]				
Plant closures	1	1	2	Cost of sales / SG&A
Commercial disputes	5	—	5	Cost of sales
Other	4	3	7	Cost of sales / SG&A
Total	10	4	14	
Total other charges and other adjustments	13	8	21	

[1] These items are included in net earnings but are not included in Other charges (gains), net.

Exhibit 99.2

Celanese

Celanese Q2 2013 Earnings

Thursday, July 18, 2013

Conference Call / Webcast
Friday, July 19, 2013 10:00 a.m. EDT

Mark Rohr, Chairman and Chief Executive Officer
Steven Sterin, Senior Vice President and Chief Financial Officer

CE
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Celanese

Forward-Looking Statements

This presentation, and public statements made in connection with this presentation, may contain "forward-looking statements," which include information concerning the company's plans, objectives, goals, strategies, future net sales or performance, capital expenditures, financing needs and other information that are not historical facts. 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 results expressed or implied in such forward-looking statements. These risks and uncertainties include, among other things: changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate; the length and depth of product and industry business cycles, particularly in the automotive, electrical, electronics and construction industries; changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources; the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases; the ability to maintain plant utilization rates and to implement planned capacity additions and expansions; the ability to improve productivity by implementing technological improvements to existing plants; increased price competition and the introduction of competing products by other companies; market acceptance of our technology; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the company; changes in the degree of intellectual property and other legal protection afforded to our products or technology, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, cyber security incidents, terrorism or political unrest or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, including the occurrence of acts of war or terrorist incidents or as a result of weather or natural disasters; potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating to climate change; potential liability resulting from pending or future litigation, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate; changes in currency exchange rates and interest rates; our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; and various other factors discussed from time to time in the company's periodic reports 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.

Results Unaudited

The results 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.

Non-GAAP Financial Measures and Change in Accounting Policy

This presentation, and statements made in connection with this presentation, contain references to non-GAAP financial measures. For more information on the non-GAAP financial measures used by the company and referenced in this presentation, including definitions and reconciliations with comparable GAAP financial measures, as well as prior period information, please refer to Investor Relations/Financial Information/Non-GAAP Financial Measures on our website, www.celanese.com. The website materials also describe a change in accounting policy regarding pension and other postretirement benefits effective January 1, 2013.

Celanese

Mark Rohr
Chairman and Chief Executive Officer

Long-term Strategic Activities

Celanese

Clear Lake methanol

- Signed agreement with Mitsui to establish 50:50 joint venture
- Very capital efficient investment in methanol, on per ton basis
- CE has producer economics on 650kT
- Major equipment on order
- Construction expected to begin later this quarter
- Timeline consistent with being operational by mid-2015

Nanjing ethanol

- Started production
- Ramping up throughout the second half of 2013

Indonesia fuel ethanol

- Narrowed potential sites to two locations; expect final selection in coming months
- RFP process is well underway for supply partners and remaining suppliers expected to be selected by Q4 2013 or Q1 2014

Innovation Success

Celanese

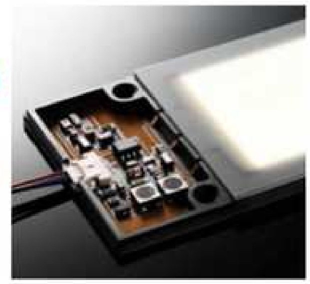
Qorus™ Sweetener Systems

- Allow customers to deliver authentic taste while reducing calories
- Currently in trials with several potential customers globally
- Sinalco will be using Qorus™ in its Sinetta fruit beverages

Electronic

Vectra® LCP

Zenite® LCP



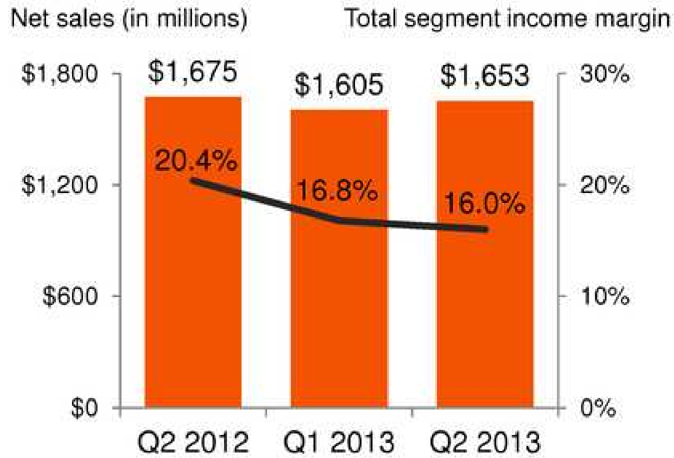
- Enabled innovative organic LED light element that won an industry award
- Lighting solution replaces metal with a polymer application
- Provides opportunity for creative thin lighting designs

Innovation success allows CE to continue to deliver growth

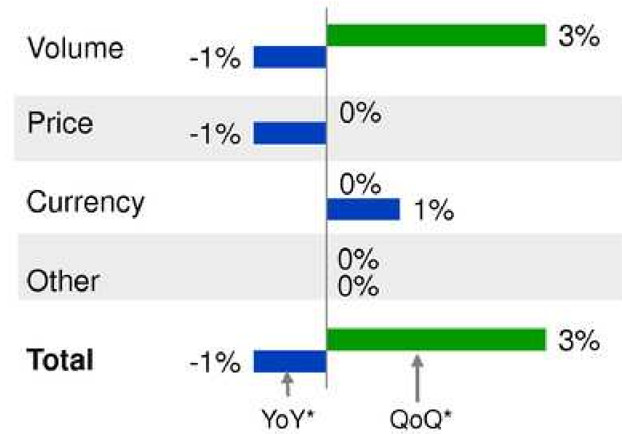
Celanese Corporation Q2 2013 Highlights

Celanese

Q2 Performance



Factors Affecting Net Sales Changes



Adjusted EPS**

Q2 2013	$1.12
Q1 2013	$1.14
Q2 2012	$1.55

- Adjusted EPS consistent with expectations of flat quarterly trajectory
- Operating cash flow of $229 million and adjusted free cash flow of $154 million
- YoY adjusted EPS variance primarily due to timing of dividends from China acetate ventures

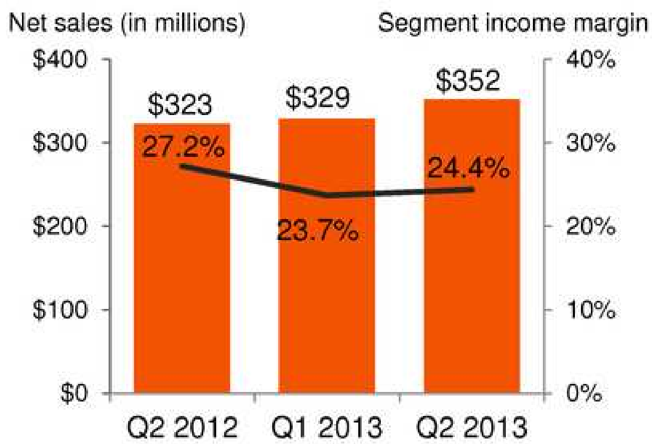
*QoQ represents Q2 2013 as compared to Q1 2013; YoY represents Q2 2013 compared to Q2 2012.

**Adjusted to include MTM pension impact. For additional details and adjusted historical data, please refer to the company's current report on Form 8-K furnished to the SEC on April 2, 2013 available at www.celanese.com under the Investor Relations section.

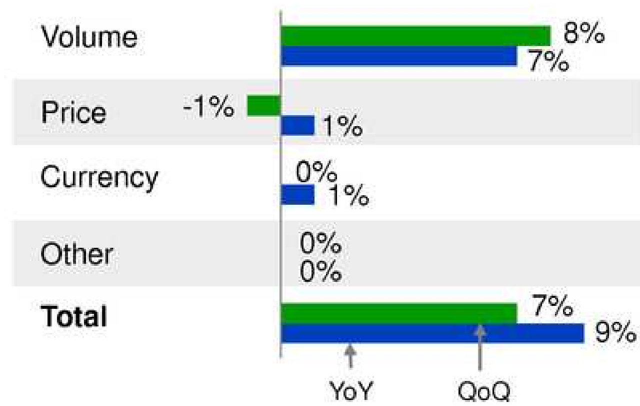
Advanced Engineered Materials

Celanese

Q2 Performance



Factors Affecting Net Sales Changes



QoQ Segment income highlights

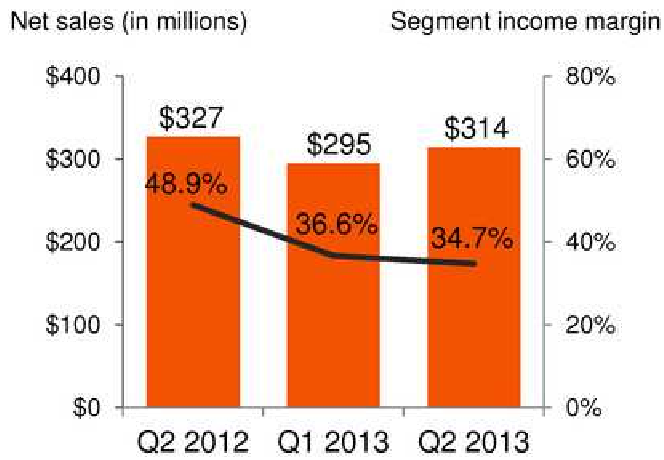
- Continued penetration in automotive space
- Product mix focused on higher value applications
- Higher raw material costs offset by lower spending and lower energy costs

YoY Segment income highlights

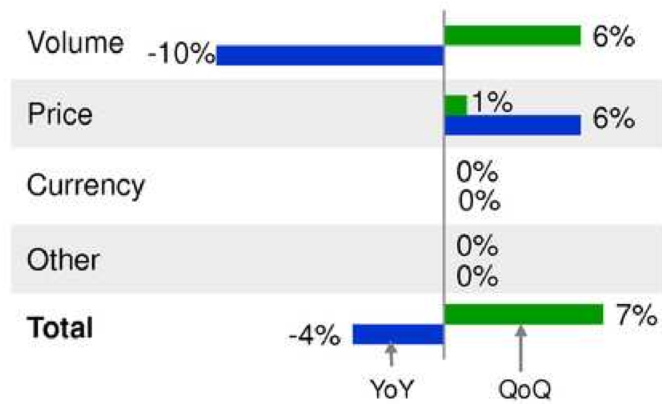
- Continued penetration in automotive space
- Focused growth programs in Asia
- Lower equity earnings due to timing of turnarounds and lower MTBE pricing

Consumer Specialties

Q2 Performance



Factors Affecting Net Sales Changes



QoQ Segment income highlights

- Global demand remained strong
- Announced price increases in Acetate were implemented across customer base
- Higher raw material costs as higher annual wood pulp contract pricing fully realized
- Continued investment in operational reliability

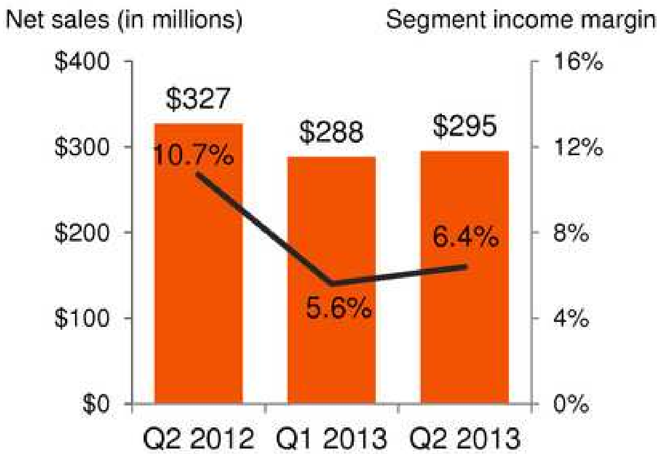
YoY Segment income highlights

- Timing of dividends from China acetate ventures changed from annual to quarterly
- Ceased production at Spondon lowering energy and operating costs
- Acetate production interruption in Q1 2012 shifted volumes to Q2 2012, did not occur in 2013

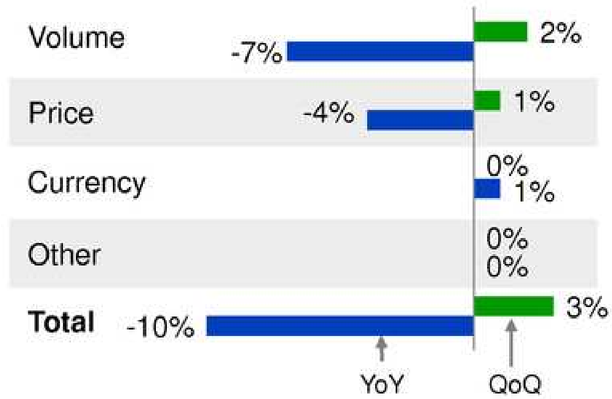
Industrial Specialties

Celanese

Q2 Performance



Factors Affecting Net Sales Changes



QoQ Segment income highlights

- Higher Emulsions volumes in Europe due to seasonal trends and in Asia due to success of VAE in low-VOC paints
- Continued soft global demand for EVA applications
- Higher pricing in EVA due to focus on North America
- Higher Emulsions pricing in Europe and North America

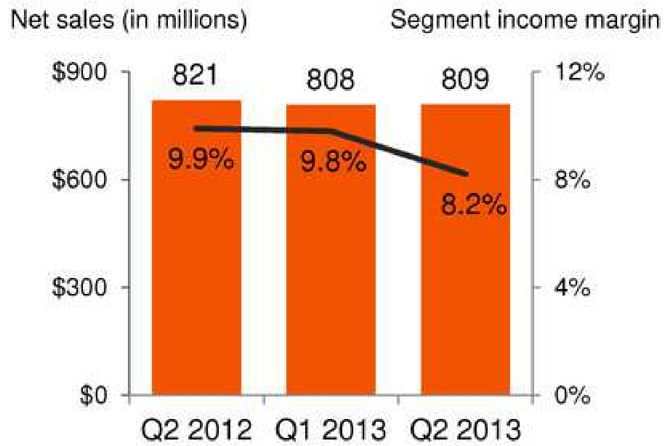
YoY Segment income highlights

- Soft global demand for EVA applications, particularly photovoltaic
- Less favorable product mix in EVA

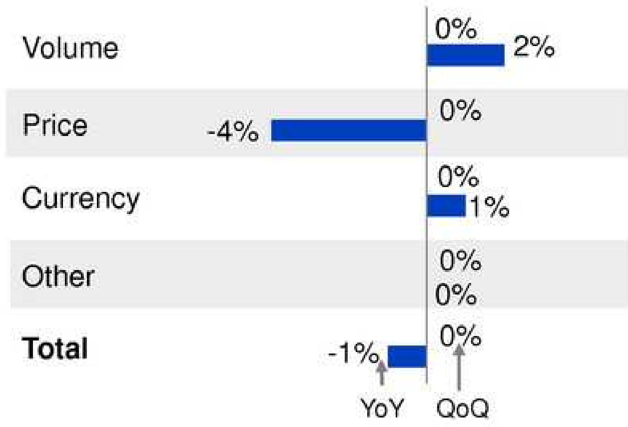
Acetyl Intermediates

Celanese

Q2 Performance



Factors Affecting Net Sales Changes



No significant sequential change

QoQ Segment income highlights

- Continued weak global demand for acetyl derivative products in Europe, China, and India
- Celanese and customer turnarounds
- Reliability issue with critical raw material supplier
- Lower raw material costs and lower spending

YoY Segment income highlights

- Continued low levels of demand in Asia and Europe across acetyls chain
- Slightly higher acetic acid volumes partially offset by lower derivative volumes
- Lower pricing across the acetyl chain

July: Outlook for 2013

		Segment Income Outlook
Celanese	Higher	• Continue to drive productivity programs
Advanced Engineered Materials	Flat	• Base business growth due to breadth of product offerings, despite weakness in European auto builds • Offset by timing of turnarounds at affiliates
Consumer Specialties	Higher	• Ceased production at Spondon • Expansion at China acetate venture in Nantong
Industrial Specialties	Flat	• Increased adoption of VAE in paints in China • Continued weak demand in EVA photovoltaic application
Acetyl Intermediates	Higher	• Current demand conditions to continue as global GDP remains soft • Nanjing industrial ethanol unit started-up and will ramp up through second half of 2013

Line-of-sight to adjusted earnings growth of approximately 12% for 2013

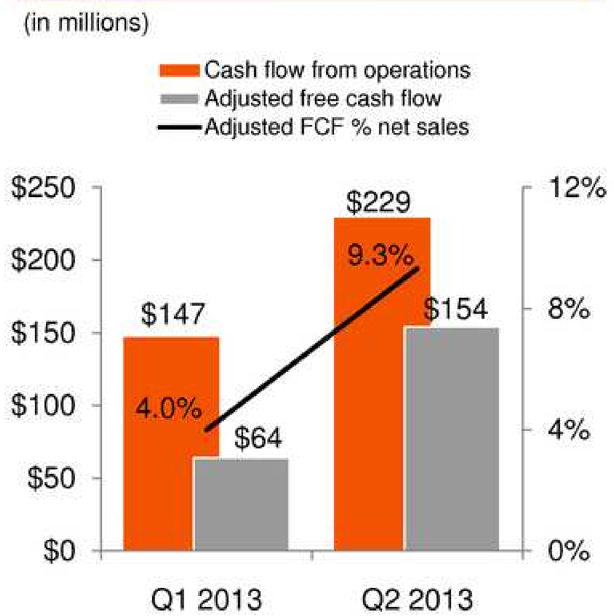
Higher vs. 2012 Flat vs. 2012

Celanese

Steven Sterin
Senior Vice President and Chief Financial Officer

Strong Cash Flow Generation

Adjusted Free Cash Flow



- Operating cash flow driven by continued strong cash generation and lower trade working capital usage
- Capex of $78 million invested in high growth opportunities and operational reliability in the quarter
- Continue to expect capex of $375-400 million for 2013
- Net debt <$2 billion as of June 30; lowest quarterly level since March 2005
- On pace to deliver free cash flow in 2013 in excess of 2012

Continue to focus on a balanced capital deployment strategy

Exhibit 99.3

Celanese

Q2 2013 Earnings Prepared Comments

Jon Puckett, Celanese Corporation, Vice President, Investor Relations

Welcome to the Celanese Corporation second quarter 2013 financial results recording. The date of this recording is July 18, 2013 . Please note that no portion of this presentation may be rebroadcast or reproduced in any form without the prior written consent of Celanese.

My name is Jon Puckett, Vice President of Investor Relations at Celanese. Today you will be hearing from Mark Rohr, Chairman and Chief Executive Officer, and Steven Sterin, Senior Vice President and Chief Financial Officer.

The Celanese Corporation second quarter 2013 earnings release was distributed via business wire this afternoon and posted on our website, www.celanese.com , in the Investor Relations section. The slides referenced during this recording are also posted on our website. Both items are being furnished to the SEC in a Current Report on Form 8-K. As a reminder, some of the matters discussed today and included in our presentations may include forward-looking statements concerning, for example, Celanese Corporation's future objectives and results. Please note the cautionary language contained in the posted slides. Also, some of the matters discussed and presented include references to non-GAAP financial measures. Explanations of these measures and reconciliations to the comparable GAAP measures are included on our website, www.celanese.com , in the Investor Relations section, as applicable.

Mark Rohr will comment on our consolidated second quarter results including segments and provide our outlook for the remainder of 2013. Steven will then comment on cash flow, net debt, shareholder returns and tax rate. I'd now like to turn the call over to Mark.

Mark Rohr, Celanese Corporation, Chairman of the Board of Directors and Chief Executive Officer

Thanks, Jon, and welcome to everyone listening in today.

Before we get into our results let me update you on the progress we are making on some of our strategic initiatives.

First, with regard to our planned methanol unit, during the quarter we signed an agreement with Mitsui to establish a 50/50 joint venture for the production of methanol at our integrated facility in Clear Lake. We are very pleased with this agreement because, on a per ton basis, it results in one of the most capital efficient investments in methanol and it gives us producer economics on 650,000 tons of methanol for our US operations. All major equipment is on order and construction should start later this quarter. We anticipate this unit will be operational in mid-2015.

In Nanjing, we started production at the ethanol unit and are in the process of ramping up production throughout the second half. I am very proud of the dedication and hard work of our teams as they have delivered on their commitment to start-up this new technology safely, on time and under budget.

We are making progress on the fuel ethanol opportunity in Indonesia. We have narrowed down potential sites to two locations and expect to select the final location in the coming months. The RFP for the process is well underway and the remaining suppliers for this project will be selected by the fourth quarter of 2013 or possibly early 2014.

Additionally, our innovation focus continues to pay dividends. During the quarter we rolled out the Qorus ™ Sweetener Systems, which allow customers to deliver authentic taste while reducing calories. Qorus ™ offers the perfect harmony in formulation, taste and experience. We are currently in trials with several potential customers globally, and recently have had success with Sinalco International. Sinalco will be using Qorus ™ in Sinetta fruit beverages to reduce calories, lower costs and maintain the great taste. We are very excited about this opportunity and the future potential of Qorus ™ .

We recently participated in an innovative organic LED light element that won an industry award and was enabled by the unique attributes of our polymers. This lighting solution replaces metal with a polymer application that provides architects and interior designers with opportunities for creative, thin lighting designs. This is a great example of how Celanese works with customers across multiple touch points like material selection, design and engineering to enable a unique application that adds value for our customers and for Celanese and continues to fuel growth in AEM - even in these difficult economic times.

Now, let me cover our consolidated second quarter results and share highlights for each reporting segment. For the quarter we reported adjusted earnings of $1.12 per share, which is consistent with our expectations of a flat quarterly trajectory as weak economic conditions have muted seasonality in our end markets. Coming into the quarter, we did not anticipate any favorable tailwinds from the global economy. That certainly turned out to be the case for most businesses; however, we have actually seen growth rates slow in several economies in the past 90 days as Europe continues to be in contraction and China experiences increasing growth and liquidity challenges in a slowing environment. This is why we focused on Celanese-specific initiatives for the growth in 2013 and our results demonstrate the success we are having with these initiatives.

Second quarter segment income increased sequentially in three of our four segments - Advanced Engineered Materials, Industrial Specialties and Consumer Specialties - reflecting our innovation success in these high value segments. Segment income in Acetyl Intermediates was lower in Q2 than in Q1 due to Celanese and customer turnaround activity during the quarter and raw material supply issues at one of our plants.

Given the headwinds we faced this quarter in the economy, I am really proud of our teams' ability to control the controllables and to deliver these results.

On a GAAP base, diluted EPS came in at $0.83 for the second quarter compared to $0.88 in the first quarter of the year.

We generated very healthy cash flow again this quarter with operating cash flow of $229 million and adjusted free cash flow of $154 million . This quarter's results positions us well to pursue our growth initiatives and our balanced capital deployment strategy.

Now for the segments - Advanced Engineered Materials delivered record quarterly volumes and record quarterly net sales of $352 million . Second quarter segment income was $86 million , up 10 percent from $78 million in the first quarter. Segment income margin was 24.4 percent , a 70 basis point increase sequentially on 8 percent higher volumes. We continued to penetrate the applications in the automotive space, particularly in the U.S. We also continue to focus our product mix on higher value applications which drives increased segment income margin. Raw material costs were slight sequential headwind for this quarter but were offset by lower spending and lower energy costs. These results reflect the strength of our model in this business where we combine application expertise with our deep knowledge of chemistry to deliver unique value-added products to our customers. We are making excellent progress implementing the model, which has worked so well in auto, more broadly within AEM in areas like electronics, medical and across other businesses as well.

In Consumer Specialties, second quarter segment income of $109 million was consistent with the first quarter. Global demand remained strong as volumes increased 6 percent sequentially and pricing increased 1 percent as a result of our announced price increases which were implemented across our customer base. Segment income margin decreased 190 basis points as raw material costs were higher primarily due to higher annual wood pulp pricing which was fully realized in our cost of sales this quarter. We also continued to invest in the operational reliability of our plants and we are in the process of converting from coal boilers to natural gas boilers at our plants in the US. This segment continues to be an excellent performer driven by our ability to reliably supply our customers with unique products that meet their stringent requirements and enhance the end-users' experience.

In Industrial Specialties, second quarter segment income was $19 million , up 19 percent from $16 million in the first quarter of 2013. Segment income margin increased to 6.4 percent , an 80 basis point improvement on record earnings in Emulsions which more than offset weak global demand in EVA's end-use applications. Volumes increased 2 percent sequentially on higher Emulsions volumes in Europe [and] due to continued growth in Asia with our VAE product line. Those products are used in low-VOC paints. This more than offset soft global demand for EVA applications, particularly in photovoltaic areas. Pricing increased 1 percent due to our increased focus on North America in EVA and higher Emulsions pricing in Europe and North America.

In Acetyl Intermediates, second quarter segment income was $66 million compared to $79 million in the first quarter of 2013. Our global volumes and pricing were flat sequentially reflecting continued weak global demand for acetyl derivative products in Europe, China, and India. Additionally, Celanese and customer turnarounds in the quarter as well as reliability issues of a critical raw material supplier negatively impacted segment income and margins. Partially offsetting these negative items were lower raw material costs and lower spending.

Stepping back from the details, I am proud of what our teams accomplished this quarter in a difficult environment. During the first half of the year, we have done a good job of identifying areas where we can create value for our customers and for Celanese, like our continued penetration in autos. We have also delivered on the Celanese-specific initiatives like our Acetate footprint rationalization and expansion of our China acetate venture in Nantong. These are delivering earnings growth as we had expected.

As we look at the balance of the year, achieving our growth objectives will require even tighter collaboration with our customers. We must continue to commercialize unique applications that align with our customers' needs while also creating value for Celanese. We need to deliver on the remaining Celanese-specific items like the ramp-up of the ethanol production facility in Nanjing and deliver on productivity initiatives - including balance sheet productivity. We have a lot of hard work in front of us to achieve our earnings objectives this year and, barring further worsening of the global economy, we have line-of-sight to adjusted earnings growth of roughly 12 percent for 2013.

With that, I'll now turn it over to Steven. Steven?

Steven Sterin, Celanese Corporation, Senior Vice President and Chief Financial Officer

Thanks, Mark.

As you probably noticed, the majority of our commentary today has been on the sequential trends and how we are driving the business from quarter to quarter rather than what happened last year. This is how we run the company and we feel it is the most relevant comparison. But since we know some of you look at year-over-year comparisons, I wanted to briefly provide a summary bridge from Q2 of 2012 to Q2 of this year. Last year, adjusted earnings per share was $1.55 and included an annual dividend of $0.43 from our China acetate ventures. Beginning this year we began receiving these dividends on a quarterly basis. In the second quarter of 2013 the China acetate dividend was approximately $0.12, or $0.31 lower than the prior year. In addition, Q2 2012 volumes in Acetate were unusually high and bolstered earnings in that quarter by approximately $15 million as those outages shifted volumes from Q1 into Q2 last year. As Mark mentioned, our businesses continue to perform well and within our expectations. Year-to-date our adjusted EPS is $2.26. We expect this economic environment will continue to result in muted seasonality impacting things like sequential European auto builds. However, assuming no further economic deterioration occurs in the second half of the year, we are on a steady run rate that gets us to around 12 percent adjusted earnings growth.

Now lets cover cash flow, net debt, shareholder returns and our effective tax rate. I am really pleased with our great cash flow generation amid a weak global economic environment. Second quarter cash flow results were very strong with $229 million of operating cash flow primarily driven by our earnings and lower working capital usage. Capex was $78 million in the quarter as we continue to invest in high growth opportunities and operational reliability projects. Adjusted free cash flow was excellent at $154 million . We ended the quarter with $1.1 billion of cash on the balance sheet, reducing net debt to below $2 billion at June 30 which is the lowest quarterly level since our first reporting as a public company in 2005.

With these results, we are on pace to deliver free cash flow in 2013 in excess of what we generated in 2012. We are also in a good position to be more productive with our balance sheet. I would expect we will continue to focus on a balanced capital deployment strategy that is accretive to earnings and allows us to return cash to shareholders. We remain committed to executing on our share repurchase authorization and increasing dividends. I would also anticipate we will use cash to reduce our debt as we approach the maturity of our $970 million term loan in the next 3 years. We continue to improve our credit profile and move towards investment grade by delevering, which we feel is a positive for our shareholders and our valuation. As we consider acquisitions, the current pipeline is modest and is mostly comprised of smaller, bolt-on acquisitions that are technology focused and would help broaden our application polymer capabilities. As a result of this and our strong cash position of $1.1 billion at June 30, we are poised to continue to drive value through the balance sheet and share repurchases.

Let me spend a moment on taxes. The effective US GAAP tax rate for Q2 2013 was 36 percent for the quarter versus 21 percent in the prior year quarter. The year-over-year increase in the effective tax rate is primarily due to losses in jurisdictions without income tax benefits and increased earnings in high income tax jurisdictions. The tax rate for adjusted EPS in Q2 2013 was 19 percent , or 200 basis points higher than 2012, mainly due to a higher proportion of our earnings being generated in the United States which has one of the highest statutory tax rates. We expect that our adjusted tax rate for the remainder of 2013 will be around 19%, consistent with the rate for first half of the year.

This concludes our prepared remarks and we look forward to discussing our results with you on our earnings call tomorrow morning. Thank you.