CELANESE CORP

FORM 8-K
(Current report filing)

Filed 07/17/14 for the Period Ending 07/17/14

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 17, 2014**

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 17, 2014 , Celanese Corporation (the " Company ") issued a press release reporting the financial results for its second quarter 2014 . 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. Each non-US GAAP financial measure used in the press release is reconciled to the most comparable US GAAP financial measure in Exhibit 99.2, which includes other supplemental information of interest to investors, analysts and other parties and which is incorporated herein solely for purposes of this Item 2.02.

Item 7.01 Regulation FD Disclosure

On July 18, 2014 , Mark C. Rohr, Chairman and Chief Executive Officer of the Company, and Christopher W. Jensen, Senior Vice President, Finance 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 Chris Jensen and a slide presentation may be accessed on our website at www.celanese.com under Investor Relations/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 99.3 and Exhibit 99.4, 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 17, 2014*
99.2	Non-US GAAP Financial Measures and Supplemental Information dated July 17, 2014*
99.3	Slide Presentation dated July 17, 2014*
99.4	Prepared Remarks from M. Rohr and C. Jensen dated July 17, 2014*

*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 Corporate Secretary
Date:	July 17, 2014

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 Record Quarterly Results

Raises 2014 Earnings Outlook

Second quarter 2014 financial highlights:

- Achieved record adjusted earnings of $1.47 per share, up 11 percent from the prior quarter and 31 percent from same quarter prior year
- Increased adjusted EBIT margin by 90 basis points from the prior quarter to 18.6 percent , driven by Advanced Engineered Materials, Industrial Specialties and Acetyl Intermediates
- Repurchased approximately 0.8 million shares at an average price of $59.87 , deploying $50 million of cash
- Ended the quarter with approximately $1.1 billion cash on hand, up from prior quarter
- GAAP earnings were $1.66 per share compared to $1.25 per share in the prior quarter and $0.83 per share in the prior year quarter

Dallas, July 17, 2014: Celanese Corporation (NYSE: CE), a global technology and specialty materials company, today reported second quarter 2014 adjusted earnings per share of $1.47 versus $1.33 in the prior quarter.

	Three Months Ended		
	June 30, 2014	March 31, 2014	June 30, 2013
	(unaudited) (In $ millions, except per share data)		
Net sales	1,769	1,705	1,653
Operating profit (loss)	259	243	169
Net earnings (loss)	258	195	133
Adjusted EBIT / Total segment income [1]	329	302	264
Operating EBITDA [1]	401	375	339
Diluted EPS - continuing operations	$ 1.66	$ 1.25	$ 0.83
Diluted EPS - total	$ 1.66	$ 1.25	$ 0.83
Adjusted EPS [1]	$ 1.47	$ 1.33	$ 1.12

[1] Non-US GAAP measure. See "Reconciliation of Non-US GAAP Financial Measures" below.

"Our second quarter adjusted EPS was the highest in our history at $1.47 per share. We expanded segment income margin to 18.6 percent , a 90 basis point improvement sequentially and a 260 basis point improvement year-over-year. These results were driven by the efforts of our global teams that continued to deliver customer-centric applications that add value. We are also benefiting from the strategic decision to operate our technology-enabled business in a manner that increases our underlying business flexibility and our ability to take advantage of prevailing industry trends," said Mark Rohr, chairman and chief executive officer. "We again delivered strong cash flow, deploying $50 million on share repurchases and $39 million on dividends in the quarter. With a cash balance of $1.1 billion and net debt balance of less than $2.0 billion , we have an opportunity to create value through our balance sheet."

Recent Highlights

- Announced the opening of the company's Commercial Technology Center in Seoul, Republic of Korea. The research and development center will support customer growth in South Korea and advance the technical capabilities of the Celanese product portfolio.
- Announced the expansion of the company's compounding capabilities at its integrated chemical complex in Nanjing, China, to include polyphenylene sulfide ("PPS"). PPS is used to replace metals and thermosets in applications spanning the automotive, electronics and aerospace industries. The expansion is expected to be operational by year-end 2014.
- Announced the expansion of the company's Florence, Kentucky facility to add compounding process lines to support demand for its engineered materials business. It is expected to be operational in the first quarter of 2015.
- Announced that the company will expand its Suzano, Brazil facility to include long-fiber reinforced thermoplastics production by mid-2015 to serve customers in Brazil and Latin America.
- Announced the company's intent to construct a VAE emulsions unit in Southeast Asia. The unit will allow Celanese to better serve customers with high-end applications in the architectural coatings, building and construction, carpet and paper industries. The unit is expected to begin production by mid-2016.
- Increased the company's quarterly common stock cash dividend by 39 percent , from $0.72 to $1.00 per share of common stock on an annual basis. This increased the company's dividend payout ratio to approximately 20 percent.

Second Quarter Business Segment Overview

Advanced Engineered Materials

In the second quarter, Advanced Engineered Materials generated record quarterly revenue of $389 million and expanded segment income margin by 170 basis points sequentially to 24.2 percent , on segment income of $94 million . Volumes increased 4 percent from the prior quarter. Demand for the company's advanced polymers in autos continues to be strong. Additionally, the business' ability to develop products and applications that resonate with customer needs drove incremental growth in consumer applications primarily in Asia and industrial applications in North America and Asia. Earnings from affiliates were $45 million . GAAP operating profit was $56 million .

Consumer Specialties

Second quarter segment income margin in Consumer Specialties was 37.0 percent on segment income of $107 million . On a sequential basis segment income decreased primarily due to a third party power outage that interrupted plant operations at the company's cellulose derivatives facility in Narrows, Virginia. Volumes decreased 3 percent from the prior quarter. Pricing declined by less than 1 percent mainly due to commitments under a legacy contract in acetate flake. Dividends from the cellulose derivatives ventures were $28 million , consistent with first quarter. GAAP operating profit was $80 million .

Industrial Specialties

In the second quarter, Industrial Specialties expanded segment income margin sequentially by 20 basis points on segment income of $22 million . Volumes increased 2 percent sequentially primarily driven by increased demand in North America for EVA polymers and seasonal trends in emulsion polymers in North America and Asia. Pricing increased 4 percent from the first quarter on improved product mix in EVA polymers, primarily medical, and in response to higher raw material costs, primarily vinyl acetate monomer (VAM), in emulsion polymers. GAAP operating profit was $24 million in the second quarter.

Acetyl Intermediates

Second quarter segment income margin in Acetyl Intermediates was 16.2 percent , a 480 basis points expansion sequentially on $146 million of segment income. These results demonstrate the strategic actions the company has taken to respond to prevailing industry conditions while also yielding a stronger base business. Pricing increased 6 percent sequentially, mainly in VAM, reflecting the impact of the company's strategic actions at non-integrated facilities in Europe as well as planned and unplanned industry outages in the United States gulf coast. The higher pricing more than offset the impact of the planned turnaround at the company's acetic acid unit at Clear Lake, Texas. GAAP operating profit was $143 million in the second quarter.

Cash Flow

During the second quarter of 2014, the company generated $253 million of operating cash flow primarily driven by continued strong earnings. The company's net investment in capital projects was $86 million mainly related to the methanol unit at its integrated facility in Clear Lake, Texas and the natural gas boilers at its cellulose derivatives facility in Narrows, Virginia. Adjusted free cash flow for the quarter was $161 million .

The company deployed $39 million on dividends and $50 million on share repurchases. As of June 30, 2014, $297 million remained under the company's share repurchase authorization.

The company ended the quarter with net debt of less than $2.0 billion , a $61 million decrease from March 31, 2014.

Outlook

"Our excellent performance through the first six months of the year gives me confidence that we can generate adjusted earnings per share growth in the range of 15 to 17 percent in 2014," said Rohr. "We now increase our focus on the Celanese-specific initiatives for 2015 that will help offset the expected headwind related to the expiration of a methanol contract in mid-2015."

The company's earnings presentation and prepared remarks related to the second quarter results will be posted on its website at www.celanese.com under Investor Relations/Events and Presentations after market close on July 17 , 2014. Information previously included in supplemental tables to our press release is now included in a separate Non-US GAAP Financial Measures and Supplemental Information document posted on our website. See "Reconciliation of Non-US GAAP Financial Measures" below.

Contacts:

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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 7,400 employees worldwide and had 2013 net sales of $6.5 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, textiles, 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 reduce or maintain their current levels of production costs and 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 technologies, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, 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, 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.

Use of Non-US GAAP Financial Information

This release uses the following non-US GAAP measures: adjusted EBIT, operating EBITDA, adjusted earnings per share, adjusted free cash flow and net debt. These measures 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.

Definitions of Non-US GAAP Financial Measures

- *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 certain items and amounts attributable to noncontrolling interests ("NCI"). 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 certain items and amounts attributable to NCI. Operating EBITDA is equal to adjusted EBIT plus depreciation and amortization .*
- *Adjusted earnings per share is defined by the Company as earnings (loss) from continuing operations, adjusted for income tax (provision) benefit, certain items, refinancing and related expenses and amounts attributable to NCI, divided by the number of basic common shares, convertible preferred shares and dilutive restricted stock units and stock options calculated using the treasury method.*

  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, including amounts attributable to NCI and capital contributions from outside stockholders of the Company's consolidated ventures.*
- *Net debt is defined by the Company as total debt less cash and cash equivalents, adjusted for amounts attributable to NCI.*

Reconciliation of Non-US GAAP Financial Measures

Reconciliations of the non-US GAAP financial measures used in this press release to the comparable US GAAP financial measure, together with information about the purposes and uses of non-US GAAP financial measures, are included in our Non-US GAAP Financial Measures and Supplemental Information document filed as an exhibit to our Current Report on Form 8-K filed with the SEC on or about July 17, 2014 and also available on our website at www.celanese.com under Financial Information, Non-GAAP Financial Measures and Supplemental Information, or at this link: http://investors.celanese.com/interactive/lookandfeel/4103411/Non-GAAP.PDF

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.

Supplemental Information

Additional information about our prior period performance is included in our Quarterly Reports on Form 10-Q and in our Non-US GAAP Financial Measures and Supplemental Information document.

Consolidated Statements of Operations - Unaudited

	Three Months Ended		
	June 30, 2014	March 31, 2014	June 30, 2013
	(In $ millions, except share and per share data)		
Net sales	1,769	1,705	1,653
Cost of sales	(1,361)	(1,327)	(1,334)
Gross profit	408	378	319
Selling, general and administrative expenses	(119)	(104)	(113)
Amortization of intangible assets	(5)	(6)	(9)
Research and development expenses	(24)	(22)	(23)
Other (charges) gains, net	2	(1)	(3)
Foreign exchange gain (loss), net	(1)	(1)	(2)
Gain (loss) on disposition of businesses and asset, net	(2)	(1)	—
Operating profit (loss)	259	243	169
Equity in net earnings (loss) of affiliates	101	40	55
Interest expense	(40)	(39)	(44)
Refinancing expense	—	—	—
Interest income	2	—	1
Dividend income - cost investments	29	29	23
Other income (expense), net	1	—	4
Earnings (loss) from continuing operations before tax	352	273	208
Income tax (provision) benefit	(94)	(78)	(75)
Earnings (loss) from continuing operations	258	195	133
Earnings (loss) from operation of discontinued operations	(1)	—	—
Gain (loss) on disposition of discontinued operations	—	—	—
Income tax (provision) benefit from discontinued operations	1	—	—
Earnings (loss) from discontinued operations	—	—	—
Net earnings (loss)	258	195	133
Net (earnings) loss attributable to noncontrolling interests	1	1	—
Net earnings (loss) attributable to Celanese Corporation	259	196	133
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	259	196	133
Earnings (loss) from discontinued operations	—	—	—
Net earnings (loss)	259	196	133
Earnings (loss) per common share - basic			
Continuing operations	1.66	1.25	0.83
Discontinued operations	—	—	—
Net earnings (loss) - basic	1.66	1.25	0.83
Earnings (loss) per common share - diluted			
Continuing operations	1.66	1.25	0.83
Discontinued operations	—	—	—
Net earnings (loss) - diluted	1.66	1.25	0.83
Weighted average shares (in millions)			
Basic	155.8	156.5	159.7
Diluted	156.1	156.8	160.1

Consolidated Balance Sheets - Unaudited

	As of June 30, 2014	As of December 31, 2013
	(In $ millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	1,064	984
Trade receivables - third party and affiliates, net	1,045	867
Non-trade receivables, net	231	343
Inventories	816	804
Deferred income taxes	115	115
Marketable securities, at fair value	39	41
Other assets	29	28
Total current assets	3,339	3,182
Investments in affiliates	880	841
Property, plant and equipment, net	3,577	3,425
Deferred income taxes	271	289
Other assets	332	341
Goodwill	794	798
Intangible assets, net	140	142
Total assets	9,333	9,018
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	158	177
Trade payables - third party and affiliates	839	799
Other liabilities	472	541
Deferred income taxes	10	10
Income taxes payable	64	18
Total current liabilities	1,543	1,545
Long-term debt	2,880	2,887
Deferred income taxes	228	225
Uncertain tax positions	158	200
Benefit obligations	1,125	1,175
Other liabilities	298	287
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock	—	—
Common stock	—	—
Treasury stock, at cost	(464)	(361)
Additional paid-in capital	73	53
Retained earnings	3,399	3,011
Accumulated other comprehensive income (loss), net	(53)	(4)
Total Celanese Corporation stockholders' equity	2,955	2,699
Noncontrolling interests	146	—
Total equity	3,101	2,699
Total liabilities and equity	9,333	9,018

Celanese
Exhibit 99.2

Non-US GAAP Financial Measures and Supplemental Information

July 17, 2014

In this document, the terms "Company," "we" and "our" refer to Celanese Corporation and its subsidiaries on a consolidated basis.

Purpose

The purpose of this document is to provide information of interest to investors, analysts and other parties including supplemental financial information and reconciliations and other information concerning our use of non-US GAAP financial measures. This document is updated quarterly.

Use of Non-US GAAP Financial Measures

From time to time, management may publicly disclose certain numerical "non-GAAP financial measures" in the course of our earnings releases, financial presentations, earnings conference calls, investor and analyst meetings and otherwise. For these purposes, the Securities and Exchange Commission ("SEC") defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial position, or cash flows that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with US GAAP, and vice versa for measures that include amounts, or are subject to adjustments that effectively include amounts, that are excluded from the most directly comparable US GAAP measure so calculated and presented. For these purposes, "GAAP" refers to generally accepted accounting principles in the United States.

Non-GAAP financial measures disclosed by management are provided as additional information to investors, analysts and other parties as the Company believes them to be important supplemental measures for assessing our financial and operating results and as a means to evaluate period-to-period comparisons. These non-GAAP financial measures should be viewed as supplemental to, and should not be considered in isolation or as alternatives to, net earnings (loss), operating profit (loss), cash flow from operating activities, earnings per share or any other US GAAP financial measure. The method of calculation of the non-GAAP financial measures used herein may be different from other companies' methods for calculating measures with the same or similar titles. Investors, analysts and other parties should understand how another company calculates such non-GAAP financial measures before comparing the other company's non-GAAP financial measures to any of our own. These non-GAAP financial measures may not be indicative of the historical operating results of the Company nor are they intended to be predictive or projections of future results.

Pursuant to the requirements of SEC Regulation G, whenever we refer to a non-GAAP financial measure, we will also present on the Investor Relations/Financial Information/Non-GAAP Financial Measures page of our website, www.celanese.com, in this document, in the presentation itself or on a Form 8-K in connection with the presentation, to the extent practicable, the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable GAAP financial measure. This supplemental financial disclosure should be considered within the context of our complete audited financial results for the given period, which are available on the Investor Relations/Financial Information/SEC Filings page of our website, www.celanese.com.

This document includes definitions and reconciliations of non-GAAP financial measures used from time to time by the Company.

Specific Measures Used

This document provides information about the following non-GAAP measures: adjusted EBIT, operating EBITDA, adjusted earnings per share, net debt, adjusted free cash flow and return on capital employed. 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 net debt is total debt; and for adjusted free cash flow is cash flow from operations. We do not believe that there is a directly comparable financial measure calculated and presented in accordance with GAAP for return on capital employed.

Definitions

- *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 certain items and amounts attributable to noncontrolling interests ("NCI"). We believe that adjusted EBIT provides transparent and useful information to management, investors, analysts and other parties 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 US GAAP financial measure without unreasonable effort because a forecast of certain items 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 certain items and amounts attributable to NCI. 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, certain items, refinancing and related expenses and amounts attributable to NCI, 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, analysts and other parties 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 certain items 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, including amounts attributable to NCI and capital contributions from outside stockholders of the Company's consolidated ventures. We believe that adjusted free cash flow provides useful information to management, investors, analysts and other parties 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, adjusted for amounts attributable to NCI. We believe that net debt provides useful information to management, investors, analysts and other parties in evaluating changes to the Company's capital structure and credit quality assessment.*

- *Return on capital employed is defined by the Company as adjusted EBIT divided by the sum of property, plant and equipment, net and trade working capital (calculated as trade receivables, net plus inventories less trade payables – third party and affiliates), adjusted for outside stockholders' interest in property, plant and equipment, net related to the Company's consolidated ventures and trade working capital amounts attributable to NCI.*

Supplemental Information

Supplemental Information we believe to be of interest to investors, analysts and other parties includes the following:

- *For those consolidated ventures in which the Company owns or is exposed to less than 100% of the economics, the outside stockholders' interests are shown as noncontrolling interests. Beginning in 2014, this includes Fairway Methanol LLC for which the Company's ownership percentage is 50%.*

- *Net sales for each of our business segments and the percentage increase or decrease in net sales attributable to price, volume, currency and other factors for each of our business segments.*

- *Cash dividends received from our equity and cost investments.*

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 to immediately recognize actuarial gains and losses and the change in fair value of plan assets for our defined benefit pension plans and other postretirement benefit plans. Financial information for prior periods has been retrospectively adjusted.

Table 1
Adjusted EBIT and Operating EBITDA - Reconciliation of Non-GAAP Measures - Unaudited

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In $ millions, except ratios)										
Net earnings (loss)	258	195	1,101	654	172	133	142	372	427	312	403
Net (earnings) loss attributable to NCI	1	1	—	—	—	—	—	—	—	—	—
(Earnings) loss from discontinued operations	—	—	—	2	(1)	—	(1)	4	(1)	49	(4)
Interest income	(2)	—	(1)	—	—	(1)	—	(2)	(3)	(7)	(8)
Interest expense	40	39	172	42	43	44	43	185	221	204	207
Interest expense attributable to NCI	—	—	—	—	—	—	—	—	—	—	—
Refinancing expense	—	—	1	—	1	—	—	3	3	16	—
Income tax provision (benefit)	94	78	508	299	57	75	77	(55)	41	72	(294)
Income tax (provision) benefit attributable to NCI	—	—	—	—	—	—	—	—	—	—	—
Certain items attributable to Celanese Corporation [1]	(62)	(11)	(725)	(753)	7	13	8	455	405	197	221
Adjusted EBIT	329	302	1,056	244	279	264	269	962	1,093	843	525
Depreciation and amortization expense [2]	72	73	302	75	76	75	76	300	287	258	290
Depreciation and amortization expense attributable to NCI	—	—	—	—	—	—	—	—	—	—	—
Operating EBITDA	401	375	1,358	319	355	339	345	1,262	1,380	1,101	815
Operating EBITDA / Interest expense			7.9					6.8	6.2	5.4	3.9

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In $ millions)										
Advanced Engineered Materials	—	—	—	—	—	—	—	—	3	4	1
Consumer Specialties	—	—	—	—	—	—	—	6	8	5	—
Industrial Specialties	—	2	3	3	—	—	—	2	—	—	5
Acetyl Intermediates	—	—	—	—	—	—	—	—	—	20	12
Other Activities [3]	—	—	—	—	—	—	—	—	—	—	—
Accelerated depreciation and amortization expense	—	2	3	3	—	—	—	8	11	29	18
Depreciation and amortization expense [2]	72	73	302	75	76	75	76	300	287	258	290
Depreciation and amortization expense attributable to NCI	—	—	—	—	—	—	—	—	—	—	—
Total depreciation and amortization expense attributable to Celanese Corporation	72	75	305	78	76	75	76	308	298	287	308

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(1) See Certain items presentation (Table 8) for details.

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

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

Table 2 - Segment Data and Reconciliation of Adjusted EBIT and Operating EBITDA - Non-GAAP Measures - Unaudited

Celanese

	Q2 '14		Q1 '14		2013		Q4 '13		Q3 '13		Q2 '13		Q1 '13		2012		2011		2010		2009	
	(In $ millions, except percentages)																					
Operating Profit (Loss) / Operating Margin Attributable to Celanese Corporation (1)																						
Advanced Engineered Materials	56	14.4%	57	15.3%	904	66.9%	781	240.3 %	48	13.9%	39	11.1%	36	10.9%	95	7.5%	79	6.1%	182	16.4%	36	4.5%
Consumer Specialties	80	27.7%	99	32.8%	346	28.5%	100	33.9 %	85	27.4%	83	26.4%	78	26.4%	251	21.2%	229	19.7%	163	14.8%	230	21.2%
Industrial Specialties	24	7.2%	20	6.4%	64	5.5%	7	2.6 %	24	8.0%	18	6.1%	15	5.2%	86	7.3%	102	8.3%	89	8.6%	89	9.1%
Acetyl Intermediates (2)	143	15.9%	98	11.7%	153	4.7%	(44)	(5.3)%	67	8.4%	55	6.8%	75	9.3%	269	8.3%	458	12.9%	237	7.7%	88	3.4%
Other Activities (3)	(43)		(30)		41		100		(13)		(26)		(20)		(526)		(466)		(273)		(299)	
Total	260	14.7%	244	14.3%	1,508	23.2%	944	58.4 %	211	12.9%	169	10.2%	184	11.5%	175	2.7%	402	5.9%	398	6.7%	144	2.8%
Equity Earnings, Cost-Dividend Income, Other Income (Expense) Attributable to Celanese Corporation																						
Advanced Engineered Materials	45		33		149		33		31		45		40		190		163		143		76	
Consumer Specialties	35		30		95		24		21		24		26		90		80		73		57	
Industrial Specialties	—		—		—		—		—		—		—		—		2		—		—	
Acetyl Intermediates (2)	15		1		5		(4)		3		3		3		13		10		9		9	
Other Activities (3)	36		5		24		—		6		10		8		39		31		23		18	
Total	131		69		273		53		61		82		77		332		286		248		160	
Certain Items Attributable to Celanese Corporation (4)																						
Advanced Engineered Materials	(7)		(6)		(752)		(758)		2		2		2		16		60		(38)		—	
Consumer Specialties	(8)		(2)		(5)		(13)		2		2		4		34		23		97		10	
Industrial Specialties	(2)		—		9		6		1		1		1		2		1		(19)		(26)	
Acetyl Intermediates	(12)		(3)		143		132		2		8		1		5		(3)		62		103	
Other Activities (3)	(33)		—		(120)		(120)		—		—		—		398		324		95		134	
Total	(62)		(11)		(725)		(753)		7		13		8		455		405		197		221	
Adjusted EBIT / Adjusted EBIT Margin (1)																						
Advanced Engineered Materials	94	24.2%	84	22.5%	301	22.3%	56	17.2 %	81	23.4%	86	24.4%	78	23.7%	301	23.9%	302	23.3%	287	25.9%	112	13.9%
Consumer Specialties	107	37.0%	127	42.1%	436	35.9%	111	37.6 %	108	34.8%	109	34.7%	108	36.6%	375	31.6%	332	28.6%	333	30.3%	297	27.4%
Industrial Specialties	22	6.6%	20	6.4%	73	6.3%	13	4.8 %	25	8.4%	19	6.4%	16	5.6%	88	7.4%	105	8.6%	70	6.8%	63	6.5%
Acetyl Intermediates	146	16.2%	96	11.4%	301	9.3%	84	10.1 %	72	9.1%	66	8.2%	79	9.8%	287	8.9%	465	13.1%	308	10.0%	200	7.7%
Other Activities (3)	(40)		(25)		(55)		(20)		(7)		(16)		(12)		(89)		(111)		(155)		(147)	
Total	329	18.6%	302	17.7%	1,056	16.2%	244	15.1 %	279	17.1%	264	16.0%	269	16.8%	962	15.0%	1,093	16.2%	843	14.2%	525	10.3%
Depreciation and Amortization Expense Attributable to Celanese Corporation (5)																						
Advanced Engineered Materials	27		26		110		27		27		27		29		113		97		72		72	
Consumer Specialties	10		11		41		11		10		10		10		39		36		37		50	
Industrial Specialties	12		12		49		12		13		12		12		53		45		41		46	
Acetyl Intermediates	19		21		86		21		22		22		21		80		96		97		111	
Other Activities (3)	4		3		16		4		4		4		4		15		13		11		11	
Total	72		73		302		75		76		75		76		300		287		258		290	
Operating EBITDA																						
Advanced Engineered Materials	121	31.1%	110	29.5%	411	30.4%	83	25.5 %	108	31.2%	113	32.1%	107	32.5%	414	32.8%	399	30.7%	359	32.4%	184	22.8%
Consumer Specialties	117	40.5%	138	45.7%	477	39.3%	122	41.4 %	118	38.1%	119	37.9%	118	40.0%	414	34.9%	368	31.7%	370	33.7%	347	32.0%
Industrial Specialties	34	10.2%	32	10.3%	122	10.6%	25	9.2 %	38	12.7%	31	10.5%	28	9.7%	141	11.9%	150	12.3%	111	10.7%	109	11.2%
Acetyl Intermediates	165	18.3%	117	13.9%	387	11.9%	105	12.7 %	94	11.8%	88	10.9%	100	12.4%	367	11.4%	561	15.8%	405	13.1%	311	11.9%
Other Activities (3)	(36)		(22)		(39)		(16)		(3)		(12)		(8)		(74)		(98)		(144)		(136)	
Total	401	22.7%	375	22.0%	1,358	20.9%	319	19.7 %	355	21.7%	339	20.5%	345	21.5%	1,262	19.7%	1,380	20.4%	1,101	18.6%	815	16.0%

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(1) Defined as Operating profit (loss) attributable to Celanese Corporation and Adjusted EBIT, respectively, divided by Net sales attributable to Celanese Corporation.

(2) Excludes amounts attributable to NCI as follows:

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In $ millions)										
Operating Profit (Loss)	(1)	(1)	—	—	—	—	—	—	—	—	—
Equity Earnings, Cost-Dividend Income, Other Income (Expense)	—	—	—	—	—	—	—	—	—	—	—

(3) Other Activities includes corporate SG&A expenses, the results of captive insurance companies and certain components of net periodic benefit cost (interest cost, expected return on plan assets and net actuarial gains and losses).

(4) See Certain items presentation (Table 8) for details.

(5) Excludes accelerated depreciation and amortization expense included in Certain items above. See Table 1 for details.

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

	Q2 '14	per share	Q1 '14	per share	2013	per share	Q4 '13	per share	Q3 '13	per share	Q2 '13	per share	Q1 '13	per share	2012	per share	2011	per share	2010	per share	2009	per share
	(In $ millions, except per share data)																					
Earnings (loss) from continuing operations attributable to Celanese Corporation	259	1.66	196	1.25	1,101	6.91	656	4.16	171	1.07	133	0.83	141	0.88	376	2.35	426	2.68	361	2.28	399	2.54
Income tax provision (benefit)	94		78		508		299		57		75		77		(55)		41		72		(294)	
Income tax (provision) benefit attributable to NCI	—		—		—		—		—		—		—		—		—		—		—	
Earnings (loss) from continuing operations before tax	353		274		1,609		955		228		208		218		321		467		433		105	
Certain items attributable to Celanese Corporation (1)	(62)		(11)		(725)		(753)		7		13		8		455		405		197		221	
Refinancing and related expenses	—		—		1		—		1		—		—		8		3		16		—	
Adjusted earnings (loss) from continuing operations before tax	291		263		885		202		236		221		226		784		875		646		326	
Income tax (provision) benefit on adjusted earnings (2)	(61)		(55)		(168)		(38)		(45)		(42)		(43)		(133)		(158)		(136)		(78)	
Adjusted earnings (loss) from continuing operations (3)	230	1.47	208	1.33	717	4.50	164	1.04	191	1.20	179	1.12	183	1.14	651	4.07	717	4.51	510	3.22	248	1.58
	Diluted shares (in millions) (4)																					
Weighted average shares outstanding	155.8		156.5		158.8		157.4		158.5		159.7		159.7		158.4		156.2		154.6		143.7	
Dilutive stock options	0.2		0.2		0.2		0.2		0.2		0.2		0.2		0.8		1.9		1.8		1.1	
Dilutive restricted stock units	0.1		0.1		0.3		0.1		0.4		0.2		0.3		0.6		0.8		0.4		0.2	
Assumed conversion of preferred stock	—		—		—		—		—		—		—		—		—		1.6		12.1	
Total diluted shares	156.1		156.8		159.3		157.7		159.1		160.1		160.2		159.8		158.9		158.4		157.1	

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(1) See Certain items presentation (Table 8) for details.

(2) Calculated using adjusted effective tax rates as follows:

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In percentages)										
Adjusted effective tax rate	21	21	19	19	19	19	19	17	18	21	24

(3) Excludes the immediate recognition of actuarial gains and losses and the impact of actual vs. expected plan asset returns.

	Actual Plan Asset Returns	Expected Plan Asset Returns
Q4 '13 & 2013	7.9%	8.0%
2012	13.1%	8.1%
2011	7.6%	8.1%
2010	15.1%	8.1%
2009	17.9%	7.9%

(4) Potentially dilutive shares are included in the adjusted earnings per share calculation when adjusted earnings are positive.

Table 4
Net Sales by Segment - Unaudited

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In $ millions)										
Advanced Engineered Materials	389	373	1,352	325	346	352	329	1,261	1,298	1,109	808
Consumer Specialties	289	302	1,214	295	310	314	295	1,186	1,161	1,098	1,084
Industrial Specialties	333	312	1,155	273	299	295	288	1,184	1,223	1,036	974
Acetyl Intermediates	901	841	3,241	829	795	809	808	3,231	3,551	3,082	2,603
Other Activities (1)	—	—	—	—	—	—	—	—	1	2	2
Intersegment elimination (2)	(143)	(123)	(452)	(106)	(114)	(117)	(115)	(444)	(471)	(409)	(389)
Net sales	1,769	1,705	6,510	1,616	1,636	1,653	1,605	6,418	6,763	5,918	5,082
Acetyl Intermediates Net sales attributable to NCI	—	—	—	—	—	—	—	—	—	—	—
Net sales attributable to Celanese Corporation	1,769	1,705	6,510	1,616	1,636	1,653	1,605	6,418	6,763	5,918	5,082

(1) Other Activities includes corporate SG&A expenses, the results of captive insurance companies and certain components of net periodic benefit cost (interest cost, expected return on plan assets and net actuarial gains and losses).

(2) Includes intersegment sales as follows:

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In $ millions)										
Consumer Specialties	—	—	(4)	—	—	(1)	(3)	(4)	(3)	(9)	(6)
Acetyl Intermediates	(143)	(123)	(448)	(106)	(114)	(116)	(112)	(440)	(468)	(400)	(383)
Intersegment elimination	(143)	(123)	(452)	(106)	(114)	(117)	(115)	(444)	(471)	(409)	(389)

Table 4a
Factors Affecting Segment Net Sales Sequentially - Unaudited

Three Months Ended June 30, 2014 Compared to Three Months Ended March 31, 2014

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	4	—	—	—	4
Consumer Specialties	(3)	(1)	—	—	(4)
Industrial Specialties	2	4	—	—	6
Acetyl Intermediates	1	6	—	—	7
Total Company	**1**	**4**	**—**	**(1)**	**4**

Three Months Ended March 31, 2014 Compared to Three Months Ended December 31, 2013

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	12	3	—	—	15
Consumer Specialties	—	2	—	—	2
Industrial Specialties	13	1	—	—	14
Acetyl Intermediates	(3)	5	—	—	2
Total Company	**3**	**3**	**—**	**—**	**6**

Three Months Ended December 31, 2013 Compared to Three Months Ended September 30, 2013

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	(4)	(3)	1	—	(6)
Consumer Specialties	(5)	—	—	—	(5)
Industrial Specialties	(10)	—	1	—	(9)
Acetyl Intermediates	2	1	1	—	4
Total Company	**(3)**	**—**	**1**	**—**	**(2)**

Three Months Ended September 30, 2013 Compared to Three Months Ended June 30, 2013

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

Table 4b
Factors Affecting Segment Net Sales Year Over Year - Unaudited

Three Months Ended June 30, 2014 Compared to Three Months Ended June 30, 2013

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	10	(1)	2	—	11
Consumer Specialties	(9)	1	—	—	(8)
Industrial Specialties	8	3	2	—	13
Acetyl Intermediates	(2)	12	1	—	11
Total Company	**1**	**6**	**2**	**(2)**	**7**

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	14	(2)	1	—	13
Consumer Specialties	(1)	3	—	—	2
Industrial Specialties	6	—	2	—	8
Acetyl Intermediates	(3)	5	2	—	4
Total Company	**3**	**2**	**1**	**—**	**6**

Three Months Ended December 31, 2013 Compared to Three Months Ended December 31, 2012

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	9	(2)	2	—	9
Consumer Specialties	(1)	6	—	—	5
Industrial Specialties	8	(2)	3	—	9
Acetyl Intermediates	6	(1)	2	—	7
Total Company	**6**	**—**	**2**	**—**	**8**

Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012

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

Table 4a

Factors Affecting Segment Net Sales Sequentially - Unaudited (continued)

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**

Three Months Ended March 31, 2013 Compared to Three Months Ended December 31, 2012

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	6	3	1	—	10
Consumer Specialties	—	5	—	—	5
Industrial Specialties	14	—	1	—	15
Acetyl Intermediates	5	(1)	1	—	5
Total Company	**6**	**1**	**1**	**(1)**	**7**

Table 4b

Factors Affecting Segment Net Sales Year Over Year - Unaudited (continued)

Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	7	1	1	—	9
Consumer Specialties	(10)	6	—	—	(4)
Industrial Specialties	(7)	(4)	1	—	(10)
Acetyl Intermediates	2	(4)	1	—	(1)
Total Company	**(1)**	**(1)**	**1**	**—**	**(1)**

Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	—	4	—	—	4
Consumer Specialties	5	7	—	—	12
Industrial Specialties	(3)	(4)	—	—	(7)
Acetyl Intermediates	(4)	(1)	—	—	(5)
Total Company	**(2)**	**—**	**—**	**—**	**(2)**

Table 4c
Factors Affecting Segment Net Sales Year Over Year - Unaudited

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

	Volume	Price	Currency	Other	Total
			(In percentages)		
Advanced Engineered Materials	5	1	1	—	7
Consumer Specialties	(4)	6	—	—	2
Industrial Specialties	(1)	(3)	2	—	(2)
Acetyl Intermediates	1	(2)	1	—	—
Total Company	**—**	**—**	**1**	**—**	**1**

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

	Volume	Price	Currency	Other	Total
			(In percentages)		
Advanced Engineered Materials	(2)	2	(3)	—	(3)
Consumer Specialties	(4)	6	—	—	2
Industrial Specialties	3	(3)	(3)	—	(3)
Acetyl Intermediates	—	(7)	(2)	—	(9)
Total Company	**—**	**(3)**	**(2)**	**—**	**(5)**

Year Ended December 31, 2011 Compared to Year Ended December 31, 2010

	Volume	Price	Currency	Other	Total
			(In percentages)		
Advanced Engineered Materials	2	8	3	4 [1]	17
Consumer Specialties	1	5	—	—	6
Industrial Specialties	2	13	3	—	18
Acetyl Intermediates	(4)	16	3	—	15
Total Company	**(1)**	**13**	**3**	**—**	**15**

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[1] Includes the effects of the two product lines acquired in May 2010 from DuPont Performance Polymers

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

	Volume	Price	Currency	Other	Total
			(In percentages)		
Advanced Engineered Materials	35	1	(3)	4 [1]	37
Consumer Specialties	2	—	(1)	—	1
Industrial Specialties	11	6	(3)	(8) [2]	6
Acetyl Intermediates	10	10	(2)	—	18
Total Company	**13**	**7**	**(2)**	**(2)** [3]	**16**

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[1] 2010 includes the effects of the FACT GmbH (Future Advanced Composites Technology) and DuPont acquisitions.

[2] 2010 does not include the effects of the PVOH business, which was sold on July 1, 2009.

[3] Includes the effects of the captive insurance companies and the impact of fluctuations in intersegment eliminations.

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

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010
	(In $ millions, except percentages)									
Net cash provided by (used in) operating activities	253	164	762	154	232	229	147	722	638	452
Net cash (provided by) used in operating activities attributable to NCI	—	13	—	—	—	—	—	—	—	—
Adjustments to operating cash for discontinued operations	—	—	4	(1)	—	6	(1)	(2)	9	58
Net cash provided by (used in) operating activities from continuing operations attributable to Celanese Corporation	253	177	766	153	232	235	146	720	647	510
Capital expenditures on property, plant and equipment	(125)	(148)	(370)	(111)	(110)	(75)	(74)	(361)	(349)	(201)
Capital contributions from Mitsui & Co., Ltd. to Fairway Methanol LLC	39	109	—	—	—	—	—	—	—	—
Cash flow adjustments [1]	(6)	(3)	(24)	(5)	(5)	(6)	(8)	(20)	28	(15)
Adjusted free cash flow	161	135	372	37	117	154	64	339	326	294
Net sales attributable to Celanese Corporation	1,769	1,705	6,510	1,616	1,636	1,653	1,605	6,418	6,763	5,918
Adjusted free cash flow as % of Net sales	9.1%	7.9%	5.7%	2.3%	7.2%	9.3%	4.0%	5.3%	4.8%	5.0%

[1] Primarily associated with purchases of other productive assets that are classified as 'investing activities' for GAAP purposes. Amounts for 2010-2012 also include Kelsterbach plant relocation related cash expenses.

Table 6
Cash Dividends Received - Unaudited

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In $ millions)										
Dividends from equity method investments	48	65	141	38	11	45	47	262	205	138	78
Dividends from cost method investments	29	29	93	24	22	23	24	85	80	73	57
Total	77	94	234	62	33	68	71	347	285	211	135

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

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009
	(In $ millions, except ratios)										
Short-term borrowings and current installments of long-term debt - third party and affiliates	158	157	177	177	224	224	112	168	144	228	242
Long-term debt	2,880	2,881	2,887	2,887	2,870	2,860	2,959	2,930	2,873	2,990	3,259
Total debt	3,038	3,038	3,064	3,064	3,094	3,084	3,071	3,098	3,017	3,218	3,501
Total debt attributable to NCI	—	—	—	—	—	—	—	—	—	—	—
Cash and cash equivalents	1,064	998	984	984	1,100	1,107	978	959	682	740	1,254
Cash and cash equivalents attributable to NCI	(22)	(17)	—	—	—	—	—	—	—	—	—
Net debt	1,996	2,057	2,080	2,080	1,994	1,977	2,093	2,139	2,335	2,478	2,247
Operating EBITDA			1,358					1,262	1,380	1,101	815
Net debt / Operating EBITDA			1.5					1.7	1.7	2.3	2.8

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Table 8
Certain Items - Unaudited

The following Certain items are included in Net earnings (loss) and are adjustments to non-GAAP measures:

	Q2 '14	Q1 '14	2013	Q4 '13	Q3 '13	Q2 '13	Q1 '13	2012	2011	2010	2009	Income Statement Classification
					(In $ millions)							
Employee termination benefits	1	2	23	20	—	1	2	6	22	32	105	Other charges (gains), net
Plant/office closures	2	3	43	40	1	1	1	21	18	21	42	Other charges (gains), net / Cost of sales / SG&A
Business optimization	—	—	—	—	—	—	—	9	8	16	7	Cost of sales / SG&A
Asset impairments	—	—	83	81	2	—	—	8	1	74	14	Other charges (gains), net / Other income (expense), net
(Gain) loss on disposition of business and assets, net	3	—	2	1	1	—	—	1	(1)	(10)	(34)	(Gain) loss on disposition, net
Commercial disputes	—	—	12	7	—	5	—	(2)	(7)	9	—	Other charges (gains), net / Cost of sales / SG&A
Kelsterbach plant relocation	(1)	—	(727)	(733)	2	2	2	21	55	13	16	Other charges (gains), net / Cost of sales / (Gain) loss on disposition
InfraServ Hoechst restructuring	(48)	—	8	8	—	—	—	(22)	—	—	—	Equity in net (earnings) loss of affiliates
Plumbing actions	—	—	—	—	—	—	—	(5)	(6)	(59)	(10)	Other charges (gains), net
Insurance recoveries	—	—	—	—	—	—	—	—	—	(18)	(6)	Other charges (gains), net
Write-off of other productive assets	5	—	—	—	—	—	—	—	(1)	18	—	Cost of sales
Acetate production interruption costs	—	—	—	—	—	—	—	10	—	—	—	Cost of sales
(Gain) loss on pension plan and medical plan changes	(21)	(16)	(71)	(71)	—	—	—	—	—	—	—	Cost of sales / SG&A / R&D
Actuarial (gain) loss on pension and postretirement plans	—	—	(106)	(106)	—	—	—	389	306	84	104	Cost of sales / SG&A / R&D
Other	(3)	—	8	—	1	4	3	19	10	17	(17)	Various
Total	(62)	(11)	(725)	(753)	7	13	8	455	405	197	221	
Certain items attributable to NCI	—	—	—	—	—	—	—	—	—	—	—	
Certain items attributable to Celanese Corporation	(62)	(11)	(725)	(753)	7	13	8	455	405	197	221	

Table 9
Return on Capital Employed - Presentation of a Non-GAAP Measure - Unaudited

	2013	2012	2011	2010	2009
	(In $ millions, except percentages)				
Adjusted EBIT [1]	1,056	962	1,093	843	525
Property, plant and equipment, net	3,425	3,350	3,269	3,017	2,797
Property, plant and equipment, net related to Fairway Methanol LLC [2]	(53)	(6)	—	—	—
Trade receivables, net	867	827	871	827	721
Inventories	804	711	712	610	522
Trade payables - third party and affiliates	(799)	(649)	(673)	(673)	(649)
Trade working capital	872	889	910	764	594
Trade working capital attributable to NCI	—	—	—	—	—
Capital employed	4,244	4,233	4,179	3,781	3,391
Return on capital employed	24.9%	22.7%	26.2%	22.3%	15.5%

(1) See consolidated Adjusted EBIT reconciliation (Table 1) for details.

(2) Represents 50% of property, plant and equipment, net related to the methanol unit being constructed in Clear Lake, Texas.

Exhibit 99.3

Celanese
The chemistry inside innovation™

Celanese Q2 2014 Earnings

Thursday, July 17, 2014

Conference Call / Webcast
Friday, July 18, 2014 10:00 a.m. EDT

Mark Rohr, Chairman and Chief Executive Officer
Chris Jensen, Senior Vice President, Finance

Forward-Looking Statements

This presentation may contain "forward-looking statements," which include information concerning the company's plans, objectives, goals, strategies, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. 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, textiles, 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 reduce or maintain their current levels of production costs and 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 technologies, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, 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, 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.

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 the Non-GAAP Financial Measure and Supplemental Information document available under Investor Relations/Financial Information/Non-GAAP Financial Measures and Supplemental Information 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.

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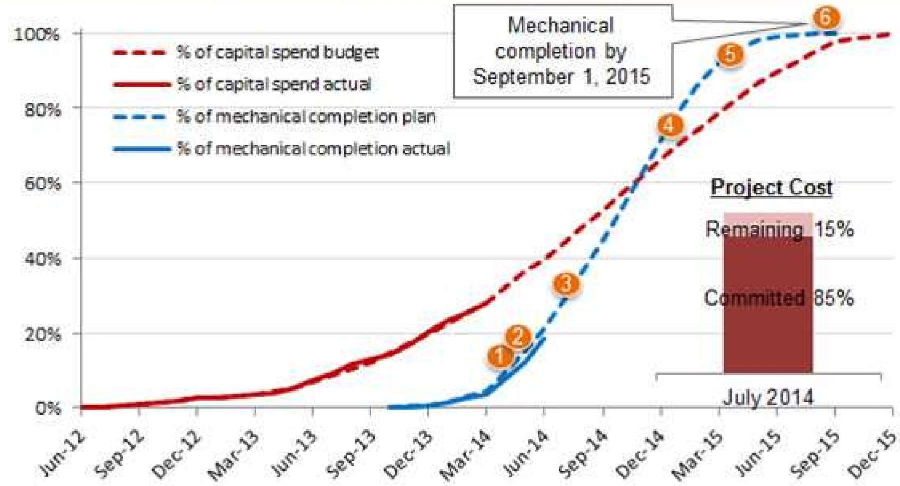
Mark Rohr
Chairman and Chief Executive Officer

Fairway: Clear Lake methanol project update, start-up October 1, 2015



Status Update

- Working to close gap on construction schedule
- 99.9% of equipment procured; below budget
- Started steel erection
- Contract for electrical & instrumentation awarded
- All major equipment on site prior to year end 2014

Milestone	Expected completion
1 Start Steel Erection	On time
2 Electrical & Instrumentation Contract	On time
3 Erect First Tower	On time
4 Control Building Complete	Q1 2015
5 Reformer Installation Complete	Q2 2015
6 Mechanical Completion	Q3 2015

Recent Highlights

Celanese

- Opened Commercial Technology Center in Seoul, Republic of Korea
- Expanding compounding capabilities in Nanjing, China and Florence, Kentucky
- Expanding Suzano, Brazil facility to include long-fiber reinforced thermoplastics
- Exploring construction of a VAE emulsions production unit in Southeast Asia

Commercial Technology Center in Seoul, Republic of Korea

*For additional details please refer to Investor Relations/Financial news on our website, www.celanese.com.

Innovation Success

Electronics

(Zenite® and Vectra LCP®)

- Next generation of engineered materials
- Enables new compact camera module design
- Improved optics with 20% higher mega-pixel density
- Reduces production waste >70%

Non wovens

(VAE Emulsion)

- Re-launched a lower VOC version of VAE emulsion
- Strong demand for improved environmental characteristics during production of non-wovens
- Reduces carbon footprint versus prior product generations

*For additional details please refer to Investor Relations/Recent Business and Product Related Releases on our website, www.celanese.com.

Celanese Corporation Q2 2014 Highlights

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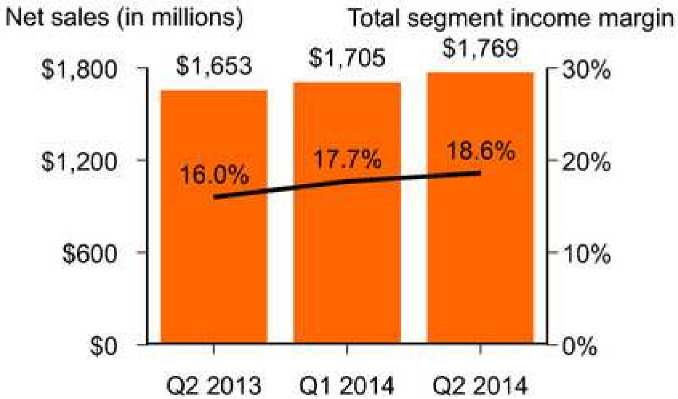
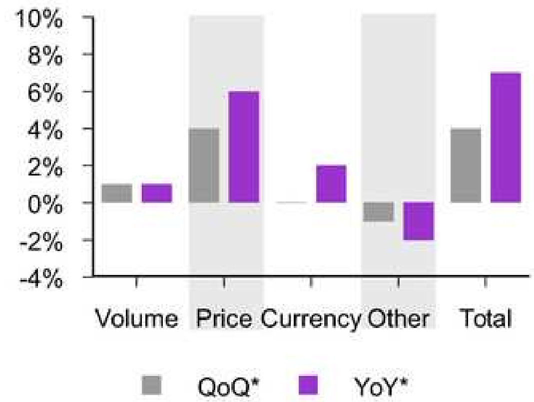
Q2 Performance



Factors Affecting Net Sales



Adjusted EPS

Q2 2014	$1.47
Q1 2014	$1.33
Q2 2013	$1.12

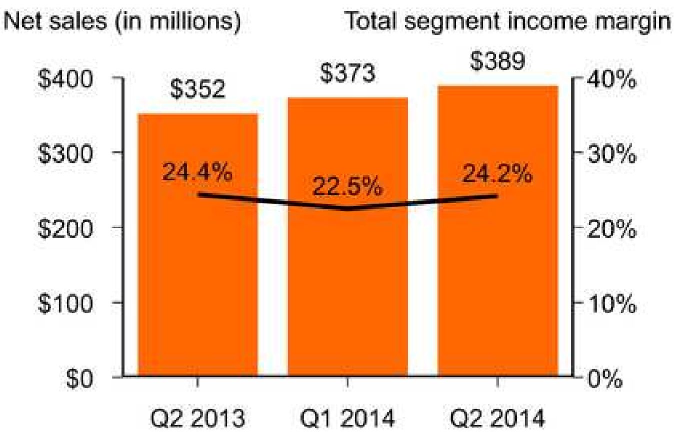
- Record adjusted earnings of $1.47 per share
- Operating cash flow of $253 million
- Adjusted free cash flow of $161 million
- Repurchased approximately 0.8 million shares; Deployed $50 million
- Ended quarter with $1.1 billion in cash

*QoQ represents Q2 2014 as compared to Q1 2014; YoY represents Q2 2014 compared to Q2 2013.

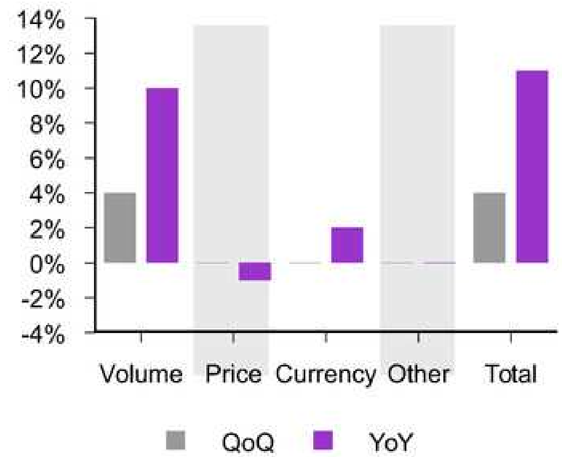
Advanced Engineered Materials

Celanese

Q2 Performance



Factors Affecting Net Sales



QoQ Segment income highlights

- Record quarterly revenue and segment income
- Volumes increased on strong demand in auto, consumer applications (Asia) and industrial applications (North America, Asia)
- Earnings from affiliates were $45 million

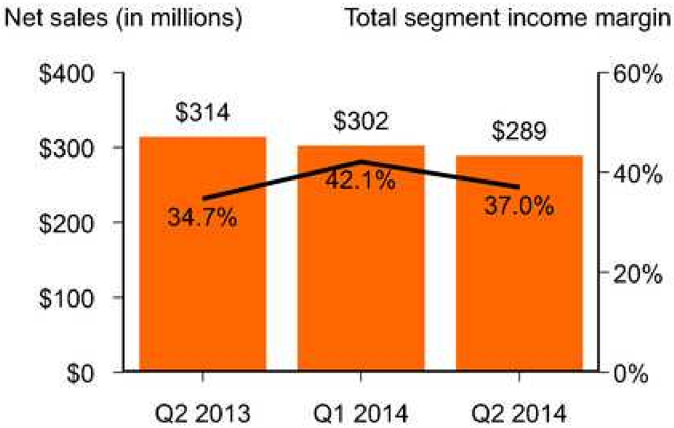
YoY Segment income highlights

- Higher volumes globally driven by strong demand in automotive, industrial and medical
- Favorable currency more than offset lower pricing due to product and geographical mix
- Earnings from affiliates were consistent

Consumer Specialties

Celanese

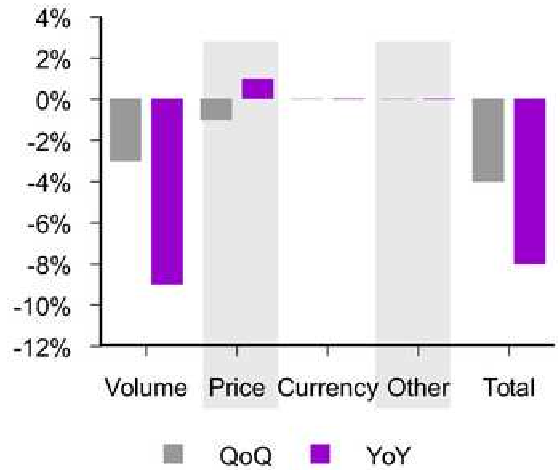
Q2 Performance



QoQ Segment income highlights

- Segment income impacted by 3rd party power outage at cellulose derivatives facility in Narrows, VA
- Pricing declined mainly due to a legacy contract in acetate flake
- Dividends from cellulose derivatives ventures were consistent with first quarter

Factors Affecting Net Sales



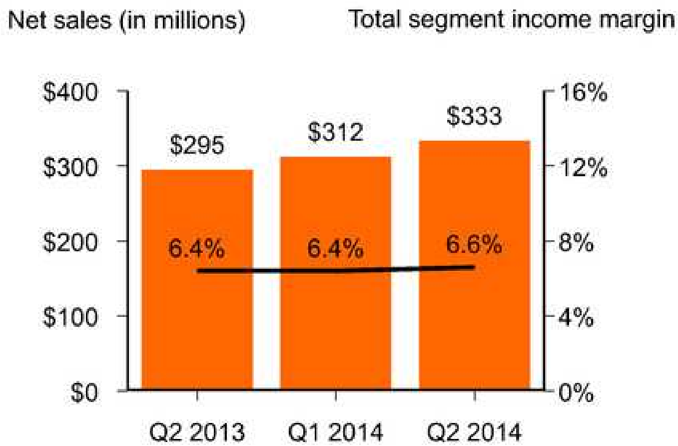
YoY Segment income highlights

- Higher pricing of acetate tow partially offset by legacy contract in acetate flake
- Lower costs driven by productivity initiatives
- Lower volume following inventory build in 2013
- Segment income impacted by 3rd party power outage at cellulose derivatives facility in Narrows, VA
- Dividends from cellulose derivatives ventures increased to $28 million

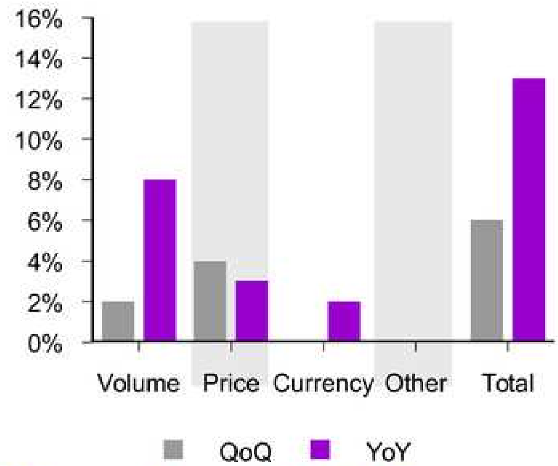
Industrial Specialties

Celanese

Q2 Performance



Factors Affecting Net Sales



QoQ Segment income highlights

- Higher volumes driven by higher demand in EVA polymers and seasonal trends in emulsion polymers
- Pricing increased on improved product mix in EVA polymers (medical) and higher raw material costs (VAM) in emulsion polymers.

YoY Segment income highlights

- Higher volumes in emulsion polymers primarily driven by strong demand for proprietary paints and coatings (Europe, Asia) and increased demand for EVA polymers (North America)
- Higher pricing driven by higher raw material costs (VAM) in emulsion polymers

Acetyl Intermediates

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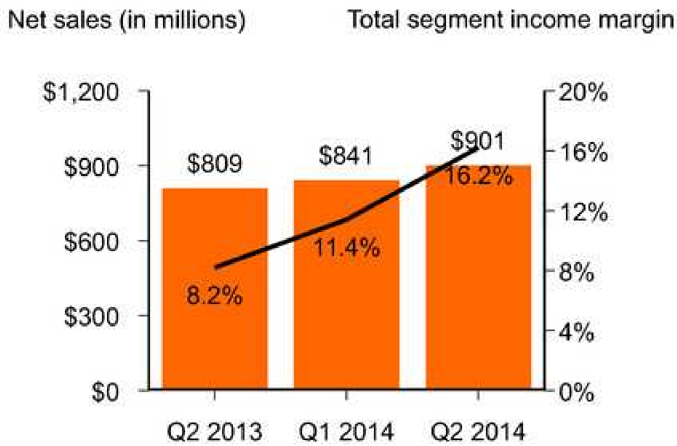
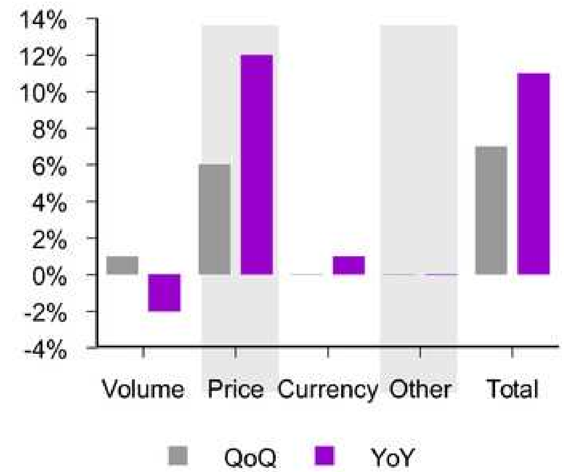
Q2 Performance



Factors Affecting Net Sales



QoQ Segment income highlights

- VAM pricing increased due to strategic actions at non-integrated facilities in Europe and planned and unplanned outages in the US gulf coast
- Higher pricing more than offset the planned turnaround at Clear Lake, Texas

YoY Segment income highlights

- VAM pricing increased due to strategic actions at non-integrated facilities in Europe and planned and unplanned outages in the US gulf coast
- Higher acetic acid pricing driven by commercial actions and planned and unplanned outages in China

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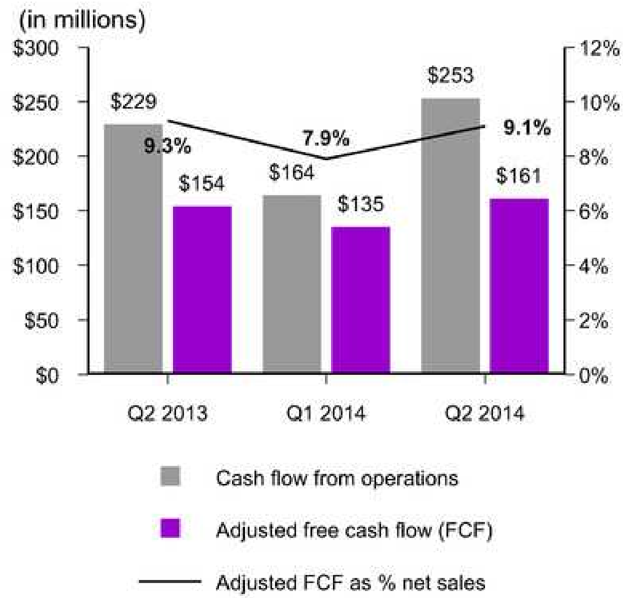
Chris Jensen
Senior Vice President, Finance

Strong Cash Flow Generation

Celanese

Adjusted Free Cash Flow



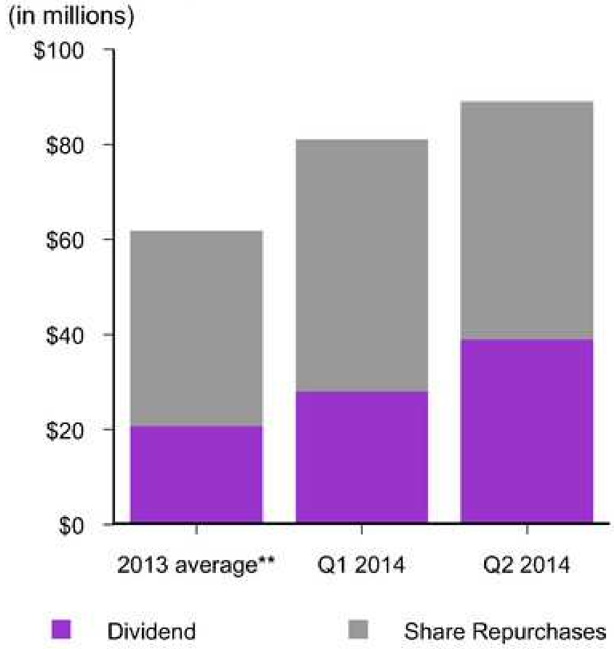
- Operating cash flow primarily driven by strong earnings performance
- Adjusted FCF impacted by timing of capital investment and JV funding related to Clear Lake methanol unit
- Net capex of $86 million in Q2 2014
- Continue to expect capex of $450-500 million for 2014 with ramp-up of construction of Clear Lake methanol unit and installation of natural gas boilers in Narrows, Virginia

Continue to create value through our balance sheet

Return of Cash to Shareholders

Celanese

Dividend* Payout and Share Repurchases



Dividend

- Q2 2014 dividend payout 179% higher than Q2 2013
- Dividend yield in-line with peers

Share Repurchases

- Deployed $50 million to repurchase approximately 0.8 million shares in Q2 at an average price of $59.87
- Remaining share repurchase authorization of $297 million

Over $1.5 billion returned to shareholders since 2007 via dividends and share repurchases

*Based on dividends paid on common stock. **2013 quarterly average

Exhibit 99.4

Q2 2014 Earnings Prepared Comments

Jon Puckett, Celanese Corporation, Vice President, Investor Relations

Welcome to the Celanese Corporation second quarter 2014 financial results recording. The date of this recording is July 17, 2014. 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 Chris Jensen, Senior Vice President, Finance.

The Celanese Corporation second quarter 2014 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. 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 under Financial Information. The earnings release, presentation and non-GAAP reconciliations are being furnished to the SEC in a Current Report on Form 8-K.

Mark Rohr will provide some recent highlights, review our consolidated second quarter results and will discuss our outlook for the rest of 2014 and our initial thoughts on the actions to offset the 2015 methanol impact. Chris will then comment on cash flow, net debt, shareholder returns and tax rate. I'd now like to turn it 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 reporting our financial results I'll walk through a few highlights from the quarter starting with the progress we made on the methanol unit at our facility in Clear Lake, Texas. I appreciate the focus and effort from our teams on the ground who helped us achieve several key milestones this period including the initiation of steel erection and the award of the final instrumentation and electrical contracts. Just last week, we erected the first distillation column which is a significant milestone in the overall timeline of the project. Our slide presentation includes an update on construction status and milestones. While we are making really good progress on the methanol unit, I want to remind you that a significant portion of the construction will occur during the winter months when weather conditions can be unpredictable. In addition, we are seeing some cost escalation due to the construction boom in the Houston area. However, we are confident in our cost estimates and ability to manage these costs going forward. We expect to complete construction of the unit by September 2015 with methanol production expected to begin in October. That said, we will continue to look for opportunities to expedite this timeline. Later in my comments, I will provide some initial color on how we anticipate offsetting the financial impact of moving from purchased methanol to our own production.

Let me also highlight some recent announcements regarding customer-centric expansions that should help position Celanese for future growth in some of our most attractive geographies. In May, we opened the Celanese Technology Center in Seoul, Korea. At this facility our technologists collaborate directly with our customers, accelerating innovation and product introductions. We also announced capacity expansions at our engineered materials facilities in Florence, Kentucky; Nanjing, China; and Suzano, Brazil, all in response to growing customer demand for our innovative materials and applications expertise. In addition, we announced our intent to build a new VAE emulsions plant in Southeast Asia, underscoring our commitment to directly supply customers in the region with high-end polymers for architectural coatings, building and construction, carpet and paper.

Now let's move on to our consolidated second quarter results. I'm pleased to report [adjusted] earnings per share of $1.47 , which is record quarterly performance for us. On a GAAP basis, diluted earnings from continuing operations were $1.66 per share. Segment income margin increased 90 basis points to 18.6 percent sequentially as we expanded margins in Advanced Engineered Materials, Industrial Specialties and Acetyl Intermediates. On a year-over-year basis, segment income margin increased 260 basis points on expanded margins in Consumer Specialties, Industrial Specialties and Acetyl Intermediates.

These record results reflect the success we are having on the $100 million [of] initiatives we outlined at the beginning of the year, and include productivity improvements, upstream and downstream efficiencies and translating innovation into earnings. Our teams' diligent focus on these growth initiatives and their success in the first half of the year give me confidence that we can keep delivering strong results like these and position Celanese for continued success in 2015.

Now let me provide some examples of how we are translating innovation into earnings, which should deliver $30 million of income growth this year. Earlier in the year we discussed a low sag, high capacity transmission conductor that we developed in collaboration with Southwire, called C7. In April, CenterPoint Energy, a Fortune 500 utility company serving the South Central region of the U.S., completed the first successful commercial installation of this application. CenterPoint chose this solution because of its unique ability to increase line capacity, improve the performance window and enhance lifecycle economics. We're now working with Southwire to translate this success to others who would benefit from this great technology.

Another example of how we translate innovation is our recent launch of the next generation of engineered materials for smart phones. Working closely with our customers, we developed a new compact camera module that enables better optics, increases mega-pixel density by 20 percent and reduces waste in the production process by over 70 percent. Our solution adds value by reducing cost, enabling an improved end-user experience with higher resolution technology and shortening product development cycles. Additionally, in response to strong customer demand for improved environmental characteristics during the production process, we re-launched a new version of our VAE emulsions application that helps lower the carbon footprint compared to prior product generations. These are just a few examples of our targeted innovative strategy which focuses on opportunities that we can translate across multiple customers and multiple geographies.

Operating cash flow in the second quarter was $253 million and adjusted free cash flow was $161 million . Good results driven by strong business performance. We also continued our share repurchase efforts by buying roughly 800 thousand shares for about $50 million and dividend distributions were $39 million .

Turning now to the segments - Advanced Engineered Materials delivered record revenue and segment income this quarter, expanding segment income margin by 170 basis points sequentially to 24.2 percent on a segment income of $94 million in the second quarter. Volumes increased about 4 percent from the prior quarter and we continue to see strong demand for our engineered polymers in autos to improve functionality, reduce production steps and drive fuel efficiency. Celanese global content per vehicle remained at a record high level of nearly 2 kg per vehicle. Our ability to grow sequential volumes in engineered materials despite lower auto build trends in some key markets demonstrates the strength of our business model as well as incremental opportunities in consumer and industrial applications in North America and Asia. Pricing was flat and affiliate earnings were $45 million in the second quarter on improved results from Polyplastics and Ibn Sina.

In Consumer Specialties, second quarter segment income margin expanded 230 basis points year-over-year on consistent segment income of $107 million . This was below our expectations due to a third party power outage that interrupted operations at our cellulose derivatives facility in Narrows, Virginia and impacted us to the tune of $7 to $10 million. Volumes declined 3 percent sequentially, which is consistent with our expectations. As mentioned before, 2013 was a year where the industry as a whole built some inventory and retained more safety stock than normal. We think this was in reaction to the shutdown of our Spondon unit at the end of 2012, which reduced Celanese and overall industry capacity. As a result of the inventory build in 2013, our volumes that year were not down as much as we originally anticipated. Since then the industry has become more comfortable with the reliability of existing capacity and inventories are now turning down. Considering these factors, we are about where we should be from a volume perspective. Despite the production interruption this quarter we were able to supply our customers and we continue to invest in the reliability of this unit, making good progress on installing new utility systems, boilers and upgrading our electrical supply network. Pricing decreased less than 1 percent sequentially as acetate tow price increases implemented at the start of 2014 were offset by the impact of a legacy contract in acetate flake. Dividends from our cellulose derivatives ventures were flat sequentially at $28 million .

In Industrial Specialties, second quarter segment income margin increased sequentially by 20 basis points to 6.6 percent on segment income of $22 million . Volumes increased 2 percent from the first quarter, driven primarily by increased demand in North America for EVA polymers. Volumes were also impacted by seasonal trends in emulsion polymers in North America and Asia where we continue to see strong demand for our environmentally friendly technology applications. Pricing increased 4 percent sequentially driven by increased sales in the medical applications [and] in response to higher raw material costs, mostly VAM, in the emulsion polymers business.

Acetyl Intermediates had a very strong quarter as segment income margin expanded sequentially by 480 basis points to 16.2 percent on segment income of $146 million . Pricing increased 6 percent from the prior quarter and reflects the success of our commercial efforts in this business. Over the last several quarters, as some of our contracts expired in our acetic acid business, primarily in China, we negotiated new contracts that have increased our ability to respond to industry conditions. Our results demonstrate the success of this approach and the increased control we have over our own destiny in this business. We expect to continue implementing this strategy across the business, in a thoughtful manner, as existing contracts expire. Pricing was also impacted by permanent structural changes in VAM as European producers, including Celanese, shut VAM capacity, which has impacted trade flows and price in the region. Planned and unplanned industrial outages in the U.S. gulf coast also drove higher pricing. The higher pricing more than offset the impact of our planned turnaround at Clear Lake, Texas. If you look past the VAM industry outages this quarter, we expect normalized segment income for this business to range from $110 to $120 million per quarter for the remainder of the year.

Thanks to the efforts of a lot of dedicated teams, we are successfully translating customer-centric innovation in a new commercial applications to deliver consistent earnings growth. Those teams are also taking steps to further improve the agility of our technology-oriented businesses, allowing us to respond more quickly to industry dynamics. Looking forward, our performance to date and the continued strength in the base business as we enter the third quarter give me confidence we can end the year with adjusted earnings growth of 15 to 17 percent year-over-year.

We are now beginning to focus on developing Celanese-specific initiatives that can help us offset the expected headwinds of moving from purchased methanol to our own methanol production in 2015. We have estimated the headwind to be about $100 million on an annual basis and depending on methanol and natural gas pricing, and the timing of the start-up, the impact could range from $75 million to $125 million. My goal is to offset the majority of this amount with structural actions or productivity initiatives so that our commercial efforts are contributing to growth over and above the impact of methanol. While we are not prepared today to provide a complete list of our actions, I can provide some color on areas that should help contribute. For example, we anticipate we can offset 20 percent of the headwind by rearranging some of our debt to take advantage of the current interest rate environment. We also have opportunities in tax and productivity that could address another 20 to 30 percent of the headwind. Over the next two calls we'll outline a complete program to accomplish this objective and, based on what I see developing, we're reasonably confident we can get there.

With that, I'll now turn it over to Chris Jensen.

Chris Jensen, Celanese Corporation, Senior Vice President, Finance

Thanks, Mark.

Let's start by reviewing our year-over-year results. Adjusted earnings per share for second quarter 2014 were $1.47 , or 31 percent above the prior year quarter. We expanded segment income margin by 260 basis points as margins increased in Consumer Specialties, Industrial Specialties and Acetyl Intermediates. Pricing was 6 percent higher on a year-over-year basis primarily driven by Acetyl Intermediates. As Mark mentioned, we are seeing the benefit from increased commercial flexibility in this business, primarily in acetic acid in China. Additionally, our strategic decision to close non-integrated units in Europe, combined with planned and unplanned industry outages in VAM, contributed to the higher pricing. Year-over-year volumes increased 1 percent mainly in our engineered materials business and our EVA polymers business, more than offsetting lower volumes in Consumer Specialties and Acetyl Intermediates. In engineered materials we continue to work closely with our customers to identify applications where our unique polymer science can improve product performance or functionality.

Before I cover cash flow, let me touch on the cost of Other Activities of $40 million , which includes spending associated with our corporate functions, the non-service-cost elements of global pension expense, foreign currency gains and losses and other items. The sequential increase in Other Activities in the second quarter of 2014 is due to several factors including the timing of compensation and spending on initiatives that benefit the company as a whole.

Let's move on to cash flow. We had another strong quarter of cash generation with operating cash flow of $253 million and adjusted free cash flow of $161 million . We continue to invest in strategic capital projects like the methanol unit at our integrated facility in Clear Lake, Texas and natural gas boilers at our cellulose derivatives unit in Narrows, Virginia, with net capital spending of $86 million in the quarter. Strong cash flow also allowed us to continue to return cash to shareholders, distributing $39 million in quarterly dividends and repurchasing $50 million of Celanese shares. As of June 30, 2014, we have $297 million remaining on our share repurchase authorization. We ended the quarter with $1.1 billion of cash.

As for the remainder of the year, we expect the pace of share repurchases will moderate from the first half of the year, but we will remain opportunistic in our share repurchase activity. Between now and the end of the year our focus will be on rearranging some of our debt to take advantage of the current interest rate environment. As Mark mentioned, rearranging our debt is one of the actions we plan to take to offset a portion of the expected methanol headwind in the second half of 2015. Our strong balance sheet provides us additional strategic opportunities in 2015 and we will share more of the details as we finalize our plans.

Let me spend a moment on taxes. The effective US GAAP tax rate for second quarter this year was 27 percent versus 36 percent in the prior year. The higher effective rate for the second quarter of 2013 was mainly due to losses in jurisdictions without tax benefit. Similar to the first quarter, the tax rate for adjusted EPS in the second quarter of 2014 was 21 percent , 2 percent higher than the same quarter last year as we generated a larger portion of our earnings in the US which has higher statutory rates.

This brings us to the end of our prepared remarks and we look forward to discussing our results with you on our earnings call Friday morning. Thank you.