

# CELANESE CORP

## **FORM 8-K** (Current report filing)

Filed 12/07/09 for the Period Ending 12/07/09

|             |  |
|-------------|--|
| Address     | 222 W. LAS COLINAS BLVD., SUITE 900N<br>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) : **December 7, 2009**

**CELANESE CORPORATION**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of incorporation)

**001-32410**  
(Commission File Number)

**98-0420726**  
(IRS Employer Identification No.)

**1601 West LBJ Freeway, Dallas, Texas 75234-6034**

(Address of Principal Executive Offices) (Zip Code)

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

**Not Applicable**

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

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

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

**Item 7.01 Regulation FD Disclosure.**

On December 9, 2009, David N. Weidman, chairman and chief executive officer of Celanese Corporation (the "Company"), will address attendees of the Bank of America Merrill Lynch 2009 Global Industries Conference in New York. The slideshow presentation that will accompany the remarks made by Mr. Weidman and other investor relations professionals of the Company, during the conference and at other investor sessions, is being furnished to the Securities and Exchange Commission and is attached hereto as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 7.01 disclosure. A webcast of the presentation and a replay of the webcast will be available on the Company's website at [www.celanese.com](http://www.celanese.com) under Investor/Presentations & Webcasts.

The information set forth in this Item 7.01, as well as statements made by representatives of the Company during the course of the presentation, includes "forward-looking statements". All statements, other than statements of historical facts, included in this Item 7.01, the attached Exhibit 99.1, or made during the course of the presentation, that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements.

In connection with the disclosure set forth in this 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 filings. 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.**

Exhibit(s)

(d)

| Exhibit Number | Description   |
|----------------|---|
| 99.1           | Slide Presentation related to the presentation to be given by Celanese Corporation at the Bank of America Merrill Lynch 2009 Global Industries Conference on December 9, 2009 in New York |

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**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**

Date: December 7, 2009

By: /s/ Robert L. Villaseñor

Name : Robert L. Villaseñor

Title : Associate General Counsel and  
Assistant Secretary

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## Exhibit Index

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| Exhibit Number | Description   |
|----------------|---|
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**Celanese Corporation**

**December 2009**

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# Forward Looking Statements

## Reconciliation and Use of Non-GAAP Measures to U.S. GAAP

### 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 release, the words "outlook," "forecast," "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 filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and the company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

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

This presentation reflects five performance measures, operating EBITDA, affiliate EBITDA, adjusted earnings per share, net debt and adjusted free cash flow, 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 operating EBITDA is operating profit; for affiliate EBITDA is equity in net earnings of affiliates; for adjusted earnings per share is earnings per common share-diluted; for net debt is total debt; and for adjusted free cash flow is cash flow from operations.

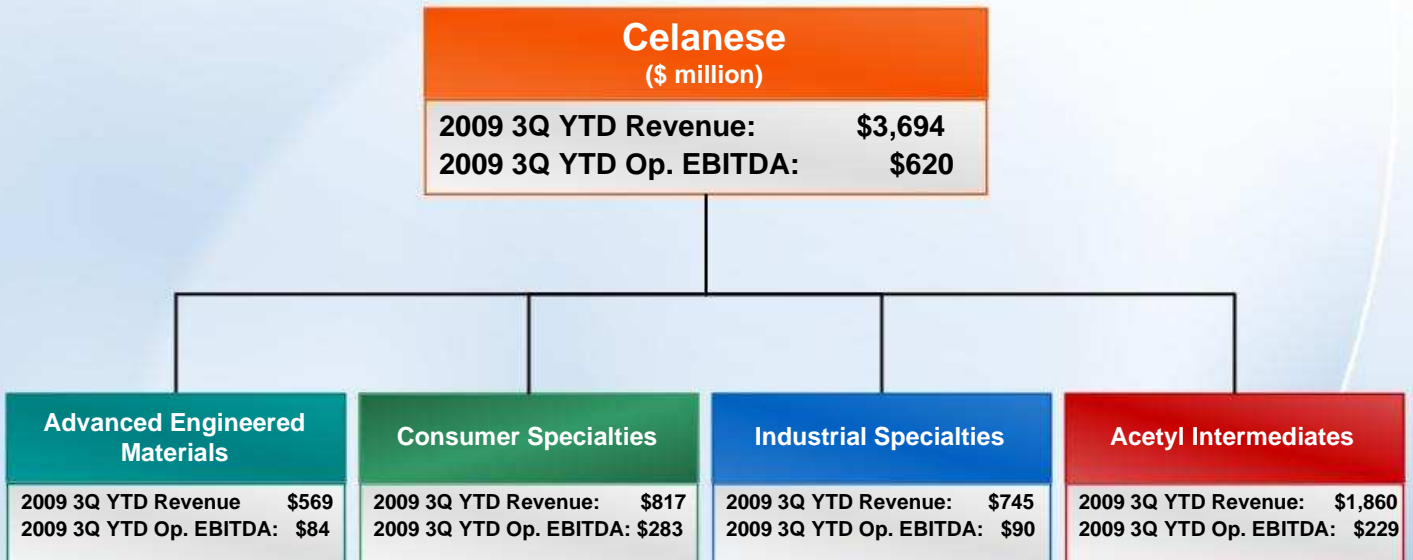
### Use of Non-U.S. GAAP Financial Information

- ▶ Operating EBITDA, a measure used by management to measure performance, is defined as operating profit from continuing operations, plus equity in net earnings from affiliates, other income and depreciation and amortization, and further adjusted for other charges and adjustments. We may provide guidance on operating EBITDA and are unable to reconcile forecasted operating EBITDA to a U.S. GAAP financial measure because a forecast of Other Charges and Adjustments is not practical. Our management believes operating 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. Operating EBITDA is not a recognized term under U.S. GAAP and does not purport to be an alternative to operating profit 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 operating EBITDA may not be comparable to other similarly titled measures of other companies. Additionally, operating 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.
- ▶ Affiliate EBITDA, a measure used by management to measure performance of its equity investments, is defined as the proportional operating profit plus the proportional depreciation and amortization of its equity investments. Affiliate EBITDA, including Celanese Proportional Share of affiliate information on Table 8, is not a recognized term under U.S. GAAP and is not meant to be an alternative to operating cash flow of the equity investments. The company has determined that it does not have sufficient ownership for operating control of these investments to consider their results on a consolidated basis. The company believes that investors should consider affiliate EBITDA when determining the equity investments' overall value in the company.
- ▶ Adjusted earnings per share is a measure used by management to measure performance. It is defined as net earnings (loss) available to common shareholders plus preferred dividends, adjusted for other charges and adjustments, and divided by the number of basic common shares, diluted preferred shares, and options valued using the treasury method. We may provide guidance on an adjusted earnings per share basis and are unable to reconcile forecasted adjusted earnings per share to a GAAP financial measure without unreasonable effort because a forecast of Other Items is not practical. We believe that the presentation of this non-U.S. GAAP measure 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.
- ▶ The tax rate used for adjusted earnings per share approximates the midpoint in a range of forecasted tax rates for the year, excluding changes in uncertain tax positions, discrete items and changes in management's assessments regarding the ability to realize deferred tax assets. 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 significantly from the tax rate used for U.S. GAAP reporting in any given reporting period. It is not practical to reconcile our prospective adjusted tax rate to the actual U.S. GAAP tax rate in any future period.
- ▶ Net debt is defined as total debt less cash and cash equivalents. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding changes to the company's capital structure. Our management and credit analysts use net debt to evaluate the company's capital structure and assess credit quality. This non-U.S. GAAP information is not intended to be considered in isolation or as a substitute for U.S. GAAP financial information.
- ▶ Adjusted free cash flow is defined as cash flow from operations less capital expenditures, other productive asset purchases, operating cash from discontinued operations and certain other charges and adjustments. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding changes to the company's cash flow. Our management and credit analysts use adjusted free cash flow to evaluate the company's liquidity and assess credit quality. 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 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.

# Celanese diversified portfolio delivers shareholder value through leading franchises



**Strong financial performance in a challenging year**

# Portfolio well-positioned to deliver and execute




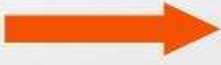



|   | Portfolio Characteristics   | Financial Impact  |
|---|---|---|
| <b>Acetyl Intermediates</b><br>(Acetic Acid, Vinyl Acetate Monomer, Acetyl Derivatives) | <ul style="list-style-type: none"> <li>▶ A global leader</li> <li>▶ Advantaged technology</li> <li>▶ Superior cost position</li> </ul>                  | <ul style="list-style-type: none"> <li>▶ Capital efficient</li> <li>▶ More stable EBITDA</li> </ul>     |
| <b>Advanced Engineered Materials</b><br>(Engineered Thermoplastics and Polymers)        | <ul style="list-style-type: none"> <li>▶ Industry-leading technology</li> <li>▶ Strong product pipeline</li> </ul>                                      | <ul style="list-style-type: none"> <li>▶ Higher growth</li> <li>▶ Margin expansion</li> </ul>           |
| <b>Industrial Specialties</b><br>(Vinyl Emulsions and Polymers)                         | <ul style="list-style-type: none"> <li>▶ Upstream integration</li> <li>▶ Emerging economy opportunities</li> <li>▶ Growth through innovation</li> </ul> | <ul style="list-style-type: none"> <li>▶ Asia growth</li> <li>▶ Increased demand for low VOC</li> </ul> |
| <b>Consumer Specialties</b><br>(Acetate Flake and Tow, High Intensity Food Sweetener)   | <ul style="list-style-type: none"> <li>▶ Stable cash generation</li> <li>▶ Industry-leading partnerships in Asia</li> </ul>                             | <ul style="list-style-type: none"> <li>▶ Cash flow</li> <li>▶ Stable</li> </ul>                         |

**Balanced portfolio creates a unique hybrid business model**

# Celanese's strategic DNA remains consistent

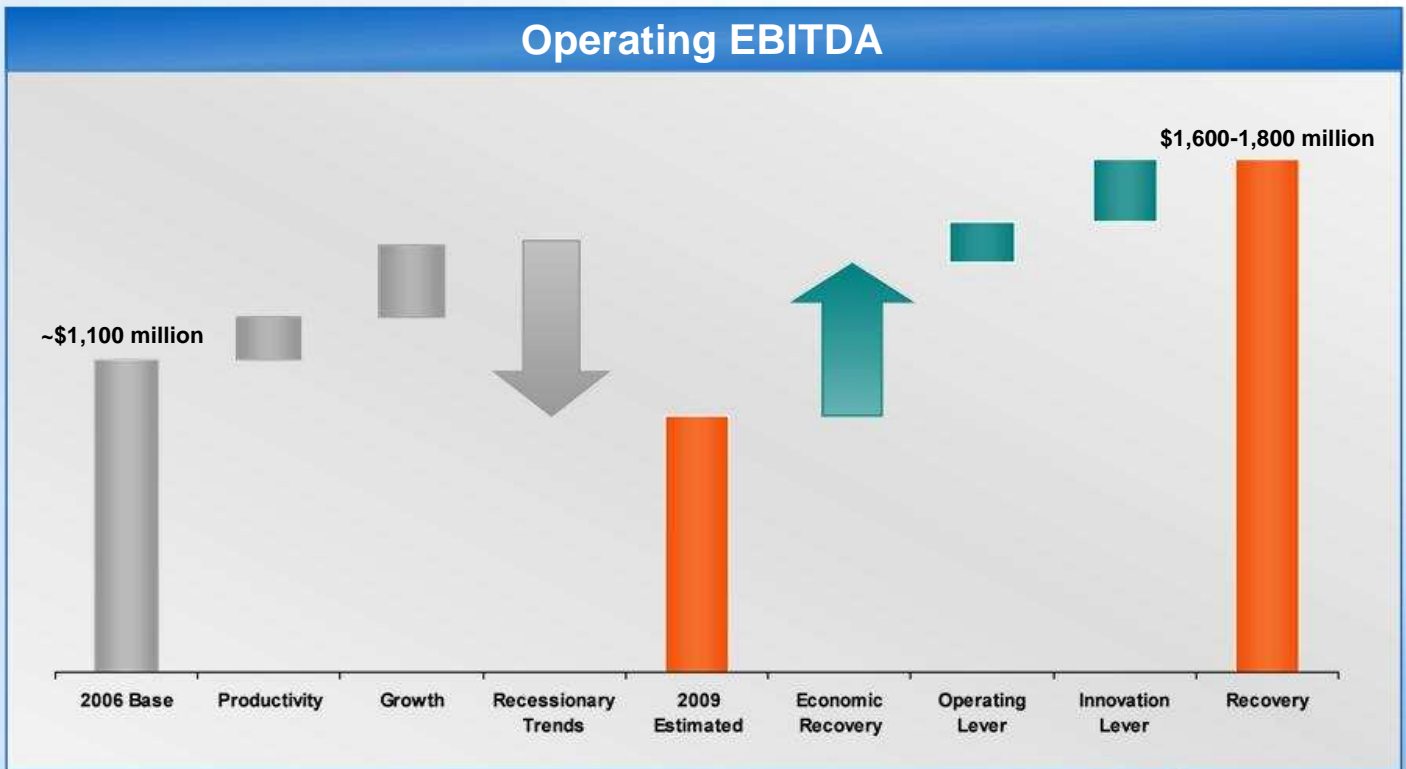


# Why Celanese? Why Celanese Now?

|                                 | Celanese Advantages   |  | Celanese Levers of Value |
|---------------------------------|---|--|--------------------------|
| <b>Earnings Power Expansion</b> | <ul style="list-style-type: none"> <li>▶ Sustainable fixed spending reductions</li> <li>▶ Efficient and scalable capital</li> </ul> |  | <b>Operating</b>         |
|                                 | <ul style="list-style-type: none"> <li>▶ Global macro trends driving customer growth</li> </ul>                                     |  | <b>Innovation</b>        |
| <b>Economic Recovery</b>        | <ul style="list-style-type: none"> <li>▶ Balanced footprint in key regions</li> </ul>   |  | <b>Geographic</b>        |
|                                 | <ul style="list-style-type: none"> <li>▶ Recovering conditions in key end-use industries</li> </ul>                                 |  | <b>Demand</b>            |
|                                 | <ul style="list-style-type: none"> <li>▶ Attractive balance sheet with strong cash generation</li> </ul>                            |  | <b>Capital Structure</b> |

**Increasing the earnings power of the business through multiple levers**

# Increased earnings power drives significant shareholder value



**Second half 2009 performance provides platform for future growth**



# Levers build significant earnings power of the portfolio



| Group            |                               | Economic Recovery       |              |                  | Expanded Earnings Power |                  |                                  |
|------------------|-------------------------------|-------------------------|--------------|------------------|-------------------------|------------------|----------------------------------|
|                  |                               | Capital Structure Lever | Demand Lever | Geographic Lever | Operating Lever         | Innovation Lever | 2009E to Recovery EBITDA Growth* |
| Operating EBITDA | Advanced Engineered Materials |                         | X            | X                | X                       | X                | \$275-325MM                      |
|                  | Consumer Specialties          |                         |              | X                | X                       |                  | \$10-60MM                        |
|                  | Acetyl Intermediates          |                         | X            | X                | X                       | X                | \$275-375MM                      |
|                  | Industrial Specialties        |                         | X            | X                | X                       | X                | \$75-125MM                       |



**Earnings power of portfolio expected to double from today's level**

\* "2009 to Recovery EBITDA Growth" based on Nov. 20, 2009 first call consensus EBITDA estimate and management's previous Recovery range of \$1.6 - 1.8 billion.

# Well defined path forward - delivering today



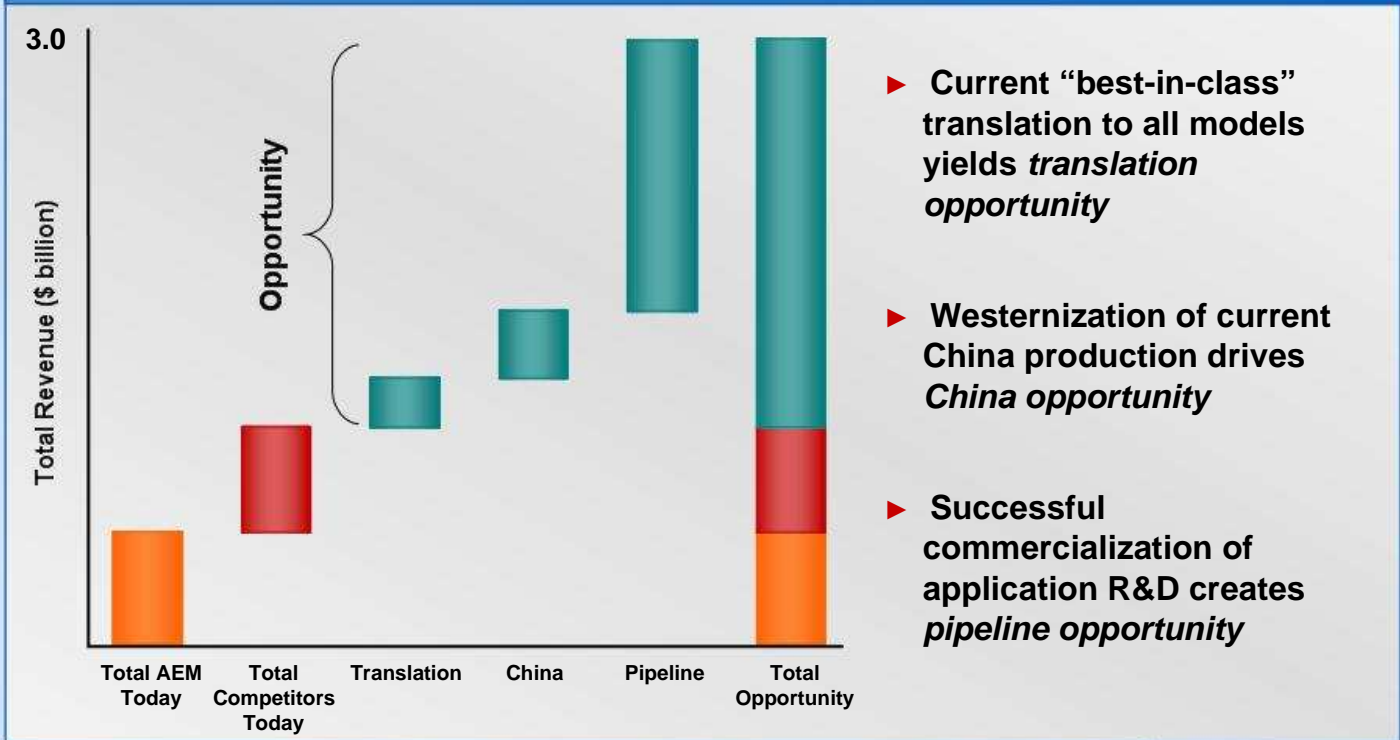
|                                      |   |   |   |
|--------------------------------------|---|---|---|
| <b>Advanced Engineered Materials</b> | <ul style="list-style-type: none"><li>▶ Launch of innovative impact modified POM</li></ul>  | ➔ | <ul style="list-style-type: none"><li>▶ 2010+: \$500 million application opportunity growth</li></ul>   |
| <b>Consumer Specialties</b>          | <ul style="list-style-type: none"><li>▶ MOU announced for Acetate expansion project with current China partner</li></ul>  | ➔ | <ul style="list-style-type: none"><li>▶ 2011+: Increased earnings through JV dividends</li></ul>  |
| <b>Acetyl Intermediates</b>          | <ul style="list-style-type: none"><li>▶ Nanjing successfully expanded to 1.2 kt/a acid capacity</li><li>▶ Pardies site closure project on schedule for completion end of 2009</li><li>▶ Jiangxi Jiangwei VAM sourcing agreement</li></ul> | ➔ | <ul style="list-style-type: none"><li>▶ 2010+: \$40-50 million operating margin improvement</li><li>▶ Strengthen derivatives position</li></ul> |
| <b>Industrial Specialties</b>        | <ul style="list-style-type: none"><li>▶ Nanjing VAE / Emulsion capacity expansion</li></ul>   | ➔ | <ul style="list-style-type: none"><li>▶ 2011+: Volume expansion supporting growth in China</li></ul>  |

**Recent strategic actions build earnings power of portfolio**



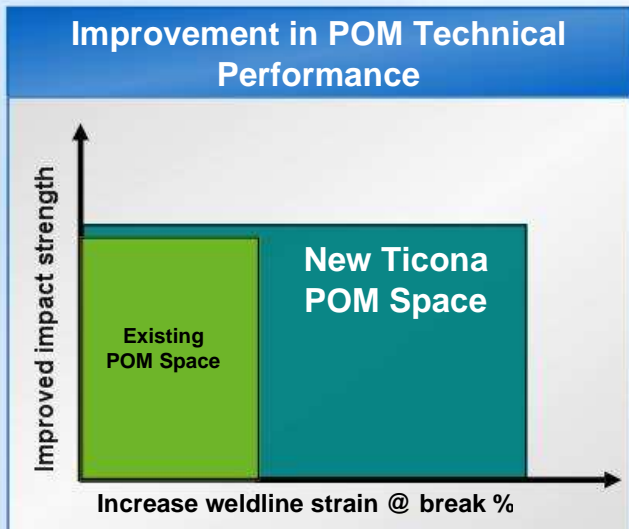
# AEM: Application development creates current - and future - opportunities

## Automotive Opportunity



**Significant opportunities exist in ~\$3 billion industry space**

# Ticona: Growing application space through innovation



## Incremental \$500 Million Application Opportunity

### Automotive Applications

- ▶ Chemical resistance
- ▶ Superior impact & weldline strength
- ▶ Elevated heat deflection temperature

### Industrial Applications

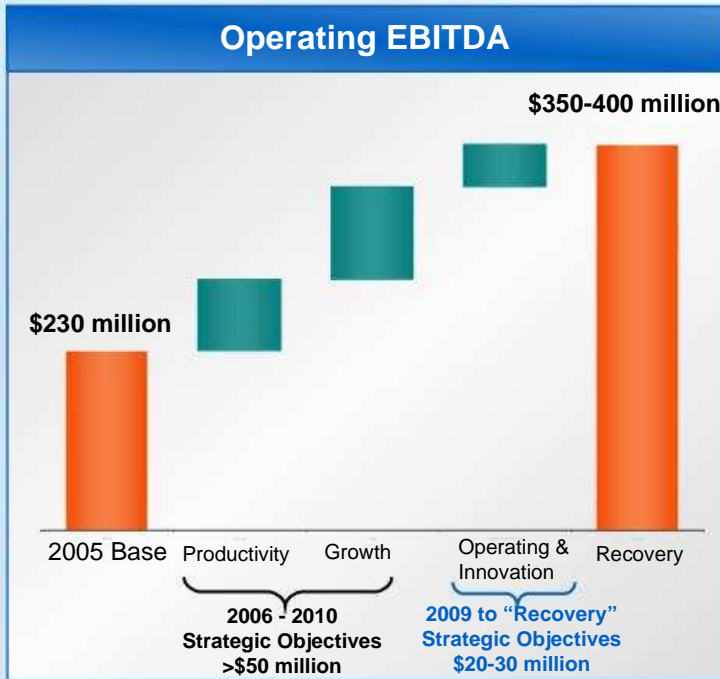
- ▶ Higher stiffness (Modulus)
- ▶ Improved slip & wear performance
- ▶ Less mold deposit

### Consumer Applications

- ▶ Design freedom
- ▶ Superior impact and weldline strength

**Technology enables additional \$500 million application space opportunity**

# CS: Acetate Tow demand in China will drive worldwide growth



**MOU announced for expansion project with current China partner**

## AI: A growing franchise in an attractive industry

### A Growing Franchise

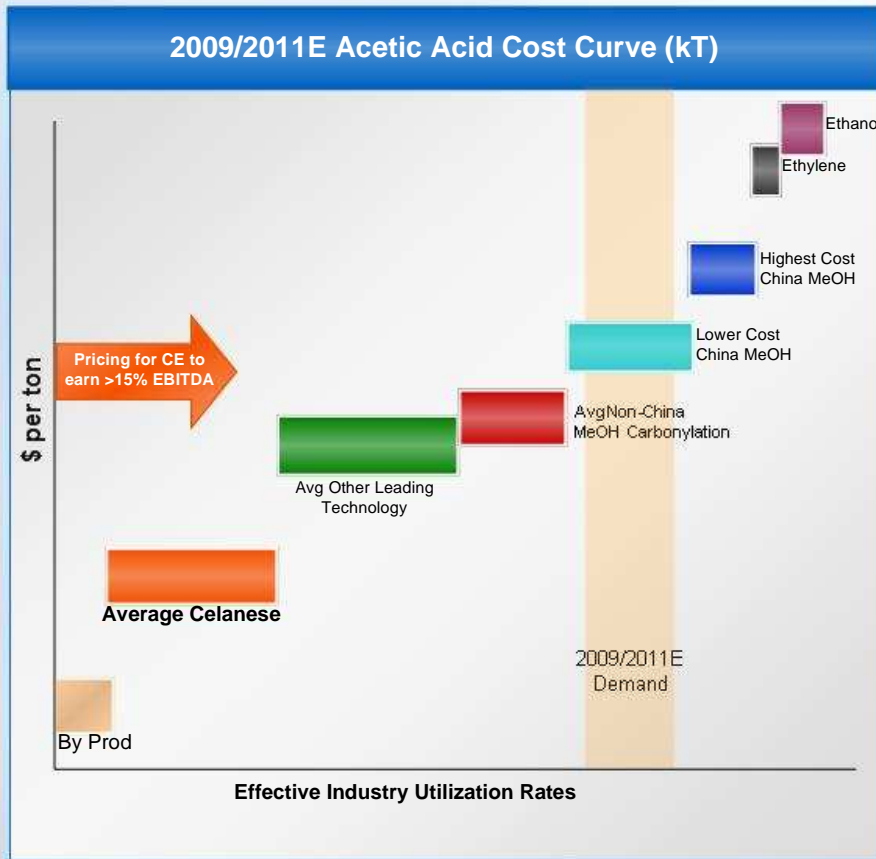
- ▶ Proven execution and leadership capability
- ▶ Significant value from downstream derivatives
- ▶ Build upon advantages to optimize returns over the long-term

### An Advantaged Business in an Attractive Industry

- ▶ Long-term growth rates in excess of GDP
- ▶ Favorable position on a steep industry cost curve
- ▶ Advantaged raw material and conversion position
- ▶ Flexible manufacturing and low-cost capacity

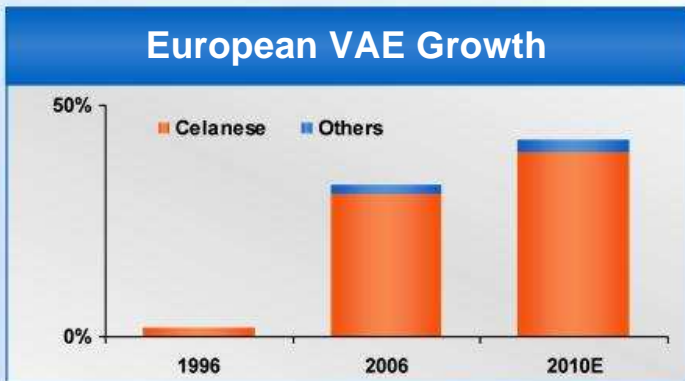
**Technology leadership at the heart of Acetyl competitive position**

# AI: New capacity not expected to impact Celanese's advantaged position on the cost curve



- ▶ Manufacturing realignment and Nanjing expansion further improving cost position
- ▶ Majority of planned capacity additions and expansions may be disadvantaged
- ▶ Reinvestment economics challenged for non-leading technologies

# IS: Global leader in emulsions systems for environmentally-friendly paints and coatings



## US interior paint market changing

- ▶ Consumer perception favoring “greener” building products
- ▶ Regulation shifting to low-VOC content
- ▶ Celanese building off of a European leadership position

## Celanese EcoVAE® Progress

- ▶ 14 new customers utilizing EcoVAE®
- ▶ Projects with six major paint producers
- ▶ Launching new EcoVAE® products
  - Low-VOC exterior paint
  - Acrylic replacement in Non-Flats
- ▶ Expanding EcoVAE® products to Asia

**Global opportunity of \$400-500 million - Nanjing expansion announced to meet growing China demand**

# 2010 Earnings Improvement



**Represents approximately \$1.00 per share in 2010 earnings improvement**



## Hybrid portfolio well positioned

| 2010E Cash Generation off EBITDA Base |                      |  |
|---------------------------------------|----------------------|--|
| \$ in millions                        | 2010E                | Comments   |
| Cash Taxes                            | \$140 - \$160        | Consistent with earnings growth and lower tax rate                         |
| Capital Expenditures                  | \$240 - \$260        | Continued focus on cost reduction and growth through Nanjing VAE expansion |
| Reserve/Other                         | \$110 - \$130        | Increase primarily related to fixed spending reduction efforts             |
| Net Interest                          | \$200 - \$210        | Unchanged from 2009  |
| Pension                               | \$40 - \$50          | No significant increase expected in 2010                                   |
| <b>Adjusted Free Cash Outflows</b>    | <b>\$730 - \$810</b> |  |

**Strong cash generation continues throughout economic cycle**



## Positive cash generation and portfolio improvements enhance our cash position

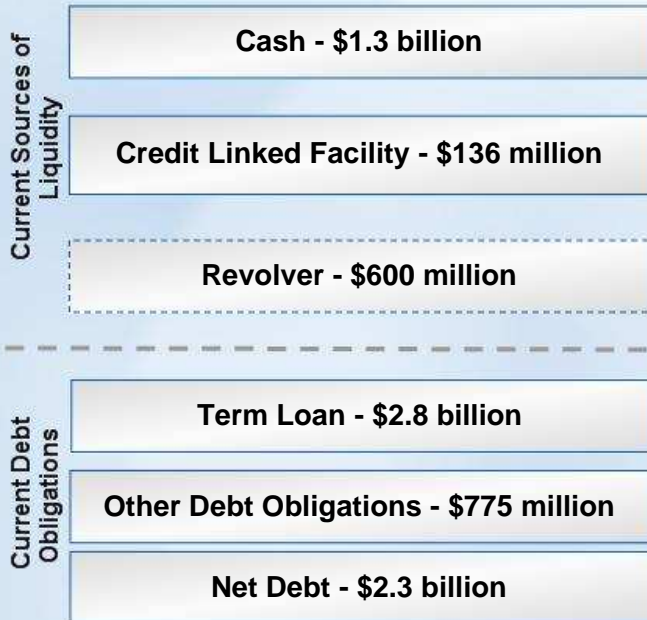
| <b>Available Cash</b>                        |                |
|--|----------------|
| <i>\$ million</i>                            |                |
| <b>Cash</b> (as of 9/30/2009)                | <b>\$1,293</b> |
| Kelsterbach Spending                         | ~(\$300)       |
| Operating Cash                               | ~(\$300)       |
| <b>Cash Available for Strategic Purposes</b> | <b>~\$700</b>  |

- ▶ Ticona Kelsterbach relocation cash flow neutral through end of 2010
- ▶ Expect to continue to generate positive free cash flow
- ▶ Productivity investments expected to be self-funding

**Significant cash available for strategic purposes after anticipated cash commitments**

# Celanese capital structure

## Primary Components



## Structure Characteristics

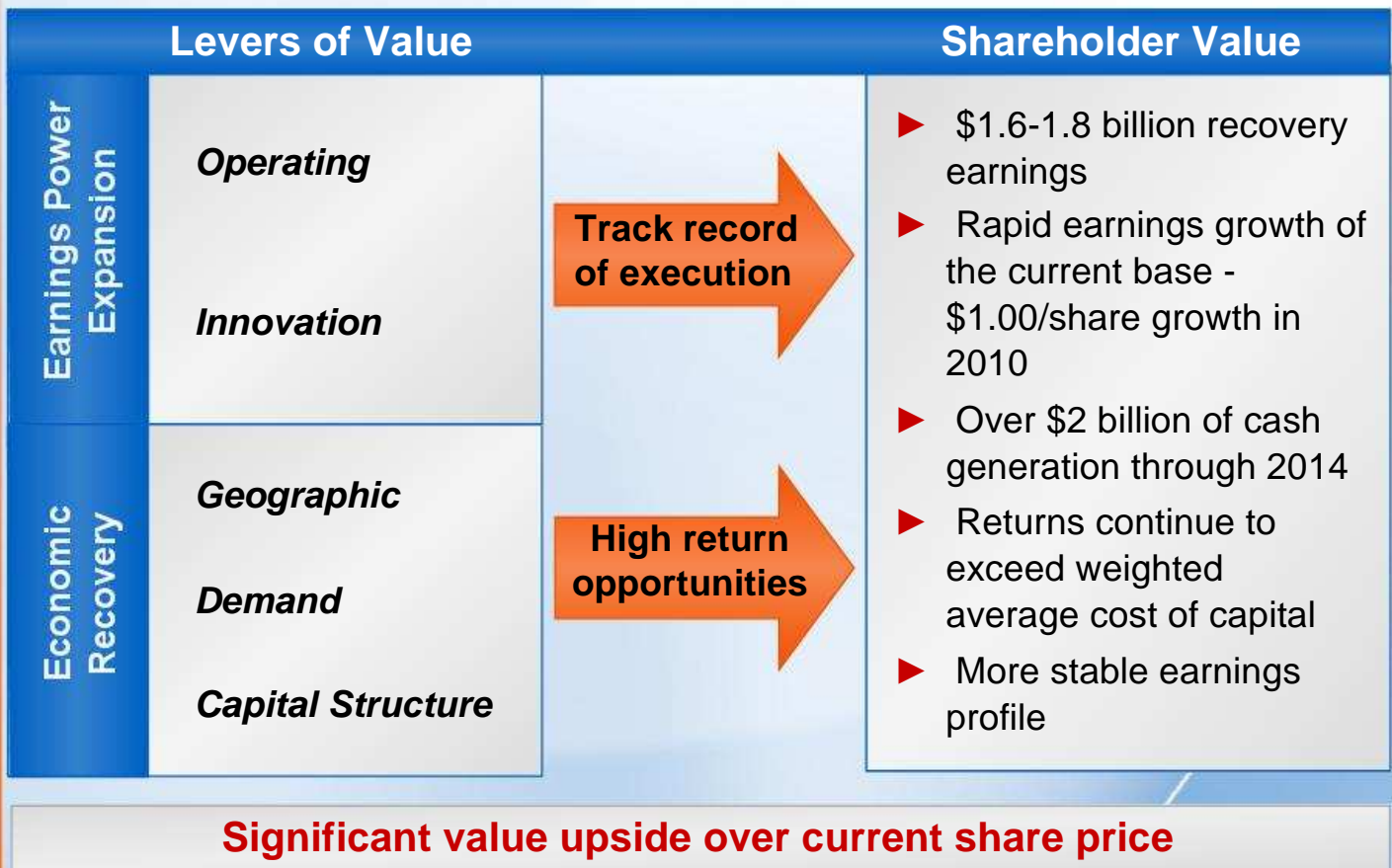
Cost

Stability

Flexibility

**Solid liquidity position and covenant-lite term loan create advantaged capital structure**

# Why Celanese? Why Celanese Now?



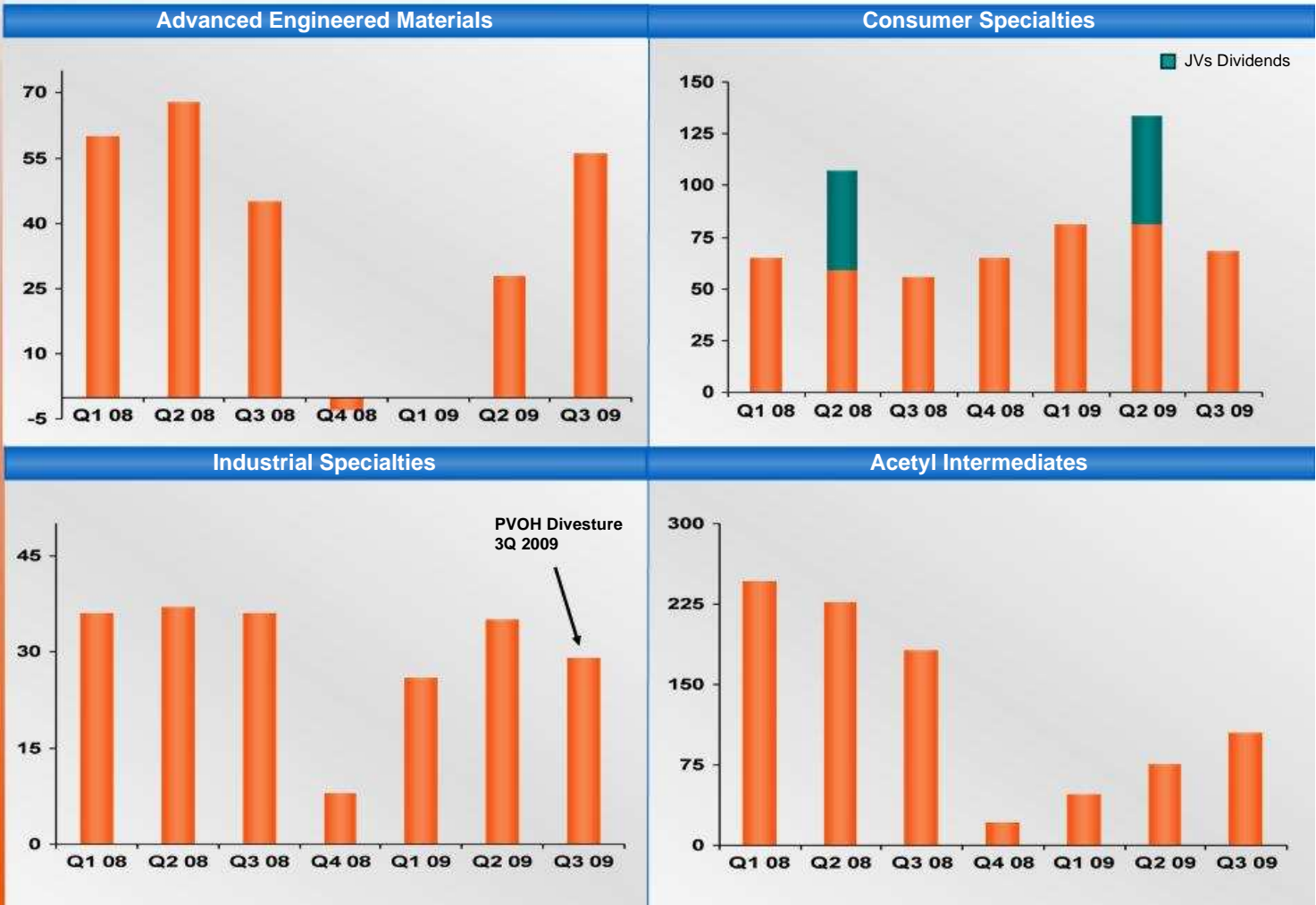


**Celanese Corporation**

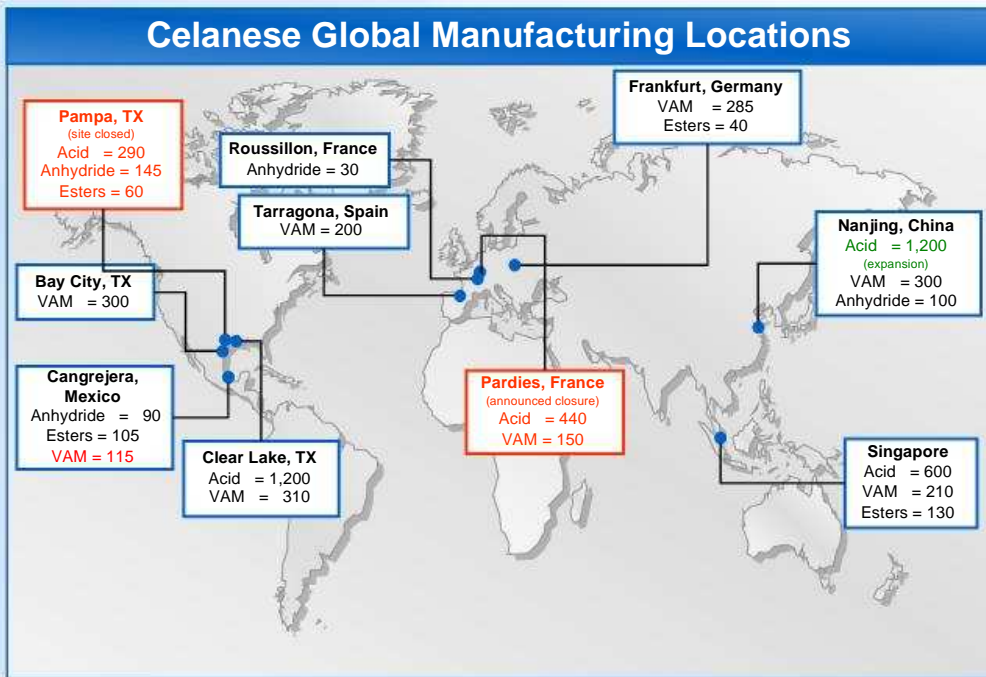
December 2009

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# Segment Operating EBITDA Recovery



# Leading global footprint positioned to meet customer demand



- ▶ Utilization of all global Celanese acetic acid and downstream sites to meet global customer needs
- ▶ Ensure all Celanese sites have a leading cost structure
- ▶ Strategy to remove high cost facilities

**Celanese well-positioned globally to meet changing demand landscape**



# Delays in project startups likely to continue



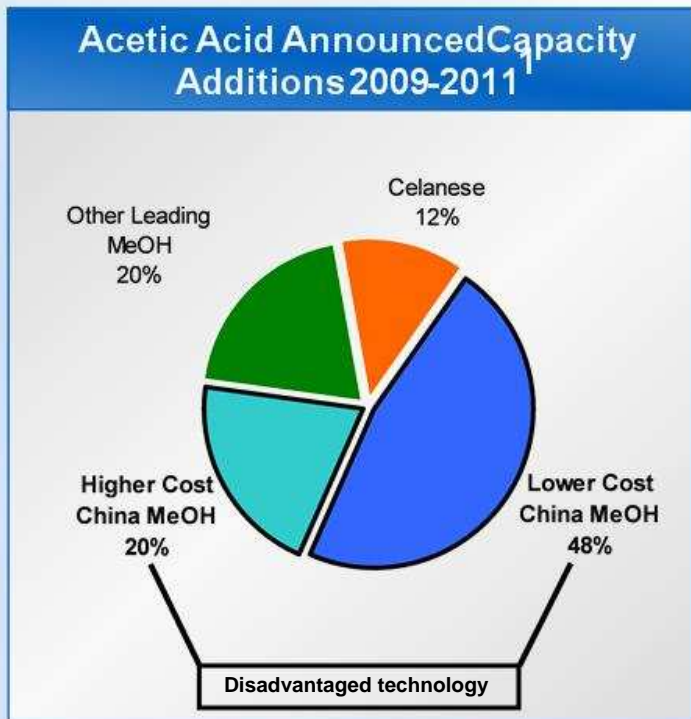
## Forecast Capacity Expansions <sup>1</sup>

| Company            | Capacity | 2007 | 2008 | 2009 | 2010 | 2011                 |
|--------------------|----------|------|------|------|------|----------------------|
| BP / Sinopec       | 550 kt   | A    | X    | X    | X    | X                    |
| Sipchem            | 430 kt   | A    | X    | X    | X    | X                    |
| Sopo (expansion)   | 600 kt   |      |      | A    | X    | ? Timing in question |
| Wujing (expansion) | 500 kt   |      |      | A    |      | ? Timing in question |
| Yangkuang Cathay   | 350 kt   |      |      | A    | SU   |                      |
| Henan Shunda       | 200 kt   |      | A    | SU   |      | HC                   |
| Tianjin Bohei      | 200 kt   |      |      | A    | XX   | X HC                 |
| Hualu Hensheng     | 200 kt   |      |      | A    | SU   | HC                   |
| Henan Yima         | 200 kt   |      |      |      | A    | X HC                 |
| Yunan Yunwei       | 200 kt   |      |      | A    |      | X HC                 |
| Kingboard          | 400 kt   |      |      | A    |      | X                    |

A Company Announced Startup     
 X CE 2005 Update     
 X CE 2006 Update     
 X CE 2007 Update  
X Current Update     
 SU = Actual plant startup     
 HC = Highest Cost

**Viability of many higher cost projects is in question**

# Significant differentiation in technology of announced expansions

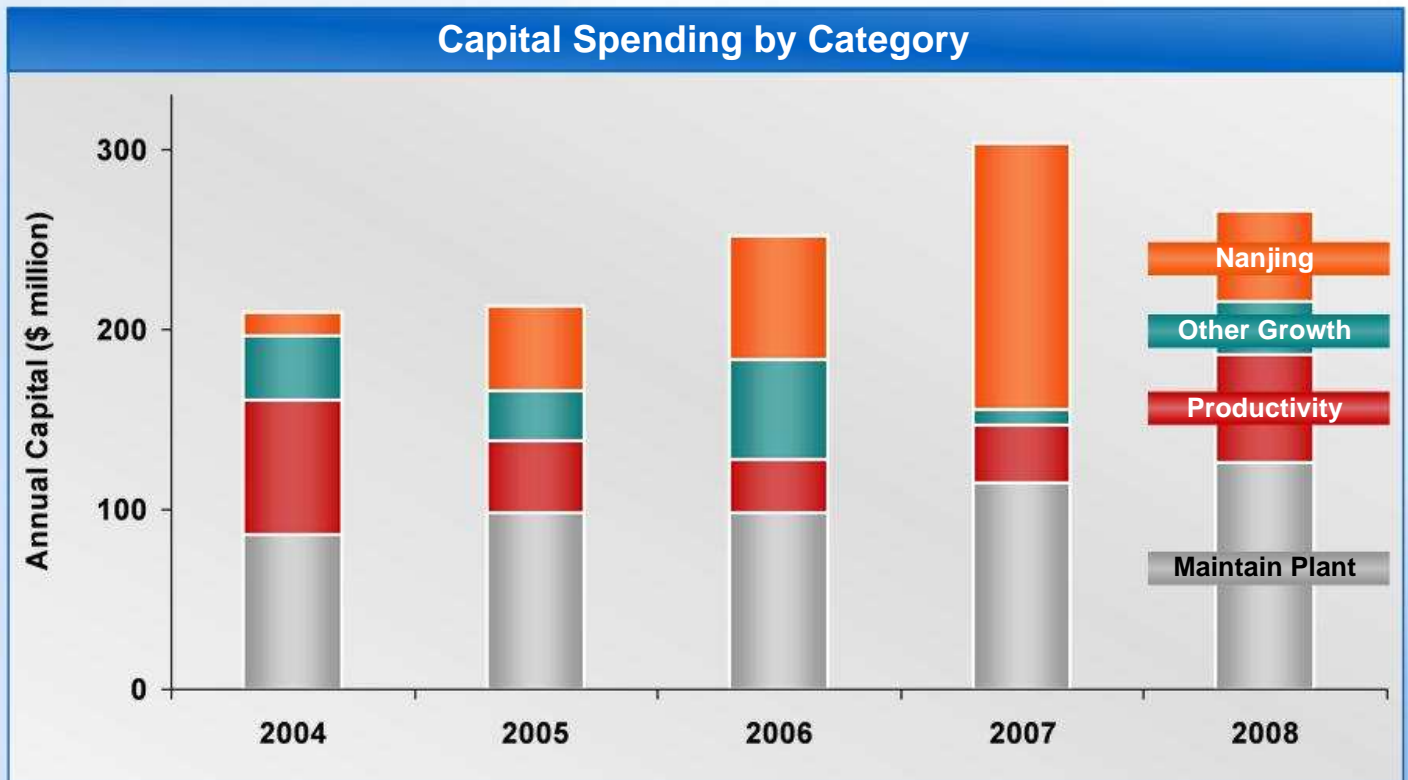


- ▶ Facilities under construction anticipated to be completed and started up
- ▶ ~70% of announced capacity additions will have difficulty covering variable cost
- ▶ Pressure will be on uncompetitive projects that have not made significant progress

**Majority of announced capacity additions challenged in today's pricing environment**



# Efficient use of cash



**Balance for “high return” productivity and capital efficient growth**

# Reg G: Reconciliation of Operating EBITDA

## Segment Data and Reconciliation of Operating Profit (Loss) to Operating EBITDA - a Non-U.S. GAAP Measure

| (in \$ millions)  | Three Months Ended<br>September 30, |              | Nine Months Ended<br>September 30, |              |
|---|-------------------------------------|--------------|------------------------------------|--------------|
|   | 2009                                | 2008         | 2009                               | 2008         |
| <b>Net Sales</b>  |                                     |              |                                    |              |
| Advanced Engineered Materials   | 220                                 | 272          | 569                                | 866          |
| Consumer Specialties  | 271                                 | 256          | 817                                | 869          |
| Industrial Specialties  | 236                                 | 378          | 745                                | 1,129        |
| Acetyl Intermediates  | 666                                 | 1,056        | 1,860                              | 3,219        |
| Other Activities <sup>1</sup>   | -                                   | -            | 1                                  | 1            |
| Intensegment eliminations   | (89)                                | (178)        | (266)                              | (547)        |
| <b>Total</b>  | <b>1,304</b>                        | <b>1,823</b> | <b>3,694</b>                       | <b>5,537</b> |
| <b>Operating Profit (Loss)</b>  |                                     |              |                                    |              |
| Advanced Engineered Materials   | 21                                  | 13           | 2                                  | 80           |
| Consumer Specialties  | 52                                  | 42           | 184                                | 138          |
| Industrial Specialties  | 44                                  | 18           | 73                                 | 55           |
| Acetyl Intermediates  | (30)                                | 100          | 22                                 | 425          |
| Other Activities <sup>1</sup>   | (22)                                | (22)         | (100)                              | (106)        |
| <b>Total</b>  | <b>65</b>                           | <b>151</b>   | <b>181</b>                         | <b>592</b>   |
| <b>Equity Earnings, Cost - Dividend Income and Other Income (Expense)</b> |                                     |              |                                    |              |
| Advanced Engineered Materials   | 11                                  | 12           | 26                                 | 32           |
| Consumer Specialties  | -                                   | 1            | 56                                 | 49           |
| Industrial Specialties  | -                                   | -            | -                                  | -            |
| Acetyl Intermediates  | 21                                  | 33           | 29                                 | 95           |
| Other Activities <sup>1</sup>   | 1                                   | 12           | 12                                 | 17           |
| <b>Total</b>  | <b>33</b>                           | <b>58</b>    | <b>123</b>                         | <b>193</b>   |
| <b>Other Charges and Other Adjustments<sup>2</sup></b>                    |                                     |              |                                    |              |
| Advanced Engineered Materials   | 7                                   | 1            | 3                                  | 3            |
| Consumer Specialties  | 3                                   | -            | 6                                  | 1            |
| Industrial Specialties  | (26)                                | 3            | (18)                               | 11           |
| Acetyl Intermediates  | 87                                  | 13           | 96                                 | 33           |
| Other Activities <sup>1</sup>   | (1)                                 | 3            | 13                                 | 18           |
| <b>Total</b>  | <b>70</b>                           | <b>20</b>    | <b>100</b>                         | <b>66</b>    |
| <b>Depreciation and Amortization Expense</b>                              |                                     |              |                                    |              |
| Advanced Engineered Materials   | 17                                  | 19           | 53                                 | 58           |
| Consumer Specialties  | 13                                  | 13           | 37                                 | 40           |
| Industrial Specialties  | 11                                  | 15           | 35                                 | 43           |
| Acetyl Intermediates  | 27                                  | 36           | 82                                 | 102          |
| Other Activities <sup>1</sup>   | 5                                   | 2            | 9                                  | 7            |
| <b>Total</b>  | <b>73</b>                           | <b>85</b>    | <b>216</b>                         | <b>250</b>   |
| <b>Operating EBITDA</b>   |                                     |              |                                    |              |
| Advanced Engineered Materials   | 56                                  | 45           | 84                                 | 173          |
| Consumer Specialties  | 68                                  | 56           | 283                                | 228          |
| Industrial Specialties  | 29                                  | 36           | 90                                 | 109          |
| Acetyl Intermediates  | 105                                 | 182          | 229                                | 655          |
| Other Activities <sup>1</sup>   | (17)                                | (5)          | (66)                               | (64)         |
| <b>Total</b>  | <b>241</b>                          | <b>314</b>   | <b>620</b>                         | <b>1,101</b> |

<sup>1</sup> Other Activities primarily includes corporate selling, general and administrative expenses and the results from captive insurance companies.

<sup>2</sup> See Table 7.

