CELANESE CORP

FORM 8-K
(Current report filing)

Filed 05/10/05 for the Period Ending 05/10/05

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 5/10/2005 For Period Ending 5/10/2005

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): MAY 10, 2005

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.)

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))

Item 2.02 Results of Operations and Financial Condition

On May 10, 2005, Celanese Corporation (the "Company") issued a press release reporting the financial results for its first quarter 2005. A copy of the press release is attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

Item 7.01 Regulation FD Disclosure

On May 10, 2005, David N. Weidman, President and Chief Executive Officer of the Company, and Corliss Nelson, Executive Vice President and Chief Financial Officer of the Company, made a presentation to investors and analysts via webcast and teleconference hosted by the Company. A copy of the slide presentation posted during the webcast and teleconference, including a reconciliation of non-GAAP measures used in the presentation, is attached to this Current Report as Exhibit 99.2 and is incorporated herein solely for purposes of this Item 7.01 disclosure. Additionally, the Company has posted the slides on its website at www.celanese.com under the Investor/Investor Webcast section.

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.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number	Description
99.1	Press Release dated May 10, 2005
99.2	Slide Presentation dated May 10, 2005 (including reconciliation of non-GAAP measures)

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: May 10, 2005

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated May 10, 2005
99.2	Slide Presentation dated May 10, 2005 (including reconciliation of non-GAAP measures)

CELANESE CORPORATION REPORTS STRONG FIRST QUARTER RESULTS:
NET SALES OF $1,509 MILLION UP 21%; OPERATING PROFIT OF $166 MILLION TRIPLED;
BASIC EPS (LOSS) OF $(0.08) PER SHARE;
ADJUSTED EBITDA OF $334 MILLION, UP 61%;
ADJUSTED BASIC EPS OF $0.87 PER SHARE

First quarter highlights:

- Net sales increase 21% to $1,509 million from first quarter 2004

- Operating profit and gross profit margins expand, particularly in Chemical Products, on higher pricing, driven by strong demand and higher industry capacity utilization, lower depreciation and amortization as well as productivity improvements

- Basic earnings per share was a loss of ($0.08), based on a net loss of ($10) million, which includes, among other items, $102 million in costs to refinance high-yield debt and $45 million in sponsor monitoring and related cancellation fees

- Adjusted EBITDA increases 61% to $334 million o Adjusted basic earnings per share was $0.87 reflecting strength in underlying operations

in $ millions, except per share data	Q1 2005 Successor	Q1 2004 Predecessor
Net sales	1,509	1,243
Net earnings (loss)	(10)	78
Basic EPS	(0.08)(1)	n.m.
Adjusted EBITDA	334	208
Adjusted Basic EPS	0.87 (2)	n.m.

(1) Based on average shares outstanding of 141,742,428
(2) Based on outstanding shares of 158,491,201 as of March 31, 2005

n.m. = not meaningful

DALLAS, May 10, 2005 -- Celanese Corporation today reported net sales rose 21% to $1,509 million in the first quarter compared to $1,243 million for Celanese AG, the predecessor company, in the same period last year. The net sales increase was primarily due to significantly higher pricing, mainly in the Chemical Products segment, as well as increased volumes, composition changes in Chemical Products largely due to the Vinamul emulsions acquisition, and favorable currency effects.

Adjusted EBITDA, a key company performance measure, rose 61% to $334 million in the first quarter of 2005 compared to $208 million for the same period last year, mainly on improved results in our businesses.

Adjusted basic earnings for the quarter were $0.87 per share and above the company's guidance of $0.73 to $0.76 per share provided on March 23, 2005, excluding special items and using outstanding shares as of March 31, 2005.

The company reported a net loss of ($10) million in the first quarter, compared to earnings of $78 million for Celanese AG in the same period last year mainly due to higher interest expense and special items, which were partially offset by higher gross profit. The special items consisted of refinancing costs of $102 million, an annual sponsor monitoring fee of $10 million, and special charges of $38 million, which included a $35 million fee for cancellation of sponsor monitoring services. Special items in the first quarter of 2004 were $28 million of special charges largely for advisory fees related to the Celanese AG acquisition.

"Our 9,700 associates worldwide delivered another quarter of strong underlying performance while continuing our efforts to build sustainable earnings for the future," said David Weidman, chief executive officer. "In the quarter, our chemicals business benefited from higher pricing driven by tight capacity utilization across the industry and continued strong demand globally. At the same time, our team continued to drive productivity improvements throughout the company. We also strengthened our position in emulsions through the Vinamul acquisition and we made progress on our expansions in China. We are committed to increasing the profitability and growth of our company by expanding our inherently attractive businesses worldwide while building on our track

record of productivity and operational excellence. We are pleased with the progress we have made and are extremely proud of the Celanese team."

Operating profit increased to $166 million in the quarter compared to $52 million in the same period last year on gross margin expansion of $143 million, as significantly higher pricing, primarily in Chemical Products, lower depreciation expense and productivity improvements more than offset higher raw material and energy costs. Operating profit also benefited from increased volumes in Acetate Products, Performance Products and Technical Polymers Ticona. Depreciation and amortization expense declined by $9 million resulting from purchase accounting adjustments, which more than offset increased amortization expense for acquired intangible assets.

EQUITY AND COST INVESTMENTS

Dividends received from equity and cost investments more than doubled in the quarter from $22 million in 2004 to $50 million in 2005 mainly due to strong business conditions in 2004 for Ticona's high performance product ventures and Chemical Products' methanol venture as well as timing of payments.

"Our equity and cost investments, especially those located in Asia, had a banner year in 2004, delivering significant cash in the first quarter," said C. J. Nelson, chief financial officer. "While the dividend payments are usually strongest in the first quarter, our ventures' performance points to the integral part they play in extending our global reach."

FIRST QUARTER SEGMENT OVERVIEW

CHEMICAL PRODUCTS

Chemical Products' net sales increased 28% to $1,044 million compared to the same period last year mainly on higher pricing, segment composition changes, including $66 million related to the Vinamul emulsions acquisition, and favorable currency effects. Pricing increased for most products, driven by continued strong demand and high utilization rates across the chemical industry.

Earnings from continuing operations before tax and minority interests increased to $193 million from $64 million in the same period last year as higher pricing was partially offset by higher raw material costs. Earnings also benefited from an increase of $9 million in dividends from our methanol cost investment, which totaled $12 million in the quarter.

TECHNICAL POLYMERS TICONA

Net sales for Ticona increased by 5% to $239 million compared to the same period last year due to favorable currency effects and slightly higher volumes. Volumes increased for most product lines due to the successful introduction of new applications, which outweighed declines in polyacetal volumes resulting from the company's focus on high-end business and decreased sales to European automotive customers. Overall pricing remained flat quarter over quarter as successfully implemented price increases were offset by lower average pricing for certain products due to the commercialization of lower priced grades for new applications.

Earnings from continuing operations before tax and minority interests increased 13% to $51 million as the result of cost savings from a recent restructuring, the favorable effects of a planned maintenance turnaround as well as slightly higher volumes. These increases were partially offset by higher raw material and energy costs.

ACETATE PRODUCTS

Net sales for Acetate Products increased by 14% to $196 million compared to the same quarter last year on higher volumes and pricing. Flake volumes increased mainly as a result of demand from the company's ventures in China that recently completed tow capacity expansions. Filament volumes rose in anticipation of the company's plans to exit this business by the end of the second quarter. Pricing increased for all business lines to cover higher raw material costs.

Earnings from continuing operations before tax and minority interests more than doubled from $9 million in first quarter last year to $20 million this year due to increased volumes, pricing and productivity improvements, which more than offset higher raw material and energy costs. Earnings also benefited from $4 million in lower depreciation and amortization expense largely as a result of previous impairments related to a major restructuring, which was partly offset by $3 million of expense for an asset retirement obligation.

PERFORMANCE PRODUCTS

Net sales for the Performance Products segment increased by 7% to $47 million compared to the same period last year mainly on higher volumes, which more than offset lower pricing. Favorable currency movements also contributed to the sales increase. Higher volumes for Sunett(R) sweetener reflected strong growth from new and existing applications in the U.S. and European beverage and confectionary markets. Pricing for Sunett(R) declined on lower unit selling prices associated with higher volumes to major customers. Pricing for sorbates continued to recover, although worldwide overcapacity still prevailed in the industry.

Earnings from continuing operations before tax and minority interests increased to $12 million from $11 million in the same quarter last year. Strong volumes for Sunett(R), as well as favorable currency movements and cost savings, more than offset lower pricing for the sweetener. A primary European and U.S. production patent for Sunett(R) expired at the end of March 2005.

OTHER ACTIVITIES

Other Activities primarily consists of corporate center costs, including financing and administrative activities, and certain other operating entities, including the captive insurance companies.

Net sales for Other Activities increased slightly to $12 million from $11 million in the same quarter last year. Loss from continuing operations before tax and minority interests increased to ($253) million from a loss of ($57) million in the same period last year, largely due to $169 million of higher interest expense due to refinancing costs, increased debt levels, and higher interest rates. Included in the first quarter 2005 loss are $45 million of expenses for sponsor monitoring and related cancellation fees. This compares to $25 million in expenses in the same period last year for advisory services related to the tender offer for Celanese AG.

LIQUIDITY

As of March 31, 2005, the company had total debt of $3,439 million and cash and cash equivalents of $1,738 million. Net debt (total debt less cash and cash equivalents) temporarily decreased to $1,701 million from $2,549 million as of December 31, 2004, as cash was unusually high before the payment of the $804 million dividend to holders of

Series B common stock, which was derived from borrowings under the company's senior credit facilities and remaining proceeds from the initial public offering of our Series A common stock and the concurrent offering of preferred stock. The $804 million dividend was paid on April 7, 2005 to holders of Series B common shares, which were then converted into Series A common shares on the same day. In February, the company purchased the Vinamul business for $208 million.

In the first quarter of 2005, the company received $119 million in cash from an early contractual settlement of receivables for a prior divestiture and insurance recoveries related to the plumbing cases.

"We are pleased we could enhance our cash position through strong operational performance and these settlements," said Nelson. "We will continue to pursue all opportunities to improve our balance sheet as we move toward investment grade credit ratings."

OUTLOOK

Based on our strong first quarter business performance and assuming continued economic growth, we now expect full year 2005 adjusted basic earnings to be between $1.79 and $1.87 per share versus our previous guidance of $1.61 to $1.77 per share.

For the second quarter of 2005, we expect overall underlying business conditions to be similar to those of the first quarter. As a result, adjusted basic earnings is expected in the range of $0.36 to $0.41 per share. Basic EPS is expected to increase from ($0.08) to $0.30 - $0.35, primarily due to the absence of refinancing expenses of $102 million and lower special charges.

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. When used in this release, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," and variations of such words or similar expressions are intended to identify forward-looking statements. 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 Annual Report on Form 10K. 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.

Successor

Successor represents Celanese Corporation's financial position as of December 31, 2004 and March 31, 2005 and its consolidated results of operations for the three months ended March 31, 2005. These consolidated financial statements reflect the application of purchase accounting relating to the acquisition of Celanese AG.

Predecessor

Predecessor represents Celanese AG's consolidated results of its operations for the three months ended March 31, 2004. These results relate to a period prior to the acquisition of Celanese AG and present Celanese AG's historical basis of accounting without the application of purchase accounting.

The results of the Successor are not comparable to the results of the Predecessor due to the difference in the basis of presentation of purchase accounting as compared to historical cost.

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

This release reflects four performance measures, net debt, adjusted EBITDA, adjusted net earnings and adjusted basic earnings per share as non-U.S. GAAP measures. The most directly comparable financial measure presented in accordance with U.S. GAAP in our consolidated financial statements for net debt is total debt; for adjusted EBITDA is net earnings (loss); for adjusted earnings is net earnings (loss); and, for adjusted basic earnings per share is income available to common shareholders. For a reconciliation of these non-U.S. GAAP measures to U.S. GAAP figures, see the accompanying schedules to this release.

Use of Non-U.S. GAAP Financial Information

Adjusted EBITDA, a measure used by management to measure performance, 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. Our management believes adjusted EBITDA is useful to investors because it is one of the primary measures our management uses for its planning and budgeting processes and to monitor and evaluate financial and operating results. Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be an alternative to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Additionally, adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements nor does it represent the amount used in our debt covenants. Adjusted net earnings is defined as net earnings adjusted for special and one-time expenses. Adjusted basic earnings per share is defined as income available to common shareholders adjusted for special and one-time expenses divided by the number of common shares outstanding as of March 31, 2005. (The IPO occurred on January 21, 2005.) We believe that the presentation of all of the non-U.S. GAAP information provides useful information to management and investors regarding various financial and business trends relating to our financial condition and results of operations, and that when U.S. GAAP information is viewed in conjunction with non-U.S. GAAP information, investors are provided with a more meaningful understanding of our ongoing operating performance. This non-U.S. GAAP information is not intended to be considered in isolation or as a substitute for U.S. GAAP financial information.

Results Unaudited: The results presented in this release, 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.

CONSOLIDATED STATEMENTS OF OPERATIONS

in $ millions	Q1 2005 Successor	Q1 2004 Predecessor
NET SALES	1,509	1,243
Cost of sales	(1,125)	(1,002)
GROSS PROFIT	384	241
Selling, general and administrative expense	(161)	(137)
Research and development expense	(23)	(23)
Special charges	(38)	(28)
Foreign exchange gain, net	3	-
Gain (loss) on disposition of assets	1	(1)
OPERATING PROFIT	166	52
Equity in net earnings of affiliates	15	12
Interest expense	(176)	(6)
Interest income	15	5
Other income (expense), net	3	9
EARNINGS FROM CONTINUING OPERATIONS BEFORE TAX AND MINORITY INTERESTS	23	72
Income tax provision	(8)	(17)
EARNINGS FROM CONTINUING OPERATIONS BEFORE MINORITY INTERESTS	15	55
Minority interests	(25)	-
EARNINGS (LOSS) FROM CONTINUING OPERATIONS	(10)	55
Earnings from operation of discontinued operations (including gain on disposal of discontinued operations)	-	9
Related income tax benefit	-	14
Earnings from discontinued operations	-	23
NET EARNINGS (LOSS)	(10)	78

CONSOLIDATED BALANCE SHEETS

in $ millions	MARCH 31 2005	DEC 31 2004

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	1,738	838
Receivables, net:		
Trade receivables, net - third party and affiliates	998	866
Other receivables	544	670
Inventories	641	618
Deferred income taxes	75	71
Other assets	113	86
Assets of discontinued operations	3	2
TOTAL CURRENT ASSETS	4,112	3,151
Investments	567	600
Property, plant and equipment, net	1,839	1,702
Deferred income taxes	56	54
Other assets	654	756
Goodwill	779	747
Intangible assets, net	396	400
TOTAL ASSETS	8,403	7,410

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Short-term borrowings and current installments of long-term debt	139	144
Accounts payable and accrued liabilities:		
Trade payables - third party and affiliates	778	722
Other current liabilities	807	888
Dividends payable	804	-
Deferred income taxes	25	20
Income taxes payable	238	214
Liabilities of discontinued operations	8	7
TOTAL CURRENT LIABILITIES	2,799	1,995
Long-term debt	3,300	3,243
Deferred income taxes	230	256
Benefit obligations	987	1,000
Other liabilities	493	510
Minority interests	533	518
Shareholders' equity:		
Preferred stock	-	-
Common stock	-	-
Additional paid-in capital	352	158
Retained earnings (deficit)	(263)	(253)
Accumulated other comprehensive loss	(28)	(17)
Shareholders' equity (deficit)	61	(112)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	8,403	7,410

SALES

TABLE 1

NET SALES

in $ millions	Q1 2005 Successor	Q1 2004 Predecessor
Chemical Products	1,044	818
Technical Polymers Ticona	239	227
Acetate Products	196	172
Performance Products	47	44
SEGMENT TOTAL	1,526	1,261
Other activities	12	11
Intersegment eliminations	(29)	(29)
TOTAL	1,509	1,243

TABLE 2

FACTORS AFFECTING FIRST QUARTER 2005 SEGMENT SALES COMPARED TO FIRST QUARTER 2004

in percent	VOLUME	PRICE	CURRENCY	OTHER	TOTAL
Chemical Products	-1%	22%	3%	4%	28%
Technical Polymers Ticona	2%	0%	3%	0%	5%
Acetate Products	11%	3%	0%	0%	14%
Performance Products	9%	-7%	5%	0%	7%
SEGMENT TOTAL	2%	15%	2%	2%	21%

KEY FINANCIAL DATA

TABLE 3

OPERATING PROFIT (LOSS)

in $ millions	Q1 2005 Successor	Q1 2004 Predecessor
Chemical Products	177	65
Technical Polymers Ticona	39	31
Acetate Products	20	9
Performance Products	13	11

SEGMENT TOTAL	249	116
Other activities	(83)	(64)
TOTAL	166	52

TABLE 4

EARNINGS (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX AND MINORITY INTERESTS

	Q1 2005	Q1 2004
in $ millions	Successor	Predecessor
Chemical Products	193	64
Technical Polymers Ticona	51	45
Acetate Products	20	9
Performance Products	12	11
SEGMENT TOTAL	276	129
Other activities(1)	(253)	(57)
TOTAL	23	72

(1) Q1 2005 includes refinancing costs of $102 million

TABLE 5

DEPRECIATION AND AMORTIZATION EXPENSE

	Q1 2005	Q1 2004
in $ millions	Successor	Predecessor
Chemical Products	34	39
Technical Polymers Ticona	15	16
Acetate Products	9	13
Performance Products	3	2
SEGMENT TOTAL	61	70
Other activities	2	2
TOTAL	63	72

TABLE 6

CASH DIVIDENDS RECEIVED

in $ millions	Q1 2005 Successor	Q1 2004 Predecessor
Dividends from equity investments	36	15
Other distributions from equity investments	-	1
Dividends from cost investments	14	6
TOTAL	50	22

SPECIAL CHARGES AND OTHER EXPENSES

TABLE 7

SPECIAL CHARGES IN OPERATING PROFIT (LOSS)

in $ millions	Q1 2005 Successor	Q1 2004 Predecessor
Chemical Products	(1)	(1)
Technical Polymers Ticona	(1)	(1)
Acetate Products	(1)	-
Performance Products	-	-
SEGMENT TOTAL	(3)	(2)
Other activities	(35)	(26)
TOTAL	(38)	(28)

TABLE 8

BREAKOUT OF SPECIAL CHARGES BY TYPE

in $ millions	Q1 2005 Successor	Q1 2004 Predecessor
Employee termination benefits	(2)	(2)
Plant/office closures	(1)	-
Total restructuring	(3)	(2)
Termination of advisor monitoring agreement	(35)	-
Advisory services	-	(25)
Other	-	(1)
TOTAL	(38)	(28)

RECONCILATION OF NON-US GAAP ITEMS

TABLE 9

ADJUSTED NET EARNINGS AND ADJUSTED BASIC EPS

in $ millions, except per share data	Q1 2005
Basic EPS	(0.08)
Basic average shares outstanding	141,742,428 (1)
Net loss available to common shareholders	(12)
Cumulative undeclared preferred stock dividend	2
Net loss	(10)
Special items:	
Advisor monitoring fee	10
Refinancing costs	102
Special charges	38
ADJUSTED NET EARNINGS	140
Cumulative undeclared preferred stock dividend	(2)
Adjusted net earnings available to common shareholders	138
Shares outstanding as of March 31, 2005	158,491,201
ADUSTED BASIC EPS	0.87

(1) Basic earnings/(loss) per share is based on net earnings (loss) available to common shareholders divided by the weighted average number of common shares outstanding during the period, which includes 99,377,884 shares outstanding as of the beginning of the period and 59,113,317 shares issued as part of the initial public offering in January 2005 and a related stock dividend.

TABLE 10

NET DEBT

in $ millions	MARCH 31 2005	DEC 31 2004
Short-term borrowings and current installments of long-term debt	139	144
Plus: Long-term debt	3,300	3,243
Total debt	3,439	3,387
Less: Cash and cash equivalents	1,738	838
NET DEBT	1,701	2,549

TABLE 11

ADJUSTED EBITDA

in $ millions	Q1 2005 Successor	Q1 2004 Predecessor
Net earnings (loss)	(10)	78
Earnings from discontinued operations	-	(23)
Interest expense net:		
Interest expense	176	6
Interest income	(15)	(5)
Cash interest income used by captive insurance subsidiaries to fund operations	3	3
Taxes:		
Income tax provision	8	17
Depreciation and amortization	63	72
Unusual items:		
Special charges(1)	38	28
Severance and other restructuring charges not included in special charges	2	11
Unusual and non-recurring items	9	(2)
Other non-cash charges (income):		
Non-cash charges(2)	5	9
Cash dividends received in excess of equity in net earnings of affiliates	21	4
Excess of minority interest income over cash dividends paid to minority shareholders	25	-
Other adjustments:		
Advisor monitoring fee	10	-
Net (gain) loss on disposition of assets	(1)	1
Pro forma cost savings(3)	-	9
Adjusted EBITDA	334	208

(1) Special charges include provisions for restructuring and other expenses and income incurred outside the normal ongoing course of operations. Restructuring provisions represent costs related to severance and other benefit programs related to major activities undertaken to fundamentally redesign the business operations, as well as costs incurred in connection with decisions to exit non-strategic businesses. These measures are based on formal management decisions, establishment of agreements with employees' representatives or individual agreements with affected employees, as well as the public announcement of the restructuring plan. The related reserves reflect certain estimates, including those pertaining to separation costs, settlements of contractual obligations and other closure costs. We reassess the reserve requirements to complete each individual plan under existing restructuring programs at the end of each reporting period. Actual experience may be different from these estimates.

(2) Consists of the following:

	Q1 2005	Q1 2004

in $ millions	Successor	Predecessor
Purchase accounting for inventories	1	-
Amortization included in pension and OPEB expense	-	8
Stock option expense	-	1
Ineffective portion of a net investment hedge	4	-
Total non-cash charges	5	9

(3) Pro forma cost savings represent adjustments to net earnings (loss) on a pro forma basis for certain cost savings that we expect to achieve.

	Q1 2005	Q1 2004
in $ millions	Successor	Predecessor
Impact of additional assumed returns on pension contributions	-	9
Total pro forma cost savings	-	9

TABLE 12

GUIDANCE RECONCILIATION BASIC TO ADJUSTED EPS

	Q1 2005	Q2 2005	FY 2005
BASIC EPS GUIDANCE $/SHARE	(0.08)	0.30 - 0.35	0.55 - 0.75
ADJUSTMENTS			
REFINANCING	0.64		0.64
SPECIAL CHARGES	0.25	0.06	0.54 - 0.42
MONITORING FEE	0.06		0.06
ADJUSTED BASIC EPS - GUIDANCE $/SHARE	0.87	0.36 - 0.41	1.79 - 1.87

[Celanese logo
Graphic omitted]

FIRST QUARTER EARNINGS

CELANESE 1Q2005 EARNINGS
NYSE: CE
CONFERENCE CALL/WEBCAST
Tues., May 10, 2005 10 a.m CT

David Weidman, CEO
C.J. Nelson, CFO

[Celanese logo
Graphic omitted]

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. When used in this presentation, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," and variations of such words or similar expressions are intended to identify forward-looking statements. 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 presentation. 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. For a discussion of some of the factors, we recommend that you review the Company's Annual Report on Form 10-K 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.

[Celanese logo
Graphic omitted]

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

This presentation reflects four performance measures, net debt, adjusted EBITDA, adjusted net earnings and adjusted basic earnings per share as non-U.S. GAAP measures. The most directly comparable financial measure presented in accordance with U.S. GAAP in our consolidated financial statements for net debt is total debt; for adjusted EBITDA is net earnings (loss); for adjusted earnings is net earnings (loss); and, for adjusted basic earnings per share is income available to common shareholders. For a reconciliation of these non-U.S. GAAP measures to U.S. GAAP figures, see the accompanying schedules to this release.

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USE OF NON-GAAP FINANCIAL INFORMATION

Adjusted EBITDA, a measure used by management to measure performance, 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. Our management believes adjusted EBITDA is useful to investors because it is one of the primary measures our management uses for its planning and budgeting processes and to monitor and evaluate financial and operating results. Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be an alternative to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Additionally, adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements nor does it represent the amount used in our debt covenants. Adjusted net earnings is defined as net earnings adjusted for special and one-time expenses. Adjusted basic earnings per share is defined as income available to common shareholders adjusted for special and one-time expenses divided by the number of average common shares outstanding as of March 31, 2005. (The IPO occurred on January 21, 2005.) We believe that the presentation of all of the non-U.S. GAAP information provides useful information to management and investors regarding various financial and business trends relating to our financial condition and results of operations, and that when U.S. GAAP information is viewed in conjunction with non-U.S. GAAP information, investors are provided with a more meaningful understanding of our ongoing operating performance. This non-U.S. GAAP information is not intended to be considered in isolation or as a substitute for U.S. GAAP financial information.

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David Weidman

Chief Executive Officer

[Celanese logo
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STRONG UNDERLYING BUSINESS RESULTS

(IN $MILLIONS)

	1ST QTR 2005
SALES	$1,509 UP
OPERATING PROFIT	21%
ADJUSTED BASIC EPS	$166 UP 219%
DIVIDENDS FROM EQUITY & COST INVESTMENTS	$0.87
ADJUSTED EBITDA	$50
	$334 UP 61%

o Expansion of operating profit and strengthened cash position o Higher pricing on strong demand and high capacity utilization in Chemical Products

o Bolstered downstream acetyls business with Vinamul acquisition

o New leadership team in place

[Celanese logo Graphic omitted]

CHEMICALS PRODUCTS

(IN $MILLIONS)	1ST QTR 05
SALES	$1,044 UP 28%
SEGMENT EARNINGS(1)	$193 UP 202%

First Quarter:

o Significant price increases on robust demand, high industry capacity utilization

o Pricing more than offset higher raw material costs

Outlook:

o Continued strength in the business in 2nd quarter

o 2nd quarter earnings to be in same range as first quarter

o In second half 2005, new acetyls capacity expected to temporarily ease tight supply/demand

STRONG INTEGRATED CHAIN OF ACETYL PRODUCTS

(1) -Earnings from continuing operations before tax and minority interests

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TICONA

(IN $MILLIONS)

	1ST QTR 05
SALES	$239 UP 5%
SEGMENT EARNINGS(1)	$51 UP 13%

First Quarter:

o Volume growth from continued penetration in new applications

o Weakened sales to European automotive sector o Successfully implemented price increases, understated by product mix

Outlook:

o Expect further success in increasing prices

o Modest volume growth due to downturn in automotive

FOCUS ON INCREASED GROWTH THROUGH INNOVATION

(1) -Earnings from continuing operations before tax and minority interests

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ACETATE/PERFORMANCE PRODUCTS SUMMARIES

(IN $MILLIONS)	1ST QTR 05
SALES	$196 UP 14%
SEGMENT EARNINGS(1)	$20 MILLION UP 122%

ACETATE

o Strong results on higher volumes, pricing and productivity improvements

o China venture expansions moving forward

o Restructuring of operations on schedule

(IN $MILLIONS)	1ST QTR 05
SALES	$47 UP 7%
SEGMENT EARNINGS(1)	$12 UP 9%

PERFORMANCE PRODUCTS

o Stable earnings on strong sweetener demand

o Pricing declines on sales to large-volume customers

ATTRACTIVE, CASH GENERATING BUSINESSES

(1) -Earnings from continuing operations before tax and minority interests

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Graphic omitted]

C. J. Nelson

Executive Vice President and Chief Financial Officer

[Celanese logo
Graphic omitted]

FINANCIAL HIGHLIGHTS

IN $ MILLIONS (EXCEPT PER SHARE DATA)	1ST QTR 2005	1st Qtr 2004
	SUCCESSOR	Predecessor
Net sales	1,509	1,243
Operating Profit	166	52
SG&A	(161)	(137)
Net income	(10)	78
Basic EPS	(0.08)	n.m.
Special items		
Refinancing expenses	102	-
Special charges	38	28
Advisor monitoring fee	10	-
Adjusted Basic EPS	0.87	n.m.
Adjusted EBITDA	334	208

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Graphic omitted]

FULL YEAR 2005 KEY MODELING ASSUMPTIONS

INCOME STATEMENT

($ MILLIONS)

- DEPRECIATION = $240-$260
- SPECIAL CHARGES = $65-$85
  - INCLUDES 1Q CANCELLATION OF MONITORING FEE $35
- INTEREST EXPENSE = $290-$300
  - EXCLUDING DEFERRED FINANCE/DEBT PREMIUM OF APPROX. $102
  - AVG COST OF BORROWED CAPITAL = 7%
- EFFECTIVE TAX RATE OF 35% AT THE BASIC EPS LEVEL
- 1Q MONITOR FEE PAYMENT $10

EQUITY - CE SHARES

- COMMON STOCK = 158.5 MILLION OUTSTANDING
- POTENTIALLY DILUTIVE SECURITIES AS OF MAR. 3
  - 11 MILLION SHARES - STOCK OPTIONS
  - 12 MILLION SHARES - CONVERTED PREFERRED
- PREFERRED STOCK DIVIDENDS = APPROX. $10 MILLION ON 9.6 MILLION OUTSTANDING SHARES

EQUITY - CAG MINORITY INTEREST

- APPROXIMATELY 8 MILLION SHARES OUTSTANDING AS OF APRIL 26
- CURRENT TENDER OFFER PRICE = [EURO]41.92/SHA

- MINORITY INTEREST IN TEENS/QTR BEYOND 1Q
- OTHER ACTIVITIES OPERATING PROFIT IN MID ($30'S)/QTR BEYOND 1Q
- NET GUARANTEED PAYMENT = APPROXIMATELY [EURO]24 MILLION

CAPITAL EXPENDITURES

- CAPITAL EXPENDITURES = $200 - $220 MM

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SIGNIFICANT CONTRIBUTION FROM EQUITY
AND COST INVESTMENTS

[BAR CHART - GRAPHIC OMITTED]

$ MILLIONS

50

14

40

30

1

20

36

6

10

15

15

12

0

1ST QTR 05 1ST QTR 05 1ST QTR 04 1ST QTR 04

- 2004 Full Year Dividends = $76 million
- 2005 expected to be $90-100 million

[ ] Equity Earnings

[ ] Dividends - cost investments

[ ] Dividends - equity investments

[ ] Dividends Other

DIVIDEND PAYMENTS USUALLY STRONGEST IN 1ST QTR

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Graphic omitted]

CAPITALIZATION

(IN $MILLIONS)

	DECEMBER 31, 2004	MARCH 31, 2005
CASH	838	1,738
Senior Credit Term Loan	624	1,750
Delayed Draw Term Loan	-	-
Floating Rate Term Loan	350	-
TOTAL SENIOR DEBT	974	1,750
Senior Sub Notes ($)	1,231	800
Senior Sub Notes ((euro) - translated at	272	169
1.2964)	383	369
Assumed Debt	2,860	3,088
TOTAL CASH PAY DEBT	103	68
Discount Notes Series A	424	283
Discount Notes Series B	3,387	3,439
TOTAL DEBT		
	(112)	61
Shareholders' Equity	3,275	3,500
TOTAL CAPITALIZATION		

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DEBT AMORTIZATION AND MATURITY
AS OF MARCH 31, 2005

$ IN MILLIONS

[BAR CHART - GRAPHIC OMITTED]

SENIOR SECURED TERM LOAN -
$1,652

1,800
1,600
1,400
1,200
1,000
800
600
400
200
0

REMAINING 2005* 2006 2007 2008 2009 2010 2011 2012 2013

* INCLUDES $114 SHORT-TERM BORROWING FROM AFFILIATED COMPANIES

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Graphic omitted]

SIGNIFICANT NEAR-TERM OPPORTUNITIES

MAJOR ACETATE RESTRUCTURING

} Exiting non-strategic filament business

} Consolidating 5 sites into 3

} Reducing work force by 35-40%

} Increasing China JV capacity to capture growth

PURCHASING SAVINGS OPPORTUNITIES

} Potential EBITDA improvement of roughly $100 million

- o 70-80% from MRO, Logistics, and Capex
- o 20-30% from Raw Materials

} Full effects of initiative to be realized in two to three years

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COMBINED BUSINESS OUTLOOK

2ND QUARTER

- o Basic EPS to increase to $0.30 - $0.35
- o Reflects absence of $102 million in refinancing expenses and lower special charges

FULL YEAR 2005

- o Adjusted EPS to increase to $1.79 to $1.87
- o Basic EPS to increase to $0.55 to $0.75
- o Based on strong first quarter performance, continued economic growth and cautious view of new acetyls capacity in second half

ADJUSTED

EBITDA

- o Full year adjusted EBITDA expected to increase 20-25% from 2004 result of $801 million
- o 2nd quarter expected to increase 25-30% from 2004 result of $188 million

ADJUSTED EBITDA GUIDANCE RECONCILIATION

(usd millions)	Q2 2005 Median Guidance
Net earnings (loss)	60
Interest Expense Net:	
Interest Expense	70
Interest Income	(5)
Taxes:	
Income tax provision	40
Depreciation and Amortization	65
Unusual items:	
Special Charges	10
Other non-cash charges (income):	
Cash dividends received in excess of equity in net earnings of affiliates	(10)
Excess of minority interest income over cash dividends paid to minority shareholders	10
Other Adjustments:	
Advisor monitoring fee	0
Other (1)	0
Adjusted EBITDA	240

Other includes:

Earnings from Discontinued Operations
Cash interest income used by captive Insurance subsidiaries to fund operations
Severance and other restructuring charges not included in special charges
Unusual and non-recurring items
Other non-cash charges (income):
Net (gain) loss on disposition of assets
Pro forma cost savings