

CELANESE CORP

FORM 8-K (Current report filing)

Filed 03/24/05 for the Period Ending 03/23/05

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

CELANESE CORP

FORM 8-K (Unscheduled Material Events)

Filed 3/24/2005 For Period Ending 3/23/2005

Address	1601 W. LBJ FREEWAY DALLAS, Texas 75234
Telephone	972-443-4000
CIK	0001306830
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): MARCH 23, 2005

CELANESE CORPORATION

(Exact Name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

001-32410

(Commission File
Number)

98-0420726

(IRS Employer
Identification No.)

1601 WEST LBJ FREEWAY, DALLAS, TEXAS 75234-6034

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (972) 901-4500

NOT APPLICABLE

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

On March 23, 2005, Celanese Corporation (the "Company") issued a press release reporting that it increased its earnings outlook for both the first quarter and full year 2005 primarily due to better than expected performance in its Chemical Products business segment in the first quarter of 2005. A copy of the press release (including tabular presentation attached thereto) 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 7.01 disclosure. Additionally, the Company has posted the press release and accompanying tabular presentation on its website at www.celanese.com.

The information in this Current Report, including the exhibit 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 exhibit, 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.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number	Description
99.1	Press Release (including tabular presentation attached thereto) dated March 23, 2005

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/ Corliss J. Nelson

Name: Corliss J. Nelson
Title: Executive Vice President and
Chief Financial Officer

Date: March 24, 2005

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release (including tabular presentation attached thereto) dated March 23, 2005

[CELANESE LOGO]

MEDIA RELATIONS

PRESS INFORMATION

Celanese Corporation
1601 West LBJ Freeway
Dallas, TX 75234
U.S.A.

CELANESE CORPORATION INCREASES FIRST QUARTER AND FULL YEAR EARNINGS OUTLOOK

Dallas, Texas, March 23, 2005: Celanese Corporation (NYSE: CE) today announced it increased its earnings outlook for both the first quarter and full year 2005 primarily due to better than expected performance in the Chemical Products segment in the first quarter. As a result, the company expects first quarter adjusted EBITDA, a key company performance measure, will be 35% to 40% higher than adjusted EBITDA of \$208 million in the first quarter of 2004 or in the range of \$280 million to \$290 million. The company had guided on Feb. 28 to a 25% to 30% increase in adjusted EBITDA. Factoring in the more robust earnings in the first quarter, full year adjusted EBITDA in 2005 is expected to be 15% to 20% higher than the combined full year 2004 adjusted EBITDA of \$801 million or in the range of \$920 million to \$960 million. This compares to the company's previous guidance of a 12% to 17% increase in adjusted EBITDA.

The guidance does not factor in the pending acquisition of Acetex. It does include the losses from the cyclo-olefin copolymers and Pemeas fuel cell businesses, which the company has decided to sell.

In addition to adjusted EBITDA, Celanese will also begin to offer guidance on net earnings and earnings per share. Based on a first quarter adjusted EBITDA of \$280 to \$290 million, this would result in a net loss in the range of \$40 million to \$35 million or a loss per share

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between \$0.26 and \$0.23. Excluding special and one-time expenses related to the initial public offering, cancellation of a monitoring fee and special charges, adjusted net earnings for basic EPS would be between \$116 million and \$121 million for the first quarter, and basic earnings per share - adjusted would be between \$0.73 and \$0.76. Basic earnings per share - adjusted is computed by

dividing income available to common shareholders, less one-time and other items, by the sum of weighted average common shares outstanding, except for the first quarter of 2005, which was calculated assuming the shares were outstanding during the entire period. (The initial public offering occurred on January 21, 2005.)

For the full year, based on an adjusted EBITDA range of \$920 million to \$960 million, net earnings would be between \$65 million and \$110 million and earnings per share between \$0.35 and \$0.63. Excluding the special adjustments noted in the paragraph above, adjusted net earnings for basic earnings per share would range between \$255 million to \$280 million or basic earnings per share - adjusted of \$1.61 to \$1.77.

Celanese will publish its first quarter financial results and host a conference call on May 10, 2005.

YOUR CONTACT:

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Celanese Corporation (NYSE:CE) is an integrated global producer of value-added industrial chemicals based in Dallas, Texas. The Company is the #1 or #2 producer of products comprising the majority of its sales and has four major businesses: Chemicals Products, Technical Polymers Ticona, Acetate Products and Performance Products. Celanese has 29 production plants, with major operations in North America, Europe and Asia. In 2004, Celanese Corporation and its predecessor had combined net sales of \$5.1 billion. The presentation of combined net sales of Celanese Corporation with its predecessor is not in accordance with U.S. GAAP. For more information on Celanese Corporation, including a reconciliation of the combined net sales, please visit the company's web site at www.celanese.com.

RECONCILIATION OF NON-U.S. GAAP MEASURES TO U.S. GAAP

This release reflects our three performance measures, adjusted EBITDA, adjusted net earnings for basic earnings per share and basic earnings per share-adjusted, all non-U.S. GAAP measures. Adjusted EBITDA is defined as earnings (loss) from continuing operations plus interest expense net of interest income, income taxes and depreciation and amortization, and further adjusted for certain cash and non-cash charges. Adjusted net earnings for basic earnings per share is defined as income available to common shareholders adjusted for special and one-

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time expenses. Basic earnings per share-adjusted is defined as income available to common shareholders adjusted for special and one-time expenses divided by the sum of weighted average common shares outstanding except for Q1 2005, which was calculated assuming the shares were outstanding during the entire period. (The IPO occurred on January 21, 2005.) The most directly comparable financial

measure presented in accordance with U.S. GAAP for adjusted EBITDA is net earnings (loss) and for adjusted net earnings for basic earnings per share and for basic earnings per share-adjusted is income available to common shareholders. For a reconciliation of adjusted EBITDA to net earnings (loss) see the accompanying schedules to our fourth quarter 2004 earnings release on our website at www.celanese.com and for adjusted net earnings for basic earnings per share and basic earnings per share-adjusted see the appendix titled Appendix - Earnings Reconciliation accompanying this release. Reconciliations of certain forward-looking non-U.S. GAAP to U.S. GAAP measures are not available.

Forward-Looking Statements

This release may contain "forward-looking statements," which include information concerning the company's future performance. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the company will realize these expectations or that these beliefs will prove correct.

There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this release. Numerous factors, many of which are beyond the company's control, could cause actual results to differ materially from those expressed as forward-looking statements. Certain of these risk factors are discussed in the company's Registration Statement on Form S-1 at the SEC's website at www.sec.gov. 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.

APPENDIX - EARNINGS RECONCILIATION

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(usd millions, except share price)

	2003 FY	Q1	Q2	2004 Q3	Q4	FY	Q1 L
Adjusted EBITDA	675	208	188	218	187	801	2
Reported/Projected Net Earnings/(Loss)	148	78	(125)	(71)	(57)	(175)	(
Preferred Dividends	0	0	0	0	0	0	
Net Earnings for Basic EPS	148	78	(125)	(71)	(57)	(175)	(
Special Adjustments (see below)	94	38	130	103	103	374	1
Adjusted Net Earnings for Basic EPS	242	116	5	32	46	199	1
Basic EPS	0.93	0.49	(0.79)	(0.45)	(0.36)	(1.10)	(0
Basic EPS - Adjusted	1.53	0.73	0.03	0.20	0.29	1.26	0.
Special Adjustments							
Transaction	4	0	8	2	11	21	
Inventory Step Up	0	0	49	0	4	53	
Refinancing costs	0	0	71	39	0	110	1
Special Charges	5	28	(1)	59	33	119	
Mgmt Comp/SAR's	59	0	1	0	50	51	
Monitor/Cancel Fee	0	0	2	3	5	10	

Total Special Adjustments	68	28	130	103	103	364	1
Tax effect on spec adj	26	10	0	0	0	10	

Shares Outstanding	158.5	158.5	158.5	158.5	158.5	158.5	15

Potentially Dilutive Securities							

Preferred Conversion	12.0	12.0	12.0	12.0	12.0	12.0	12
Option Conversion (currently outstanding)	11.3	11.3	11.3	11.3	11.3	11.3	11

This schedule reconciles reported Net Earnings to Adjusted Net Earnings for Basic EPS used to calculate Basic EPS-Adjusted, which excludes amounts related to the acquisition of Celanese AG and associated financing and other costs.

Tax effect on special adjustments for Q2, Q3 and Q4 2004, as well as 2005 is estimated to be zero due to valuation allowances on all U.S. tax benefits. EPS information for 2003 and 2004 is calculated using the current capital structure of Celanese Corp, and not the capital structure of Celanese AG.

Basic EPS and Basic EPS - Adjusted were calculated assuming all shares were outstanding during all periods presented.

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APPENDIX - FULL YEAR 2005 KEY MODELING

ASSUMPTIONS

INCOME STATEMENT	EQUITY
-----	-----
(\$ MILLIONS)	
o DEPRECIATION = \$230-\$250	o COMMON STOCK = 158.5 MILL
o SPECIAL CHARGES = \$30-\$50	o POTENTIALLY DILUTIVE SECURITIES
o NET INTEREST EXPENSE = \$250-\$260	o 12 MILLION PREFERRED
	o 11 MILLION STOCK OPTIONS
o EXCLUDING DEFERRED FINANCE/DEBT PREMIUM OF APPROX. \$115 (INCLUDES \$105MM OF ACCELERATED REFINANCING AND \$10MM NORMAL AMORTIZATION)	o PREFERRED STOCK DIVIDENDS MILLION OUTSTANDING SHARE
o AVG COST OF BORROWED CAPITAL = 7%	
	EQUITY - CAG
o EFFECTIVE TAX RATE OF 34% TO 37%	-----

○ MONITORING FEE (TERMINATED JAN '05) :

○ ANNUAL FEE \$10

○ CANCELLATION \$35

○ APPROXIMATELY 8 MILLION S
FEBRUARY 16

○ CURRENT TENDER OFFER PRIC

○ NET GUARANTEED PAYMENT =

CAPITAL

○ CAPITAL EXPENDITURES = \$2

End of Filing

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