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CELANESE CORP

FORM 10-K
(Annual Report)

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SIC Code	2820 - Plastic Material, Synthetic Resin/Rubber, Cellulos (No Glass)
Industry	Commodity Chemicals
Sector	Basic Materials
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

(Commission File Number) 001-32410

CELANESE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware	**98-0420726**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
1601 West LBJ Freeway, Dallas, TX	**75234-6034**
(Address of Principal Executive Offices)	*(Zip Code)*

(972) 443-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Name of Each Exchange on Which Registered
Series A Common Stock, par value $0.0001 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the registrant's Series A Common Stock held by non-affiliates as of June 30, 2010 (the last business day of the registrants' most recently completed second fiscal quarter) was $3,865,760,182.

The number of outstanding shares of the registrant's Series A Common Stock, $0.0001 par value, as of February 4, 2011 was 155,976,657.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's Definitive Proxy Statement relating to the 2011 annual meeting of shareholders, to be filed with

the Securities and Exchange Commission, are incorporated by reference into Part III.

CELANESE CORPORATION

Form 10-K
For the Fiscal Year Ended December 31, 2010

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Special Note Regarding Forward-Looking Statements

Certain statements in this Annual Report on Form 10-K ("Annual Report") or in other materials we have filed or will file with the Securities and Exchange Commission ("SEC"), and incorporated herein by reference, are forward-looking in nature as defined in Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "may," "can," "could," "might," "will" and similar expressions identify forward-looking statements, including statements that relate to, such matters as planned and expected capacity increases and utilization; anticipated capital spending; environmental matters; legal proceedings; exposure to, and effects of hedging of, raw material and energy costs and foreign currencies; global and regional economic, political, and business conditions; expectations, strategies, and plans for individual assets and products, business segments, as well as for the whole Company; cash requirements and uses of available cash; financing plans; pension expenses and funding; anticipated restructuring, divestiture, and consolidation activities; cost reduction and control efforts and targets and integration of acquired businesses.

Forward-looking statements are not historical facts or guarantees of future performance but instead represent only our beliefs at the time the statements were made regarding future events, which are subject to significant risks, uncertainties, and other factors, many of which are outside of our control and certain of which are listed above. Any or all of the forward-looking statements included in this Annual Report and in any other materials incorporated by reference herein may turn out to be materially inaccurate. This can occur as a result of incorrect assumptions, in some cases based upon internal estimates and analyses of current market conditions and trends, management plans and strategies, economic conditions, or as a consequence of known or unknown risks and uncertainties. Many of the risks and uncertainties mentioned in this Annual Report, such as those discussed in *Item 1A. Risk Factors, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* will be important in determining whether these forward-looking statements prove to be accurate. Consequently, neither our shareholders nor any other person should place undue reliance on our forward-looking statements and should recognize that actual results may differ materially from those anticipated by us.

All forward-looking statements made in this Annual Report are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this Annual Report will increase with the passage of time. We undertake no obligation, and disclaim any duty, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changes in our expectations or otherwise. However, we may make further disclosures regarding future events, trends and uncertainties in our subsequent reports on Forms 10-K, 10-Q and 8-K to the extent required under the Exchange Act. The above cautionary discussion of risks, uncertainties and possible inaccurate assumptions relevant to our business include factors we believe could cause our actual results to differ materially from expected and historical results. Other factors beyond those listed above or in *Item 3. Legal Proceedings* below, including factors unknown to us and factors known to us which we have not determined to be material, could also adversely affect us.

Item 1. *Business*

Basis of Presentation

In this Annual Report on Form 10-K, the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The terms "Company," "we," "our" and "us" refer to Celanese and its subsidiaries on a consolidated basis. The term "Celanese US" refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries.

Overview

Celanese Corporation was formed in 2004 when affiliates of The Blackstone Group purchased 84% of the ordinary shares of Celanese GmbH, formerly known as Celanese AG, a diversified German chemical company. Celanese

Corporation was incorporated in 2005 under the laws of the state of Delaware and its shares are traded on the New York Stock Exchange under the symbol “CE”. During the period from 2005 through 2007, Celanese Corporation acquired the remaining 16% interest in Celanese GmbH.

We are a global technology and specialty materials company. We are one of the world’s largest producers of acetyl products, which are intermediate chemicals, for nearly all major industries, as well as a leading global producer of high performance engineered polymers that are used in a variety of high-value applications. As a recognized innovator in the chemicals industry, we engineer and manufacture a wide variety of products essential to everyday living. Our broad product portfolio serves a diverse set of end-use applications including paints and coatings, textiles, automotive applications, consumer and medical applications, performance industrial applications, filter media, paper and packaging, chemical additives, construction, consumer and industrial adhesives, and food and beverage applications. Our products enjoy leading global positions due to our large global production capacity, operating efficiencies, proprietary production technology and competitive cost structures.

Our large and diverse global customer base primarily consists of major companies in a broad array of industries. We hold geographically balanced global positions and participate in diversified end-use applications. We combine a demonstrated track record of execution, strong performance built on shared principles and objectives, and a clear focus on growth and value creation. Known for operational excellence and execution of our business strategies, we deliver value to customers around the globe with best-in-class technologies.

Industry

This Annual Report on Form 10-K includes industry data obtained from industry publications and surveys as well as our own internal company surveys. Third-party industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. The statements regarding Celanese’s industry position in this document are based on information derived from, among others, the *2009 Stanford Research Institute International Chemical Economics Handbook* .

Business Segment Overview

We operate principally through four business segments: Advanced Engineered Materials, Consumer Specialties, Industrial Specialties and Acetyl Intermediates. See Note 25 to the accompanying consolidated financial statements for further details on our business segments. The table below illustrates each business segment’s net sales to external customers for the year ended December 31, 2010, as well as each business segment’s major products and end-use applications.

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates
2010 Net Sales [(1)]	$1,109 million	$1,089 million	$1,036 million	$2,682 million
Key Products	• Polyacetal products ("POM") • Ultra-high molecular weight polyethylene ("GUR ®") • Liquid crystal polymers ("LCP") • Polyphenylene sulfide ("PPS") • Polybutylene terephthalate ("PBT") • Polyethylene terephthalate ("PET") • Long-fiber reinforced thermoplastics ("LFT")	• Acetate tow • Acetate flake • Sunett ® sweetener • Sorbates	• Conventional emulsions • Vinyl acetate ethylene emulsions ("VAE") • Low-density polyethylene resins ("LDPE") • Ethylene vinyl acetate ("EVA") resins and compounds	• Acetic acid • Vinyl acetate monomer ("VAM") • Acetic anhydride • Acetaldehyde • Ethyl acetate • Butyl acetate • Formaldehyde
Major End-Use Applications	• Fuel system components • Conveyor belts • Battery separators • Electronics • Automotive safety systems • Appliances • Filtrations • Medical Devices • Telecommunications	• Filter products • Beverages • Confections • Baked goods	• Photovoltaic cell systems • Paints • Coatings • Adhesives • Textiles • Paper finishing • Flexible packaging • Lamination products • Medical tubing • Automotive parts	• Paints • Coatings • Adhesives • Lubricants • Pharmaceuticals • Films • Textiles • Inks • Plasticizers • Esters • Solvents

(1) Consolidated net sales of $5,918 million for the year ended December 31, 2010 also includes $2 million in net sales from Other Activities, which is attributable to our captive insurance companies. Net sales for Acetyl Intermediates and Consumer Specialties exclude inter-segment sales of $400 million and $9 million, respectively, for the year ended December 31, 2010.

Competitive Strengths

We benefit from a number of competitive strengths, including the following:

Leading Positions

We hold a leading position in the major product industries that we serve. Our positions are based on our operating efficiencies, proprietary production technology and competitive cost structures in our major product lines.

- *Advanced Engineered Materials* —Our Advanced Engineered Materials business is a leading participant in the global technical polymers industry. Approximately 70% of its business is specification-based, which drives sustainable value for its performance polymers. Advanced Engineered Materials maintains its competitive advantage with high-quality products and services, as well as its technical knowledge in application development and product technology. Its substantial strategic affiliates also enhance its global reach.
- *Consumer Specialties* —Our Acetate Products business is a leading producer of acetate tow, used in the production of filter products. We also hold approximately 30% ownership interests in three separate Acetate Products production entities in China. Our Nutrinova business is a leading international supplier of the high intensity sweetener Sunett ® (acesulfame potassium) for the food, beverage and pharmaceutical industries and is also one of the world's largest producers of sorbates used in food preservatives.
- *Industrial Specialties* —Our Industrial Specialties business is active in every major global industrial sector and has manufacturing plants across North America, Europe and Asia. Our expertise in vinyl-based technology enables us to drive value into our customers' products. We are a leading global producer of VAE emulsions and a recognized authority on low VOC (volatile organic compound) technology.
- *Acetyl Intermediates* —As an industry leader, our Acetyl Intermediates business has built on its leading technology, an advantaged feedstock position, and attractive industry structure to drive growth. With decades of experience, advanced proprietary process technology and favorable production costs, we are a leading global producer of acetic acid and VAM. In 2007, we strengthened our global positions with the opening of an integrated chemical complex in Nanjing, China, that brings world-class scale to one site for the production of acetic acid, VAM, acetic anhydride and other products.

Highly Diversified Products and End-Use Applications

We offer our customers a broad range of products in a wide variety of end-use applications including paints and coatings, textiles, automotive applications, consumer and medical applications, performance industrial applications, filter media, paper and packaging, chemical additives, construction, consumer and industrial adhesives, and food and beverage applications. Our net sales are also geographically balanced across the global regions. For the year ended December 31, 2010, approximately 28% of our net sales were to customers located in North America, 40% to customers in Europe and Africa, 29% to customers in Asia-Pacific and 3% to customers in South America. We have property, plant and equipment, net in the United States of $650 million and outside the United States of $2,367 million.

Attractive Near-Term Growth Prospects

We continue to make significant progress toward our stated growth objectives and aim to increase the earnings power of our portfolio over the near term. We intend to continue to grow the earnings power of the business through four key strategic levers:

- *Geographic Growth* —We continue to accelerate growth in emerging regions, including Asia. Our integrated chemical complex in Nanjing, China, the largest integrated acetyls complex in the world, serves as a foundation for our expansion in Asia and supports the region's increasing demand. Our strategic affiliates will further accelerate this growth.

- *Innovation* —We expect innovation through new product and application development to enhance revenue growth, particularly in our Advanced Engineered Materials and Industrial Specialties businesses. Advanced Engineered Materials has industry-leading polymer technologies used in high performance applications and Industrial Specialties provides attractive economic solutions for environmentally-sensitive low-VOC applications, including paints, coatings and adhesives. Innovation and application development strategies in these businesses bolster the company's operating earnings.
- *Productivity* —We have a track record of executing on our productivity commitments. Energy reduction, business process excellence, manufacturing optimization and other productivity initiatives will enable us to offset fixed cost inflation, improve our operating performance and fuel reinvestment in our businesses. We expect to realize our productivity commitments for fixed cost reductions in the near term.
- *Portfolio Enhancements* —We continuously pursue opportunities that meet our investment criteria and shift our current product base towards technology-focused and specialty materials businesses. In December 2009, we completed the acquisition of the LFT business of FACT GmbH (Future Advanced Composites Technology). We also acquired two product lines, Zenite ® LCP and Thermx ® polycyclohexylene-dimethylene terephthalate ("PCT"), from DuPont Performance Polymers in May 2010. Through our 25%-owned strategic venture in Saudi Arabia, known as National Methanol Company or "Ibn Sina," we are also investing in a new POM facility in Saudi Arabia to strengthen our specialty materials portfolio.

Strategic Affiliates

Our equity and cost investments represent an important component of our strategy for accelerated growth and expansion of our global reach. These investments have provided our core businesses with a large presence in Asia and the Middle East, and have also contributed significantly to earnings and cash flow. These ventures, some of which date back as far as the 1960s, have sizeable operations and are significant within their industries.

Proprietary Production Technology and Operating Expertise

Our production of acetyl products employs industry-leading proprietary and licensed technologies, including our proprietary AOPlus ® and AOPlus ® 2 technologies for the production of acetic acid and VAntage ® and VAntage Plus ™ vinyl acetate monomer technology. AOPlus ® 2 builds on the industry benchmark with the ability to increase acetic acid production from our current capacity of 1.2 million tons per reactor per year to approximately 1.5 million tons per reactor per year at a fraction of the cost of a new facility. This technology is applicable to existing and new greenfield units. AOPlus ® enables increased raw material efficiencies, lower operating costs and the ability to expand plant capacity with minimal investment. VAntage ® and VAntage Plus ™ enable significant increases in production efficiencies, lower operating costs and increases in capacity at ten to fifteen percent of the cost of building a new plant.

Low Cost Producer

Our competitive cost structures are based on production and purchasing economies of scale, vertical integration, technical expertise and the use of advanced technologies.

Global Reach

We own or lease thirty production facilities throughout the world, of which three sites are no longer operating as of December 31, 2010. We participate in strategic ventures which operate eight additional facilities. Our infrastructure of manufacturing plants, terminals, warehouses and sales offices provides us with a competitive advantage in anticipating and meeting the needs of our global and local customers in well-established and growing industries, while our geographic diversity reduces the potential impact of volatility in any individual country or region. We have a strong, growing presence in Asia, particularly in China, and we have a defined strategy to continue this growth. See Note 25 to the accompanying consolidated financial statements for further information regarding our geographic areas.

Business Strategies

Our strategic foundation is based on the following three pillars which are focused on increasing operating cash flows, improving profitability, delivering high return on investments and increasing shareholder value:

Business Focus

We focus on businesses where we have a clear, sustainable, competitive advantage. We continue to optimize our business portfolio in order to achieve industry, cost and technology leadership while expanding our product mix into higher value-added products.

Strategic Results

We have created a unique portfolio of technology and specialty materials businesses that will enable Celanese to deliver sustainable results that yield premier financial performance. Our advantaged portfolio is well positioned for sustained earnings growth, relatively higher margins, modest earnings volatility and high capital return.

Strategic Levers

We will deliver earnings growth, further strengthen our businesses and increase shareholder value through premier execution of our four key strategic earnings growth levers: Geographic Growth, Innovation, Productivity and Portfolio Enhancements.

Business Segments

Advanced Engineered Materials

Our Advanced Engineered Materials segment develops, produces and supplies a broad portfolio of high performance specialty polymers for application in automotive, medical and electronics products, as well as other consumer and industrial applications. Together with our strategic affiliates, we are a leading participant in the global specialty polymers industry. The primary products of Advanced Engineered Materials are POM, PPS, PBT, LFT, GUR ® and LCP. POM, PPS, PBT and LFT are used in a broad range of products including automotive components, medical devices, electronics, appliances and industrial applications. GUR ® is used in battery separators, conveyor belts, filtration equipment, coatings and medical devices. Primary end uses for LCP are electrical and electronics.

Advanced Engineered Materials' specialty polymers have chemical and physical properties enabling them, among other things, to withstand elevated temperatures, resist adverse chemical interactions with solvents and withstand deformation. These products are used in a wide range of performance-demanding applications in the automotive and electronics sectors as well as in other consumer and industrial goods.

Advanced Engineered Materials works in concert with its customers to enable innovations and develop new or enhanced products. Advanced Engineered Materials focuses its efforts on developing new applications for its product lines, often creating custom formulations to satisfy the technical and processing requirements of a customer's applications. For example, Advanced Engineered Materials has collaborated with fuel system suppliers to develop an acetal copolymer with the chemical and impact resistance necessary to withstand exposure to hot diesel fuels in the new generation of common rail diesel engines. The product can also be used in automotive fuel sender units where it remains stable at the operating temperatures present in direct-injection diesel engines and can meet the requirements of the new generation of biofuels.

Prices for most of these products, particularly specialized product grades for targeted applications, generally reflect the value added in complex polymer chemistry, precision formulation and compounding, and the extensive application development services provided. These specialized products are not typically susceptible to cyclical swings in pricing.

• ***Key Products***

POM. Polyacetal, as POM is commonly known in the chemical industry, is sold by Advanced Engineered Materials under the trademark Hostaform ® in all regions but North America, where it is sold under the trademark Celcon ®. POM is used for mechanical parts, including door locks and seat belt mechanisms, in automotive applications and in electrical, medical and consumer applications such as drug delivery systems and gears for large appliances. POM and other engineering resins are manufactured in the Asia-Pacific region by Polyplastics Co., Ltd., our 45%-owned strategic venture ("Polyplastics"), and Korea Engineering Plastics Co., Ltd., our 50%-owned strategic venture ("KEPCO").

The primary raw material for POM is formaldehyde, which is manufactured from methanol. Advanced Engineered Materials currently purchases formaldehyde in the United States from our Acetyl Intermediates segment and, in Europe, manufactures formaldehyde from purchased methanol.

Ibn Sina produces methanol and methyl tertiary-butyl ether ("MTBE"). We recently announced the extension of our Ibn Sina strategic venture, including the construction of a new 50,000 ton POM manufacturing facility in Saudi Arabia. Engineering on the facility began in 2010.

LFT. Celstran ® and Compel ® are long-fiber reinforced thermoplastics, which impart extra strength and stiffness, making them more suitable for larger parts than conventional thermoplastics and both products are used in automotive, transportation and industrial applications.

GUR ®. A highly engineered material designed for heavy-duty industrial and automotive applications, GUR ® is used in items such as industrial conveyor belts, car battery separator panels and specialty medical and consumer applications, such as sports prostheses and equipment. GUR ® micro powder grades are used for high-performance filters, membranes, diagnostic devices, coatings and additives for thermoplastics and elastomers. GUR ® fibers are also used in protective ballistic applications.

Polyesters. Our products also include certain polyesters such as Celanex ® PBT, Celanex ® PET, Vandar ®, a series of PBT-polyester blends and Riteflex ®, a thermoplastic polyester elastomer, used in a wide variety of automotive, electrical and consumer applications, including ignition system parts, radiator grilles, electrical switches, appliance and sensor housings, light emitting diodes ("LEDs") and technical fibers. Raw materials for polyesters vary. Base monomers, such as dimethyl terephthalate and purified terephthalic acid ("PTA"), are widely available with pricing dependent on broader polyester fiber and packaging resins industry conditions. Smaller volume specialty co-monomers for these products are typically supplied to us by a limited number of companies.

Liquid crystal polymers, such as Vectra ® and Zenite ®, are primarily used in electrical and electronics applications for precision parts with thin walls and complex shapes as well as in high heat cookware applications.

Fortron ®, a PPS product, is used in a wide variety of automotive and other applications, especially those requiring heat and/or chemical resistance, including fuel system parts, radiator pipes and halogen lamp housings, often replacing metal. Other application fields include non-woven filtration devices used in coal fired power plants. Fortron ® is manufactured by Fortron Industries LLC ("Fortron"), our 50%-owned strategic venture with Kureha Corporation of Japan.

• ***Facilities***

Advanced Engineered Materials has polymerization, compounding and research and technology centers in Germany, Brazil, China and the United States.

• ***Geographic Regions***

The following table illustrates the destination of the net sales of the Advanced Engineered Materials segment by geographic region.

Net Sales to External Customers by Destination — Advanced Engineered Materials

	Year Ended December 31,					
	2010		2009		2008	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	384	34	285	35	365	34
Europe and Africa	530	48	403	50	553	52
Asia-Pacific	152	14	82	10	106	10
South America	43	4	38	5	37	4
Total	1,109		808		1,061	

• ***Customers***

Advanced Engineered Materials' sales in Asia are made directly and through distributors including its strategic affiliates. Polyplastics, KEPCO and Fortron are accounted for under the equity method of accounting and therefore not included in Advanced Engineered Materials' consolidated net sales. If Advanced Engineered Materials' portion of the sales made by these strategic affiliates were included in the table above, the percentage of sales sold in Asia-Pacific would be substantially higher. A number of Advanced Engineered Materials' POM customers, particularly in the appliance, electrical components and certain sections of the electronics/telecommunications fields, have moved tooling and molding operations to Asia, particularly southern China. In addition to our Advanced Engineered Materials affiliates, we directly service Asian demand by offering our customers global solutions.

Advanced Engineered Materials' principal customers are consumer product manufacturers and suppliers to the automotive industry. These customers primarily produce engineered products, and Advanced Engineered Materials collaborates with its customers to assist in developing and improving specialized applications and systems. Advanced Engineered Materials has long-standing relationships with most of its major customers, but also uses distributors for its major products, as well as a number of electronic marketplaces to reach a larger customer base. For most of Advanced Engineered Materials' products, contracts with customers typically have a term of one to two years.

• ***Competition***

Advanced Engineered Materials' principal competitors include BASF AG ("BASF"), E. I. DuPont de Nemours and Company ("DuPont"), DSM N.V., SABIC Innovative Plastics and Solvay S.A. Other regional competitors include Asahi Kasei Corporation, Mitsubishi Gas Chemicals, Inc., Chevron Phillips Chemical Company, L.P., Braskem S.A., Lanxess AG, Teijin, Sumitomo, Inc. and Toray Industries Inc.

Consumer Specialties

The Consumer Specialties segment consists of our Acetate Products and Nutrinova businesses. Our Acetate Products business primarily produces and supplies acetate tow, which is used in the production of filter products. We also produce acetate flake which is processed into acetate fiber in the form of a tow band. Our Nutrinova business produces and sells Sunett ®, a high intensity sweetener, and food protection ingredients, such as sorbates and sorbic acid, for the food, beverage and pharmaceutical industries.

• ***Key Products***

Acetate flake and tow. According to the 2009 Stanford Research Institute International Chemical Economics Handbook, as of 2008 we were the world's leading producer of acetate tow (inclusive of the production of our China ventures). Acetate tow is used primarily in cigarette filters. To produce acetate tow, we first produce acetate flake by processing wood pulp with acetic acid and acetic anhydride. Wood pulp comes from reforested trees and is purchased externally from a variety of sources and acetic anhydride is an intermediate chemical we produce internally from acetic acid. The acetate flake is then further processed into acetate fiber in the form of a tow band.

Sales of acetate tow amounted to approximately 15%, 16% and 12% of our consolidated net sales for the years ended December 31, 2010, 2009 and 2008, respectively.

We have an approximate 30% interest in three manufacturing ventures in China that produce acetate flake and tow. Our partner in each of the ventures is the Chinese state-owned tobacco entity, China National Tobacco Corporation. In addition to being our venture partner, China National Tobacco accounted for approximately 12% of our 2010 acetate tow sales.

Sunett ® sweetener. Acesulfame potassium, a high intensity sweetener marketed under the trademark Sunett ®, is used in a variety of beverages, confections and dairy products throughout the world. Sunett ® sweetener is known for its consistent product quality and reliable supply. Nutrinova's strategy is to be the most reliable and highest quality producer of this product, to develop new product applications and to expand into new regions.

Food protection ingredients. Nutrinova's food protection ingredients are mainly used in foods, beverages and personal care products. The primary raw materials for these products are ketene and crotonaldehyde. Sorbates pricing is extremely sensitive to demand and industry capacity and is not necessarily dependent on the prices of raw materials.

• ***Facilities***

Acetate Products has production sites in the United States, Mexico, the United Kingdom and Belgium, and participates in three manufacturing ventures in China. During 2010, we announced the shutdown of our acetate tow and flake manufacturing operations at our Spondon, Derby, United Kingdom site. We will continue to maintain our Clarifoil manufacturing operations at this site.

Nutrinova has a production facility in Germany, as well as sales and distribution facilities in all major regions of the world.

• ***Geographic Regions***

The following table illustrates the destination of the net sales of the Consumer Specialties segment by geographic region.

Net Sales to External Customers by Destination — Consumer Specialties

	Year Ended December 31,					
	2010		2009		2008	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	186	17	176	16	194	17
Europe and Africa	448	41	452	42	497	43
Asia-Pacific	394	36	402	37	413	36
South America	61	6	48	5	51	4
Total	1,089 [(1)]		1,078 [(1)]		1,155 [(1)]	

(1) Excludes inter-segment sales of $9 million, $6 million and $0 million for the years ended December 31, 2010, 2009 and 2008, respectively.

• ***Customers***

Sales of acetate tow are principally to the major tobacco companies that account for a majority of worldwide cigarette production. Our contracts with most of our customers are entered into on an annual basis.

Nutrinova primarily markets Sunett ® sweetener to a limited number of large multinational and regional customers in the beverage and food industry under long-term and annual contracts. Nutrinova markets food protection ingredients primarily through regional distributors to small and medium sized customers and directly through regional sales offices to large multinational customers in the food industry.

• ***Competition***

Acetate Products' principal competitors include Daicel Chemical Industries Ltd. ("Daicel"), Eastman Chemical Corporation ("Eastman") and Rhodia S.A.

The principal competitors for Nutrinova's Sunett ® sweetener are Holland Sweetener Company, The NutraSweet Company, Ajinomoto Co., Inc., Tate & Lyle PLC and several Chinese manufacturers. In sorbates, Nutrinova competes with Nantong AA, Daicel, Yu Yao/Ningbo, Yancheng AmeriPac and other Chinese manufacturers of sorbates.

Industrial Specialties

Our Industrial Specialties segment is comprised of our Emulsions and EVA Performance Polymers businesses and is a leading producer of environmentally sensitive, low volatile organic compound ("VOC") applications. Our emulsions products are used in a wide array of applications, including paints and coatings, adhesives, construction, glass fiber, textiles and paper. EVA Performance Polymers offers a complete line of low-density polyethylene and specialty EVA resins and compounds used in many applications including flexible packaging films, lamination film products, hot melt adhesives, medical devices and tubing, automotive, carpeting and solar cell encapsulation films. Our polyvinyl alcohol ("PVOH") business was included in our Industrial Specialties segment until it was sold in July 2009 to Sekisui Chemical Co., Ltd. ("Sekisui") for a net cash purchase price of $168 million.

Primary raw materials for our emulsions and EVA products are VAM which is produced by our Acetyl Intermediates segment and ethylene which we purchase externally from a variety of sources.

• ***Key Products***

Our Emulsions business produces conventional vinyl- and acrylate-based emulsions and high-pressure VAE. Emulsions are made from VAM, acrylate esters and styrene. Our Emulsions business is a leading producer of VAE in Europe. VAE is a key component of water-based architectural coatings, adhesives, nonwovens, textiles, glass fiber and other applications.

EVA Performance Polymers produces low-density polyethylene and EVA resins and compounds. EVA resins and compounds are produced in high-pressure reactors from ethylene and VAM.

• ***Facilities***

The Emulsions business has production sites in the United States, Canada, China, Spain, Sweden, the Netherlands and Germany. EVA Performance Polymers has a production facility in Edmonton, Alberta, Canada.

• ***Geographic Regions***

The following table illustrates the destination of the net sales of the Industrial Specialties segment by geographic region.

Net Sales to External Customers by Destination — Industrial Specialties

	Year Ended December 31,					
	2010		2009		2008	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	450	43	382	39	617	44
Europe and Africa	481	47	504	52	684	48
Asia-Pacific	97	9	78	8	81	6
South America	8	1	10	1	24	2
Total	1,036		974		1,406	

• ***Customers***

Industrial Specialties' products are sold to a diverse group of regional and multinational customers. Customers for emulsions products are manufacturers of water-based paints and coatings, adhesives, paper, building and construction products, glass fiber, non-wovens and textiles. Customers of EVA Performance Polymers products are primarily engaged in the manufacture of adhesives, automotive components, packaging materials, print media and solar energy products.

• ***Competition***

Principal competitors in the Emulsions business include The Dow Chemical Company ("Dow"), BASF, Dairen Chemical, Wacker Chemie AG and several smaller regional manufacturers.

Principal competitors for the EVA Performance Polymers business include DuPont, ExxonMobil Chemical, Arkema and several Asian manufacturers.

Acetyl Intermediates

Our Acetyl Intermediates segment produces and supplies acetyl products, including acetic acid, VAM, acetic anhydride and acetate esters. These products are generally used as starting materials for colorants, paints, adhesives, coatings and medicines. Other chemicals produced in this business segment are organic solvents and intermediates for pharmaceutical, agricultural and chemical products.

In November 2010, we announced our newly developed advanced technology to produce ethanol, which will be included in our Acetyl Intermediates segment. This innovative, new process combines our proprietary and leading acetyl platform with highly advanced manufacturing technology to produce ethanol from hydrocarbon-sourced feedstocks. In January 2011, we signed letters of intent for projects to construct and operate industrial ethanol production facilities and signed a memorandum of understanding for production of certain feedstocks used in our advanced ethanol production process.

• Key Products

Acetyl Products. Acetyl products include acetic acid, VAM and acetic anhydride. Acetic acid is primarily used to manufacture VAM, PTA and other acetyl derivatives. VAM is used in a variety of adhesives, paints, films, coatings and textiles. Acetic anhydride is a raw material used in the production of cellulose acetate, detergents and pharmaceuticals. Acetaldehyde is a major feedstock for the production of a variety of derivatives, such as pyridines, which are used in agricultural products. We manufacture acetic acid, VAM and acetic anhydride for our own use, as well as for sale to third parties.

Our basic acetyl intermediates products, acetic acid and VAM, are impacted by global supply and demand fundamentals and are cyclical in nature. The principal raw materials in these products are: carbon monoxide, which we generally purchase under long-term contracts; methanol, which we generally purchase under long-term and short-term contracts; and ethylene, which we purchase from numerous sources. With the exception of carbon monoxide, these raw materials are commodity products available from a wide variety of sources.

Our production of acetyl products employs leading proprietary and licensed technologies, including our proprietary AOPlus ® and AOPlus ® 2 technologies for the production of acetic acid and VAntage ® and VAntage Plus ™ VAM technology. We believe our production technology is one of the lowest cost in the industry and provides us a cost advantage over our competitors.

Sales from acetyl products amounted to 34%, 34% and 35% of our consolidated net sales for the years ended December 31, 2010, 2009 and 2008, respectively.

Solvents and Derivatives. These include a variety of solvents, formaldehyde and other chemicals, which in turn are used in the manufacture of paints, coatings, adhesives and other products. Many solvents and derivatives products are derived from our production of acetic acid. Primary products are:

- Ethyl acetate, an acetate ester that is a solvent used in coatings, inks and adhesives and in the manufacture of photographic films and coated papers; and
- Butyl acetate, an acetate ester that is a solvent used in inks, pharmaceuticals and perfume.

Formaldehyde and formaldehyde derivative products are derivatives of methanol and are made up of the following products:

- Formaldehyde, paraformaldehyde and formcels are primarily used to produce adhesive resins for plywood, particle board, coatings, POM engineering resins and a compound used in making polyurethane; and
- Other chemicals, such as crotonaldehyde, are used by the Nutrinova line for the production of sorbates, as well as raw materials for the fragrance and food ingredients industry.

Solvents and derivatives are products characterized by cyclicality in pricing. The principal raw materials used in solvents and derivatives products are acetic acid, various alcohols, methanol, ethylene and ammonia. We purchase ethylene from a variety of sources.

Sales from solvents and derivatives products amounted to 11%, 10% and 12% of our consolidated net sales for the years ended December 31, 2010, 2009 and 2008, respectively.

• ***Facilities***

Acetyl Intermediates has production sites in the United States, China, Mexico, Singapore, Spain, France and Germany. As of December 31, 2009, acetic acid and VAM production at our Pardies, France location had ceased. In addition, our Cangrejera, Mexico site no longer produced VAM as of December 31, 2009. Over the last few years, we have continued to shift our production capacity to lower cost production facilities while expanding in growth regions, such as China.

• ***Geographic Regions***

The following table illustrates net sales by destination of the Acetyl Intermediates segment by geographic region.

Net Sales to External Customers by Destination — Acetyl Intermediates

	Year Ended December 31,					
	2010		2009		2008	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	654	24	501	22	743	23
Europe and Africa	897	34	771	35	1,198	37
Asia-Pacific	1,046	39	884	40	1,142	36
South America	85	3	64	3	116	4
Total	2,682 [1]		2,220 [1]		3,199 [1]	

[1] Excludes inter-segment sales of $400 million, $383 million and $676 million for the years ended December 31, 2010, 2009 and 2008, respectively.

• ***Customers***

Acetyl Intermediates markets its products both directly to customers and through distributors.

Acetic acid, VAM and acetic anhydride are global businesses which have several large customers. Generally, we supply these global customers under multi-year contracts. The customers of acetic acid, VAM and acetic anhydride produce polymers used in water-based paints, adhesives, paper coatings, polyesters, film modifiers, pharmaceuticals, cellulose acetate and textiles. We have long-standing relationships with most of these customers.

Solvents and derivatives are sold to a diverse group of regional and multinational customers both under multi-year contracts and on the basis of long-standing relationships. The customers of solvents and derivatives are primarily engaged in the production of paints, coatings and adhesives. We manufacture formaldehyde for our own use as well as for sale to a few regional customers that include manufacturers in the wood products and chemical derivatives industries. The sale of formaldehyde is based on both long and short-term agreements. Specialty solvents are sold globally to a wide variety of customers, primarily in the coatings and resins and the specialty products industries. These products serve global regions in the synthetic lubricant, agrochemical, rubber processing and other specialty chemical areas.

• ***Competition***

Our principal competitors in the Acetyl Intermediates segment include Atofina S.A., BASF, BP PLC, Chang Chun Petrochemical Co., Ltd., Daicel, Dow, Eastman, DuPont, LyondellBasell Industries, Nippon Gohsei, Perstorp Inc., Jiangsu Sopo Corporation (Group) Ltd., Showa Denko K.K. and Kuraray Co. Ltd.

Other Activities

Other Activities primarily consists of corporate center costs, including financing and administrative activities such as legal, accounting and treasury functions, interest income and expense associated with our financing activities, and our captive insurance companies. Our two wholly-owned captive insurance companies are a key component of our global risk management program, as well as a form of self-insurance for our property, liability and workers compensation risks. The captive insurance companies issue insurance policies to our subsidiaries to provide consistent coverage amid fluctuating costs in the insurance market and to lower long-term insurance costs by avoiding or reducing commercial carrier overhead and regulatory fees. The captive insurance companies retain risk at levels approved by management and obtain reinsurance coverage from third parties to limit the net risk retained. One of the captive insurance companies also insures certain third-party risks.

Strategic Ventures & Affiliates

We have a significant portfolio of strategic relationships and ventures in various regions, including Asia-Pacific, North America, the Middle East and Europe. Historically, we have entered into these strategic investments in order to gain access to local demand, minimize costs and accelerate growth in areas we believe have significant future business potential. Depending on the level of investment and other factors, we account for our strategic ventures using either the equity method or cost method of accounting.

In aggregate, our strategic investments generate significant sales, earnings and cash flows. For example, during the year ended December 31, 2010, our equity affiliates generated combined sales of $4.5 billion resulting in $168 million of equity in earnings from affiliates during the same period.

Our significant strategic ventures as of December 31, 2010 are as follows:

	Location	Ownership	Business Segment	Partner(s)	Year Entered
Equity Method Investments					
National Methanol Company	Saudi Arabia	25%	Advanced Engineered Materials	Saudi Basic Industries Corporation (“SABIC”)/ Texas Eastern Arabian Corporation Ltd.	1981
Korea Engineering Plastics Co., Ltd	South Korea	50%	Advanced Engineered Materials	Mitsubishi Gas Chemical Company, Inc./Mitsubishi Corporation	1999
Polyplastics Co., Ltd.	Japan	45%	Advanced Engineered Materials	Daicel Chemical Industries Ltd.	1964
Fortron Industries LLC	US	50%	Advanced Engineered Materials	Kureha Corporation	1992
Cost Method Investments					
Kunming Cellulose Fibers Co. Ltd.	China	30%	Consumer Specialties	China National Tobacco Corporation	1993
Nantong Cellulose Fibers Co. Ltd.	China	31%	Consumer Specialties	China National Tobacco Corporation	1986
Zhuhai Cellulose Fibers Co. Ltd.	China	30%	Consumer Specialties	China National Tobacco Corporation	1993

National Methanol Company (Ibn Sina). With production facilities in Saudi Arabia, Ibn Sina represents approximately 2% of the world’s methanol production capacity and is one of the world’s largest producers of MTBE, a gasoline additive. We indirectly own a 25% interest in Ibn Sina through CTE Petrochemicals Company, a

joint venture with Texas Eastern Arabian Corporation Ltd. Texas Eastern Arabian Corporation Ltd. indirectly owns an additional 25% interest in Ibn Sina, and the remaining 50% interest is held by SABIC. SABIC is responsible for all product marketing.

In April 2010, we announced that Ibn Sina will construct a 50,000 ton POM production facility in Saudi Arabia and that the term of the joint venture agreement was extended until 2032. Ibn Sina's existing natural gas supply contract expires in 2022. The purpose of the plant is to supply POM to support Celanese's Advanced Engineered Materials segment growth as well as our venture partners' regional business development. Upon successful startup of the POM facility, our indirect economic interest in Ibn Sina will increase from 25% to 32.5%. SABIC's economic interest will remain unchanged.

In connection with the extension of the venture, we reassessed the factors surrounding the accounting method for this investment and changed from the cost method of accounting for investments to the equity method of accounting for investments beginning April 1, 2010.

Korea Engineering Plastics Co., Ltd. Founded in 1987, KEPCO is the leading producer of POM in South Korea. Mitsubishi Gas Chemical Company, Inc. owns 40% and Mitsubishi Corporation owns 10% of KEPCO. KEPCO operates a POM plant in Ulsan, South Korea and participates with Polyplastics and Mitsubishi Gas Chemical Company, Inc. in a POM facility in Nantong, China.

Polyplastics Co., Ltd. Polyplastics is a leading supplier of engineered plastics in the Asia-Pacific region. Polyplastics' principal production facilities are located in Japan, Taiwan, Malaysia and China. Polyplastics is a producer and marketer of POM in the Asia-Pacific region.

Fortron Industries LLC. Fortron is a leading global producer of PPS. Fortron's facility is located in Wilmington, North Carolina.

China acetate strategic ventures. We hold an approximately 30% ownership interest (50% board representation) in three separate Acetate Products production entities in China: the Nantong, Kunming and Zhuhai Cellulose Fiber Companies. In each instance, the Chinese state-owned tobacco entity, China National Tobacco Corporation, controls the remainder. With an estimated 30% share of the world's cigarette production and consumption, China is the world's largest and fastest growing area for acetate tow products according to the 2009 Stanford Research Institute International Chemical Economics Handbook. Combined, these ventures are a leader in Chinese domestic acetate production and are well positioned to supply Chinese cigarette producers.

In December 2009, we announced plans with China National Tobacco to expand our acetate flake and tow capacity at our Nantong facility. During 2010 we received formal approval to expand flake and tow capacities, each by 30,000 tons. Our Chinese acetate ventures fund their operations using operating cash flow. We made contributions during 2010 of $12 million and have committed to contributions of $17 million in 2011 related to the capacity expansion in Nantong.

Our Chinese acetate ventures pay a dividend in the second quarter of each fiscal year, based on the ventures' performance for the preceding year. In 2010, 2009 and 2008, we received cash dividends of $71 million, $56 million and $46 million, respectively.

Despite the fact that our ownership interest exceeds 20% in each of our China Acetate Products ventures, we account for these investments using the cost method of accounting because we cannot exercise significant influence over these entities. We determined that we cannot exercise significant influence over these entities due to local government investment in and influence over these entities, limitations on our involvement in the day-to-day operations and the present inability of the entities to provide timely financial information prepared in accordance with generally accepted accounting principles in the United States ("US GAAP").

• ***Other Equity Investments***

InfraServs. We hold ownership interests in several InfraServ entities located in Germany that own and develop industrial parks and provide on-site general and administrative support to tenants. The table below represents our equity investments in InfraServ ventures as of December 31, 2010:

	Ownership %
InfraServ GmbH & Co. Gendorf KG	39
InfraServ GmbH & Co. Knapsack KG	27
InfraServ GmbH & Co. Hoechst KG	32

Raw Materials and Energy

We purchase a variety of raw materials and energy from sources in many countries for use in our production processes. We have a policy of maintaining, when available, multiple sources of supply for materials. However, some of our individual plants may have single sources of supply for some of their raw materials, such as carbon monoxide, steam and acetaldehyde. Although we have been able to obtain sufficient supplies of raw materials, there can be no assurance that unforeseen developments will not affect our raw material supply. Even if we have multiple sources of supply for a raw material, there can be no assurance that these sources can make up for the loss of a major supplier. There cannot be any guarantee that profitability will not be affected should we be required to qualify additional sources of supply to our specifications in the event of the loss of a sole supplier. In addition, the price of raw materials varies, often substantially, from year to year.

A substantial portion of our products and raw materials are commodities whose prices fluctuate as supply and demand fundamentals change. Our production facilities rely largely on fuel oil, natural gas, coal and electricity for energy. Most of the raw materials for our European operations are centrally purchased by one of our subsidiaries, which also buys raw materials on behalf of third parties. We manage our exposure to commodity risk primarily through the use of long-term supply agreements, multi-year purchasing and sales agreements and forward purchase contracts.

We also currently purchase and lease supplies of various precious metals, such as rhodium, used as catalysts for the manufacture of Acetyl Intermediates products. For precious metals, the leases are distributed between a minimum of three lessors per product and are divided into several contracts.

Research and Development

All of our businesses conduct research and development activities to increase competitiveness. Our businesses are innovation-oriented and conduct research and development activities to develop new, and optimize existing, production technologies, as well as to develop commercially viable new products and applications. We consider the amounts spent during each of the last three fiscal years on research and development activities to be sufficient to drive our current strategic initiatives.

Intellectual Property

We attach great importance to patents, trademarks, copyrights and product designs in order to protect our investment in research and development, manufacturing and marketing. Patents may cover processes, products, intermediate products and product uses. We also seek to register trademarks extensively as a means of protecting the brand names of our products. We protect our intellectual property vigorously against infringement and also seek to register design protection where appropriate.

Patents. In most industrial countries, patent protection exists for new substances and formulations, as well as for unique applications and production processes. However, we do business in regions of the world where intellectual property protection may be limited and difficult to enforce. We maintain strict information security policies and procedures wherever we do business. Such information security policies and procedures include data encryption,

controls over the disclosure and safekeeping of confidential information, as well as employee awareness training. Moreover, we monitor competitive developments and vigorously defend against infringements on our intellectual property rights.

Trademarks. AOPlus ®, AOPlus ® 2, VAntage ®, VAntage Plus ™, BuyTiconaDirect ™, Celanex ®, Celcon ®, Celstran ®, Celvolit ®, Compel ®, Erkol ®, GUR ®, Hostaform ®, Impet ®, Mowilith ®, Nutrinova ®, Riteflex ®, Sunett ®, Thermx ®, Zenite ®, Vandar ®, Vectra ®, Vinamul ®, EcoVAE ®, Duroset ®, Ateva ®, Acetex ® and certain other products and services named in this document are trademarks, service marks or registered trademarks of Celanese. The foregoing is not intended to be an exhaustive or comprehensive list of all trademarks, service marks or registered trademarks owned by Celanese. Fortron ® is a registered trademark of Fortron Industries LLC, one of Celanese's equity investments.

Neither Celanese nor any particular business segment is materially dependent upon any one patent, trademark, copyright or trade secret.

Environmental and Other Regulation

Matters pertaining to environmental and other regulations are discussed in *Item 1A. Risk Factors* , *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates – Accounting for Commitments and Contingencies* , and Note 15 and Note 23 to the accompanying consolidated financial statements.

Employees

The approximate number of employees employed by Celanese on a continuing basis throughout the world is as follows:

	Employees as of December 31, 2010
North America	
US	2,350
Canada	250
Mexico	700
Total	**3,300**
Europe	
Germany	1,600
Other Europe	1,500
Total	**3,100**
Asia	**800**
Rest of World	**50**
Total	**7,250**

Many of our employees are unionized, particularly in Germany, Canada, Mexico, the United Kingdom, Brazil and Belgium. In the United States, however, less than one quarter of our employees are unionized. Moreover, in Germany and France, wages and general working conditions are often the subject of centrally negotiated collective bargaining agreements. Within the limits established by these agreements, our various subsidiaries negotiate directly with the unions and other labor organizations, such as workers' councils, representing the employees. Collective bargaining agreements between the German chemical employers associations and unions relating to remuneration generally have a term of one year, while in the United States a three year term for collective bargaining agreements is typical. We offer comprehensive benefit plans for employees and their families and believe our relations with employees are satisfactory.

Backlog

We do not consider backlog to be a significant indicator of the level of future sales activity. In general, we do not manufacture our products against a backlog of orders. Production and inventory levels are based on the level of incoming orders as well as projections of future demand. Therefore, we believe that backlog information is not material to understanding our overall business and should not be considered a reliable indicator of our ability to achieve any particular level of revenue or financial performance.

Available Information — Securities and Exchange Commission ("SEC") Filings and Corporate Governance Materials

We make available free of charge, through our internet website (http://www.celanese.com), our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as ownership reports on Form 3 and Form 4, as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers, including Celanese Corporation, that electronically file with the SEC at http://www.sec.gov.

We also make available free of charge, through our internet website, our Corporate Governance Guidelines of our Board of Directors and the charters of each of the committees of the Board. Such materials are also available in print upon the written request of any shareholder to Celanese Corporation, 1601 West LBJ Freeway, Dallas, Texas, 75234-6034, Attention: Investor Relations.

Item 1A. *Risk Factors*

Many factors could have an effect on our financial condition, cash flows and results of operations. We are subject to various risks resulting from changing economic, environmental, political, industry, business and financial conditions. The factors described below represent our principal risks.

Risks Related to Our Business

Our business is exposed to risks associated with the creditworthiness of our suppliers, customers and business partners and the industries in which our suppliers and customers participate are cyclical in nature, both of which may adversely affect our business and results of operations.

Some of the industries in which our end-use customers participate, such as the automotive, electrical, construction and textile industries, are cyclical in nature, thus posing a risk to us which is beyond our control. The industries in which these customers participate are highly competitive, to a large extent driven by end-use applications, and may experience overcapacity, all of which may affect demand for and pricing of our products. Our business is exposed to risks associated with the creditworthiness of our key suppliers, customers and business partners and reductions in demand for our customers' products. The consequences of this could include the interruption of production at the facilities of our customers, the reduction, delay or cancellation of customer orders, delays in or the inability of customers to obtain financing to purchase our products, delays or interruptions of the supply of raw materials we purchase and bankruptcy of customers, suppliers or other creditors. The occurrence of any of these events may adversely affect our cash flow, profitability and financial condition.

We are a company with operations around the world and are exposed to general economic, political and regulatory conditions and risks in the countries in which we have significant operations.

We operate globally and have customers in many countries. We have major facilities primarily located in North America, Europe and Asia, and hold interests in ventures that operate in the US, Germany, China, Japan, South Korea, Taiwan and Saudi Arabia. Our principal customers are similarly global in scope, and the prices of our most significant products are typically world market prices. Also, our operations in certain foreign jurisdictions are subject to nationalization and expropriation risk, and some of our contractual relationships within these

jurisdictions are subject to cancellation without full compensation for loss. Consequently, our business and financial results are affected, directly and indirectly, by world economic, political and regulatory conditions.

In addition to the worldwide economic downturn, conditions such as the uncertainties associated with war, terrorist activities, civil unrest, epidemics, pandemics, weather, the effects of climate change or political instability in any of the countries in which we operate could affect us by causing delays or losses in the supply or delivery of raw materials and products, as well as increasing security costs, insurance premiums and other expenses. These conditions could also result in or lengthen economic recession in the United States, Europe, Asia or elsewhere.

Failure to comply with applicable laws, rules, regulations or court decisions could expose us to fines, penalties and other costs. Moreover, changes in laws or regulations, such as unexpected changes in regulatory requirements (including import or export licensing requirements), or changes in the reporting requirements of the United States, German, European Union ("EU") or Asian governmental agencies, could increase the cost of doing business in these regions. Any of these conditions may have an effect on our business and financial results as a whole and may result in volatile current and future prices for our securities, including our stock. Although we maintain insurance to cover risks associated with the operation of our business, there can be no assurance that the types of insurance we obtain or the level of coverage is adequate or that we will be able to continue to maintain our existing insurance or obtain comparable insurance at a reasonable cost, if at all.

In particular, we have invested significant resources in China and other Asian countries. This region's growth has slowed and we may fail to realize the anticipated benefits associated with our investment there and our financial results may be adversely impacted.

We are subject to risks associated with the increased volatility in the prices and availability of key raw materials and energy.

We purchase significant amounts of natural gas, ethylene and methanol from third parties for use in our production of basic chemicals in the Acetyl Intermediates segment, principally acetic acid, VAM and formaldehyde. We use a portion of our output of these chemicals, in turn, as inputs in the production of further products in all our business segments. We also purchase significant amounts of wood pulp for use in our production of cellulose acetate in the Consumer Specialties segment. The price of many of these items is dependent on the available supply of such item and may increase significantly as a result of production disruptions or strikes. In particular, to the extent of our vertical integration in the production of chemicals, shortages in the availability of raw material chemicals, such as natural gas, ethylene and methanol, can have an increased adverse impact on us as it can cause a shortage in intermediate and finished products. Such shortages would adversely impact our ability to produce certain products and increase our costs.

We are exposed to volatility in the prices of our raw materials and energy. Although we have agreements providing for the supply of natural gas, ethylene, wood pulp, electricity and fuel oil, the contractual prices for these raw materials and energy vary with economic conditions and may be highly volatile. Factors that have caused volatility in our raw material prices in the past and which may do so in the future include:

- Shortages of raw materials due to increasing demand, e.g., from growing uses or new uses;
- Capacity constraints, e.g., due to construction delays, labor disruption or involuntary shutdowns;
- The general level of business and economic activity; and
- The direct or indirect effect of governmental regulation.

If we are not able to fully offset the effects of higher energy and raw material costs, or if such commodities were unavailable, it could have a significant adverse effect on our financial results.

Failure to develop new products and production technologies or to implement productivity and cost reduction initiatives successfully may harm our competitive position.

Our operating results depend significantly on the development of commercially viable new products, product grades and applications, as well as production technologies. If we are unsuccessful in developing new products, applications and production processes in the future, our competitive position and operating results may be negatively affected. For example, we recently announced our intention to construct new ethanol manufacturing facilities in China and the US that will utilize advanced technology developed with elements of our proprietary advanced acetyl platform. However, as we invest in the commercialization of this new process technology, we face the risk of unanticipated operational or commercialization difficulties, including an inability to obtain necessary permits or governmental approvals, failure of facilities or processes to operate in accordance with specifications or expectations, construction delays, cost over-runs, the unavailability of required materials and equipment and various other factors. Likewise, we have undertaken and are continuing to undertake initiatives in all business segments to improve productivity and performance and to generate cost savings. These initiatives may not be completed or beneficial or the estimated cost savings from such activities may not be realized.

US federal regulations aimed at increasing security at certain chemical production plants and similar legislation that may be proposed in the future could, if passed into law, require us to relocate certain manufacturing activities and require us to alter or discontinue our production of certain chemical products, thereby increasing our operating costs and causing an adverse effect on our results of operations.

Regulations are being implemented by the US Department of Homeland Security ("DHS") aimed at decreasing the risk, and effects, of potential terrorist attacks on chemical plants located within the United States. Pursuant to these regulations, these goals would be accomplished in part through the requirement that certain high-priority facilities develop a prevention, preparedness, and response plan after conducting a vulnerability assessment. In addition, companies may be required to evaluate the possibility of using less dangerous chemicals and technologies as part of their vulnerability assessments and security plans and implementing feasible safer technologies in order to minimize potential damage to their facilities from a terrorist attack. We have registered certain of our sites with DHS in accordance with these regulations, have conducted vulnerability assessments at applicable sites and are awaiting DHS review and approval of security plans. Until that is done we cannot determine with certainty the costs associated with any security measures that DHS may require.

Environmental regulations and other obligations relating to environmental matters could subject us to liability for fines, clean-ups and other damages, require us to incur significant costs to modify our operations and increase our manufacturing and delivery costs.

Costs related to our compliance with environmental laws and regulations, and potential obligations with respect to contaminated sites may have a significant negative impact on our operating results. These obligations include the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") and the Resource Conservation and Recovery Act of 1976 ("RCRA") related to sites currently or formerly owned or operated by us, or where waste from our operations was disposed. We also have obligations related to the indemnity agreement contained in the demerger and transfer agreement between Celanese GmbH and Hoechst AG, also referred to as the demerger agreement, for environmental matters arising out of certain divestitures that took place prior to the demerger.

Our operations are subject to extensive international, national, state, local and other supranational laws and regulations that govern environmental and health and safety matters, including CERCLA and RCRA. We incur substantial capital and other costs to comply with these requirements. If we violate any one of those laws or regulations, we can be held liable for substantial fines and other sanctions, including limitations on our operations as a result of changes to or revocations of environmental permits involved. Stricter environmental, safety and health laws, regulations and enforcement policies could result in substantial costs and liabilities to us or limitations on our operations and could subject our handling, manufacture, transport, use, reuse or disposal of substances or pollutants to more rigorous scrutiny than at present. One example of such regulations is the National Emission Standard for Hazardous Air Pollutants ("NESHAP") for Industrial, Commercial, and Institutional Boilers, which was issued in

draft form by the Environmental Protection Agency ("EPA") on April 29, 2010. In its current draft form, these rules could require us to make significant capital expenditures to comply with stricter emissions requirements for industrial boilers at our facilities. Consequently, compliance with these laws and regulations could result in significant capital expenditures as well as other costs and liabilities, which could adversely affect our business and cause our operating results to be less favorable than expected. An adverse outcome in these claim procedures may negatively affect our earnings and cash flows in a particular reporting period.

Changes in environmental, health and safety regulations in the jurisdictions where we manufacture and sell our products could lead to a decrease in demand for our products.

New or revised governmental regulations and independent studies relating to the effect of our products on health, safety and the environment may affect demand for our products and the cost of producing our products.

In June 2009, the California Office of Environmental Health Hazard Assessment ("OEHHA") formally proposed to add VAM, along with 11 other substances, to a list of chemicals "known to the state of California" to cause cancer. OEHHA is required to maintain this list under the Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"). Celanese filed comments in opposition to the proposed listing because the listing was not based on a scientific review of the relevant data and the legal standard for adding VAM to the Proposition 65 list had not been met. Celanese also filed an action in the Sacramento County Superior Court seeking declaration that OEHHA's proposed listing of VAM would be contrary to law. The Superior Court granted Celanese's request for relief. An appeal filed by OEHHA is pending in the California Court of Appeal.

We can provide no assurance that the Sacramento County Superior Court decision will be affirmed on appeal, or that VAM or other chemicals we produce will not be classified in other jurisdictions in a manner that would adversely affect demand for such products.

We are a producer of formaldehyde and plastics derived from formaldehyde. Several studies have investigated possible links between formaldehyde exposure and various end points including leukemia. The International Agency for Research on Cancer ("IARC"), a private research agency, has reclassified formaldehyde from Group 2A (probable human carcinogen) to Group 1 (known human carcinogen) based on studies linking formaldehyde exposure to nasopharyngeal cancer, a rare cancer in humans. In October 2009, IARC also concluded based on a recent study that there is sufficient evidence for a casual association between formaldehyde and the development of leukemia. We expect the results of IARC's review will be examined and considered by government agencies with responsibility for setting worker and environmental exposure standards and labeling requirements.

Other pending initiatives will potentially require toxicological testing and risk assessments of a wide variety of chemicals, including chemicals used or produced by us. These initiatives include the Voluntary Children's Chemical Evaluation Program, High Production Volume Chemical Initiative and expected modifications to the Toxic Substances Control Act ("TSCA") in the United States, as well as various European Commission programs, such as the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACh").

The above-mentioned assessments in the United States and Europe may result in heightened concerns about the chemicals involved and additional requirements being placed on the production, handling, labeling or use of the subject chemicals. Such concerns and additional requirements could also increase the cost incurred by our customers to use our chemical products and otherwise limit the use of these products, which could lead to a decrease in demand for these products. Such a decrease in demand would likely have an adverse impact on our business and results of operations.

Our business exposes us to potential product liability claims and recalls, which could adversely affect our financial condition and performance.

The development, manufacture and sales of specialty chemical products by us, including products produced for the food, beverage, cigarette, and pharmaceutical industries, involve an inherent risk of exposure to product liability claims, product recalls, product seizures and related adverse publicity. A product liability claim or judgment against

us could also result in substantial and unexpected expenditures, affect consumer or customer confidence in our products, and divert management's attention from other responsibilities. Although we maintain product liability insurance, there can be no assurance that this type or the level of coverage is adequate or that we will be able to continue to maintain its existing insurance or obtain comparable insurance at a reasonable cost, if at all. A product recall or a partially or completely uninsured judgment against us could have a material adverse effect on our results of operations or financial condition.

We are subject to risks associated with possible climate change legislation, regulation and international accords.

Greenhouse gas emissions have increasingly become the subject of a large amount of international, national, regional, state and local attention. Cap and trade initiatives to limit greenhouse gas emissions have been introduced in the EU. Similarly, numerous bills related to climate change have been introduced in the US Congress, which could adversely impact all industries. In addition, the EPA has promulgated rules limiting greenhouse gas emissions and regulation of greenhouse gas also could occur pursuant to future US treaty obligations, statutory or regulatory changes under the Clean Air Act or new climate change legislation.

While not all are likely to become law, this is a strong indication that additional climate change related mandates will be forthcoming, and it is expected that they may adversely impact our costs by increasing energy costs and raw material prices, establishing costly emissions trading schemes and requiring modification of equipment to limit greenhouse gas emissions.

A step toward potential federal restriction on greenhouse gas emissions was taken on December 7, 2009 when the Environmental Protection Agency ("EPA") issued its Endangerment Finding in response to a decision of the Supreme Court of the United States. The EPA found that the emission of six greenhouse gases, including carbon dioxide (which is emitted from the combustion of fossil fuels), may reasonably be anticipated to endanger public health and welfare. Based on this finding, the EPA defined the mix of these six greenhouse gases to be "air pollution" subject to regulation under the Clean Air Act. Although the EPA has stated a preference that greenhouse gas regulation be based on new federal legislation rather than the existing Clean Air Act, absent legislative action, the EPA has begun to regulate many sources of greenhouse gas emissions.

For example, on January 2, 2011, many large sources of greenhouse gas emissions became subject to the requirements of the Prevention of Significant Deterioration ("PSD") permitting program. The PSD permitting program requires these large sources of greenhouse gas emissions to install Best Available Control Technology ("BACT") to limit greenhouse gas emissions when modifying equipment if the increased greenhouse gas emissions will exceed 75,000 tons per year. Texas, however, has refused to implement the PSD permitting program for greenhouse gas emissions, which prompted the EPA to attempt to take over GHG permitting from the state regulators late last year. On December 30, 2010, an Appellate Court stayed EPA's action pending a determination of whether EPA's take-over complies with the U.S. Clean Air Act. Additionally, the EPA announced on December 23, 2010 that it would impose further greenhouse gas emission limits on electric generating units and petroleum refineries through the establishment of New Source Performance Standards ("NSPS").

The US Congress recently considered legislation that would create an economy-wide "cap-and-trade" system that would establish a limit (or cap) on overall greenhouse gas emissions and create a market for the purchase and/or sale of emissions permits or "allowances." Under these proposals, the chemical industry likely would be affected due to anticipated increases in energy costs as fuel providers pass on the cost of the emissions allowances, which they would be required to obtain, to cover the emissions from fuel production and the eventual use of fuel by the Company or its energy suppliers. In addition, cap-and-trade proposals would likely increase the cost of energy, including purchases of steam and electricity, and certain raw materials used by the Company.

Other countries are also considering or have implemented regulatory programs to reduce greenhouse gas emissions. Future environmental legislative and regulatory developments related to climate change are possible, which could materially increase operating costs in the chemical industry and thereby increase our manufacturing and delivery costs.

Our production facilities handle the processing of some volatile and hazardous materials that subject us to operating risks that could have a negative effect on our operating results.

Our operations are subject to operating risks associated with chemical manufacturing, including the related storage and transportation of raw materials, finished products and waste. These risks include, among other things, pipeline and storage tank leaks and ruptures, explosions and fires and discharges or releases of toxic or hazardous substances.

These operating risks can cause personal injury, property damage and environmental contamination, and may result in the shutdown of affected facilities and the imposition of civil or criminal penalties. The occurrence of any of these events may disrupt production and have a negative effect on the productivity and profitability of a particular manufacturing facility and our operating results and cash flows.

Production at our manufacturing facilities could be disrupted for a variety of reasons, which could prevent us from producing enough of our products to maintain our sales and satisfy our customers' demands.

A disruption in production at one or more of our manufacturing facilities could have a material adverse effect on our business. Disruptions could occur for many reasons, including fire, natural disasters, weather, unplanned maintenance or other manufacturing problems, disease, strikes, transportation interruption, government regulation or terrorism. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, each of which could negatively affect our business and financial performance. If one of our key manufacturing facilities is unable to produce our products for an extended period of time, our sales may be reduced by the shortfall caused by the disruption and we may not be able to meet our customers' needs, which could cause them to seek other suppliers. In particular, production disruptions at our manufacturing facilities that produce chemicals used as inputs in the production of chemicals in other business segments, such as acetic acid, VAM and formaldehyde, could have a more significant adverse effect on our business and financial performance and results of operation to the extent of such vertical integration. Furthermore, to the extent a production disruption occurs at a manufacturing facility that has been operating at or near full capacity, the resulting shortage of our product could be particularly harmful because production at the manufacturing facility may not be able to be sufficiently increased in the future.

Our business and financial results may be adversely affected by various legal and regulatory proceedings.

We are subject to legal and regulatory proceedings, lawsuits and claims in the normal course of business and could become subject to additional claims in the future, some of which could be material. The outcome of existing proceedings, lawsuits and claims may differ from our expectations because the outcomes of litigation, including regulatory matters, are often difficult to reliably predict. Various factors or developments can lead us to change current estimates of liabilities and related insurance receivables where applicable, or permit us to make such estimates for matters previously not susceptible to reasonable estimates, such as a significant judicial ruling or judgment, a significant settlement, significant regulatory developments, or changes in applicable law. A future adverse ruling, settlement, or unfavorable development could result in charges that could have a material adverse effect on our business, results of operations or financial condition in any particular period. For a more detailed discussion of our legal proceedings, see *Item 3. Legal Proceedings* below.

Our success depends upon our ability to attract and retain key employees and the identification and development of talent to succeed senior management.

Our success depends on our ability to attract and retain key personnel, and we rely heavily on our management team. The inability to recruit and retain key personnel or the unexpected loss of key personnel may adversely affect our operations. In addition, because of the reliance on our management team, our future success depends in part on our ability to identify and develop talent to succeed senior management. The retention of key personnel and appropriate senior management succession planning will continue to be critically important to the successful implementation of our strategies.

We may not be able to complete future acquisitions or successfully integrate future acquisitions into our business, which could affect adversely our business or results of operations.

As part of our growth strategy, we intend to pursue acquisitions and joint venture opportunities. Successful accomplishment of this objective may be limited by the availability and suitability of acquisition candidates and by our financial resources, including available cash and borrowing capacity. Acquisitions involve numerous risks, including difficulty determining appropriate valuation, integrating operations, technologies, services and products of the acquired lines or businesses, personnel turnover and the diversion of management's attention from other business matters. In addition, we may be unable to achieve anticipated benefits from these acquisitions in the timeframe that we anticipate, or at all, which could affect adversely our business or results of operations.

We may experience unexpected difficulties and incur unexpected costs in the relocation of our Ticona plant from Kelsterbach to the Rhine Main area, which may increase our costs, delay the transition or disrupt our ability to supply our customers.

We have agreed with Frankfurt, Germany Airport ("Fraport") to relocate our Kelsterbach, Germany operations to another location, resolving several years of legal disputes related to the planned Frankfurt airport expansion. In July 2007, we announced that we would relocate the Kelsterbach, Germany operations to the Hoechst Industrial Park in the Rhine Main area. Fraport agreed to pay Ticona a total of €670 million over a 5-year period to offset costs associated with the closure of the Kelsterbach plant and the transition of the operations from its current location. As the relocation project progressed, we decided to expand the scope of the new production facilities and now expect to spend in excess of the proceeds to be received from Fraport. Because the relocation of our Kelsterbach, Germany operations represents a major logistical undertaking, the construction of our new facilities may be delayed, actual costs may exceed our revised estimates and we may be subject to penalties if we have not timely vacated the Kelsterbach location. If the relocation causes other unexpected difficulties, our costs may increase or supplies to our customers may be disrupted.

Our significant non-US operations expose us to global exchange rate fluctuations that could adversely impact our profitability.

Because we conduct a significant portion of our operations outside the United States, fluctuations in currencies of other countries, especially the Euro, may materially affect our operating results. For example, changes in currency exchange rates may decrease our profits in comparison to the profits of our competitors on the same products sold in the same markets and increase the cost of items required in our operations.

A substantial portion of our net sales is denominated in currencies other than the US dollar. In our consolidated financial statements, we translate our local currency financial results into US dollars based on average exchange rates prevailing during a reporting period or the exchange rate at the end of that period. During times of a strengthening US dollar our reported international sales, earnings, assets and liabilities will be reduced because the local currency will translate into fewer US dollars.

In addition to currency translation risks, we incur a currency transaction risk whenever one of our operating subsidiaries enters into either a purchase or a sales transaction using a currency different from the operating subsidiary's functional currency. Given the volatility of exchange rates, we may not be able to manage our currency transaction and translation risks effectively, and volatility in currency exchange rates may expose our financial condition or results of operations to a significant additional risk. Since a portion of our indebtedness is and will be denominated in currencies other than US dollars, a weakening of the US dollar could make it more difficult for us to repay our indebtedness denominated in foreign currencies unless we have cash flows in those foreign currencies from our foreign operations sufficient to repay that indebtedness out of those cash flows.

We use financial instruments to hedge certain exposure to foreign currency fluctuations, but we cannot guarantee that our hedging strategies will be effective. Failure to effectively manage these risks could have an adverse impact on our financial position, results of operations and cash flows.

Significant changes in pension fund investment performance or assumptions relating to pension costs may have a material effect on the valuation of pension obligations, the funded status of pension plans and our pension cost.

The cost of our pension plans is incurred over long periods of time and involves many uncertainties during those periods of time. Our funding policy for pension plans is to accumulate plan assets that, over the long run, will approximate the present value of projected benefit obligations. Our pension cost is materially affected by the discount rate used to measure pension obligations, the level and value of plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets can result in corresponding increases and decreases in the valuation of plan assets, particularly equity securities, or in a change of the expected or actual rate of return on plan assets. A change in the discount rate would result in a significant increase or decrease in the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years. In recent years, an extended duration strategy in the asset portfolio has been implemented to minimize the influence of liability volatility due to interest rate movements. Similarly, changes in the expected return on plan assets can result in significant changes in the net periodic pension cost for subsequent fiscal years. If the value of our pension fund's portfolio declines we may be required to contribute capital in addition to those contributions for which we have already planned.

Our future success will depend in part on our ability to protect our intellectual property rights. Our inability to protect and enforce these rights could reduce our ability to maintain our market position and our profit margins.

We attach great importance to our patents, trademarks, copyrights and know-how and trade secrets in order to protect our investment in research and development, manufacturing and marketing. We have also adopted rigorous internal policies for protecting our valuable know-how and trade secrets. We sometimes license patents and other technology from third parties. Our policy is to seek the widest possible protection for significant developments that provide us competitive advantages in our major markets. Patents may cover catalysts, processes, products, intermediate products and product uses. These patents provide varying periods of protection based on the filing date of the patent application, and the legal life of patents, type of patent and its scope in the various countries in which we seek protection. As patents expire, the catalysts, processes and products described and claimed in those patents become generally available for use by the public subject to our continued protection for associated know-how and trade secrets. We also seek to register trademarks extensively as a means of protecting the brand names of our products, which brand names become more important once the corresponding product or process patents have expired. We operate in regions of the world where intellectual property protection may be limited and difficult to enforce and our continued growth strategy may bring us to additional regions with similar challenges. If we are not successful in protecting or maintaining our patent, license, trademark or other intellectual property rights, our revenues, results of operations and cash flows may be adversely affected.

Provisions in our certificate of incorporation and bylaws, as well as any shareholders' rights plan, may discourage a takeover attempt.

Provisions contained in our certificate of incorporation and bylaws could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Provisions of our certificate of incorporation and bylaws impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. For example, our certificate of incorporation authorizes our Board of Directors to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock, without any vote or action by our shareholders. Thus, our Board of Directors can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our Series A common stock. These rights may have the effect of delaying or deterring a change of control of our Company. In addition, a change of control of our company may be delayed or deterred as a result of our having three classes of directors (each class elected for a three year term) or as a result of any shareholders' rights plan that our Board of Directors may adopt. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our Series A common stock.

Risks Related to the Acquisition of Celanese GmbH, formerly Celanese AG

The amounts of the fair cash compensation and of the guaranteed annual payment offered under the domination and profit and loss transfer agreement (the "Domination Agreement") and/or the compensation paid in connection with the squeeze out may be increased, which may further reduce the funds that our subsidiary, BCP Holdings GmbH, a German limited liability company ("BCP Holdings"), can otherwise make available to us.

Several minority shareholders of Celanese GmbH have initiated special award proceedings seeking the court's review of the amounts of the fair cash compensation and of the guaranteed annual payment offered under the Domination Agreement. On December 12, 2006, the Frankfurt District Court appointed an expert to help determine the value of Celanese AG as of July 31, 2004, on which date an extraordinary shareholder meeting of Celanese AG was held to resolve the Domination Agreement. As a result of these proceedings, the amounts of the fair cash compensation and of the guaranteed annual payment could be increased by the court, and BCP Holdings would be required to make such payments within two months after the publication of the court's ruling. Any such increase may be substantial. All minority shareholders would be entitled to claim the respective higher amounts. This may reduce the funds BCP Holdings can make available to us and, accordingly, diminish our ability to make payments on our indebtedness. See Note 23 to the accompanying consolidated financial statements for further information.

The Company also received applications for the commencement of award proceedings filed by 79 shareholders against BCP Holdings with the Frankfurt District Court requesting the court to set a higher amount for the Squeeze-Out compensation. Should the court set a higher value for the Squeeze-Out compensation, former Celanese AG shareholders who ceased to be shareholders of Celanese AG due to the Squeeze-Out are entitled, pursuant to a settlement agreement between BCP Holdings and certain former Celanese AG shareholders, to claim for their shares the higher of the compensation amounts determined by the court in these different proceedings. Previously received compensation for their shares will be offset so that those shareholders who ceased to be shareholders of Celanese AG due to the Squeeze-Out are not entitled to more than higher of the amount set in the two court proceedings.

Celanese Deutschland Holding GmbH ("CDH") may be required to compensate BCP Holdings for annual losses, which may reduce the funds CDH can otherwise make available to us.

CDH and BCP Holdings have entered into a profit and loss transfer agreement on December 3, 2009 which became effective on December 10, 2009 (the "PLTA"). Under the PLTA, CDH is required, among other things, to compensate BCP Holdings for any annual loss incurred, determined in accordance with German accounting requirements, by BCP Holdings at the end of the fiscal year in which the loss was incurred. This obligation to compensate BCP Holdings for annual losses will apply during the entire term of the PLTA. If BCP Holdings incurs losses during any period of the operative term of the PLTA and if such losses lead to an annual loss of BCP Holdings at the end of any given fiscal year during the term of the PLTA, CDH will be obligated to make a corresponding cash payment to BCP Holdings to the extent that the respective annual loss is not fully compensated for by the dissolution of profit reserves accrued at the level of BCP Holdings during the term of the PLTA. CDH may be able to reduce or avoid cash payments to BCP Holdings by off-setting against such loss compensation claims made by BCP Holdings any valuable counterclaims against BCP Holdings that CDH may have. If CDH is obligated to make cash payments to BCP Holdings to cover an annual loss, we may not have sufficient funds to make payments on our indebtedness when due and, unless CDH is able to obtain funds from a source other than annual profits of BCP Holdings, CDH may not be able to satisfy its obligation to fund such shortfall.

BCP Holdings may be required to compensate Celanese GmbH for annual losses, which may reduce the funds BCP Holdings can otherwise make available to us.

BCP Holdings and Celanese GmbH have entered into a new domination agreement on March 26, 2010 which became effective on April 9, 2010 (the "Domination Agreement II"). Under the Domination Agreement II, BCP Holdings is required, among other things, to compensate Celanese GmbH for any annual loss incurred, determined in accordance with German accounting requirements, by Celanese GmbH at the end of the fiscal year in which the

loss was incurred. This obligation to compensate Celanese GmbH for annual losses will apply during the entire term of the Domination Agreement II. If Celanese GmbH incurs losses during any period of the operative term of the Domination Agreement II and if such losses lead to an annual loss of Celanese GmbH at the end of any given fiscal year during the term of the Domination Agreement II, BCP Holdings will be obligated to make a corresponding cash payment to Celanese GmbH to the extent that the respective annual loss is not fully compensated for by the dissolution of profit reserves accrued at the level of Celanese GmbH during the term of the Domination Agreement II. BCP Holdings may be able to reduce or avoid cash payments to Celanese GmbH by off-setting against such loss compensation claims by Celanese GmbH any valuable counterclaims against Celanese GmbH that BCP Holdings may have. If BCP Holdings is obligated to make cash payments to Celanese GmbH to cover an annual loss, we may not have sufficient funds to make payments on our indebtedness when due and, unless BCP Holdings is able to obtain funds from a source other than annual profits of Celanese GmbH, BCP Holdings may not be able to satisfy its obligation to fund such shortfall.

Risks Related to Our Indebtedness

Our level of indebtedness could diminish our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or the chemicals industry and prevent us from meeting obligations under our indebtedness.

Our total indebtedness is approximately $3.2 billion as of December 31, 2010. See Note 13 to the accompanying consolidated financial statements for further information.

Our level of indebtedness could have important consequences, including:

- increasing our vulnerability to general economic and industry conditions including exacerbating the impact of any adverse business effects that are determined to be material adverse events under our existing senior credit facilities (the “Senior Credit Agreement”);
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on indebtedness, therefore reducing our ability to use our cash flow to fund operations, capital expenditures and future business opportunities or pay dividends on our common stock;
- exposing us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

We may be able to incur additional indebtedness in the future, which could increase the risks described above.

Although covenants under the Senior Credit Agreement and the Indenture governing the $600 million in aggregate principal amount of 6 $^{5}/_{8}$% Senior Notes due 2018 (the “Notes”) limit our ability to incur certain additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness we could incur in compliance with these restrictions could be significant. To the extent that we incur additional indebtedness, the risks associated with our leverage described above, including our possible inability to service our debt, including the Notes, would increase.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly and affect our operating results.

Certain of our borrowings are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on our variable rate indebtedness would increase. As of December 31, 2010,

we had $1.6 billion, €296 million and CNY 1.5 billion of variable rate debt, of which $1.5 billion and €150 million is hedged with interest rate swaps, which leaves $73 million, €146 million and CNY 1.5 billion of variable rate debt subject to interest rate exposure. Accordingly, a 1% increase in interest rates would increase annual interest expense by approximately $5 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures About Market Risk" and Note 21 to the accompanying consolidated financial statements for further information.

We may not be able to generate sufficient cash to service our indebtedness, and may be forced to take other actions to satisfy obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on the financial condition and operating performance of our subsidiaries, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The Senior Credit Agreement restricts our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

Restrictive covenants in our debt agreements may limit our ability to engage in certain transactions and may diminish our ability to make payments on our indebtedness.

The Senior Credit Agreement and the Indenture governing the Notes each contain various covenants that limit our ability to engage in specified types of transactions. The Indenture governing the Notes will limit Celanese US's and certain of its subsidiaries' ability to, among other things, incur additional debt; pay dividends or make other restricted payments; consummate specified asset sales; enter into transactions with affiliates; incur liens, impose restrictions on the ability of a subsidiary to pay dividends or make payments to Celanese US and its restricted subsidiaries; merge or consolidate with any other person; and sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of Celanese US's assets or the assets of its restricted subsidiaries.

In addition, the Senior Credit Agreement requires us to maintain a maximum first lien senior secured leverage ratio if there are outstanding borrowings under the revolving credit facility. Our ability to meet this financial ratio can be affected by events beyond our control, and we may not be able to meet this test at all.

Such restrictions in our debt instruments could result in us having to obtain the consent of holders of the Notes and of our lenders in order to take certain actions. Disruptions in credit markets may prevent us from obtaining or make it more difficult or more costly for us to obtain such consents. Our ability to expand our business or to address declines in our business may be limited if we are unable to obtain such consents.

A breach of any of these covenants could result in a default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, a default under the Senior Credit Agreement could permit lenders to accelerate the maturity of our indebtedness under the Senior Credit Agreement and to terminate any commitments to lend. If we were unable to repay such indebtedness, the lenders under the Senior Credit Agreement could proceed against the collateral granted to them to secure that indebtedness. Our subsidiaries have pledged a significant portion of our assets as collateral to secure our indebtedness under the Senior Credit Agreement. If the lenders under the Senior Credit Agreement accelerate the repayment of such indebtedness, we may not have sufficient assets to repay such amounts or our other indebtedness, including the Notes. In such event, we could be forced into bankruptcy or liquidation.

Celanese and Celanese US are holding companies and depend on subsidiaries to satisfy their obligations under the Notes and the guarantee of Celanese US's obligations under the Notes by Celanese.

As holding companies, Celanese and Celanese US conduct substantially all of their operations through their subsidiaries, which own substantially all of our consolidated assets. Consequently, the principal source of cash to pay Celanese and Celanese US's obligations, including obligations under the Notes and the guarantee of the Celanese US's obligations under the Notes by Celanese, is the cash that our subsidiaries generate from their operations. We cannot assure that our subsidiaries will be able to, or be permitted to, make distributions to enable Celanese US and/or Celanese to make payments in respect of their obligations. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, applicable state laws, regulatory limitations and terms of our debt instruments may limit Celanese US's and Celanese's ability to obtain cash from our subsidiaries. While the Indenture governing the Notes limits the ability of our subsidiaries to restrict their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions, which may have the effect of significantly restricting the applicability of those limits. In the event Celanese US and/or Celanese do not receive distributions from our subsidiaries, Celanese US and/or Celanese may be unable to make required payments on the Notes, the guarantee of Celanese US's obligations under the Notes by Celanese, or our other indebtedness.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. *Properties*

Description of Property

We own or lease numerous production and manufacturing facilities throughout the world. We also own or lease other properties, including office buildings, warehouses, pipelines, research and development facilities and sales offices. We continuously review and evaluate our facilities as a part of our strategy to optimize our business portfolio. The following table sets forth a list of our principal production and other facilities throughout the world as of December 31, 2010.

Site	Leased/Owned	Products/Functions
Corporate Offices		
Budapest, Hungary	Leased	Administrative offices
Dallas, Texas, US	Leased	Corporate headquarters
Kelsterbach, Germany	Owned	Administrative offices
Shanghai, China	Leased	Administrative offices
Advanced Engineered Materials		
Auburn Hills, Michigan, US	Leased	Automotive Development Center
Bishop, Texas, US	Owned	POM, GUR ®, Compounding
Florence, Kentucky, US	Owned	Compounding
Fuji City, Japan	Owned by Polyplastics Co., Ltd. (6)	POM, PBT, LCP, Compounding
Frankfurt am Main, Germany (7)	Owned by InfraServ GmbH & Co. Hoechst KG (6)	No operations in 2010; relocation site
Jubail, Saudi Arabia (9)	Owned by National Methanol Company (6)	MTBE, Methanol
Kaiserslautern, Germany (1)	Leased	LFT
Kelsterbach, Germany (7)	Owned	LFT, POM, Compounding
Kuantan, Malaysia	Owned by Polyplastics Co., Ltd. (6)	POM, Compounding
Nanjing, China (2)	Leased	LFT, GUR ®, Compounding
Oberhausen, Germany (1)	Leased	GUR ®
Shelby, North Carolina, US	Owned	LCP, Compounding
Suzano, Brazil (1)	Leased	Compounding
Ulsan, South Korea	Owned by Korea Engineering Plastics Co., Ltd. (6)	POM
Wilmington, North Carolina, US	Owned by Fortron Industries LLC (6)	PPS
Winona, Minnesota, US	Owned	LFT
Consumer Specialties		
Frankfurt am Main, Germany (3)	Owned by InfraServ GmbH & Co. Hoechst KG (6)	Sorbates, Sunett ® sweetener
Kunming, China	Owned by Kunming Cellulose Fibers Co. Ltd. (5)	Acetate tow
Lanaken, Belgium	Owned	Acetate tow
Nantong, China	Owned by Nantong Cellulose Fibers Co. Ltd. (5)	Acetate tow, Acetate flake
Narrows, Virginia, US	Owned	Acetate tow, Acetate flake
Ocotlán, Mexico	Owned	Acetate tow, Acetate flake

Site	Leased/Owned	Products/Functions
Spondon, Derby, United Kingdom	Owned	Acetate tow, Acetate flake, Acetate film
Zhuhai, China	Owned by Zhuhai Cellulose Fibers Co. Ltd. [5]	Acetate tow
Industrial Specialties		
Boucherville, Quebec, Canada	Owned	Conventional emulsions
Enoree, South Carolina, US	Owned	Conventional emulsions, VAE emulsions
Edmonton, Alberta, Canada	Owned	LDPE, EVA
Frankfurt am Main, Germany [3]	Owned by InfraServ GmbH & Co. Hoechst KG [6]	Conventional emulsions, VAE emulsions
Geleen, Netherlands	Owned	VAE emulsions
Meredosia, Illinois, US	Owned	Conventional emulsions, VAE emulsions
Nanjing, China [2]	Leased	Conventional emulsions, VAE emulsions
Perstorp, Sweden	Owned	Conventional emulsions, VAE emulsions
Tarragona, Spain [4]	Owned by Complejo Industrial Taqsa AIE [5]	Conventional emulsions, VAE emulsions
Acetyl Intermediates		
Bay City, Texas, US	Leased	VAM
Bishop, Texas, US	Owned	Formaldehyde
Cangrejera, Mexico	Owned	Acetic anhydride, Ethyl acetate
Clear Lake, Texas, US	Owned	Acetic acid, VAM
Frankfurt am Main, Germany [3]	Owned by InfraServ GmbH & Co. Hoechst KG [6]	Acetaldehyde, VAM, Butyl acetate
Jurong Island, Singapore [1]	Leased	Acetic acid, Butyl acetate, Ethyl acetate, VAM
Nanjing, China [2]	Leased	Acetic acid, Acetic anhydride, VAM
Pampa, Texas, US [8]	Owned	Site is no longer operating
Pardies, France	Owned	Site is no longer operating
Roussillon, France [1]	Leased	Acetic anhydride
Tarragona, Spain [4]	Owned by Complejo Industrial Taqsa AIE [5]	VAM

[1] Celanese owns the assets on this site, but utilizes the land through the terms of a long-term land lease.

[2] Multiple Celanese business segments conduct operations at the Nanjing facility. Celanese owns the assets on this site, but utilizes the land through the terms of a long-term land lease.

[3] Multiple Celanese business segments conduct operations at the Frankfurt am Main facility.

[4] Multiple Celanese business segments conduct operations at the Tarragona site. Celanese owns the assets on this site but shares ownership in the land. Celanese's ownership percentage in the land is 15%.

[5] A Celanese cost method investment.

[6] A Celanese equity method investment.

(7) Celanese is relocating the Kelsterbach plant to the Frankfurt am Main facility. Celanese will own the assets, but utilize the land through the terms of a long-term land lease.

(8) Site is no longer operational and is currently held for sale.

(9) Site moved from Acetyl Intermediates segment to Advanced Engineered Materials segment to reflect the change in the affiliate's business dynamics and growth opportunities as a result of the future construction of the POM facility.

Item 3. ***Legal Proceedings***

We are involved in a number of legal and regulatory proceedings, lawsuits and claims incidental to the normal conduct of our business, relating to such matters as product liability, contract antitrust, intellectual property, workers' compensation, chemical exposure, prior acquisitions, past waste disposal practices and release of chemicals into the environment. While it is impossible at this time to determine with certainty the ultimate outcome of these proceedings, lawsuits and claims, we are actively defending those matters where the Company is named as a defendant. Additionally, we believe, based on the advice of legal counsel, that adequate reserves have been made and that the ultimate outcomes of all such litigation claims will not have a material adverse effect on our financial position, but may have a material adverse effect on our results of operations or cash flows in any given accounting period. See Note 23 to the accompanying consolidated financial statements for a discussion of commitments and contingencies related to legal and regulatory proceedings.

Item 4. ***[Removed and Reserved]***

Executive Officers of the Registrant

The names, ages and biographies of our executive officers as of February 11, 2011 are as follows:

Name	Age	Position
David N. Weidman	55	Chairman of the Board, President and Chief Executive Officer
Douglas M. Madden	58	Chief Operating Officer
Steven M. Sterin	39	Senior Vice President and Chief Financial Officer
James S. Alder	62	Senior Vice President, Operations and Technical
Gjon N. Nivica, Jr.	46	Senior Vice President, General Counsel and Corporate Secretary
Mark W. Oberle	45	Senior Vice President, Corporate Affairs
Jay C. Townsend	52	Senior Vice President, Business Strategy Development and Procurement
Jacquelyn H. Wolf	49	Senior Vice President, Human Resources
Christopher W. Jensen	44	Senior Vice President, Finance and Treasurer

David N. Weidman has been our Chief Executive Officer and a member of our board of directors since December 2004. He became Chairman of the board of directors in February 2007. Mr. Weidman joined Celanese AG (the Company's predecessor) in September 2000 where he held a number of executive positions, most recently Vice Chairman and a member of its board of management. Before joining Celanese AG, Mr. Weidman held various leadership positions with AlliedSignal, most recently as the President of its performance polymers business. Mr. Weidman began his career in the chemical industry with American Cyanamid in 1980. He is a member of the board of the American Chemistry Council, the National Advisory Council of the Marriott School of Management and the Society of Chemical Industry. He is also a member of the Advancement Counsel for Engineering and Technology for the Ira A. Fulton College of Engineering and Technology and a member of the board and Chairman of the finance committee of The Conservation Fund.

Douglas M. Madden has served as our Chief Operating Officer since December 2009. Prior to that time, Mr. Madden served as Corporate Executive Vice President with responsibility for the Company's Acetyl Intermediates and Industrial Specialties Segments since February 2009. He was the Executive Vice President and President, Acetate, EVA Performance Polymers and Emulsions & PVOH from 2006 through February 2009.

Mr. Madden previously served as President of Celanese Acetate from October 2003 to 2006. Prior to assuming leadership for Celanese Acetate, Mr. Madden served as Vice President and General Manager of the acrylates business and head of global supply chain for Celanese Chemicals from 2000 to October 2003. Prior to 2000, Mr. Madden held various vice president level positions in finance, global procurement and business support with the Hoechst Celanese Life Sciences Group, Celanese Fibers and Celanese Chemicals businesses. In 1990, he served as business director for Ticona's GUR business and held prior responsibilities as director of quality management for Specialty Products. Mr. Madden started his career with American Hoechst Corporation in 1984 as manager of corporate distribution. His prior experience included operational and distribution management with Warner-Lambert and Johnson & Johnson. Mr. Madden received a Bachelor of Science degree in business administration from the University of Illinois.

Steven M. Sterin has served as our Senior Vice President and Chief Financial Officer since July 2007. Mr. Sterin previously served as our Vice President, Controller and Principal Accounting Officer from September 2005 to July 2007 and Director of Finance for Celanese Chemicals from 2003 to 2005 and Controller of Celanese Chemicals from 2004 to 2005. Prior to joining Celanese, Mr. Sterin worked for Reichhold, Inc., a subsidiary of Dainnippon Ink and Chemicals, Incorporated, beginning in 1997. There he held a variety of leadership positions in the finance organization before serving as Treasurer from 2000 to 2001 and later as Vice President of Finance, Coating Resins from 2001 to 2003. Mr. Sterin began his career at Price Waterhouse LLP, currently known as PricewaterhouseCoopers LLP. Mr. Sterin, a Certified Public Accountant, graduated from the University of Texas at Austin in May 1995, receiving both a Bachelor of Arts degree in business and a masters degree in professional accounting.

James S. Alder has served as our Senior Vice President, Operations and Technical since February 2008. In this capacity he oversees our global manufacturing, supply chain and environmental, health and safety operations, as well as the Company's overall productivity efforts, including Six Sigma and operational excellence. Mr. Alder previously served as our Vice President, Operations and Technical from 2000 to February 2008. Prior to 2000, Mr. Alder held various roles within the Company's manufacturing, research and development and business management operations. He joined Celanese in 1974 as a process engineer and received a Bachelor of Science degree in Chemical Engineering from MIT in 1972.

Gjon N. Nivica, Jr. has served as our Senior Vice President, General Counsel and Corporate Secretary since April 2009. Prior to that time, Mr. Nivica served as Vice President and General Counsel of the $5 billion Honeywell Transportation Systems business group from 2005 to 2009, during which time he also served as Deputy General Counsel and Assistant Secretary to Honeywell International Inc. Prior to that time, he was the Vice President and General Counsel to Honeywell Aerospace Electronic Systems from 2002 to 2005 and to Honeywell Engines Systems and Services from 1996 to 2002. Mr. Nivica began his career in 1989 as a corporate associate in the Los Angeles office of Gibson, Dunn & Crutcher, where he specialized in acquisitions, divestitures and general corporate and securities work, before becoming M&A Senior Counsel to AlliedSignal Aerospace Inc. from 1994 to 1996. Mr. Nivica received his J.D., magna cum laude, from Boston University Law School.

Mark W. Oberle has served as our Senior Vice President, Corporate Affairs since February 2010. From April 2005 to February 2010, Mr. Oberle served as our Vice President, Investor Relations. He assumed overall responsibility for global communications and public affairs in 2006. Prior to joining Celanese, Mr. Oberle was Director of Investor Relations for Navistar International Corporation, where he served in a variety of financial and commercial roles. Prior to that time, he was a management consultant with KPMG. Mr. Oberle earned a bachelor's and master's degrees in business administration from Bradley University.

Jay C. Townsend has served as our Senior Vice President, Business Strategy Development and Procurement since 2010. Mr. Townsend previously served as our Senior Vice President, Strategy and Business Development from 2007 to 2010, and as our Vice President of Business Strategy and Development from 2005 to 2006. Mr. Townsend joined Celanese in 1986 as a Business Analyst and has held several roles of increasing responsibility within the US and Europe. Mr. Townsend received his Bachelor of Science degree in international finance from Widener University in 1980.

Jacquelyn H. Wolf has served as our Senior Vice President, Human Resources since December 2009. Prior to that time, she was the Executive Vice President, Chief Human Resources Officer for Comerica, Incorporated from January 2006 to December 2009. Ms. Wolf also held the position as Global Human Resources Director for General Motor's Finance, Asset Management, and Economic Development & Enterprise Services organizations from May 1, 2002. Prior to this position, she supported the Information Systems & Services upon joining General Motors in July 2000 to January 2006. Before joining General Motors, she served as Vice President of Human Resources for Honeywell's (previously AlliedSignal) Aerospace Market Segments in Phoenix, AZ. Prior to this role, she was Vice President, Human Resources at the Honeywell AlliedSignal Truck Brakes Division in Cleveland. Prior to Honeywell (AlliedSignal), she spent 12 years in human resource management and labor relations positions at the General Electric Corporation. Ms. Wolf earned a Ph.D. and a master's degree in organizational and human systems from Fielding Graduate University (Santa Barbara, California), a master's degree in management from Baker University (Overland Park, Kansas) and a bachelor's degree in Organizational Communications from Youngstown State University (Youngstown, Ohio).

Christopher W. Jensen has served as our Senior Vice President, Finance and Treasurer since August 2010. Prior to August 2010, Mr. Jensen served as our Vice President and Corporate Controller from March 2009 to July 2010. From May 2008 to February 2009, he served as Vice President of Finance and Treasurer. In his current capacity, Mr. Jensen has global responsibility for corporate finance, treasury operations, insurance risk management, pensions, business planning and analysis, corporate accounting, tax and general ledger accounting. Mr. Jensen was previously the Assistant Corporate Controller from March 2007 through April 2008, where he was responsible for SEC reporting, internal reporting, and technical accounting. In his initial role at Celanese from October 2005 through March 2007, he built and directed the company's technical accounting function. From August 2004 to October 2005, Mr. Jensen worked in the inspections and registration division of the Public Company Accounting Oversight Board. He spent 13 years of his career at PricewaterhouseCoopers LLP in various positions in both the auditing and mergers & acquisitions groups. Mr. Jensen earned master's and bachelor's degrees in accounting from Brigham Young University and is a Certified Public Accountant.

PART II

Item 5. ***Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Market Information

Our Series A common stock has traded on the New York Stock Exchange under the symbol "CE" since January 21, 2005. The closing sale price of our Series A common stock, as reported by the New York Stock Exchange, on February 4, 2011 was $42.93. The following table sets forth the high and low intraday sales prices per share of our Series A common stock, as reported by the New York Stock Exchange, for the periods indicated.

	Price Range	
	High	Low
2010		
Quarter ended March 31, 2010	$34.77	$28.20
Quarter ended June 30, 2010	$35.83	$24.84
Quarter ended September 30, 2010	$33.00	$23.47
Quarter ended December 31, 2010	$41.74	$31.22
2009		
Quarter ended March 31, 2009	$15.27	$ 7.44
Quarter ended June 30, 2009	$24.30	$12.67
Quarter ended September 30, 2009	$27.93	$19.72
Quarter ended December 31, 2009	$33.41	$23.65

Holders

No shares of Celanese's Series B common stock and no shares of Celanese's 4.25% convertible perpetual preferred stock ("Preferred Stock") are issued and outstanding. As of February 4, 2011, there were 46 holders of record of our Series A common stock. By including persons holding shares in broker accounts under street names, however, we estimate our shareholder base to be approximately 33,500.

On February 1, 2010, we delivered notice to the holders of our Preferred Stock that we were calling for the redemption of all of our 9,600,000 outstanding shares of Preferred Stock. Holders of the Preferred Stock were entitled to convert each share of Preferred Stock into 1.2600 shares of our Series A common stock, par value $0.0001 per share, at any time prior to 5:00 p.m., New York City time, on February 19, 2010. As of such date, holders of Preferred Stock had elected to convert 9,591,276 shares of Preferred Stock into an aggregate of 12,084,942 shares of Series A common stock. The 8,724 shares of Preferred Stock that remained outstanding after such conversions were redeemed by us on February 22, 2010 for 7,437 shares of Series A common stock, in accordance with the terms of the Preferred Stock. In addition to the shares of Series A common stock issued in respect of the shares of Preferred Stock converted and redeemed, we paid cash in lieu of fractional shares. See Note 16 to the accompanying consolidated financial statements for further discussion of the Preferred Stock redemption.

Dividend Policy

Our Board of Directors has a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of our Series A common stock as determined in its sole discretion. Pursuant to this policy, we paid quarterly dividends of $0.04 per share on February 1, 2010 and May 1, 2010 and similar quarterly dividends during each quarter of 2009. In April 2010, our Board of Directors approved a 25% increase in the quarterly dividend rate from $0.04 to $0.05 per share of Series A common stock, which equates to $0.20 per share annually. Pursuant to this policy change, we paid quarterly dividends of $0.05 per share on August 2, 2010 and November 1, 2010. The annual

cash dividend declared and paid during the years ended December 31, 2010 and 2009 were $28 million and $23 million, respectively. Our Board of Directors may, at any time, modify or revoke our dividend policy on our Series A common stock.

We were required under the terms of our Preferred Stock to pay scheduled quarterly dividends, subject to legally available funds for so long as the Preferred Stock remains outstanding. Pursuant to this policy, we paid quarterly dividends of $0.265625 per share on our Preferred Stock on February 1, 2010 and similar quarterly dividends during each quarter of 2009. No dividends were declared or paid subsequent to February 1, 2010 as a result of the Preferred Stock redemption as described above. The annual cash dividend declared and paid during the years ended December 31, 2010 and 2009 were $3 million and $10 million, respectively.

On January 6, 2011, we declared a cash dividend of $0.05 per share on our Series A common stock amounting to $8 million. The cash dividend is for the period from November 2, 2010 to January 31, 2011 and was paid on February 1, 2011 to holders of record as of January 18, 2011.

Based on the increase in the quarterly dividend rate from $0.04 to $0.05 per share of Series A common stock beginning August 2010, number of outstanding shares as of December 31, 2010 and considering the redemption of our Preferred Stock, cash dividends to be paid in 2011 are expected to be comparable to those paid in 2010.

The amount available to us to pay cash dividends is restricted by our Senior Credit Agreement and the terms of our Notes. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

Celanese Purchases of its Equity Securities

The table below sets forth information regarding repurchases of our Series A common stock during the three months ended December 31, 2010:

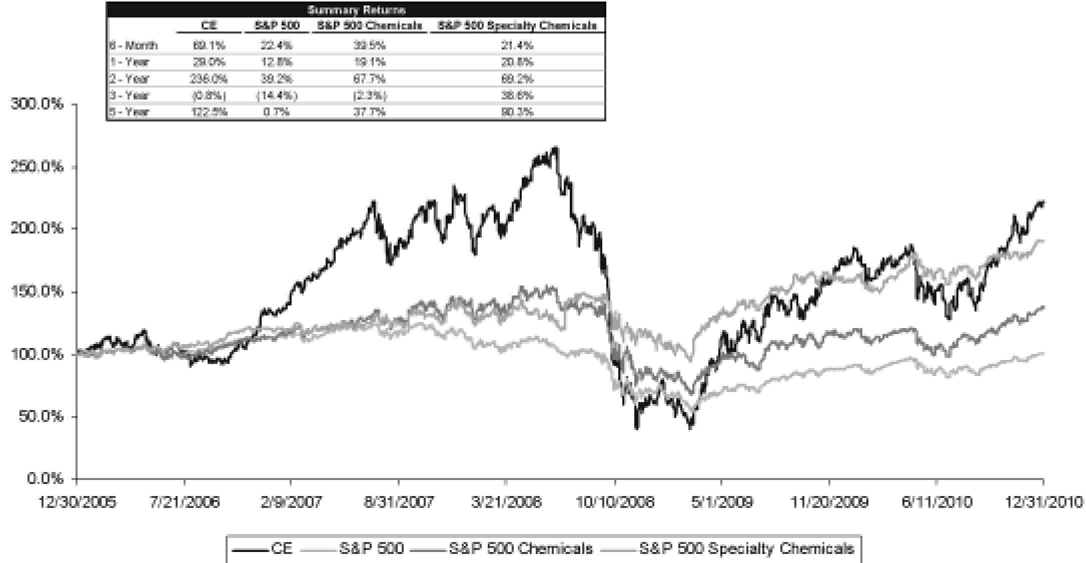
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares Remaining that may be Purchased Under the Program
October 1-31, 2010	41,129 [1]	$ 32.35	-	$ 81,300,000
November 1-30, 2010	194,100	$ 36.05	194,100	$ 74,300,000
December 1-31, 2010	335 [1]	$ 39.09	-	$ 74,300,000
Total	235,564	$ 35.41	194,100	74,300,000

[1] Relates to shares the Company has elected to withhold from employees to cover their statutory minimum withholding requirements for personal income taxes related to the vesting of restricted stock units.

Performance Graph

The following Performance Graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

Comparison of Cumulative Total Return



Summary Returns

	CE	S&P 500	S&P 500 Chemicals	S&P 500 Specialty Chemicals
6 - Month	69.1%	22.4%	39.5%	21.4%
1 - Year	29.0%	12.8%	19.1%	20.8%
2 - Year	236.0%	39.2%	67.7%	69.2%
3 - Year	(0.8%)	(14.4%)	(2.3%)	38.6%
5 - Year	122.5%	0.7%	37.7%	80.3%

This comparison is based on a return assuming $100 invested December 30, 2005 in Celanese Corporation Common Stock and the S&P 500 Composite Index, the S&P 500 Chemicals Index and the S&P Specialty Chemicals Index, assuming the reinvestment of all dividends

Equity Compensation Plans

Securities Authorized for Issuance Under Equity Compensation Plans

The following information is provided as of December 31, 2010 with respect to equity compensation plans:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders			
Stock options	302,125	$ 27.36	2,322,450
Restricted stock units	2,228,329	-	2,322,450
Equity compensation plans not approved by security holders [1]			
Stock options	4,970,842	$ 20.44	-
Restricted stock units	952,305	-	-
Total	8,453,601		2,322,450

[1] The shares to be issued under plans not approved by shareholders relate to the Celanese Corporation 2004 Stock Incentive Plan, which is our former broad-based stock incentive plan for executive officers, key employees and directors. The 2004 Stock Incentive Plan allowed for the issuance or delivery of shares of our common stock through the award of stock options, restricted stock units and other stock-based awards as approved by the compensation committee of the board of directors. The 2004 Stock Incentive Plan was effectively replaced by the Celanese Corporation 2009 Global Incentive Plan. No further awards were made pursuant to the 2004 Stock Incentive Plan upon shareholder approval of the 2009 Global Incentive Plan in April 2009. Both the 2004 Stock Incentive Plan and the 2009 Global Incentive Plan are described in more detail in Note 19 of the accompanying notes to the consolidated financial statements.

Recent Sales of Unregistered Securities

Our deferred compensation plan offers certain of our senior employees and directors the opportunity to defer a portion of their compensation in exchange for a future payment amount equal to their deferments plus or minus certain amounts based upon the market-performance of specified measurement funds selected by the participant. These deferred compensation obligations may be considered securities of Celanese. Participants were required to make deferral elections under the plan prior to January 1 of the year such deferrals will be withheld from their compensation. We relied on the exemption from registration provided by Section 4(2) of the Securities Act in making this offer to a select group of employees, fewer than 35 of which were non-accredited investors under the rules promulgated by the Securities and Exchange Commission.

Item 6. ***Selected Financial Data***

The balance sheet data as of December 31, 2010 and 2009, and the statements of operations data for the years ended December 31, 2010, 2009 and 2008, all of which are set forth below, are derived from the consolidated financial statements included elsewhere in this Annual Report and should be read in conjunction with those financial statements and the notes thereto. The balance sheet data as of December 31, 2008, 2007 and 2006 and the statements of operations data for the years ended December 31, 2007 and 2006 shown below were derived from previously issued financial statements, adjusted for applicable discontinued operations and the Ibn Sina accounting change described below.

Ibn Sina

We indirectly own a 25% interest in Ibn Sina through CTE Petrochemicals Company ("CTE"), a venture with Texas Eastern Arabian Corporation Ltd. (which also indirectly owns 25%). The remaining interest in Ibn Sina is held by Saudi Basic Industries Corporation ("SABIC"). SABIC and CTE entered into the Ibn Sina joint venture agreement in 1981. In April 2010, we announced that Ibn Sina will construct a 50,000 ton POM production facility in Saudi Arabia and that the term of the joint venture agreement was extended until 2032. Ibn Sina's existing natural gas supply contract expires in 2022. Upon successful startup of the POM facility, our indirect economic interest in Ibn Sina will increase from 25% to 32.5%. SABIC's economic interest will remain unchanged.

In connection with this transaction, we reassessed the factors surrounding the accounting method for this investment and changed from the cost method of accounting for investments to the equity method of accounting for investments beginning April 1, 2010. Financial information relating to this investment for periods prior to 2010 has been retrospectively adjusted to apply the equity method of accounting.

In addition, effective April 1, 2010, we moved our investment in the Ibn Sina affiliate from our Acetyl Intermediates segment to our Advanced Engineered Materials segment to reflect the change in the affiliate's business dynamics and growth opportunities as a result of the future construction of the POM facility.

	Year Ended December 31,				
	2010	2009	2008	2007	2006
		As Adjusted			
	(In $ millions, except per share data)				
Statement of Operations Data					
Net sales	5,918	5,082	6,823	6,444	5,778
Other (charges) gains, net	(46)	(136)	(108)	(58)	(10)
Operating profit	503	290	440	748	620
Earnings (loss) from continuing operations before tax	538	251	433	437	549
Earnings (loss) from continuing operations	426	494	370	327	342
Earnings (loss) from discontinued operations	(49)	4	(90)	90	87
Net earnings (loss) attributable to Celanese Corporation	377	498	281	416	429
Earnings (loss) per common share					
Continuing operations — basic	2.73	3.37	2.44	2.05	2.09
Continuing operations — diluted	2.69	3.14	2.27	1.90	1.99
Balance Sheet Data (at the end of period)					
Trade working capital [1]	764	594	685	827	824
Total assets	8,281	8,412	7,158	8,051	7,898
Total debt	3,218	3,501	3,533	3,556	3,498
Total Celanese Corporation shareholders' equity (deficit)	926	586	174	1,055	790
Other Financial Data					
Depreciation and amortization	287	308	350	291	269
Capital expenditures [2]	222	167	267	306	244
Dividends paid per common share [3]	0.18	0.16	0.16	0.16	0.16

[1] Trade working capital is defined as trade accounts receivable from third parties and affiliates net of allowance for doubtful accounts, plus inventories, less trade accounts payable to third parties and affiliates. Trade working capital is calculated in the table below:

	As of December 31,				
	2010	2009	2008	2007	2006
	(In $ millions)				
Trade receivables, net	827	721	631	1,009	1,001
Inventories	610	522	577	636	653
Trade payables	(673)	(649)	(523)	(818)	(830)
Trade working capital	764	594	685	827	824

[2] Amounts include accrued capital expenditures. Amounts do not include capital expenditures related to capital lease obligations or capital expenditures related to the relocation of our Ticona plant in Kelsterbach. See Note 24 and Note 28 to the accompanying consolidated financial statements.

[3] Annual dividends for the year ended December 31, 2010 consists of two quarterly dividend payments of $0.04 and two quarterly dividend payments of $0.05 per share. In April 2010 the Board of Directors approved a 25% increase in our quarterly dividend rate from $0.04 to $0.05 per share of Series A common stock applicable to dividends payable beginning in August 2010.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

In this Annual Report on Form 10-K ("Annual Report"), the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The terms the "Company," "we," "our" and "us" refer to Celanese and its subsidiaries on a consolidated basis. The term "Celanese US" refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries.

You should read the following discussion and analysis of the financial condition and the results of operations together with the consolidated financial statements and the accompanying notes to the consolidated financial statements, which were prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Investors are cautioned that the forward-looking statements contained in this section involve both risk and uncertainty. Several important factors could cause actual results to differ materially from those anticipated by these statements. Many of these statements are macroeconomic in nature and are, therefore, beyond the control of management. See "Forward-Looking Statements May Prove Inaccurate" below.

Forward-Looking Statements May Prove Inaccurate

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and other parts of this Annual Report contain certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, us. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "plan" and "project" and similar expressions, as they relate to us are intended to identify forward-looking statements. These statements reflect our current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate.

See *Item 1A. Risk Factors* for a description of certain risk factors that could significantly affect our financial results. In addition, the following factors could cause our actual results to differ materially from those results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors 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 at their current levels production costs and improve productivity by implementing technological improvements to existing plants;
- increased price competition and the introduction of competing products by other companies;
- changes in the degree of intellectual property and other legal protection afforded to our products;

- costs and potential disruption or interruption of production due to accidents or other unforeseen events or delays in construction of facilities;
- potential liability for remedial actions and increased costs under existing or future environmental regulations, including those related 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; and
- 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;
- various other factors, both referenced and not referenced in this document.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from those described in this Annual Report as anticipated, believed, estimated, expected, intended, planned or projected. We neither intend nor assume any obligation to update these forward-looking statements, which speak only as of their dates.

Overview

During 2010, we made significant progress in executing our strategic objectives. As detailed below, we optimized our portfolio, realigned our manufacturing footprint, continued our expansion efforts in Asia, improved our financing arrangements, made technological advancements, and took other strategic actions to deliver value for our shareholders.

2010 Highlights:

- We announced our newly developed advanced technology to produce ethanol. This innovative, new process combines our proprietary and leading acetyl platform with highly advanced manufacturing technology to produce ethanol from hydrocarbon-sourced feedstocks.
- We launched VitalDose ™ , an ethylene vinyl acetate (“EVA”) polymer-based excipient that facilitates drug makers’ efforts to develop and commercialize controlled-release pharmaceutical solutions.
- We announced that Fortron Industries, LLC, one of our strategic affiliates, will increase its production at its Wilmington, North Carolina plant to meet an increased global demand for Fortron ® polyphenylene sulfide (“PPS”), a high-performance polymer used in demanding industrial applications. The Fortron Industries plant is the world’s largest linear PPS operation with a 15,000 metric ton annual capacity.
- We announced a plan to close our acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom in the latter part of 2011. We expect the project to cost between $80 million and $120 million, with annual cash savings of $40 million to $60 million.
- We completed an amendment and extension to our senior secured credit facility and completed an offering of $600 million of senior unsecured notes. We used the proceeds from the sale of the notes and $200 million of cash on hand to repay $800 million of borrowings under our term loan facility. These actions resulted in a reduction of our previous $2.7 billion term loan facility maturing in 2014 to $2.5 billion of secured and unsecured debt with staggered maturities in 2014, 2016 and 2018.
- We acquired two product lines, Zenite ® liquid crystal polymer (“LCP”) and Thermx ® polycyclohexylene-dimethylene terephthalate (“PCT”), from DuPont Performance Polymers (“DuPont”).

- We announced five-year Environmental Health and Safety sustainability goals for occupational safety performance, energy intensity, greenhouse gases and waste management intended to be achieved by the year 2015.
- We received American Chemistry Council's ("ACC") 2010 Responsible Care Initiative of the Year Award. This award recognizes companies that demonstrate leadership in the areas of employee health and safety, security or environmental protection in the chemistry industry.
- We announced the construction of a 50,000 ton polyacetal ("POM") production facility by our National Methanol Company affiliate ("Ibn Sina") in Saudi Arabia and extended the term of the joint venture, which will now run until 2032. Upon successful startup of the POM facility, our indirect economic interest in Ibn Sina will increase from 25% to a total of 32.5%.
- We received formal approval of our previously announced plans to expand flake and tow capacities, each by 30,000 tons, at our affiliate facility in Nantong, China, with our affiliate partner, China National Tobacco Corporation.
- We announced a 25% increase in our quarterly Series A common stock cash dividend beginning August 2010. Accordingly, the annual dividend rate increased from $0.16 to $0.20 per share of Series A common stock and the quarterly rate increased from $0.04 to $0.05 per share of Series A common stock.
- We redeemed all of our Convertible Perpetual Preferred Stock for Series A common stock on February 22, 2010.

2011 Outlook

Based on the strength of our 2010 performance, our confidence in our earnings growth programs and our expectations for a continued, modest global economic recovery, we expect 2011 results to improve as compared to 2010. We expect our unique portfolio of technology and specialty materials businesses, coupled with our ongoing growth, innovation and productivity initiatives, will enable us to deliver earnings improvement. We anticipate healthy demand across all of our business segments and expect to see earnings growth in every segment in 2011.

In January 2011, we signed letters of intent for projects to construct and operate industrial ethanol production facilities in Nanjing, China, at the Nanjing Chemical Industrial Park, and in Zhuhai, China, at the Gaolan Port Economic Zone. We also signed a memorandum of understanding with Wison (China) Holding Co., Ltd., a Chinese synthesis gas supplier, for production of certain feedstocks used in our advanced ethanol production process.

Results of Operations

Ibn Sina

We indirectly own a 25% interest in Ibn Sina through CTE Petrochemicals Company ("CTE"), a joint venture with Texas Eastern Arabian Corporation Ltd. (which also indirectly owns 25%). The remaining interest in Ibn Sina is held by Saudi Basic Industries Corporation ("SABIC"). SABIC and CTE entered into the Ibn Sina joint venture agreement in 1981. In April 2010, we announced that Ibn Sina will construct a 50,000 ton POM production facility in Saudi Arabia and that the term of the joint venture agreement was extended until 2032. Ibn Sina's existing natural gas supply contract expires in 2022. Upon successful startup of the POM facility, our indirect economic interest in Ibn Sina will increase from 25% to 32.5%. SABIC's economic interest will remain unchanged.

In connection with this transaction, we reassessed the factors surrounding the accounting method for this investment and changed the accounting from the cost method of accounting for investments to the equity method of accounting for investments beginning April 1, 2010. Financial information relating to this investment for prior periods has been retrospectively adjusted to apply the equity method of accounting.

In addition, effective April 1, 2010, we moved our investment in the Ibn Sina affiliate from our Acetyl Intermediates segment to our Advanced Engineered Materials segment to reflect the change in the affiliate's business dynamics and growth opportunities. Business segment information for prior periods included below has been retrospectively adjusted to reflect the change and to conform to the current year presentation.

Financial Highlights

	Year Ended December 31,		
	2010	2009	2008
		As Adjusted	
	(In $ millions, except percentages)		
Statement of Operations Data			
Net sales	5,918	5,082	6,823
Gross profit	1,180	1,003	1,256
Selling, general and administrative expenses	(505)	(474)	(545)
Other (charges) gains, net	(46)	(136)	(108)
Operating profit	503	290	440
Equity in net earnings of affiliates	168	99	172
Interest expense	(204)	(207)	(261)
Refinancing expense	(16)	-	-
Dividend income — cost investments	73	57	48
Earnings (loss) from continuing operations before tax	538	251	433
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	426	494	371
Earnings (loss) from discontinued operations	(49)	4	(90)
Net earnings (loss)	377	498	281
Other Data			
Depreciation and amortization	287	308	350
Earnings from continuing operations before tax as a percentage of net sales	9.1 %	4.9 %	6.3 %

	As of December 31,	
	2010	2009
	(In $ millions)	
Balance Sheet Data		
Cash and cash equivalents	740	1,254
Short-term borrowings and current installments of long-term debt — third party and affiliates	228	242
Long-term debt	2,990	3,259
Total debt	3,218	3,501

Consolidated Results — Year Ended December 31, 2010 compared with Year Ended December 31, 2009

During 2010 the global economy gradually began to recover from the challenging economic environment we experienced during the second half of 2008 and throughout 2009. Net sales increased in 2010 from 2009 primarily due to increased volumes as a result of the gradual recovery and increased selling prices across the majority of our business segments. The increase in net sales resulting from our acquisition of FACT GmbH (Future Advanced Composites Technology) ("FACT") in December 2009 only slightly offset the decrease in net sales due to the sale of

our polyvinyl alcohol ("PVOH") business in July 2009 within our Industrial Specialties segment. Unfavorable foreign currency impacts only slightly offset the increase in net sales.

Gross profit increased due to higher net sales. Gross profit as a percentage of sales remained consistent with prior year as increased pricing offset increased raw material and energy costs.

During the year ended December 31, 2010, we wrote-off other productive assets of $18 million related to our Singapore and Nanjing, China facilities. In March 2010, we recorded $22 million of accelerated amortization to write-off the asset associated with a raw material purchase agreement with a supplier who filed for bankruptcy during 2009. The accelerated amortization was recorded as $20 million to our Acetyl Intermediates segment and $2 million to our Advanced Engineered Materials segment. Both the write-off of other productive assets and accelerated amortization were recorded to Cost of sales in the accompanying consolidated statements of operations during the year ended December 31, 2010.

Selling, general and administrative expenses increased during 2010 primarily due to the increase in net sales and higher legal costs and costs associated with business optimization initiatives. As a percentage of sales, selling, general and administrative expenses declined slightly as compared to 2009 due to our continued fixed spending reduction efforts, restructuring efficiencies and a positive impact from foreign currency.

Other (charges) gains, net decreased $90 million during 2010 as compared to 2009:

	Year Ended December 31,	
	2010	2009
	(In $ millions)	
Employee termination benefits	(32)	(105)
Plant/office closures	(4)	(17)
Asset impairments	(74)	(14)
Ticona Kelsterbach plant relocation	(26)	(16)
Insurance recoveries, net	18	6
Resolution of commercial disputes	13	-
Plumbing actions	59	10
Total Other (charges) gains, net	(46)	(136)

In March 2010, we concluded that certain long-lived assets were partially impaired at our acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom. Accordingly, we wrote down the related property, plant and equipment to its fair value of $31 million, resulting in long-lived asset impairment losses of $72 million during the year ended December 31, 2010. As a result of the announced closure of our acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom, we recorded $15 million of employee termination benefits during the year ended December 31, 2010.

As a result of our Pardies, France "Project of Closure", we recorded exit costs of $12 million during the year ended December 31, 2010, which consisted of $6 million in employee termination benefits, $1 million of long-lived asset impairment losses, $2 million of contract termination costs and other plant closure costs and $3 million of reindustrialization costs.

Due to certain events in October 2008 and subsequent periodic cessations of production of our specialty polymers products produced at our EVA Performance Polymers facility in Edmonton, Alberta, Canada, we declared two events of force majeure. During 2009, we replaced long-lived assets damaged in October 2008. As a result of these events and subsequent periodic cessations of production, we recorded $18 million of net insurance recoveries consisting of $8 million related to property damage and $10 million related to business interruption.

As a result of several business optimization projects undertaken by us beginning in 2009 and continuing throughout 2010, we recorded $11 million in employee termination costs during the year ended December 31, 2010.

During the year ended December 31, 2010 we recorded $14 million of recoveries and $45 million of reductions in legal reserves related to lawsuits alleging that certain plastics utilized in the production of plumbing systems for residential property were defective or caused such plumbing systems to fail. See Note 23 to the accompanying consolidated financial statements for further information regarding the plumbing actions.

In November 2006, we finalized a settlement agreement with the Frankfurt, Germany Airport ("Fraport") to relocate the Kelsterbach, Germany Ticona operations resolving several years of legal disputes related to the planned Fraport expansion. During 2010, we recorded $26 million of expenses related to the Ticona Kelsterbach relocation. See Note 28 to the accompanying consolidated financial statements for further information regarding the Ticona Kelsterbach plant relocation.

Other charges for the year ended December 31, 2010 also included gains of $13 million, net, related to settlements in resolution of a commercial disputes.

Equity in net earnings of affiliates and dividend income from cost investments increased during 2010 as compared to the same period in 2009. Our strategic affiliates have experienced similar volume increases due to increased demand during the year ended December 31, 2010. As a result, our proportional share of net earnings from equity affiliates increased $69 million and our dividend income from cost investments increased $16 million for the year ended December 31, 2010 as compared to the same period in 2009.

Our effective tax rate for continuing operations for the year ended December 31, 2010 was 21% compared to (97)% for the year ended December 31, 2009. Our effective tax rate for 2009 was favorably impacted by the release of the US valuation allowance on net deferred tax assets, partially offset by increases in valuation allowances on certain foreign net deferred tax assets and the effect of new tax legislation in Mexico. The effective rate for the year ended December 31, 2010 was favorably impacted by amendments to tax legislation in Mexico.

Consolidated Results — Year Ended December 31, 2009 compared with Year Ended December 31, 2008

The challenging economic environment in the United States and Europe during the second half of 2008 continued throughout 2009. Net sales declined in 2009 from 2008 primarily as a result of decreased demand due to the significant weakness of the global economy. In July 2009, we completed the sale of our PVOH business which also contributed to the declines in our sales volumes. In the fourth quarter of 2009, we began to see a gradual recovery in the global economy with increasing demand within some of our business segments. A decrease in selling prices was also a significant factor on the decrease in net sales. Decreases in key raw material and energy costs were the primary factors in lower selling prices. A slightly unfavorable foreign currency impact also contributed to the decrease in net sales.

Gross profit declined due to lower net sales. As a percentage of sales, gross profit increased as lower raw material and energy costs more than offset decreases in net sales during the period.

Selling, general and administrative expenses decreased during 2009 primarily due to business optimization and finance improvement initiatives.

Other (charges) gains, net increased $28 million during 2009 as compared to 2008:

	Year Ended December 31,	
	2009	2008
	(In $ millions)	
Employee termination benefits	(105)	(21)
Plant/office closures	(17)	(7)
Asset impairments	(14)	(115)
Ticona Kelsterbach plant relocation	(16)	(12)
Insurance recoveries, net	6	38
Plumbing actions	10	-
Sorbates antitrust actions	-	8
Other	-	1
Total Other (charges) gains, net	(136)	(108)

During the first quarter of 2009, we began efforts to align production capacity and staffing levels with our view of an economic environment of prolonged lower demand. For the year ended December 31, 2009, other charges included employee termination benefits of $40 million related to this endeavor. As a result of the shutdown of the vinyl acetate monomer ("VAM") production unit in Cangrejera, Mexico, we recognized employee termination benefits of $1 million and long-lived asset impairment losses of $1 million during the year ended December 31, 2009.

As a result of the "Project of Closure" at our Pardies, France facility, other charges included exit costs of $89 million during the year ended December 31, 2009, which consisted of $60 million in employee termination benefits, $17 million of contract termination costs and $12 million of long-lived asset impairment losses.

Due to continued declines in demand in automotive and electronic sectors, we announced plans to reduce capacity by ceasing polyester polymer production at our Ticona manufacturing plant in Shelby, North Carolina. Other charges for the year ended December 31, 2009 included employee termination benefits of $2 million and long-lived asset impairment losses of $1 million related to this event.

Other charges for the year ended December 31, 2009 was partially offset by $6 million of net insurance recoveries in satisfaction of claims we made related to the unplanned outage of our Clear Lake, Texas acetic acid facility during 2007, a $9 million decrease in legal reserves for plumbing claims due to the Company's ongoing assessment of the likely outcome of the plumbing actions and the expiration of the statute of limitation.

In November 2006, we finalized a settlement agreement with the Frankfurt, Germany Airport ("Fraport") to relocate the Kelsterbach, Germany Ticona operations resolving several years of legal disputes related to the planned Fraport expansion. During 2009, we recorded $16 million of expenses related to the Ticona Kelsterbach relocation.

Operating profit decreased due to lower gross profit and higher other charges partially offset by lower selling, general and administrative costs.

Equity in net earnings of affiliates decreased during 2009, primarily due to reduced earnings from our Advanced Engineered Materials' affiliates resulting from decreased demand.

Our effective tax rate for continuing operations for the year ended December 31, 2009 was (97)% compared to 15% for the year ended December 31, 2008. Our effective tax rate for 2009 was favorably impacted by the release of the US valuation allowance, partially offset by lower earnings in jurisdictions participating in tax holidays, increases in valuation allowances on certain foreign net deferred tax assets and the effect of new tax legislation in Mexico.

Selected Data by Business Segment — 2010 Compared with 2009 and 2009 Compared with 2008

	Year Ended December 31,		Change in $	Year Ended December 31,		Change in $
	2010	2009 As Adjusted		2009 As Adjusted	2008	
	(In $ millions)					
Net sales						
Advanced Engineered Materials	1,109	808	301	808	1,061	(253)
Consumer Specialties	1,098	1,084	14	1,084	1,155	(71)
Industrial Specialties	1,036	974	62	974	1,406	(432)
Acetyl Intermediates	3,082	2,603	479	2,603	3,875	(1,272)
Other Activities	2	2	-	2	2	-
Inter-segment Eliminations	(409)	(389)	(20)	(389)	(676)	287
Total	5,918	5,082	836	5,082	6,823	(1,741)
Other (charges) gains, net						
Advanced Engineered Materials	31	(18)	49	(18)	(29)	11
Consumer Specialties	(76)	(9)	(67)	(9)	(2)	(7)
Industrial Specialties	25	4	21	4	(3)	7
Acetyl Intermediates	(12)	(91)	79	(91)	(78)	(13)
Other Activities	(14)	(22)	8	(22)	4	(26)
Total	(46)	(136)	90	(136)	(108)	(28)
Operating profit (loss)						
Advanced Engineered Materials	186	38	148	38	37	1
Consumer Specialties	164	231	(67)	231	190	41
Industrial Specialties	89	89	-	89	47	42
Acetyl Intermediates	243	92	151	92	304	(212)
Other Activities	(179)	(160)	(19)	(160)	(138)	(22)
Total	503	290	213	290	440	(150)
Earnings (loss) from continuing operations before tax						
Advanced Engineered Materials	329	114	215	114	190	(76)
Consumer Specialties	237	288	(51)	288	237	51
Industrial Specialties	89	89	-	89	47	42
Acetyl Intermediates	252	102	150	102	312	(210)
Other Activities	(369)	(342)	(27)	(342)	(353)	11
Total	538	251	287	251	433	(182)
Depreciation and amortization						
Advanced Engineered Materials	76	73	3	73	76	(3)
Consumer Specialties	42	50	(8)	50	53	(3)
Industrial Specialties	41	51	(10)	51	62	(11)
Acetyl Intermediates	117	123	(6)	123	150	(27)
Other Activities	11	11	-	11	9	2
Total	287	308	(21)	308	350	(42)
Operating margin [1]						
Advanced Engineered Materials	16.8 %	4.7 %	12.1 %	4.7 %	3.5 %	1.2 %
Consumer Specialties	14.9 %	21.3 %	(6.4) %	21.3 %	16.5 %	4.8 %
Industrial Specialties	8.6 %	9.1 %	(0.5) %	9.1 %	3.3 %	5.8 %
Acetyl Intermediates	7.9 %	3.5 %	4.4 %	3.5 %	7.8 %	(4.3) %
Total	8.5 %	5.7 %	2.8 %	5.7 %	6.4 %	(0.7) %

[1] Defined as operating profit (loss) divided by net sales.

Factors Affecting Business Segment Net Sales

The table below sets forth the percentage increase (decrease) in net sales for the years ended December 31 attributable to each of the factors indicated for the following business segments.

	Volume	Price	Currency	Other	Total
		(In percentages)			
2010 Compared to 2009					
Advanced Engineered Materials	35	1	(3)	4 (2)	37
Consumer Specialties	2	-	(1)	-	1
Industrial Specialties	11	6	(3)	(8) (3)	6
Acetyl Intermediates	10	10	(2)	-	18
Total Company	13	7	(2)	(2) (1)	16
2009 Compared to 2008					
Advanced Engineered Materials	(21)	(1)	(2)	-	(24)
Consumer Specialties	(12)	7	(1)	-	(6)
Industrial Specialties	(10)	(10)	(2)	(9) (3)	(31)
Acetyl Intermediates	(6)	(26)	(1)	-	(33)
Total Company	(10)	(16)	(2)	2 (1)	(26)

(1) Includes the effects of the captive insurance companies and the impact of fluctuations in intersegment eliminations.

(2) 2010 includes the effects of the FACT and DuPont acquisitions.

(3) 2010 does not include the effects of the PVOH business, which was sold on July 1, 2009.

Business Segment — Year Ended December 31, 2010 Compared with Year Ended December 31, 2009

Advanced Engineered Materials

	Year Ended December 31, 2010	2009 As Adjusted	Change in $
	(In $ millions, except percentages)		
Net sales	1,109	808	301
Net sales variance			
Volume	35 %		
Price	1 %		
Currency	(3)%		
Other	4 %		
Operating profit	186	38	148
Operating margin	16.8 %	4.7 %	
Other (charges) gains, net	31	(18)	49
Equity in net earnings (loss) of affiliates	144	78	66
Earnings (loss) from continuing operations before tax	329	114	215
Depreciation and amortization	76	73	3

Our Advanced Engineered Materials segment develops, produces and supplies a broad portfolio of high performance specialty polymers for application in automotive, medical and electronics products, as well as other consumer and industrial applications. Together with our strategic affiliates, our Advanced Engineered

Materials segment is a leading participant in the global specialty polymers industry. The primary products of Advanced Engineered Materials are POM, PPS, long-fiber reinforced thermoplastics ("LFT"), polybutylene terephthalate ("PBT"), polyethylene terephthalate ("PET"), ultra-high molecular weight polyethylene ("GUR ®") and LCP. POM, PPS, LFT, PBT and PET are used in a broad range of products including automotive components, electronics, appliances and industrial applications. GUR ® is used in battery separators, conveyor belts, filtration equipment, coatings and medical devices. Primary end markets for LCP are electrical and electronics.

Advanced Engineered Materials' net sales increased $301 million for the year ended December 31, 2010 compared to the same period in 2009. The increase in net sales is primarily related to significant increases in volume which are due to the gradual recovery in the global economy, continued success in the innovation and commercialization of new products and applications and the acquisition of FACT in December 2009. Net sales was also positively impacted by increases in average pricing as a result of implemented price increases in addition to integrating the DuPont product lines LCP and PCT that were acquired in May 2010 into our sales process during the fourth quarter. These increases were only partially offset by unfavorable foreign currency impacts.

Operating profit increased $148 million for the year ended December 31, 2010 as compared to the same period in 2009. The positive impact from higher sales volumes, increased pricing for our high performance polymers and higher production volumes, including a planned inventory build for the relocation of our facility in Kelsterbach, Germany, more than offset higher raw material and energy costs. Other charges positively impacted operating profit for the year ended December 31, 2010 driven by a $45 million decrease in legal reserves and $14 million of recoveries associated with plumbing actions partially offset by expenses related to our European expansion and Kelsterbach relocation. Depreciation and amortization includes $2 million of accelerated amortization for the year ended December 31, 2010 to write-off the asset associated with a raw material purchase agreement with a supplier who filed for bankruptcy during 2009.

Earnings from continuing operations before tax increased for the year ended December 31, 2010 as compared to the same period in 2009 due to increased operating profit and increased equity in net earnings of affiliates. Our equity affiliates, including Ibn Sina, have experienced similar volume increases due to increased demand during the year ended December 31, 2010. As a result, our proportional share of net earnings of these affiliates increased $66 million for the year ended December 31, 2010 compared to the same period in 2009.

The economic outlook within the automotive and electronic industries continues to look favorable entering into 2011 with seasonally strong demand. We are anticipating a continued strong value-in-use pricing environment supported by higher raw material costs. As we progress with the relocation of our Kelsterbach, Germany operations and expansion of capacity in Europe, we will continue to build inventory to support our customers in their product qualification process.

Consumer Specialties

	Year Ended December 31, 2010	Year Ended December 31, 2009	Change in $
	(In $ millions, except percentages)		
Net sales	1,098	1,084	14
Net sales variance			
Volume	2 %		
Price	- %		
Currency	(1)%		
Other	- %		
Operating profit	164	231	(67)
Operating margin	14.9 %	21.3 %	
Other (charges) gains, net	(76)	(9)	(67)
Equity in net earnings (loss) of affiliates	2	1	1
Dividend income — cost investments	71	56	15
Earnings (loss) from continuing operations before tax	237	288	(51)
Depreciation and amortization	42	50	(8)

Our Consumer Specialties segment consists of our Acetate Products and Nutrinova businesses. Our Acetate Products business primarily produces and supplies acetate tow, which is used in the production of filter products. We also produce acetate flake, which is processed into acetate tow and acetate film. Our Nutrinova business produces and sells Sunett ® , a high intensity sweetener, and food protection ingredients, such as sorbates and sorbic acid, for the food, beverage and pharmaceuticals industries.

Net sales for Consumer Specialties increased $14 million for the year ended December 31, 2010 as compared to the same period in 2009. The increase in volume and price in our Acetate Products business more than offset the decline in volume and price in our Nutrinova business as lower demand in Sunett ® negatively impacted net sales.

During the first half of 2010, we experienced a decline in net sales related to an electrical disruption and subsequent production outage at our Acetate Products manufacturing facility in Narrows, Virginia. The facility resumed normal operations during the second quarter of 2010 and we recovered the impacted volume during the second half of 2010 as we experienced increased volumes in our Acetate Products business due to higher demand in acetate tow and improved business in acetate film.

Operating profit decreased for the year ended December 31, 2010 as compared to the same period in 2009. An increase in other charges for the year ended December 31, 2010 had the most significant impact on operating profit as it was unfavorably impacted by long-lived asset impairment losses of $72 million associated with management's assessment of the closure of our acetate flake and tow production operations in Spondon, Derby, United Kingdom during the three months ended March 31, 2010.

During the year ended December 31, 2010, earnings from continuing operations before tax decreased due to lower operating profit, which was partially offset by higher dividends from our China ventures of $15 million compared to 2009.

We expect demand to be relatively flat during the first quarter of 2011; however, slightly lower sales are expected due to seasonal trends. Margin expansion driven by sustainable productivity initiatives is expected to continue in 2011. In addition, we expect spending to be higher during the first quarter of 2011 as compared to the same period in 2010 due to plant turnaround costs.

Industrial Specialties

	Year Ended December 31, 2010	2009	Change in $
	(In $ millions, except percentages)		
Net sales	1,036	974	62
Net sales variance			
Volume	11 %		
Price	6 %		
Currency	(3)%		
Other	(8)%		
Operating profit	89	89	-
Operating margin	8.6 %	9.1 %	
Other (charges) gains, net	25	4	21
Earnings (loss) from continuing operations before tax	89	89	-
Depreciation and amortization	41	51	(10)

Our Industrial Specialties segment includes our Emulsions and EVA Performance Polymers businesses. Our Emulsions business is a global leader that produces a broad product portfolio, specializing in vinyl acetate ethylene emulsions, and is a recognized authority on low volatile organic compounds, an environmentally-friendly technology. Our emulsions products are used in a wide array of applications including paints and coatings, adhesives, construction, glass fiber, textiles and paper. EVA Performance Polymers business offers a complete line of low-density polyethylene and specialty EVA resins and compounds. EVA Performance Polymers' products are used in many applications including flexible packaging films, lamination film products, hot melt adhesives, medical devices and tubing, automotive carpeting and solar cell encapsulation films.

In July 2009, we completed the sale of our PVOH business to Sekisui Chemical Co., Ltd. ("Sekisui") for a net cash purchase price of $168 million, excluding the value of accounts receivable and payable we retained. The transaction resulted in a gain on disposition of $34 million and includes long-term supply agreements between Sekisui and Celanese.

Net sales increased for the year ended December 31, 2010 compared to the same period in 2009. Increased net sales were a result of higher growth and innovation volumes from our Emulsions business and higher volumes from our EVA Performance Polymers business partially offset by impacts resulting from the sale of our PVOH business in July 2009. The increase in our EVA Performance Polymers business' volumes was partly as a result of our Edmonton, Alberta, Canada plant being fully operational during 2010. Volumes were lower during 2009 due to technical issues at our Edmonton, Alberta, Canada plant. Such technical production issues were resolved and normal operations resumed prior to the end of the third quarter of 2009. Higher prices in our EVA Performance Polymers business due to price increases and favorable product mix were partially offset by lower prices in our Emulsions business due to unfavorable foreign exchange rates.

Due to certain events in October 2008 and subsequent periodic cessations of production of our specialty polymers products produced at our EVA Performance Polymers facility in Edmonton, Alberta, Canada, we declared two events of force majeure. During 2009, we replaced long-lived assets damaged in October 2008. As a result of these events and subsequent periodic cessation of production, we recorded $25 million and $10 million of insurance recoveries to other charges during the years ended December 31, 2010 and 2009, respectively. These amounts were partially offset by $7 million and $10 million, respectively, recorded as a charge by our captive insurance companies included in the Other Activities segment. The net insurance recoveries recorded during the year ended December 31, 2010 of $18 million consisted of $8 million related to property damage and $10 million related to business interruption.

Operating profit remained unchanged for the year ended December 31, 2010 compared to the same period in 2009. Increases in operating profit in 2010 are primarily due to the resumption of normal operations at our EVA

Performance Polymers facility, net insurance proceeds received in 2010 and increases in sales volumes and prices. These increases were offset by the 2009 gain on disposition of assets related to the divestiture of our PVOH business and higher raw material costs in both our EVA Performance Polymers and Emulsions businesses.

In 2011 we expect to see positive industry conditions with volume demands continuing to increase from those levels experienced in 2010. We also anticipate margin expansion due to a robust pricing environment and higher margins on new products.

Acetyl Intermediates

	Year Ended December 31, 2010	2009 As Adjusted	Change in $
	(In $ millions, except percentages)		
Net sales	3,082	2,603	479
Net sales variance			
Volume	10 %		
Price	10 %		
Currency	(2)%		
Other	- %		
Operating profit	243	92	151
Operating margin	7.9 %	3.5 %	
Other (charges) gains, net	(12)	(91)	79
Equity in net earnings (loss) of affiliates	5	5	-
Earnings (loss) from continuing operations before tax	252	102	150
Depreciation and amortization	117	123	(6)

Our Acetyl Intermediates segment produces and supplies acetyl products, including acetic acid, VAM, acetic anhydride and acetate esters. These products are generally used as starting materials for colorants, paints, adhesives, coatings, textiles, medicines and more. Other chemicals produced in this business segment are organic solvents and intermediates for pharmaceutical, agricultural and chemical products. To meet the growing demand for acetic acid in China and to support ongoing site optimization efforts, we successfully expanded our acetic acid unit in Nanjing, China from 600,000 tons per reactor annually to 1.2 million tons per reactor annually during the fourth quarter of 2009. Using new AOPlus ® 2 capability, the acetic acid unit could be further expanded to 1.5 million tons per reactor annually with only modest additional capital.

Acetyl Intermediates' net sales increased $479 million during the year ended December 31, 2010 as compared to the same period in 2009 due to improvement in the global economy resulting in increased overall demand across all regions for the major acetyl derivative product lines. Increases in volume were also a direct result of our successful acetic acid expansion at our Nanjing, China plant. We also experienced favorable pricing which was driven by rising raw material costs and price increases in acetic acid and VAM across all regions. The increase in net sales was only slightly offset by unfavorable foreign currency impacts.

Operating profit increased during the year ended December 31, 2010 compared to the same period in 2009. The increase in operating profit is primarily due to higher volumes and prices and reduction in plant costs resulting from the closure of our less advantaged acetic acid and VAM production operations in Pardies, France. A decrease in other charges, due primarily to the reduction of plant closure costs related to the 2009 closure of our Pardies, France facility, also had a favorable impact on operating profit. These increases to operating profit were only slightly offset by higher variable costs and unfavorable foreign currency impacts. Higher variable costs were a direct result of price increases in all major raw materials. Depreciation and amortization includes $20 million of accelerated amortization for the year ended December 31, 2010 to write-off the asset associated with a raw material purchase agreement with a supplier who filed for bankruptcy during 2009.

Earnings from continuing operations before tax increased during the year ended December 31, 2010 compared to the same period in 2009 due to increased operating profit.

Entering into 2011, we expect to see a relatively flat first quarter. Decreasing volumes in Asia as a result of the Chinese new year are expected to offset seasonal increases in demand in the US and Europe. Overall growth in Asia for 2011 is anticipated. In addition, our advanced acetyl technology is expected to sustain acetic acid margins and process innovation and productivity are expected to positively impact 2011.

Other Activities

Other Activities primarily consists of corporate center costs, including financing and administrative activities, and our captive insurance companies.

The operating loss for Other Activities increased $19 million for the year ended December 31, 2010 compared to the same period in 2009. The increase was primarily due to a $38 million increase in selling, general and administrative costs, which was only partially offset by a $14 million gain on the sale of an office building. Higher selling, general and administrative expenses were primarily due to higher legal costs and costs associated with business optimization initiatives.

The loss from continuing operations before tax increased $27 million for the year ended December 31, 2010 compared to the same period in 2009. The increase is primarily related to $16 million of fees associated with our debt refinancing that occurred during the three months ended September 30, 2010.

Business Segment — Year Ended December 31, 2009 Compared with Year Ended December 31, 2008

Advanced Engineered Materials

	Year Ended December 31,		Change
	2009	2008	in $
	As Adjusted		
	(In $ millions, except percentages)		
Net sales	808	1,061	(253)
Net sales variance			
Volume	(21)%		
Price	(1)%		
Currency	(2)%		
Other	- %		
Operating profit	38	37	1
Operating margin	4.7 %	3.5 %	
Other (charges) gains, net	(18)	(29)	11
Equity in net earnings (loss) of affiliates	78	155	(77)
Earnings (loss) from continuing operations before tax	114	190	(76)
Depreciation and amortization	73	76	(3)

Net sales decreased during 2009 compared to 2008 primarily as a result of lower sales volumes. Significant weakness in the global economy experienced during the first half of the year resulted in a dramatic decline in demand for automotive, electrical and electronic products as well as for other industrial products. As a result, sales volumes dropped significantly across all product lines. During the second half of 2009, we experienced a continued increase in demand compared with the first half of the year as a result of programs like “Cash for Clunkers” in the United States during the third quarter of 2009 and a gradual recovery in the global economy during the fourth quarter of 2009.

Operating profit increased in 2009 as compared to 2008. Lower raw material and energy costs and decreased overall spending more than offset the decline in net sales. Decreased overall spending was the result of our fixed spending reduction efforts. Non-capital spending incurred on the relocation of our Ticona Kelsterbach plant was flat compared to 2008. See Note 28 to the accompanying consolidated financial statements for further information regarding the Ticona Kelsterbach plant relocation.

Earnings from continuing operations before tax was down due to a drop in equity in net earnings of affiliates as compared to 2008. Equity in net earnings of affiliates was lower in 2009 primarily due to reduced earnings from our Advanced Engineered Materials' affiliates resulting from decreased demand and a biennial shutdown at one of our affiliate's plants.

Consumer Specialties

	Year Ended December 31,		Change
	2009	2008	in $
	(In $ millions, except percentages)		
Net sales	1,084	1,155	(71)
Net sales variance			
Volume	(12)%		
Price	7 %		
Currency	(1)%		
Other	- %		
Operating profit	231	190	41
Operating margin	21.3 %	16.5 %	
Other (charges) gains, net	(9)	(2)	(7)
Equity in net earnings (loss) of affiliates	1	-	1
Dividend income — cost investments	56	46	10
Earnings (loss) from continuing operations before tax	288	237	51
Depreciation and amortization	50	53	(3)

Net sales decreased $71 million during 2009 when compared with 2008. The decrease in net sales was driven primarily by decreased volume due to softening demand largely in tow with less significant decreases experienced in flake. Decreased volumes were primarily due to weakness in underlying demand resulting from the global economic downturn. The decrease in volume was partially offset by an increase in selling prices. A slightly unfavorable foreign currency impact also contributed to the decrease in net sales.

Operating profit increased from $190 million in 2008 to $231 million in 2009. Fixed cost reduction efforts, improved energy costs and a favorable currency impact on costs had a significant impact on the increase to operating profit.

Earnings from continuing operations before tax of $288 million increased from 2008 primarily due to the increase in operating profit and an increase in dividends from our China ventures of $10 million. Increased dividends are the result of increased volumes and higher prices, as well as efficiency improvements.

Industrial Specialties

	Year Ended December 31,		Change
	2009	2008	in $
	(In $ millions, except percentages)		
Net sales	974	1,406	(432)
Net sales variance			
Volume	(10)%		
Price	(10)%		
Currency	(2)%		
Other	(9)%		
Operating profit	89	47	42
Operating margin	9.1 %	3.3 %	
Other (charges) gains, net	4	(3)	7
Earnings (loss) from continuing operations before tax	89	47	42
Depreciation and amortization	51	62	(11)

Net sales declined $432 million during 2009 compared to 2008 primarily due to the sale of our PVOH business and lower demand due to the economic downturn. The decline in our emulsions volumes was concentrated in North America and Europe, offset partially by volume increases in Asia. EVA Performance Polymers' volumes declined due to the impact of the force majeure event at our Edmonton, Alberta, Canada plant which is offset in other charges in our Other Activities segment. Repairs to the plant were completed at the end of the second quarter 2009 and normal operations have resumed. Both decreases in key raw material costs resulting in lower selling prices and unfavorable currency impacts also contributed to the decline in net sales for 2009 compared to 2008.

Operating profit increased $42 million in 2009 compared to 2008 as decreases in volume and selling prices were more than offset by lower raw material and energy costs and reduced overall spending. Reduced spending is attributable to our fixed spending reduction efforts, restructuring efficiencies and favorable foreign currency impacts on costs. Energy is favorable due to lower natural gas costs and lower usage resulting from a decline in volumes. Our EVA Performance Polymers business contributed to the increase in Other (charges) gains, net as a result of receiving $10 million in insurance recoveries in partial satisfaction of the losses resulting from the force majeure event at our Edmonton, Alberta, Canada plant. The gain on the sale of our PVOH business of $34 million had a significant impact to the increase in operating profit. Depreciation and amortization also had a favorable impact on operating profit due to the PVOH divestiture and the shutdown of our Warrington, UK emulsions facility.

Acetyl Intermediates

	Year Ended December 31,		Change in $
	2009	2008	
	As Adjusted		
	(In $ millions, except percentages)		
Net sales	2,603	3,875	(1,272)
Net sales variance			
Volume	(6)%		
Price	(26)%		
Currency	(1)%		
Other	- %		
Operating profit	92	304	(212)
Operating margin	3.5 %	7.8 %	
Other (charges) gains, net	(91)	(78)	(13)
Equity in net earnings (loss) of affiliates	5	3	2
Earnings (loss) from continuing operations before tax	102	312	(210)
Depreciation and amortization	123	150	(27)

Net sales decreased 33% during 2009 as compared to 2008 primarily due to lower selling prices across all regions and major product lines, lower volumes and unfavorable foreign currency impacts. Lower volumes were driven by a reduction in underlying demand in Europe and in the Americas, which was only partially offset by significant increases in demand in Asia. Lower pricing was driven by lower raw material and energy prices, which also negatively impacted our formula-based pricing arrangements for VAM in the US. There were a number of production issues in Asia among the major acetic acid producers (other than Celanese), which coupled with planned outages, caused periodic and short-term market tightness.

Operating profit declined $212 million primarily as a result of lower prices across all regions and major product lines. Significantly lower realized pricing was partially offset by favorable raw material and energy prices, reduced spending due to the shutdown of our Pampa, Texas facility and other reductions in fixed spending. Depreciation and amortization expense declined primarily as a result of the long-lived asset impairment losses recognized in the fourth quarter of 2008 related to our acetic acid and VAM production facility in Pardies, France, the closure of our VAM production unit in Cangrejera, Mexico in February 2009, together with lower depreciation expense resulting from the shutdown of our Pampa, Texas facility. Our operating profit was also negatively impacted by a $13 million increase in Other charges for 2009 compared to 2008, relating primarily to the shutdown of our Pardies, France facility.

The decrease in earnings from continuing operations before tax of $210 million is consistent with the decline in operating profit.

Other Activities

Net sales remained flat in 2009 as compared to 2008. We do not expect third-party revenues from our captive insurance companies to increase significantly in the near future.

The operating loss for Other Activities increased from an operating loss of $138 million in 2008 to an operating loss of $160 million in 2009. The increase was primarily related to higher other charges. The increase in other charges was related to insurance retention costs as a result of our force majeure event at our Edmonton, Alberta, Canada plant which is offset in our Industrial Specialties segment and severance costs as a result of business optimization and finance improvement initiatives. The increase in other charges was partially offset by lower selling, general and administrative expenses primarily attributable to our fixed spending reduction efforts and restructuring efficiencies.

The loss from continuing operations before tax decreased $11 million in 2009 compared to 2008. This decrease was primarily due to reduced interest expense resulting from lower interest rates on our senior credit facilities and favorable currency impact.

Liquidity and Capital Resources

Our primary source of liquidity is cash generated from operations, available cash and cash equivalents and dividends from our portfolio of strategic investments. In addition, as of December 31, 2010 we have $145 million available for borrowing under our credit-linked revolving facility and $600 million available under our revolving credit facility to assist, if required, in meeting our working capital needs and other contractual obligations. We have 17 lenders who participate in our revolving credit facility, each with a commitment of not more than 10% of the $600 million commitment.

While our contractual obligations, commitments and debt service requirements over the next several years are significant, we continue to believe we will have available resources to meet our liquidity requirements, including debt service, in 2011. If our cash flow from operations is insufficient to fund our debt service and other obligations, we may be required to use other means available to us such as increasing our borrowings, reducing or delaying capital expenditures, seeking additional capital or seeking to restructure or refinance our indebtedness. There can be no assurance, however, that we will continue to generate cash flows at or above current levels.

In January 2011, our wholly-owned subsidiary, Celanese Far East Limited, signed letters of intent to construct and operate industrial ethanol production facilities in Nanjing, China, at the Nanjing Chemical Industrial Park, and in Zhuhai, China, at the Gaolan Port Economic Zone. Pending project approvals, we could begin industrial ethanol production within the next 30 months with expected nameplate capacity of 400,000 tons per year per plant with an initial investment of approximately $300 million per plant. We are pursuing approval at two locations to ensure our ability to effectively grow with future demand.

In April 2010, we announced that, through our strategic venture Ibn Sina, we will construct a 50,000 ton POM production facility in Saudi Arabia. Our pro rata share of invested capital in the POM expansion is expected to total approximately $165 million over a three year period which began in late 2010. For the year ended December 31, 2010, we incurred $2 million of capital expenditures. We anticipate related cash outflows for capital expenditures in 2011 will be $10 million.

Cash outflows for capital expenditures are expected to be approximately $350 million in 2011, excluding amounts related to the relocation of our Ticona plant in Kelsterbach and capacity expansion in Europe. Per the terms of our agreement with Fraport, we expect to receive the final cash installment of €110 million in 2011 subject to downward adjustments based on our readiness to close our operations at our Kelsterbach, Germany facility. As the relocation project progressed, we decided to expand the scope of the new production facilities and now expect to spend in excess of total proceeds to be received from Fraport. We anticipate related cash outflows for capital expenditures in 2011 will be €186 million.

In December 2009, we announced plans with China National Tobacco to expand our acetate flake and tow capacity at our Nantong facility. During 2010 we received formal approval to expand flake and tow capacities, each by 30,000 tons. Our Chinese acetate ventures fund their operations using operating cash flow. We made contributions during 2010 of $12 million and have committed to contributions of $17 million in 2011 related to the capacity expansion in Nantong.

As a result of the planned closure of our acetate flake and tow manufacturing operations at the Spondon, Derby, United Kingdom site, we expect to record total expenses of approximately $35 to $45 million, consisting of approximately $20 million for personnel-related exit costs and approximately $20 million of other facility-related shutdown costs such as contract termination costs and accelerated depreciation of fixed assets. We expect that substantially all of the exit costs (except for accelerated depreciation of fixed assets of approximately $15 million) will result in future cash expenditures. Cash outflows are expected to occur through 2011. For the year ended December 31, 2010, we recorded exit costs of $15 million related to personnel-related costs and $6 million related

to accelerated depreciation. See Note 4 and Note 17 to the accompanying consolidated financial statements for further information.

In addition to exit-related costs associated with the closure of the Spondon, Derby, United Kingdom acetate flake and tow manufacturing operations, we expect to incur capital expenditures of approximately $35 million in certain capacity and efficiency improvements, principally at our Lanaken, Belgium facility, to optimize our global production network.

On a stand-alone basis, Celanese has no material assets other than the stock of its subsidiaries and no independent external operations of its own. As such, Celanese generally will depend on the cash flow of its subsidiaries and their ability to pay dividends and make other distributions to Celanese in order for Celanese to meet its obligations, including its obligations under its Series A common stock, senior credit facilities and senior notes.

Cash Flows

Cash and cash equivalents as of December 31, 2010 were $740 million, which was a decrease of $514 million from December 31, 2009. Cash and cash equivalents as of December 31, 2009 were $1,254 million, which was an increase of $578 million from December 31, 2008.

Net Cash Provided by Operating Activities

Cash flow provided by operating activities decreased $144 million to a cash inflow of $452 million in 2010 from a cash inflow of $596 million for the same period in 2009. The increase in trade working capital and the increases in cash paid for taxes and legal settlements, which negatively affected cash provided by operating activities, more than offset the increase in earnings and the increase in cash from our foreign currency hedges.

Cash flow provided by operating activities increased $10 million to a cash inflow of $596 million in 2009 from a cash inflow of $586 million for the same period in 2008. Operating cash flows were favorably impacted by less cash paid for interest, taxes, and legal settlements coupled with a favorable change in trade working capital which helped to offset lower operating performance.

Net Cash Provided by (Used in) Investing Activities

Net cash from investing activities decreased from a cash inflow of $31 million in 2009 to a cash outflow of $560 million for the same period in 2010. The decrease is primarily related to the receipt of proceeds of $412 million related to the Ticona Kelsterbach plant relocation and the receipt of $168 million for the sale of our PVOH business that were both received in 2009. There were no such proceeds in 2010. Adding to the decrease was cash outflows of $46 million incurred in 2010 related to our acquisition of two product lines, Zenite ® LCP and Thermx ® PCT, from DuPont Performance Polymers as compared to the cash outflows for our FACT business acquired in 2009 which were only $8 million.

Net cash from investing activities increased from a cash outflow of $201 million in 2008 to a cash inflow of $31 million in 2009. Net cash from investing activities increased primarily due to lower capital expenditures on property, plant and equipment, proceeds received from the sale of our PVOH business and increased deferred proceeds received on our Ticona Kelsterbach relocation. These cash inflows were offset slightly by in increase on our capital expenditures related to our Ticona Kelsterbach plant relocation.

Our cash outflows for capital expenditures were $201 million, $176 million and $274 million for the years ended December 31, 2010, 2009 and 2008, respectively, excluding amounts related to the relocation of our Ticona plant in Kelsterbach. Capital expenditures were primarily related to major replacements of equipment, capacity expansions, major investments to reduce future operating costs and environmental and health and safety initiatives. Cash outflows for capital expenditures for our Ticona plant in Kelsterbach were €236 million for the year ended December 31, 2010.

Net Cash Used in Financing Activities

Net cash used in financing activities increased from a cash outflow of $112 million in 2009 to a cash outflow of $388 million for the same period in 2010. The $276 million increase primarily relates to the net pay down on long-term debt of $297 million and $48 million used to repurchase shares of the Company's Series A common stock.

Net cash for financing activities decreased from a cash outflow of $499 million in 2008 to a cash outflow of $112 million in 2009. The $387 million decrease in cash used in financing activities primarily related to cash outflows attributable to the repurchase of shares during 2008 of $378 million as compared to no shares repurchased during 2009.

In addition, exchange rate effects on cash and cash equivalents was an unfavorable currency effect of $18 million in 2010 compared to a favorable impact of $63 million in 2009 and an unfavorable impact of $35 million in 2008.

Debt and Other Obligations

Senior Notes

On September 24, 2010, we completed an offering of $600 million aggregate principal amount of 6 5/8% Senior Notes due 2018 (the "Notes"). The Notes are senior unsecured obligations of Celanese US and rank equally in right of payment and other subordinated indebtedness of Celanese US. The Notes are guaranteed on a senior unsecured basis by Celanese and each of the domestic subsidiaries of Celanese US that guarantee its obligations under its senior secured credit facilities (the "Subsidiary Guarantors").

The Notes were issued under an indenture dated as of September 24, 2010 (the "Indenture") among Celanese US, Celanese, the Subsidiary Guarantors and Wells Fargo Bank, National Association, as trustee. The Notes bear interest at a rate of 6 5/8% per annum and were priced at 100% of par. Celanese US will pay interest on the Notes on April 15 and October 15 of each year commencing on April 15, 2011. The Notes will mature on October 15, 2018. The Notes are redeemable, in whole or in part, at any time on or after October 15, 2014 at the redemption prices specified in the Indenture. Prior to October 15, 2014, Celanese US may redeem some or all of the Notes at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a "make-whole" premium as specified in the Indenture.

The Indenture contains covenants, including, but not limited to, restrictions on the Company's and its subsidiaries' ability to incur indebtedness; grant liens on assets; merge, consolidate, or sell assets; pay dividends or make other restricted payments; engage in transactions with affiliates; or engage in other businesses.

Senior Credit Agreement

On September 29, 2010, we entered into an amendment agreement with the lenders under our existing senior secured credit facilities in order to amend and restate the corresponding credit agreement, dated as of April 2, 2007 (as previously amended, the "Existing Credit Agreement", and as amended and restated by the amendment agreement, the "Amended Credit Agreement"). Our Amended Credit Agreement consists of the Term C loan facility having principal amounts of $1,140 million of US dollar-denominated and €204 million of Euro-denominated term loans due 2016, the Term B loan facility having principal amounts of $417 million US dollar-denominated and €69million of Euro-denominated term loans due 2014, a $600 million revolving credit facility terminating in 2015 and a $228 million credit-linked revolving facility terminating in 2014. Prior to entering into the Amendment Agreement, we used the proceeds from the offering of the Notes along with $200 million of cash on hand to pay down the Term B loan facility borrowings under the Existing Credit Agreement. See Note 13 to the accompanying consolidated financial statements for further information regarding our senior credit facilities.

As of December 31, 2010, the balances available for borrowing under the revolving credit facility and the credit-linked revolving facility are as follows:

	(In $ millions)
Revolving credit facility	
Borrowings outstanding	-
Letters of credit issued	-
Available for borrowing	600
Credit-linked revolving facility	
Letters of credit issued	83
Available for borrowing	145

As a condition to borrowing funds or requesting that letters of credit be issued under the revolving credit facility, our first lien senior secured leverage ratio (as calculated as of the last day of the most recent fiscal quarter for which financial statements have been delivered under the revolving facility) cannot exceed the threshold as specified below. Further, our first lien senior secured leverage ratio must be maintained at or below that threshold while any amounts are outstanding under the revolving credit facility.

Our amended maximum first lien senior secured leverage ratios, estimated first lien senior secured leverage ratios and the borrowing capacity under the revolving credit facility as of December 31, 2010 are as follows:

	First Lien Senior Secured Leverage Ratios			
	Maximum	Estimate	Estimate, if Fully Drawn	Borrowing Capacity
				(In $ millions)
December 31, 2010 and thereafter	3.9 to 1.00	1.8 to 1.00	2.4 to 1.00	600

The Amended Credit Agreement contains covenants that are substantially similar to those found in the Existing Credit Agreement, including, but not limited to, restrictions on our ability to incur indebtedness; grant liens on assets; merge, consolidate, or sell assets; pay dividends or make other restricted payments; make investments; prepay or modify certain indebtedness; engage in transactions with affiliates; enter into sale-leaseback transactions or hedge transactions; or engage in other businesses; as well as a covenant requiring maintenance of a maximum first lien senior secured leverage ratio.

We are in compliance with all of the covenants related to our debt agreements as of December 31, 2010.

Commitments Relating to Share Capital

We have a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of Series A common stock, par value $0.0001 per share. In April 2010, we announced that our Board of Directors approved a 25% increase in the Celanese quarterly Series A common stock cash dividend. The Board of Directors increased the quarterly dividend rate from $0.04 to $0.05 per share of Series A common stock on a quarterly basis, which equates to $0.16 to $0.20 per share of Series A common stock annually. The new dividend rate was applicable to dividends payable beginning in August 2010. For the years ended December 31, 2010, 2009 and 2008, we paid $28 million, $23 million and $24 million, respectively, in cash dividends on our Series A common stock. On January 6, 2011, we declared an $8 million cash dividend which was paid on February 1, 2011.

In February 2008, our Board of Directors authorized the repurchase of up to $400 million of our Series A common stock. This authorization was increased to $500 million in October 2008. The authorization gives management discretion in determining the conditions under which shares may be repurchased. This repurchase program does not

have an expiration date. The number or shares repurchased and the average purchase price paid per share pursuant to this authorization are as follows:

	Year Ended December 31,			Total From Inception Through December 31, 2010
	2010	2009	2008	
Shares repurchased	1,667,592	-	9,763,200	11,430,792
Average purchase price per share	$ 28.77	$ -	$ 38.68	$ 37.24
Amount spent on repurchased shares (in millions)	$ 48	$ -	$ 378	$ 426

The purchase of treasury stock will reduce the number of shares outstanding and the repurchased shares may be used by us for compensation programs utilizing our stock and other corporate purposes. We account for treasury stock using the cost method and include treasury stock as a component of Shareholders' equity.

Contractual Debt and Cash Obligations

The following table sets forth our fixed contractual debt and cash obligations as of December 31, 2010.

		Payments due by period			
	Total	Less Than 1 Year	Years 2 & 3	Years 4 & 5	After 5 Years
	(In $ millions)				
Fixed contractual debt obligations					
Senior notes	600	-	-	-	600
Term B loans facility	508	5	10	493	-
Term C loans facility	1,409	14	28	28	1,339
Interest payments on debt and other obligations	1,199 (1)	208	309	244	438
Capital lease obligations	245	15	32	31	167
Other debt	456 (2)	194	21	28	213
Total	4,417	436	400	824	2,757
Operating leases	336	62	92	83	99
Uncertain tax obligations, including interest and penalties	288	15	-	-	273 (3)
Unconditional purchase obligations	1,642 (4)	241	470	250	681
Other commitments	308 (5)	80	100	39	89
Pension and other postretirement funding obligations	1,347	205	413	391	338
Environmental and asset retirement obligations	185	53	57	23	52
Total	8,523	1,092	1,532	1,610	4,289

(1) We have outstanding interest rate swap agreements accounted for as cash flow hedges that have the economic effect of modifying the variable rate obligations associated with our term loans into fixed interest obligations. The impact of these interest rate swaps was factored into the calculation of the future interest payments on long-term debt. Future interest expense is calculated using the rate in effect on December 31, 2010.

(2) Other debt of $456 million is primarily made up of fixed rate pollution control and industrial revenue bonds, short-term borrowings from affiliated companies and other bank obligations.

(3) Due to uncertainties in the timing of the effective settlement of tax positions with the respective taxing authorities, we are unable to determine the timing of payments related to our uncertain tax obligations, including interest and penalties. These amounts are therefore reflected in "After 5 Years".

(4) Represents the take-or-pay provisions included in certain long-term purchase agreements. We do not expect to incur material losses under these arrangements.

(5) Includes other purchase obligations such as maintenance and service agreements, energy and utility agreements, consulting contracts, software agreements and other miscellaneous agreements and contracts, obtained via a survey of the Company.

Contractual Guarantees and Commitments

As of December 31, 2010, we have current standby letters of credit of $83 million and bank guarantees of $10 million outstanding which are irrevocable obligations of an issuing bank that ensure payment to third parties in the event that certain subsidiaries fail to perform in accordance with specified contractual obligations. The likelihood is remote that material payments will be required under these agreements. In addition, the senior notes issued by Celanese US are guaranteed by Celanese and certain domestic subsidiaries of Celanese US. See Note 13 to the accompanying consolidated financial statements for a description of this guarantee and the guarantees under our senior credit facility.

See Note 23 to the accompanying consolidated financial statements for a discussion of commitments and contingencies related to legal and regulatory proceedings.

Off-Balance Sheet Arrangements

We have not entered into any material off-balance sheet arrangements.

Market Risks

Please see *Item 7A. Quantitative and Qualitative Disclosure about Market Risk* of this Form 10-K for additional information about our Market Risks.

Critical Accounting Policies and Estimates

Our consolidated financial statements are based on the selection and application of significant accounting policies. The preparation of consolidated financial statements in conformity with US Generally Accepted Accounting Principles ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses and allocated charges during the reporting period. Actual results could differ from those estimates. However, we are not currently aware of any reasonably likely events or circumstances that would result in materially different results.

We believe the following accounting policies and estimates are critical to understanding the financial reporting risks present in the current economic environment. These matters, and the judgments and uncertainties affecting them, are also essential to understanding our reported and future operating results. See Note 2 to the accompanying consolidated financial statements for further discussion of our significant accounting policies.

• ***Recoverability of Long-Lived Assets***

Recoverability of Goodwill and Indefinite-Lived Assets

We test for impairment of goodwill at the reporting unit level. Our reporting units are either our operating business segments or one level below our operating business segments where discrete financial information is available for our reporting units and operating results are regularly reviewed by business segment management. Our business units have been designated as our reporting units based on business segment management's review of and reliance

on the business unit financial information and include Advanced Engineered Materials, Acetate Products, Nutrinova, Emulsions, Celanese EVA Performance Polymers (formerly AT Plastics) and Acetyl Intermediates businesses. We assess the recoverability of the carrying value of our goodwill and other indefinite-lived intangible assets annually during the third quarter of our fiscal year using June 30 balances or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be fully recoverable. Recoverability of goodwill and other indefinite-lived intangible assets is measured using a discounted cash flow model incorporating discount rates commensurate with the risks involved for each reporting unit. Use of a discounted cash flow model is common practice in impairment testing in the absence of available transactional market evidence to determine the fair value.

The key assumptions used in the discounted cash flow valuation model include discount rates, growth rates, cash flow projections and terminal value rates. Discount rates, growth rates and cash flow projections are the most sensitive and susceptible to change as they require significant management judgment. Discount rates are determined by using a weighted average cost of capital ("WACC"). The WACC considers market and industry data as well as company-specific risk factors for each reporting unit in determining the appropriate discount rate to be used. The discount rate utilized for each reporting unit is indicative of the return an investor would expect to receive for investing in such a business. Operational management, considering industry and company-specific historical and projected data, develops growth rates and cash flow projections for each reporting unit. Terminal value rate determination follows common methodology of capturing the present value of perpetual cash flow estimates beyond the last projected period assuming a constant WACC and low long-term growth rates. If the calculated fair value is less than the current carrying value, impairment of the reporting unit may exist. If the recoverability test indicates potential impairment, we calculate an implied fair value of goodwill for the reporting unit. The implied fair value of goodwill is determined in a manner similar to how goodwill is calculated in a business combination. If the implied fair value of goodwill exceeds the carrying value of goodwill assigned to the reporting unit, there is no impairment. If the carrying value of goodwill assigned to a reporting unit exceeds the implied fair value of the goodwill, an impairment charge is recorded to write down the carrying value. An impairment loss cannot exceed the carrying value of goodwill assigned to a reporting unit but may indicate certain long-lived and amortizable intangible assets associated with the reporting unit may require additional impairment testing.

Management tests indefinite-lived intangible assets utilizing the relief from royalty method to determine the estimated fair value for each indefinite-lived intangible asset. The relief from royalty method estimates the Company's theoretical royalty savings from ownership of the intangible asset. Key assumptions used in this model include discount rates, royalty rates, growth rates, sales projections and terminal value rates. Discount rates, royalty rates, growth rates and sales projections are the assumptions most sensitive and susceptible to change as they require significant management judgment. Discount rates used are similar to the rates estimated by the WACC considering any differences in company-specific risk factors. Royalty rates are established by management and are periodically substantiated by third-party valuation consultants. Operational management, considering industry and company-specific historical and projected data, develops growth rates and sales projections associated with each indefinite-lived intangible asset. Terminal value rate determination follows common methodology of capturing the present value of perpetual sales estimates beyond the last projected period assuming a constant WACC and low long-term growth rates.

For all significant goodwill and indefinite-lived intangible assets, the estimated fair value of the asset exceeded the carrying value of the asset by a substantial margin at the date of the most recent impairment test. Our methodology for determining impairment for both goodwill and indefinite-lived intangible assets was consistent with that used in the prior year.

Recoverability of Long-Lived and Amortizable Intangible Assets

We assess the recoverability of long-lived and amortizable intangible assets whenever events or circumstances indicate that the carrying value of the asset may not be recoverable. Examples of a change in events or circumstances include, but are not limited to, a decrease in the market price of the asset, a history of cash flow losses related to the use of the asset or a significant adverse change in the extent or manner in which an asset is

being used. To assess the recoverability of long-lived and amortizable intangible assets we compare the carrying amount of the asset or group of assets to the future net undiscounted cash flows expected to be generated by the asset or asset group. Long-lived and amortizable intangible assets are tested for recognition and measurement of an impairment loss at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If such assets are considered impaired, the impairment recognized is measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

The development of future net undiscounted cash flow projections require management projections related to sales and profitability trends and the remaining useful life of the asset. Projections of sales and profitability trends are the assumptions most sensitive and susceptible to change as they require significant management judgment. These projections are consistent with projections we use to manage our operations internally. When impairment is indicated, a discounted cash flow valuation model similar to that used to value goodwill at the reporting unit level, incorporating discount rates commensurate with risks associated with each asset, is used to determine the fair value of the asset to measure potential impairment. We believe the assumptions used are reflective of what a market participant would have used in calculating fair value.

Valuation methodologies utilized to evaluate goodwill and indefinite-lived intangible, amortizable intangible and long-lived assets for impairment were consistent with prior periods. We periodically engage third-party valuation consultants to assist us with this process. Specific assumptions discussed above are updated at the date of each test to consider current industry and company-specific risk factors from the perspective of a market participant. The current business environment is subject to evolving market conditions and requires significant management judgment to interpret the potential impact to the Company's assumptions. To the extent that changes in the current business environment result in adjusted management projections, impairment losses may occur in future periods.

• ***Income Taxes***

We regularly review our deferred tax assets for recoverability and establish a valuation allowance if needed based on historical taxable income, projected future taxable income, applicable tax planning strategies, and the expected timing of the reversals of existing temporary differences. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In forming our judgment regarding the recoverability of deferred tax assets related to deductible temporary differences and tax attribute carryforwards, we give weight to positive and negative evidence based on the extent to which the forms of evidence can be objectively verified. We attach the most weight to historical earnings due to its verifiable nature. Weight is attached to tax planning strategies if the strategies are prudent and feasible and implementable without significant obstacles. Less weight is attached to forecasted future earnings due to its subjective nature, and expected timing of reversal of taxable temporary differences is given little weight unless the reversal of taxable and deductible temporary differences coincide. Valuation allowances have been established primarily on net operating loss carryforwards and other deferred tax assets in the US, Netherlands, Luxembourg, France, Spain, China, the United Kingdom and Canada. We have appropriately reflected increases and decreases in our valuation allowance based on the overall weight of positive versus negative evidence on a jurisdiction by jurisdiction basis. In 2009, based on cumulative profitability, the Company concluded that the US valuation allowance should be reversed except for a portion related to certain federal and state net operating loss carryforwards that are not likely to be realized.

We record accruals for income taxes and associated interest that may become payable in future years as a result of audits by tax authorities. We recognize tax benefits when it is more likely than not (likelihood of greater than 50%), based on technical merits, that the position will be sustained upon examination. Tax positions that meet the more-likely-than-not threshold are measured using a probability weighted approach as the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement. Whether the more-likely-than-not recognition threshold is met for a tax position is a matter of judgment based on the individual facts and circumstances of that position evaluated in light of all available evidence.

The recoverability of deferred tax assets and the recognition and measurement of uncertain tax positions are subject to various assumptions and management judgment. If actual results differ from the estimates made by management in establishing or maintaining valuation allowances against deferred tax assets, the resulting change in the valuation

allowance would generally impact earnings or Other comprehensive income depending on the nature of the respective deferred tax asset. In addition, the positions taken with regard to tax contingencies may be subject to audit and review by tax authorities which may result in future taxes, interest and penalties.

• ***Benefit Obligations***

We have pension and other postretirement benefit plans covering substantially all employees who meet eligibility requirements. With respect to its US qualified defined benefit pension plan, minimum funding requirements are determined by the Pension Protection Act of 2006 based on years of service and/or compensation. Various assumptions are used in the calculation of the actuarial valuation of the employee benefit plans. These assumptions include the weighted average discount rate, compensation levels, expected long-term rates of return on plan assets and trends in health care costs. In addition to the above mentioned assumptions, actuarial consultants use factors such as withdrawal and mortality rates to estimate the projected benefit obligation. The actuarial assumptions used may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of pension expense recorded in future periods.

The amounts recognized in the consolidated financial statements related to pension and other postretirement benefits are determined on an actuarial basis. A significant assumption used in determining our pension expense is the expected long-term rate of return on plan assets. As of December 31, 2010, we assumed an expected long-term rate of return on plan assets of 8.5% for the US defined benefit pension plans, which represent approximately 82% and 85% of our fair value of pension plan assets and projected benefit obligation, respectively. On average, the actual return on the US qualified defined pension plans' assets over the long-term (20 years) has exceeded 8.5%.

We estimate a 25 basis point decline in the expected long-term rate of return for the US qualified defined benefit pension plan to increase pension expense by an estimated $5 million in 2011. Another estimate that affects our pension and other postretirement benefit expense is the discount rate used in the annual actuarial valuations of pension and other postretirement benefit plan obligations. At the end of each year, we determine the appropriate discount rate, used to determine the present value of future cash flows currently expected to be required to settle the pension and other postretirement benefit obligations. The discount rate is generally based on the yield on high-quality corporate fixed-income securities. As of December 31, 2010, we decreased the discount rate to 5.30% from 5.90% as of December 31, 2009 for the US plans. We estimate that a 50 basis point decline in our discount rate will increase our annual pension expenses by an estimated $6 million, and increase our benefit obligations by approximately $146 million for our US pension plans. In addition, the same basis point decline in our discount rate will also increase our annual expenses and benefit obligations by less than $1 million and $9 million respectively, for our US postretirement medical plans. We estimate that a 50 basis point decline in the discount rate for the non-US pension and postretirement medical plans will increase pension and other postretirement benefit annual expenses by approximately $1 million and less than $1 million, respectively, and will increase our benefit obligations by approximately $32 million and $2 million, respectively.

Other postretirement benefit plans provide medical and life insurance benefits to retirees who meet minimum age and service requirements. The key determinants of the accumulated postretirement benefit obligation ("APBO") are the discount rate and the healthcare cost trend rate. The healthcare cost trend rate has a significant effect on the reported amounts of APBO and related expense. For example, increasing or decreasing the healthcare cost trend rate by one percentage point in each year would result in the APBO as of December 31, 2010 increasing by approximately $4 million and decreasing by $4 million, respectively. Additionally, increasing or decreasing the healthcare cost trend rate by one percentage point in each year would result in the 2010 postretirement benefit cost changing by less than $1 million.

Pension assumptions are reviewed annually on a plan and country-specific basis by third-party actuaries and senior management. Such assumptions are adjusted as appropriate to reflect changes in market rates and outlook. We determine the long-term expected rate of return on plan assets by considering the current target asset allocation, as well as the historical and expected rates of return on various asset categories in which the plans are invested. A single long-term expected rate of return on plan assets is then calculated for each plan as the weighted average of the

target asset allocation and the long-term expected rate of return assumptions for each asset category within each plan.

Differences between actual rates of return of plan assets and the long-term expected rate of return on plan assets are generally not recognized in pension expense in the year that the difference occurs. These differences are deferred and amortized into pension expense over the average remaining future service of employees. We apply the long-term expected rate of return on plan assets to a market-related value of plan assets to stabilize variability in the plan asset values.

• ***Accounting for Commitments and Contingencies***

We are subject to a number of legal proceedings, lawsuits, claims, and investigations, incidental to the normal conduct of our business, relating to and including product liability, patent and intellectual property, commercial, contract, antitrust, past waste disposal practices, release of chemicals into the environment and employment matters, which are handled and defended in the ordinary course of business. We routinely assess the likelihood of any adverse judgments or outcomes to these matters as well as ranges of probable and reasonably estimable losses. Reasonable estimates involve judgments made by us after considering a broad range of information including: notifications, demands, settlements which have been received from a regulatory authority or private party, estimates performed by independent consultants and outside counsel, available facts, identification of other potentially responsible parties and their ability to contribute, as well as prior experience. With respect to environmental remediation liabilities, it is our policy to accrue through fifteen years, unless we have government orders or other agreements that extend beyond fifteen years. A determination of the amount of loss contingency required, if any, is assessed in accordance with FASB Accounting Standards Codification ("FASB ASC") Topic 450, *Contingencies,* and recorded if probable and estimable after careful analysis of each individual matter. The required reserves may change in the future due to new developments in each matter and as additional information becomes available.

Financial Reporting Changes

See Note 3 to the accompanying consolidated financial statements for information regarding recent accounting pronouncements.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

Market Risks

Our financial market risk consists principally of exposure to currency exchange rates, interest rates and commodity prices. Exchange rate and interest rate risks are managed with a variety of techniques, including use of derivatives. We have in place policies of hedging against changes in currency exchange rates, interest rates and commodity prices as described below. Contracts to hedge exposures are primarily accounted for under FASB ASC Topic 815, *Derivatives and Hedging* ("FASB ASC Topic 815").

See Note 21 to the accompanying consolidated financial statements for further discussion of our market risk management and the related impact on our financial position and results of operations.

Interest Rate Risk Management

We use interest rate swap agreements to manage the interest rate risk of our total debt portfolio and related overall cost of borrowing. To reduce the interest rate risk inherent in our variable rate debt, we utilize interest rate swap agreements to convert a portion of our variable rate debt to a fixed rate obligation. These interest rate swap agreements are designated as cash flow hedges.

In August 2010, we executed a forward-starting interest rate swap with a notional amount of $1.1 billion. As a result of the swap, we have fixed the LIBOR portion of $1.1 billion of the Company's floating rate debt at 1.7125% effective January 2, 2012 through January 2, 2014.

Our US-dollar interest rate swap derivative arrangements are as follows:

As of December 31, 2010			
Notional Value (In $ millions)	Effective Date	Expiration Date	Fixed Rate (1)
100	April 2, 2007	January 2, 2011	4.92%
800	April 2, 2007	January 2, 2012	4.92%
400	January 2, 2008	January 2, 2012	4.33%
200	April 2, 2009	January 2, 2012	1.92%
1,100	January 2, 2012	January 2, 2014	1.71%
2,600			

(1) Fixes the LIBOR portion of the Company's US-dollar denominated variable rate borrowings (Note 13).

As of December 31, 2009			
Notional Value (In $ millions)	Effective Date	Expiration Date	Fixed Rate (1)
100	April 2, 2007	January 4, 2010	4.92%
100	April 2, 2007	January 2, 2011	4.92%
800	April 2, 2007	January 2, 2012	4.92%
400	January 2, 2008	January 2, 2012	4.33%
200	April 2, 2009	January 2, 2012	1.92%
1,600			

(1) Fixes the LIBOR portion of the Company's US-dollar denominated variable rate borrowings (Note 13).

Our Euro interest rate swap derivative arrangements are as follows:

As of December 31, 2010 and December 31, 2009			
Notional Value (In €millions)	Effective Date	Expiration Date	Fixed Rate (1)
150	April 2, 2007	April 2, 2011	4.04%

(1) Fixes the EURIBOR portion of the Company's Euro denominated variable rate borrowings (Note 13).

As of December 31, 2010, we had $1.6 billion, €296million and CNY 1.5 billion of variable rate debt, of which $1.5 billion and €150 million is hedged with interest rate swaps, which leaves $73 million, €146 million and CNY 1.5 billion of variable rate debt subject to interest rate exposure. Accordingly, a 1% increase in interest rates would increase annual interest expense by approximately $5 million.

Foreign Exchange Risk Management

The primary business objective of this hedging program is to maintain an approximately balanced position in foreign currencies so that exchange gains and losses resulting from exchange rate changes, net of related tax effects, are minimized. It is our policy to minimize currency exposures and to conduct operations either within functional currencies or using the protection of hedge strategies. Accordingly, we enter into foreign currency forwards and swaps to minimize our exposure to foreign currency fluctuations. From time to time we may also hedge our currency exposure related to forecasted transactions. Forward contracts are not designated as hedges under FASB ASC Topic 815.

The following table indicates the total US dollar equivalents of net foreign exchange exposure related to (short) long foreign exchange forward contracts outstanding by currency. All of the contracts included in the table below will have approximately offsetting effects from actual underlying payables, receivables, intercompany loans or other assets or liabilities subject to foreign exchange remeasurement.

	2011 Maturity (In $ millions)
Currency	
Euro	(217)
British pound sterling	(43)
Chinese renminbi	(265)
Mexican peso	22
Singapore dollar	26
Canadian dollar	35
Japanese yen	1
Brazilian real	(12)
Swedish krona	14
Other	6
Total	(433)

Additionally, a portion of our assets, liabilities, revenues and expenses are denominated in currencies other than the US dollar. Fluctuations in the value of these currencies against the US dollar can have a direct and material impact on the business and financial results. For example, a decline in the value of the Euro versus the US dollar results in a decline in the US dollar value of our sales and earnings denominated in Euros due to translation effects. Likewise, an increase in the value of the Euro versus the US dollar would result in an opposite effect.

In 2009, we dedesignated the foreign currency exposure created by the Euro-denominated term loan which is expected to offset the foreign currency exposure on certain intercompany loans, decreasing the need for external derivative contracts and reducing our exposure to external counterparties.

Commodity Risk Management

We have exposure to the prices of commodities in our procurement of certain raw materials. We manage our exposure to commodity risk primarily through the use of long-term supply agreements, multi-year purchasing and sales agreements and forward purchase agreements. We regularly assess our practice of purchasing a portion of our commodity requirements under forward purchase agreements and other raw material hedging instruments in accordance with changes in market conditions. Forward purchases and swap contracts for raw materials are principally settled through actual delivery of the physical commodity. For qualifying contracts, we have elected to apply the normal purchases and normal sales exception of FASB ASC Topic 815 based on the probability at the inception and throughout the term of the contract that we would not settle net and the transaction would settle by physical delivery of the commodity. As such, realized gains and losses on these contracts are included in the cost of the commodity upon the settlement of the contract.

In addition, we occasionally enter into financial derivatives to hedge a component of a raw material or energy source. Typically, these types of transactions do not qualify for hedge accounting. These instruments are marked to market at each reporting period and gains (losses) are included in Cost of sales in the accompanying consolidated statements of operations. We recognized no gain or loss from these types of contracts during the years ended December 31, 2010, 2009 and 2008. As of December 31, 2010, we did not have any open financial derivative contracts for commodities.

Item 8. *Financial Statements and Supplementary Data*

Our consolidated financial statements and supplementary data are included in *Item 15. Exhibits and Financial Statement Schedules* of this Annual Report on Form 10-K.

Quarterly Financial Information

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended			
	March 31, 2010 As Adjusted	June 30, 2010	September 30, 2010	December 31, 2010
	(Unaudited) (In $ millions, except per share data)			
Net sales	1,388	1,517	1,506	1,507
Gross profit	218	303	346	313
Other (charges) gains, net	(77) [(1)]	(6)	36 [(2)]	1
Operating profit (loss)	(14)	156	221	140
Earnings (loss) from continuing operations before tax	(7)	224	191	130
Amounts attributable to Celanese Corporation				
Earnings (loss) from continuing operations	13	163	147	103
Earnings (loss) from discontinued operations	1	(3)	(2)	(45)
Net earnings (loss)	14	160	145	58
Earnings (loss) per share — basic	0.07	1.02	0.93	0.37
Earnings (loss) per share — diluted	0.07	1.01	0.92	0.36

	Three Months Ended			
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009
	As Adjusted (Unaudited) (In $ millions, except per share data)			
Net sales	1,146	1,244	1,304	1,388
Gross profit	200	248	266	289
Other (charges) gains, net	(21) [(3)]	(6)	(96) [(4)]	(13)
Operating profit (loss)	27	89	65	109
Earnings (loss) from continuing operations before tax	(11)	127	48	87
Amounts attributable to Celanese Corporation				
Earnings (loss) from continuing operations	(16)	110	398	2
Earnings (loss) from discontinued operations	1	(1)	-	4
Net earnings (loss)	(15)	109	398	6
Earnings (loss) per share — basic	(0.12)	0.74	2.75	0.03
Earnings (loss) per share — diluted	(0.12)	0.69	2.53	0.03

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(1) Consists principally of $72 million in long-lived asset impairment losses. The long-lived asset impairment losses are associated with the proposed closure of the Spondon, Derby, United Kingdom acetate production facility.

(2) Consists principally of $18 million in net insurance recoveries, a $26 million reduction in plumbing legal reserves, and a $15 million favorable settlement in a resolution of a commercial dispute, partially offset by $16 million of employee termination costs related to the closures of the Pardies, France and Spondon, Derby, United Kingdom plant locations.

(3) Consists principally of $24 million in employee termination benefits due to our efforts to align production capacity and staffing levels with our view of an economic environment of prolonged lower demand.

(4) Consists principally of $58 million in employee termination benefits, $20 million of contract termination costs and $7 million of long-lived impairment losses related to the Project of Closure at our Pardies, France plant location.

For a discussion of material events affecting performance in each quarter, see *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* . All amounts in the table above have been properly adjusted for the effects of discontinued operations and the Ibn Sina accounting change described below.

Ibn Sina

We indirectly own a 25% interest in Ibn Sina through CTE Petrochemicals Company ("CTE"), a venture with Texas Eastern Arabian Corporation Ltd. (which also indirectly owns 25%). The remaining interest in Ibn Sina is held by Saudi Basic Industries Corporation ("SABIC"). SABIC and CTE entered into the Ibn Sina joint venture agreement in 1981. In April 2010, we announced that Ibn Sina will construct a 50,000 ton POM production facility in Saudi Arabia and that the term of the joint venture agreement was extended until 2032. Ibn Sina's existing natural gas supply contract expires in 2022. Upon successful startup of the POM facility, our indirect economic interest in Ibn Sina will increase from 25% to 32.5%. SABIC's economic interest will remain unchanged.

In connection with this transaction, we reassessed the factors surrounding the accounting method for this investment and changed from the cost method of accounting for investments to the equity method of accounting for investments beginning April 1, 2010. Financial information relating to this investment for periods prior to 2010 has been retrospectively adjusted to apply the equity method of accounting.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this Annual Report. Based on that evaluation, as of December 31, 2010, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

During the three months ended December 31, 2010, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our consolidated financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our consolidated financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our consolidated financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2010. KPMG LLP has audited this assessment of our internal control over financial reporting; its report is included below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Celanese Corporation:

We have audited Celanese Corporation and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying report of management on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Celanese Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Celanese Corporation and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2010, and our report dated February 11, 2011 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Dallas, Texas
February 11, 2011

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this Item 10 is incorporated herein by reference from the sections captioned “Item 1: Election of Directors,” “Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” of the Company’s definitive proxy statement for the 2011 annual meeting of shareholders to be filed not later than March 11, 2011 with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the “2011 Proxy Statement”). Information about executive officers of the Company is contained in Part I of this Annual Report and it incorporated by reference.

Item 11. ***Executive Compensation***

The information required by this Item 11 is incorporated by reference from the sections captioned “Executive Compensation Discussion and Analysis,” “Compensation Tables,” “Potential Payments upon Termination and Change in Control,” and “Compensation Committee Interlocks and Insider Participation” and “Compensation Committee Report” of the 2011 Proxy Statement.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this Item 12 is incorporated by reference from the section captioned “Stock Ownership Information” of the 2011 Proxy Statement. The information required by Item 201(d) of Regulation S-K is submitted in a separate section of this Form 10-K. See *Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities* , above.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this Item 13 is incorporated by reference from the section captioned “Certain Relationships and Related Person Transactions” and “Corporate Governance — Director Independence” of the 2011 Proxy Statement.

Item 14. ***Principal Accounting Fees and Services***

The information required by this Item 14 is incorporated by reference from the section captioned “Ratification of Independent Registered Public Accounting Firm” of the 2011 Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

1. *Financial Statements.* The report of our independent registered public accounting firm and our consolidated financial statements are listed below and begin on page 81 of this Annual Report on Form 10-K.

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2. *Financial Statement Schedule.*

The financial statement schedule required by this item is included as an Exhibit to this Annual Report on

3. *Exhibit List.*

See Index to Exhibits following our consolidated financial statements contained in this Annual Report on

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused the report to be signed on its behalf by the undersigned, thereunto duly authorized.

CELANESE CORPORATION

By: /s/ David N. Weidman
Name: David N. Weidman
Title: Chairman of the Board of Directors and Chief Executive Officer

Date: February 11, 2011

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Steven M. Sterin, his true and lawful attorney-in-fact with power of substitution and resubstitution to sign in his name, place and stead, in any and all capacities, to do any and all things and execute any and all instruments that such attorney may deem necessary or advisable under the Securities Exchange Act of 1934 and any rules, regulations and requirements of the US Securities and Exchange Commission in connection with the Annual Report on Form 10-K and any and all amendments hereto, as fully for all intents and purposes as he might or could do in person, and hereby ratifies and confirms said attorney-in-fact, acting alone, and his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ David N. Weidman David N. Weidman	Chairman of the Board of Directors, Chief Executive Officer (Principal Executive Officer)	February 11, 2011
/s/ Steven M. Sterin Steven M. Sterin	Senior Vice President, Chief Financial Officer (Principal Financial Officer)	February 11, 2011
/s/ Christopher W. Jensen Christopher W. Jensen	Senior Vice President, Finance and Treasurer (Principal Accounting Officer)	February 11, 2011
/s/ James E. Barlett James E. Barlett	Director	February 11, 2011
/s/ David F. Hoffmeister David F. Hoffmeister	Director	February 11, 2011
/s/ Martin G. McGuinn Martin G. McGuinn	Director	February 11, 2011

Signature	Title	Date
/s/ Paul H. O'Neill Paul H. O'Neill	Director	February 11, 2011
/s/ Mark C. Rohr Mark C. Rohr	Director	February 11, 2011
/s/ Daniel S. Sanders Daniel S. Sanders	Director	February 11, 2011
/s/ Farah M. Walters Farah M. Walters	Director	February 11, 2011
/s/ John K. Wulff John K. Wulff	Director	February 11, 2011

CELANESE CORPORATION AND SUBSIDIARIES
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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Celanese Corporation:

We have audited the accompanying consolidated balance sheets of Celanese Corporation and subsidiaries (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Celanese Corporation and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 11, 2011 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

As discussed in Note 14 to the consolidated financial statements, the Company adopted Financial Accounting Standards Board ("FASB") Staff Position No. 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* (included in FASB Accounting Standards Codification ("ASC") Subtopic 715-20, *Defined Benefit Plans*), during the year ended December 31, 2009.

As discussed in Note 22 to the consolidated financial statements, the Company adopted FASB Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (included in FASB ASC Subtopic 820-10, *Fair Value Measurements and Disclosures*), during the year ended December 31, 2008.

/s/ KPMG LLP

Dallas, Texas
February 11, 2011

CELANESE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2010	2009	2008
		As Adjusted (Note 4)	
	(In $ millions, except for share and per share data)		
Net sales	5,918	5,082	6,823
Cost of sales	(4,738)	(4,079)	(5,567)
Gross profit	1,180	1,003	1,256
Selling, general and administrative expenses	(505)	(474)	(545)
Amortization of intangible assets	(61)	(77)	(76)
Research and development expenses	(70)	(70)	(75)
Other (charges) gains, net	(46)	(136)	(108)
Foreign exchange gain (loss), net	(3)	2	(4)
Gain (loss) on disposition of businesses and assets, net	8	42	(8)
Operating profit	503	290	440
Equity in net earnings (loss) of affiliates	168	99	172
Interest expense	(204)	(207)	(261)
Refinancing expense	(16)	-	-
Interest income	7	8	31
Dividend income — cost investments	73	57	48
Other income (expense), net	7	4	3
Earnings (loss) from continuing operations before tax	538	251	433
Income tax (provision) benefit	(112)	243	(63)
Earnings (loss) from continuing operations	426	494	370
Earnings (loss) from operation of discontinued operations	(80)	6	(120)
Gain (loss) on disposition of discontinued operations	2	-	6
Income tax (provision) benefit from discontinued operations	29	(2)	24
Earnings (loss) from discontinued operations	(49)	4	(90)
Net earnings (loss)	377	498	280
Net (earnings) loss attributable to noncontrolling interests	-	-	1
Net earnings (loss) attributable to Celanese Corporation	377	498	281
Cumulative preferred stock dividends	(3)	(10)	(10)
Net earnings (loss) available to common shareholders	374	488	271
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	426	494	371
Earnings (loss) from discontinued operations	(49)	4	(90)
Net earnings (loss)	377	498	281
Earnings (loss) per common share — basic			
Continuing operations	2.73	3.37	2.44
Discontinued operations	(0.31)	0.03	(0.61)
Net earnings (loss) — basic	2.42	3.40	1.83
Earnings (loss) per common share — diluted			
Continuing operations	2.69	3.14	2.27
Discontinued operations	(0.31)	0.03	(0.55)
Net earnings (loss) — diluted	2.38	3.17	1.72
Weighted average shares — basic	154,564,136	143,688,749	148,350,273
Weighted average shares — diluted	158,372,192	157,115,521	163,471,873

See the accompanying notes to the consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2010	2009 As Adjusted (Note 4)
	(In $ millions, except share amounts)	
ASSETS		
Current assets		
Cash and cash equivalents	740	1,254
Trade receivables — third party and affiliates (net of allowance for doubtful accounts — 2010: $12; 2009: $18)	827	721
Non-trade receivables, net	253	262
Inventories	610	522
Deferred income taxes	92	42
Marketable securities, at fair value	78	3
Assets held for sale	9	2
Other assets	59	50
Total current assets	2,668	2,856
Investments in affiliates	838	792
Property, plant and equipment (net of accumulated depreciation — 2010: $1,131; 2009: $1,130)	3,017	2,797
Deferred income taxes	443	484
Marketable securities, at fair value	-	80
Other assets	289	311
Goodwill	774	798
Intangible assets, net	252	294
Total assets	8,281	8,412
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings and current installments of long-term debt — third party and affiliates	228	242
Trade payables — third party and affiliates	673	649
Other liabilities	596	611
Deferred income taxes	28	33
Income taxes payable	17	72
Total current liabilities	1,542	1,607
Long-term debt	2,990	3,259
Deferred income taxes	116	137
Uncertain tax positions	273	229
Benefit obligations	1,359	1,288
Other liabilities	1,075	1,306
Commitments and contingencies		
Shareholders' equity		
Preferred stock, $0.01 par value, 100,000,000 shares authorized (2010: 0 issued and outstanding; 2009: 9,600,000 issued and outstanding)	-	-
Series A common stock, $0.0001 par value, 400,000,000 shares authorized (2010: 178,028,571 issued and 155,759,293 outstanding; 2009: 164,995,755 issued and 144,394,069 outstanding)	-	-
Series B common stock, $0.0001 par value, 100,000,000 shares authorized (2010 and 2009: 0 issued and outstanding)	-	-
Treasury stock, at cost (2010: 22,269,278 shares; 2009: 20,601,686 shares)	(829)	(781)
Additional paid-in capital	574	522
Retained earnings	1,851	1,505
Accumulated other comprehensive income (loss), net	(670)	(660)
Total Celanese Corporation shareholders' equity	926	586
Noncontrolling interests	-	-
Total shareholders' equity	926	586
Total liabilities and shareholders' equity	8,281	8,412

See the accompanying notes to the consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

	2010		2009		2008	
	Shares Outstanding	Amount	Shares Outstanding	Amount	Shares Outstanding	Amount
				As Adjusted (Note 4)		
			(In $ millions, except share data)			
Preferred stock						
Balance as of the beginning of the period	9,600,000	-	9,600,000	-	9,600,000	-
Redemption of preferred stock	(9,600,000)	-	-	-	-	-
Balance as of the end of the period	-	-	9,600,000	-	9,600,000	-
Series A common stock						
Balance as of the beginning of the period	144,394,069	-	143,505,708	-	152,102,801	-
Conversion of preferred stock	12,084,942	-	-	-	-	-
Redemption of preferred stock	7,437	-	-	-	-	-
Stock option exercises	800,347	-	806,580	-	1,056,368	-
Purchases of treasury stock	(1,667,592)	-	-	-	(9,763,200)	-
Stock awards	140,090	-	81,781	-	109,739	-
Balance as of the end of the period	155,759,293	-	144,394,069	-	143,505,708	-
Treasury stock						
Balance as of the beginning of the period	20,601,686	(781)	20,601,686	(781)	10,838,486	(403)
Purchases of treasury stock, including related fees	1,667,592	(48)	-	-	9,763,200	(378)
Balance as of the end of the period	22,269,278	(829)	20,601,686	(781)	20,601,686	(781)
Additional paid-in capital						
Balance as of the beginning of the period		522		495		469
Indemnification of demerger liability		-		-		2
Stock-based compensation, net of tax		19		13		14
Stock option exercises, net of tax		33		14		10
Balance as of the end of the period		574		522		495
Retained earnings						
Balance as of the beginning of the period		1,505		1,040		793
Net earnings (loss) attributable to Celanese Corporation		377		498		281
Series A common stock dividends		(28)		(23)		(24)
Preferred stock dividends		(3)		(10)		(10)
Balance as of the end of the period		1,851		1,505		1,040
Accumulated other comprehensive income (loss), net						
Balance as of the beginning of the period		(660)		(580)		196
Unrealized gain (loss) on securities		(1)		(3)		(23)
Foreign currency translation		37		5		(130)
Unrealized gain (loss) on interest rate swaps		17		15		(79)
Pension and postretirement benefits		(63)		(97)		(544)
Balance as of the end of the period		(670)		(660)		(580)
Total Celanese Corporation shareholders' equity		926		586		174
Noncontrolling interests						
Balance as of the beginning of the period		-		2		5
Divestiture of noncontrolling interests		-		(2)		(2)
Net earnings (loss) attributable to noncontrolling interests		-		-		(1)
Balance as of the end of the period		-		-		2
Total shareholders' equity		926		586		176

See the accompanying notes to the consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

	2010		2009		2008	
	Shares Outstanding	Amount	Shares Outstanding	Amount	Shares Outstanding	Amount
			As Adjusted (Note 4)			
	(In $ millions, except share data)					
Comprehensive income (loss)						
Net earnings (loss)		377		498		280
Other comprehensive income (loss), net of tax						
Unrealized gain (loss) on securities		(1)		(3)		(23)
Foreign currency translation		37		5		(130)
Unrealized gain (loss) on interest rate swaps		17		15		(79)
Pension and postretirement benefits		(63)		(97)		(544)
Total comprehensive income (loss), net of tax		367		418		(496)
Comprehensive (income) loss attributable to noncontrolling interests		-		-		1
Comprehensive income (loss) attributable to Celanese Corporation		367		418		(495)

See the accompanying notes to the consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2010	2009	2008
		As Adjusted (Note 4)	
	(In $ millions)		
Operating activities			
Net earnings (loss)	377	498	280
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities			
Other charges (gains), net of amounts used	(5)	73	111
Depreciation, amortization and accretion	300	319	360
Deferred income taxes, net	15	(402)	(69)
(Gain) loss on disposition of businesses and assets, net	(8)	(40)	1
Refinancing expense	16	-	-
Other, net	11	12	37
Operating cash provided by (used in) discontinued operations	8	(2)	3
Changes in operating assets and liabilities			
Trade receivables — third party and affiliates, net	(90)	(79)	339
Inventories	(98)	30	21
Other assets	9	9	53
Trade payables — third party and affiliates	19	104	(265)
Other liabilities	(102)	74	(285)
Net cash provided by (used in) operating activities	452	596	586
Investing activities			
Capital expenditures on property, plant and equipment	(201)	(176)	(274)
Acquisitions, net of cash acquired	(46)	(9)	-
Proceeds from sale of businesses and assets, net	26	171	9
Deferred proceeds on Ticona Kelsterbach plant relocation	-	412	311
Capital expenditures related to Ticona Kelsterbach plant relocation	(312)	(351)	(185)
Proceeds from sale of marketable securities	-	15	202
Purchases of marketable securities	-	-	(91)
Settlement of cross currency swap agreements	-	-	(93)
Other, net	(27)	(31)	(80)
Net cash provided by (used in) investing activities	(560)	31	(201)
Financing activities			
Short-term borrowings (repayments), net	(16)	(9)	(64)
Proceeds from long-term debt	600	-	13
Repayments of long-term debt	(897)	(80)	(47)
Refinancing costs	(24)	(3)	-
Purchases of treasury stock, including related fees	(48)	-	(378)
Stock option exercises	14	14	18
Series A common stock dividends	(28)	(23)	(24)
Preferred stock dividends	(3)	(10)	(10)
Other, net	14	(1)	(7)
Net cash provided by (used in) financing activities	(388)	(112)	(499)
Exchange rate effects on cash and cash equivalents	(18)	63	(35)
Net increase (decrease) in cash and cash equivalents	(514)	578	(149)
Cash and cash equivalents at beginning of period	1,254	676	825
Cash and cash equivalents at end of period	740	1,254	676

See the accompanying notes to the consolidated financial statements.

**CELANESE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Description of the Company and Basis of Presentation

Celanese Corporation and its subsidiaries (collectively the "Company") is a global technology and specialty materials company. The Company's business involves processing chemical raw materials, such as methanol, carbon monoxide and ethylene, and natural products, including wood pulp, into value-added chemicals, thermoplastic polymers and other chemical-based products.

Definitions

In this Annual Report on Form 10-K ("Annual Report"), the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The term "Celanese US" refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries.

Basis of Presentation

The consolidated financial statements contained in this Annual Report were prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for all periods presented. The consolidated financial statements and other financial information included in this Annual Report, unless otherwise specified, have been presented to separately show the effects of discontinued operations.

In the ordinary course of the business, the Company enters into contracts and agreements relative to a number of topics, including acquisitions, dispositions, joint ventures, supply agreements, product sales and other arrangements. The Company endeavors to describe those contracts or agreements that are material to its business, results of operations or financial position. The Company may also describe some arrangements that are not material but which the Company believes investors may have an interest in or which may have been subject to a Form 8-K filing. Investors should not assume the Company has described all contracts and agreements relative to the Company's business in this Annual Report.

2. Summary of Accounting Policies

• ***Consolidation principles***

The consolidated financial statements have been prepared in accordance with US GAAP for all periods presented and include the accounts of the Company and its majority owned subsidiaries over which the Company exercises control. All significant intercompany accounts and transactions have been eliminated in consolidation.

• ***Estimates and assumptions***

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses and allocated charges during the reporting period. Significant estimates pertain to impairments of goodwill, intangible assets and other long-lived assets, purchase price allocations, restructuring costs and other (charges) gains, net, income taxes, pension and other postretirement benefits, asset retirement obligations, environmental liabilities and loss contingencies, among others. Actual results could differ from those estimates.

• ***Cash and cash equivalents***

All highly liquid investments with original maturities of three months or less are considered cash equivalents.

• *Inventories*

Inventories, including stores and supplies, are stated at the lower of cost or market. Cost for inventories is determined using the first-in, first-out ("FIFO") method. Cost includes raw materials, direct labor and manufacturing overhead. Cost for stores and supplies is primarily determined by the average cost method.

• *Investments in marketable securities*

The Company classifies its investments in debt and equity securities as "available-for-sale" and reports those investments at their fair market values in the consolidated balance sheets as Marketable Securities, at fair value. Unrealized gains or losses, net of the related tax effect on available-for-sale securities, are excluded from earnings and are reported as a component of Accumulated other comprehensive income (loss), net until realized. The cost of securities sold is determined by using the specific identification method.

A decline in the market value of any available-for-sale security below cost that is deemed to be other-than-temporary results in a reduction in the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. To determine whether impairment is other-than-temporary, the Company considers whether it has the ability and intent to hold the investment until a market price recovery and evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year end and forecasted performance of the investee.

• *Investments in affiliates*

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 323, *Investments – Equity Method and Joint Ventures* ("FASB ASC Topic 323"), stipulates that the equity method should be used to account for investments whereby an investor has "the ability to exercise significant influence over operating and financial policies of an investee", but does not exercise control. FASB ASC Topic 323 generally considers an investor to have the ability to exercise significant influence when it owns 20% or more of the voting stock of an investee. In certain instances, the financial information of the Company's equity investees is not available timely. Accordingly, the Company records its proportional share of the investee's earnings or losses on a consistent lag of no more than one quarter. FASB ASC Topic 323 lists circumstances under which, despite 20% ownership, an investor may not be able to exercise significant influence. Certain investments where the Company owns greater than a 20% ownership and cannot exercise significant influence or control are accounted for under the cost method of accounting (Note 8).

The Company assesses the recoverability of the carrying value of its investments whenever events or changes in circumstances indicate a loss in value that is other than a temporary decline. A loss in value of an equity method or cost method investment which is other than a temporary decline will be recognized as the difference between the carrying amount of the investment and its fair value.

The Company's estimates of fair value are determined based on a discounted cash flow model. The Company periodically engages third-party valuation consultants to assist with this process.

• *Property, plant and equipment, net*

Land is recorded at historical cost. Buildings, machinery and equipment, including capitalized interest, and property under capital lease agreements, are recorded at cost less accumulated depreciation. The Company records depreciation and amortization in its consolidated statements of operations as either Cost of sales or Selling, general and administrative expenses consistent with the utilization of the underlying assets. Depreciation is calculated on a straight-line basis over the following estimated useful lives of depreciable assets:

Land improvements	20 years
Buildings and improvements	30 years
Machinery and equipment	20 years

Leasehold improvements are amortized over ten years or the remaining life of the respective lease, whichever is shorter.

Accelerated depreciation is recorded when the estimated useful life is shortened. Ordinary repair and maintenance costs, including costs for planned maintenance turnarounds, that do not extend the useful life of the asset are charged to earnings as incurred. Fully depreciated assets are retained in property and depreciation accounts until sold or otherwise disposed. In the case of disposals, assets and related depreciation are removed from the accounts, and the net amounts, less proceeds from disposal, are included in earnings.

The Company also leases property, plant and equipment under operating and capital leases. Rent expense for operating leases, which may have escalating rentals or rent holidays over the term of the lease, is recorded on a straight-line basis over the lease term. Amortization of capital lease assets is included as a component of depreciation expense.

Assets acquired in business combinations are recorded at their fair values and depreciated over the assets' remaining useful lives or the Company's policy lives, whichever is shorter.

The Company assesses the recoverability of the carrying amount of its property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be assessed when estimated undiscounted future cash flows from the operation and disposition of the asset group are less than the carrying amount of the asset group. Asset groups have identifiable cash flows and are largely independent of other asset groups. Measurement of an impairment loss is based on the excess of the carrying amount of the asset group over its fair value. Fair value is measured using discounted cash flows or independent appraisals, as appropriate. Impairment losses are recorded primarily to Other (charges) gains, net.

• ***Goodwill and other intangible assets***

Trademarks and trade names, customer-related intangible assets and other intangibles with finite lives are amortized on a straight-line basis over their estimated useful lives. The excess of the purchase price over fair value of net identifiable assets and liabilities of an acquired business ("goodwill") and other indefinite-lived intangible assets are not amortized, but rather tested for impairment, at least annually. The Company tests for goodwill and indefinite-lived intangible asset impairment during the third quarter of its fiscal year using June 30 balances.

The Company assesses the recoverability of the carrying value of goodwill at least annually or whenever events or changes in circumstances indicate that the carrying amount of the goodwill of a reporting unit may not be fully recoverable. Recoverability is measured at the reporting unit level based on the provisions of FASB ASC Topic 350, *Intangibles — Goodwill and Other* ("FASB ASC Topic 350"). The Company periodically engages third-party valuation consultants to assist with this process. Impairment losses are recorded primarily to Other (charges) gains, net.

Recoverability of goodwill for each reporting unit is measured using a discounted cash flow model incorporating discount rates commensurate with the risks involved, which is classified as a Level 3 measurement under FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("FASB ASC Topic 820"). The key assumptions used in the discounted cash flow valuation model include discount rates, growth rates, cash flow projections and terminal value rates. Discount rates, growth rates and cash flow projections are the most sensitive and susceptible to change as they require significant management judgment. If the calculated fair value is less than the current carrying value, impairment of the reporting unit may exist. When the recoverability test indicates potential impairment, the Company, or in certain circumstances, a third-party valuation consultant, will calculate an implied fair value of goodwill for the reporting unit. The implied fair value of goodwill is determined in a manner similar to how goodwill is calculated in a business combination. If the implied fair value of goodwill exceeds the carrying value of goodwill assigned to the reporting unit, there is no impairment. If the carrying value of goodwill assigned to a reporting unit exceeds the implied fair value of the goodwill, an impairment loss is recorded to write

down the carrying value. An impairment loss cannot exceed the carrying value of goodwill assigned to a reporting unit but may indicate certain long-lived and amortizable intangible assets associated with the reporting unit may require additional impairment testing.

The Company assesses recoverability of other indefinite-lived intangible assets at least annually or whenever events or changes in circumstances indicate that the carrying amount of the indefinite-lived intangible asset may not be fully recoverable. Recoverability is measured by a comparison of the carrying value of the indefinite-lived intangible asset over its fair value. Any excess of the carrying value of the indefinite-lived intangible asset over its fair value is recognized as an impairment loss. The Company periodically engages third-party valuation consultants to assist with this process. Impairment losses are recorded primarily to Other (charges) gains, net.

Management tests indefinite-lived intangible assets utilizing the relief from royalty method to determine the estimated fair value for each indefinite-lived intangible asset which is classified as a Level 3 measurement under FASB ASC Topic 820. The relief from royalty method estimates the Company's theoretical royalty savings from ownership of the intangible asset. Key assumptions used in this model include discount rates, royalty rates, growth rates, sales projections and terminal value rates. Discount rates, royalty rates, growth rates and sales projections are the assumptions most sensitive and susceptible to change as they require significant management judgment. Discount rates used are similar to the rates estimated by the weighted-average cost of capital ("WACC") considering any differences in company-specific risk factors. Royalty rates are established by management and are periodically substantiated by third-party valuation consultants. Operational management, considering industry and company-specific historical and projected data, develops growth rates and sales projections associated with each indefinite-lived intangible asset. Terminal value rate determination follows common methodology of capturing the present value of perpetual sales estimates beyond the last projected period assuming a constant WACC and low long-term growth rates.

The Company assesses the recoverability of finite-lived intangible assets in the same manner as for property, plant and equipment as described above. Impairment losses are recorded primarily to Other (charges) gains, net.

• ***Financial instruments***

On January 1, 2008, the Company adopted the provisions of FASB ASC Topic 820 for financial assets and liabilities. On January 1, 2009, the Company applied the provisions of FASB ASC Topic 820 for non-recurring fair value measurements of non-financial assets and liabilities, such as goodwill, indefinite-lived intangible assets, property, plant and equipment and asset retirement obligations. The adoptions of FASB ASC Topic 820 did not have a material impact on the Company's financial position, results of operations or cash flows. FASB ASC Topic 820 defines fair value, and increases disclosures surrounding fair value calculations.

The Company manages its exposures to currency exchange rates, interest rates and commodity prices through a risk management program that includes the use of derivative financial instruments (Note 21). The Company does not use derivative financial instruments for speculative trading purposes. The fair value of all derivative instruments is recorded as assets or liabilities at the balance sheet date. Changes in the fair value of these instruments are reported in income or Accumulated other comprehensive income (loss), net, depending on the use of the derivative and whether it qualifies for hedge accounting treatment under the provisions of FASB ASC Topic 815, *Derivatives and Hedging* ("FASB ASC Topic 815").

Gains and losses on derivative instruments qualifying as cash flow hedges are recorded in Accumulated other comprehensive income (loss), net, to the extent the hedges are effective, until the underlying transactions are recognized in earnings. To the extent effective, gains and losses on derivative and non-derivative instruments used as hedges of the Company's net investment in foreign operations are recorded in Accumulated other comprehensive income (loss), net as part of the foreign currency translation adjustment. The ineffective portions of cash flow hedges and hedges of net investment in foreign operations, if any, are recognized in earnings immediately. Derivative instruments not designated as hedges are marked to market at the end of each accounting period with the change in fair value recorded in earnings.

• ***Concentrations of credit risk***

The Company is exposed to credit risk in the event of nonpayment by customers and counterparties. The creditworthiness of customers and counterparties is subject to continuing review, including the use of master netting agreements, where the Company deems appropriate. The Company minimizes concentrations of credit risk through its global orientation in diverse businesses with a large number of diverse customers and suppliers. In addition, credit risk arising from derivative instruments is not significant because the counterparties to these contracts are primarily major international financial institutions and, to a lesser extent, major chemical companies. Where appropriate, the Company has diversified its selection of counterparties. Generally, collateral is not required from customers and counterparties and allowances are provided for specific risks inherent in receivables.

• ***Allowance for doubtful accounts***

The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company believes, based on historical results, the likelihood of actual write-offs having a material impact on financial results is low. The allowance for doubtful accounts is estimated using factors such as customer credit ratings, past collection history and general risk profile. Receivables are charged against the allowance for doubtful accounts when it is probable that the receivable will not be recovered.

• ***Deferred financing costs***

The Company capitalizes direct costs incurred to obtain debt financings and amortizes these costs using a method that approximates the effective interest rate method over the terms of the related debt. Upon the extinguishment of the related debt, any unamortized capitalized debt financing costs are immediately expensed.

• ***Environmental liabilities***

The Company manufactures and sells a diverse line of chemical products throughout the world. Accordingly, the Company's operations are subject to various hazards incidental to the production of industrial chemicals including the use, handling, processing, storage and transportation of hazardous materials. The Company recognizes losses and accrues liabilities relating to environmental matters if available information indicates that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Depending on the nature of the site, the Company accrues through fifteen years, unless the Company has government orders or other agreements that extend beyond fifteen years. If the event of loss is neither probable nor reasonably estimable, but is reasonably possible, the Company provides appropriate disclosure in the notes to the consolidated financial statements if the contingency is considered material. The Company estimates environmental liabilities on a case-by-case basis using the most current status of available facts, existing technology, presently enacted laws and regulations and prior experience in remediation of contaminated sites. Recoveries of environmental costs from other parties are recorded as assets when their receipt is deemed probable.

An environmental reserve related to cleanup of a contaminated site might include, for example, a provision for one or more of the following types of costs: site investigation and testing costs, cleanup costs, costs related to soil and water contamination resulting from tank ruptures and post-remediation monitoring costs. These reserves do not take into account any claims or recoveries from insurance. There are no pending insurance claims for any environmental liability that are expected to be material. The measurement of environmental liabilities is based on the Company's periodic estimate of what it will cost to perform each of the elements of the remediation effort. The Company utilizes third parties to assist in the management and development of cost estimates for its sites. Changes to environmental regulations or other factors affecting environmental liabilities are reflected in the consolidated financial statements in the period in which they occur (Note 15).

• ***Legal fees***

The Company accrues for legal fees related to loss contingency matters when the costs associated with defending these matters can be reasonably estimated and are probable of occurring. All other legal fees are expensed as incurred.

• ***Revenue recognition***

The Company recognizes revenue when title and risk of loss have been transferred to the customer, generally at the time of shipment of products, and provided that four basic criteria are met: (a) persuasive evidence of an arrangement exists; (b) delivery has occurred or services have been rendered; (c) the fee is fixed or determinable; and (d) collectibility is reasonably assured. Should changes in conditions cause the Company to determine revenue recognition criteria are not met for certain transactions, revenue recognition would be delayed until such time that the transactions become realizable and fully earned. Payments received in advance of meeting the above revenue recognition criteria are recorded as deferred revenue.

• ***Research and development***

The costs of research and development are charged as an expense in the period in which they are incurred.

• ***Insurance loss reserves***

The Company has two wholly-owned insurance companies (the "Captives") that are used as a form of self insurance for property, liability and workers compensation risks. One of the Captives also insures certain third-party risks. The liabilities recorded by the Captives relate to the estimated risk of loss, which is based on management estimates and actuarial valuations, and unearned premiums, which represent the portion of the third-party premiums written applicable to the unexpired terms of the policies in-force. Liabilities are recognized for known claims when sufficient information has been developed to indicate involvement of a specific policy and the Company can reasonably estimate its liability. In addition, liabilities have been established to cover additional exposure on both known and unasserted claims. Estimates of the liabilities are reviewed and updated regularly. It is possible that actual results could differ significantly from the recorded liabilities. Premiums written are recognized as revenue based on the terms of the policies. Capitalization of the Captives is determined by regulatory guidelines.

• ***Reinsurance receivables***

The Captives enter into reinsurance arrangements to reduce their risk of loss. The reinsurance arrangements do not relieve the Captives from their obligations to policyholders. Failure of the reinsurers to honor their obligations could result in losses to the Captives. The Captives evaluate the financial condition of their reinsurers and monitor concentrations of credit risk to minimize their exposure to significant losses from reinsurer insolvencies and to establish allowances for amounts deemed non-collectible.

• ***Income taxes***

The provision for income taxes has been determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and net operating loss and tax credit carryforwards. The amount of deferred taxes on these temporary differences is determined using the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, as applicable, based on tax rates and laws in the respective tax jurisdiction enacted as of the balance sheet date.

The Company reviews its deferred tax assets for recoverability and establishes a valuation allowance based on historical taxable income, projected future taxable income, applicable tax strategies and the expected timing of the reversals of existing temporary differences. A valuation allowance is provided when it is more likely than not (likelihood of greater than 50%) that some portion or all of the deferred tax assets will not be realized.

The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes. Tax positions are recognized only when it is more likely than not, based on technical merits, that the positions will be sustained upon examination. Tax positions that meet the more-likely-than-not threshold are measured using a probability weighted approach as the largest amount of tax benefit that is greater than 50% likely of being realized upon

settlement. Whether the more-likely-than-not recognition threshold is met for a tax position is a matter of judgment based on the individual facts and circumstances of that position evaluated in light of all available evidence.

• ***Noncontrolling interests***

Noncontrolling interests in the equity and results of operations of the entities consolidated by the Company are shown as a separate line item in the consolidated financial statements.

• ***Accounting for purchasing agent agreements***

A subsidiary of the Company acts as a purchasing agent on behalf of the Company, as well as third parties. The entity arranges sale and purchase agreements for raw materials on a commission basis. Accordingly, the commissions earned on these third-party sales are classified as a reduction to Selling, general and administrative expenses.

• ***Functional and reporting currencies***

For the Company's international operations where the functional currency is other than the US dollar, assets and liabilities are translated using period-end exchange rates, while the statement of operations amounts are translated using the average exchange rates for the respective period. Differences arising from the translation of assets and liabilities in comparison with the translation of the previous periods or from initial recognition during the period are included as a separate component of Accumulated other comprehensive income (loss), net.

• ***Reclassifications***

The Company has reclassified certain prior period amounts to conform to the current year presentation.

3. Recent Accounting Pronouncements

In December 2010, the FASB issued FASB Accounting Standards Updated ("ASU") 2010-29, *Business Combinations: Disclosure of Supplementary Pro Forma Information for Business Combinations* ("ASU 2010-29"), which amends FASB ASC Topic 805, *Business Combinations* . The update addresses diversity in the interpretation of the pro forma revenue and earnings disclosure requirements for business combinations. If a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The Company adopted ASU 2010-29 on January 1, 2011. This update had no impact on the Company's financial position, results of operations or cash flows.

In December 2010, the FASB issued FASB ASU 2010-28, *Intangible – Goodwill and Other: When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts* ("ASU 2010-28"), which amends FASB ASC Topic 350. The update modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For these reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. The Company adopted ASU 2010-28 on January 1, 2011. This update had no impact on the Company's financial position, results of operations or cash flows.

In April 2010, the FASB issued FASB ASU 2010-17, *Revenue Recognition – Milestone Method: Milestone Method of Revenue Recognition* ("ASU 2010-17"), which amends FASB ASC Topic 605, *Revenue Recognition – Milestone Method.* The update provides guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate for research or development transactions. Authoritative guidance on the use of the milestone method did not previously exist. The Company adopted ASU 2010-17 on January 1, 2011. This update had no impact on the Company's financial position, results of operations or cash flows.

In January 2010, the FASB issued FASB ASU 2010-06, *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"), which amends FASB ASC Topic 820. The update provides additional disclosures for transfers in and out of Level 1 and 2 and for activity in Level 3 and clarifies certain other existing disclosure requirements. The Company adopted ASU 2010-06 beginning January 15, 2010. This update had no impact on the Company's financial position, results of operations or cash flows.

4. Acquisitions, Dispositions, Ventures and Plant Closures

Acquisitions

In May 2010, the Company acquired two product lines, Zenite ® liquid crystal polymer ("LCP") and Thermx ® polycyclohexylene-dimethylene terephthalate ("PCT"), from DuPont Performance Polymers. The acquisition will continue to build upon the Company's position as a global supplier of high performance materials and technology-driven applications. These two product lines broaden the Company's Ticona Engineering Polymers offerings within its Advanced Engineered Materials segment, enabling the Company to respond to a globalizing customer base, especially in the high growth electrical and electronics application markets. Pro forma financial information since the acquisition date has not been provided as the acquisition did not have a material impact on the Company's financial information. The Company incurred $1 million in direct transaction costs as a result of this acquisition.

The Company allocated the purchase price of the acquisition to identifiable intangible assets acquired based on their estimated fair values. The excess of purchase price over the aggregate fair values was recorded as goodwill. Intangible assets were valued using the relief from royalty and discounted cash flow methodologies which are considered a Level 3 measurement under FASB ASC Topic 820. The relief from royalty method estimates the Company's theoretical royalty savings from ownership of the intangible asset. Key assumptions used in this model include discount rates, royalty rates, growth rates, sales projections and terminal value rates. Discount rates, royalty rates, growth rates and sales projections are the assumptions most sensitive and susceptible to change as they require significant management judgment. The key assumptions used in the discounted cash flow valuation model include discount rates, growth rates, cash flow projections and terminal value rates. Discount rates, growth rates and cash flow projections are the most sensitive and susceptible to change as they require significant management judgment. The Company, with the assistance of third-party valuation consultants, calculated the fair value of the intangible assets acquired to allocate the purchase price at the respective acquisition date.

The consideration paid for the product lines and the amounts of the intangible assets acquired recognized at the acquisition date are as follows:

	Weighted Average Life (In years)	(In $ millions)
Cash consideration		46
Intangible assets acquired		
Trademarks and trade names	indefinite	9
Customer-related intangible assets	10	6
Developed technology	10	7
Covenant not to compete and other	3	11
Goodwill		13
Total		46

In connection with the acquisition, the Company committed to purchase certain inventory at a future date valued at between $12 million and $17 million. During the three months ended December 31, 2010, the Company purchased $3 million of inventory in Europe and the US, leaving additional inventory of between $9 million and $14 million expected to be purchased in Asia during the first half of 2011.

In December 2009, the Company acquired the business and assets of FACT GmbH (Future Advanced Composites Technology) ("FACT"), a German company, for a purchase price of €5 million ($8 million). FACT is in the business of developing, producing and marketing long-fiber reinforced thermoplastics. As part of the acquisition, the Company has entered into a ten year lease agreement with the seller for the property and buildings on which the FACT business is located with the option to purchase the property at various times throughout the lease. The acquired business is included in the Advanced Engineered Materials segment.

Dispositions

In July 2009, the Company completed the sale of its polyvinyl alcohol ("PVOH") business to Sekisui Chemical Co., Ltd. ("Sekisui") for a net cash purchase price of $168 million, resulting in a gain on disposition of $34 million. The net cash purchase price excludes the accounts receivable and payable retained by the Company. The transaction includes long-term supply agreements between Sekisui and the Company and therefore, does not qualify for treatment as a discontinued operation. The PVOH business is included in the Industrial Specialties segment.

Ventures

The Company indirectly owns a 25% interest in its National Methanol Company ("Ibn Sina") affiliate through CTE Petrochemicals Company ("CTE"), a joint venture with Texas Eastern Arabian Corporation Ltd. (which also indirectly owns 25%). The remaining interest in Ibn Sina is held by Saudi Basic Industries Corporation ("SABIC"). SABIC and CTE entered into the Ibn Sina joint venture agreement in 1981. In April 2010, the Company announced that Ibn Sina will construct a 50,000 ton polyacetal ("POM") production facility in Saudi Arabia and that the term of the joint venture agreement was extended until 2032. Ibn Sina's existing natural gas supply contract expires in 2022. Upon successful startup of the POM facility, the Company's indirect economic interest in Ibn Sina will increase from 25% to 32.5%. SABIC's economic interest will remain unchanged.

In connection with this transaction, the Company reassessed the factors surrounding the accounting method for this investment and changed from the cost method of accounting for investments to the equity method of accounting for investments beginning April 1, 2010. Financial information relating to this investment for prior periods has been retrospectively adjusted to apply the equity method of accounting. Effective April 1, 2010, the Company moved its investment in the Ibn Sina affiliate from its Acetyl Intermediates segment to its Advanced Engineered Materials segment to reflect the change in the affiliate's business dynamics and growth opportunities as a result of the future construction of the POM facility. Business segment information for prior periods has been retrospectively adjusted to reflect this change and to conform to the current year presentation (Note 25).

The retrospective effect of applying the equity method of accounting to this investment to the consolidated statements of operations is as follows:

	Year Ended December 31, 2009			Year Ended December 31, 2008		
	As Originally Reported	As Adjusted for Retrospective Application	Effect of Change	As Originally Reported	As Adjusted for Retrospective Application	Effect of Change
	(In $ millions, except per share data)					
Equity in net earnings (loss) of affiliates	48	99	51	54	172	118
Dividend income — cost investments	98	57	(41)	167	48	(119)
Earnings (loss) from continuing operations before tax	241	251	10	434	433	(1)
Earnings (loss) from continuing operations	484	494	10	371	370	(1)
Net earnings (loss)	488	498	10	281	280	(1)
Net earnings (loss) attributable to Celanese Corporation	488	498	10	282	281	(1)
Net earnings (loss) available to common shareholders	478	488	10	272	271	(1)
Earnings (loss) per common share — basic Continuing operations	3.30	3.37	0.07	2.44	2.44	-
Discontinued operations	0.03	0.03	-	(0.61)	(0.61)	-
Net earnings (loss) — basic	3.33	3.40	0.07	1.83	1.83	-
Earnings (loss) per common share — diluted Continuing operations	3.08	3.14	0.06	2.28	2.27	(0.01)
Discontinued operations	0.03	0.03	-	(0.55)	(0.55)	-
Net earnings (loss) — diluted	3.11	3.17	0.06	1.73	1.72	(0.01)

The retrospective effect of applying the equity method of accounting to this investment to the consolidated balance sheets is as follows:

	As of December 31, 2009		
	As Originally Reported	As Adjusted for Retrospective Application	Effect of Change
		(In $ millions)	
Investments in affiliates	790	792	2
Total assets	8,410	8,412	2
Retained earnings	1,502	1,505	3
Accumulated other comprehensive income (loss), net	(659)	(660)	(1)
Total Celanese Corporation shareholders’ equity	584	586	2
Total shareholders’ equity	584	586	2
Total liabilities and shareholders’ equity	8,410	8,412	2

As a result of the accounting change, Retained earnings as of January 1, 2008 decreased from $799 million, as originally reported using the cost method of accounting for investments, to $793 million using the equity method of accounting for investments.

The retrospective effect of applying the equity method of accounting to this investment to the consolidated statements of cash flows is as follows:

	Year Ended December 31,					
	2009			2008		
	As Originally Reported	As Adjusted for Retrospective Application	Effect of Change	As Originally Reported	As Adjusted for Retrospective Application	Effect of Change
	(In $ millions)					
Net earnings (loss)	488	498	10	281	280	(1)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities						
Other, net	22	12	(10)	36	37	1

The retrospective effect of applying the equity method of accounting to this investment to the business segment financial information (Note 25) is as follows:

	Year Ended December 31,					
	2009			2008		
	As Originally Reported	As Adjusted for Retrospective Application	Effect of Change	As Originally Reported	As Adjusted for Retrospective Application	Effect of Change
	(In $ millions)					
Advanced Engineered Materials						
Earnings (loss) from continuing operations before tax	62	114	52	69	190	121
Acetyl Intermediates						
Earnings (loss) from continuing operations before tax	144	102	(42)	434	312	(122)

Plant Closures

• ***Spondon, Derby, United Kingdom***

During the first quarter of 2010, the Company began to assess the possibility of consolidating its global acetate flake and tow manufacturing operations to strengthen the Company's competitive position, reduce fixed costs and align future production capacities with anticipated industry demand trends. The assessment was also driven by a global shift in product consumption and included considering the probability of closing the Company's acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom. Based on this assessment, the Company concluded that certain long-lived assets were partially impaired. Accordingly, in March 2010, the Company recorded long-lived asset impairment losses of $72 million (Note 17) to Other (charges) gains, net in the consolidated statements of operations. The Spondon, Derby, United Kingdom facility is included in the Consumer Specialties segment.

In April 2010, when the Company announced the proposed cessation of operations at the Spondon plant, the Company began the consulting process with employees and their representatives . These consultations did not result in a demonstrated basis for viable continuing operations for acetate flake and tow operations at the site. Accordingly, in August 2010, the Company announced that it will consolidate its global acetate manufacturing capabilities by closing its acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom, with operations expecting to cease in the latter part of 2011. The Company expects to serve its acetate customers under this proposal by optimizing its global production network, which includes facilities in Lanaken, Belgium; Narrows, Virginia; and Ocotlan, Mexico, as well as the Company's acetate affiliate facilities in China.

The exit costs and plant shutdown costs recorded in the consolidated statements of operations related to the closure of the Spondon, Derby, United Kingdom location (Note 17) are as follows:

	Year Ended December 31, 2010
	(In $ millions)
Employee termination benefits	(15)
Asset impairments	(72)
Total exit costs recorded to Other (charges) gains, net	(87)
Accelerated depreciation	(6)
Total plant shutdown costs	(6)

• ***Pardies, France***

In July 2009, the Company's wholly-owned French subsidiary, Acetex Chimie S.A., completed the consultation process with the workers council on its "Project of Closure" and social plan related to the Company's Pardies, France facility pursuant to which the Company ceased all manufacturing operations and associated activities in December 2009. The Company agreed with the workers council on a set of measures of assistance aimed at minimizing the effects of the plant's closing on the Pardies workforce, including training, outplacement and severance. The Pardies, France facility is included in the Acetyl Intermediates segment.

The exit costs and plant shutdown costs recorded in the consolidated statements of operations related to the "Project of Closure" (Note 17) are as follows:

	Year Ended December 31,	
	2010	2009
	(In $ millions)	
Employee termination benefits	(6)	(60)
Asset impairments	(1)	(12)
Contract termination costs	(3)	(17)
Reindustrialization costs	(3)	-
Other	1	-
Total exit costs recorded to Other (charges) gains, net	(12)	(89)
Asset sale	-	-
Inventory write-offs	(4)	-
Accelerated depreciation	-	(9)
Other	(8)	(8)
Total plant shutdown costs	(12)	(17)

Assets Held for Sale

Assets held for sale in the consolidated balance sheet as of December 31, 2010 include plant assets with a net book value of $9 million. The plant assets held for sale relate to an agreement reached in July 2007 with Babcock & Brown, a worldwide investment firm that specializes in real estate and utilities development, to sell the Company's Pampa, Texas facility. The plant assets are included in the Acetyl Intermediates segment.

Assets held for sale in the consolidated balance sheet as of December 31, 2009 include an office building the Company sold during the year ended December 31, 2010. The office building had a net book value of $2 million and the Company recorded a gain of $14 million to Gain (loss) on disposition of businesses and assets, net, in the consolidated statements of operations during the year ended December 31, 2010. The office building was included in the Other Activities segment.

5. Marketable Securities, at Fair Value

The Captives and nonqualified pension trusts hold available-for-sale securities for capitalization and funding requirements, respectively. The Company recorded realized gains (losses) as follows:

	Year ended December 31,		
	2010	2009	2008
	(In $ millions)		
Realized gain on sale of securities	8	5	10
Realized loss on sale of securities	-	-	(10)
Net realized gain (loss) on sale of securities	8	5	-

The Company reviews all investments for other-than-temporary impairment at least quarterly or as indicators of impairment exist. Indicators of impairment include the duration and severity of the decline in fair value below carrying value as well as the intent and ability to hold the investment to allow for a recovery in the market value of the investment. In addition, the Company considers qualitative factors that include, but are not limited to: (i) the financial condition and business plans of the investee including its future earnings potential, (ii) the investee’s credit rating, and (iii) the current and expected market and industry conditions in which the investee operates. If a decline in the fair value of an investment is deemed by management to be other-than-temporary, the Company writes down the carrying value of the investment to fair value, and the amount of the write-down is included in net earnings. Such a determination is dependent on the facts and circumstances relating to each investment. The Company recognized $0 million, $1 million and $0 million of other-than-temporary impairment losses related to equity securities in the consolidated statements of operations for the years ended December 31, 2010, 2009, and 2008, respectively.

The amortized cost, gross unrealized gain, gross unrealized loss and fair values for available-for-sale securities by major security type are as follows:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
		(In $ millions)		
US corporate debt securities	1	-	-	1
Mutual funds	77	-	-	77
As of December 31, 2010	78	-	-	78
US government debt securities	26	2	-	28
US corporate debt securities	1	-	-	1
Total debt securities	27	2	-	29
Equity securities	55	-	(3)	52
Mutual funds	2	-	-	2
As of December 31, 2009	84	2	(3)	83

Fixed maturities of $1 million as of December 31, 2010 will mature in 2013. Actual maturities could differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties.

6. Receivables, Net

	As of December 31, 2010	As of December 31, 2009
	(In $ millions)	
Trade receivables — third party and affiliates	839	739
Allowance for doubtful accounts — third party and affiliates	(12)	(18)
Trade receivables — third party and affiliates, net	827	721
Reinsurance receivables	31	49
Income taxes receivable	60	64
Other	163	149
Allowance for doubtful accounts — other	(1)	-
Non-trade receivables, net	253	262

As of December 31, 2010 and 2009, the Company had no significant concentrations of credit risk since the Company's customer base is dispersed across many different industries and geographies.

7. Inventories

	As of December 31, 2010	As of December 31, 2009
	(In $ millions)	
Finished goods	442	367
Work-in-process	31	28
Raw materials and supplies	137	127
Total	610	522

8. Investments in Affiliates

Equity Method

Equity method investments and ownership interests are as follows:

	Business Segment	Ownership Percentage as of December 31, 2010	2009	Carrying Value as of December 31, 2010	2009	Share of Earnings (Loss) Year Ended December 31, 2010	2009	2008
		(In percentages)		(In $ millions)				
Erfei, A.I.E. (1)	Acetyl Intermediates	-	-	-	-	-	-	-
National Methanol Company (“Ibn Sina”) (Note 4)	Advanced Engineered Materials	25	25	53	56	81	51	118
Fortron Industries LLC	Advanced Engineered Materials	50	50	79	74	5	(3)	4
Korea Engineering Plastics Co., Ltd.	Advanced Engineered Materials	50	50	153	159	20	14	12
Polyplastics Co., Ltd.	Advanced Engineered Materials	45	45	229	175	37	15	19
Una SA	Advanced Engineered Materials	50	50	3	2	1	-	2
InfraServ GmbH & Co. Gendorf KG	Other Activities	39	39	27	27	4	3	4
InfraServ GmbH & Co. Hoechst KG	Other Activities	32	32	128	142	16	15	10
InfraServ GmbH & Co. Knapsack KG	Other Activities	27	27	22	24	4	5	4
Sherbrooke Capital Health and Wellness, L.P. (2)	Consumer Specialties	10	10	5	4	-	(1)	(1)
Total (As Adjusted Note 4)				699	663	168	99	172

(1) The Company divested this investment in July 2009 as part of the sale of PVOH (Note 4).

(2) The Company accounts for its 10% ownership interest in Sherbrooke Capital Health and Wellness, L.P. under the equity method of accounting because the Company is able to exercise significant influence.

	Year Ended December 31, 2010	2009	2008
		As Adjusted (Note 4)	
	(In $ millions)		
Affiliate net earnings	566	336	633
Company’s proportional share			
Net earnings	168	99	172
Dividends and other distributions	138	78	183

Financial information for Ibn Sina is not provided to the Company timely and as a result, the Company’s proportional share is reported on a one quarter lag. Accordingly, summarized financial information of Ibn Sina presented below is as of and for the 12 months ended September 30 as follows:

	2010	2009
	(In $ millions)	
Current assets	226	223
Noncurrent assets	202	212
Current liabilities	108	98
Noncurrent liabilities	39	43

	2010	2009	2008
	(In $ millions)		
Revenues	923	630	1,235
Gross profit	403	256	578
Net income	357	222	512

Cost Method

Cost method investments and ownership interests are as follows:

	Business Segment	Ownership Percentage as of December 31, 2010	2009	Carrying Value as of December 31, 2010	2009	Dividend Income for the Year Ended December 31, 2010	2009	2008
		(In percentages)		(In $ millions)				
Kunming Cellulose Fibers Co. Ltd.	Consumer Specialties	30	30	14	14	11	10	8
Nantong Cellulose Fibers Co. Ltd.	Consumer Specialties	31	31	89	77	51	38	32
Zhuhai Cellulose Fibers Co. Ltd.	Consumer Specialties	30	30	14	14	9	8	6
InfraServ GmbH & Co. Wiesbaden KG	Other Activities	8	8	6	6	2	1	2
Other				16	18	-	-	-
Total (As Adjusted Note 4)				139	129	73	57	48

Certain investments where the Company owns greater than a 20% ownership interest are accounted for under the cost method of accounting because the Company cannot exercise significant influence over these entities. The Company determined that it cannot exercise significant influence over these entities due to local government investment in and influence over these entities, limitations on the Company's involvement in the day-to-day operations and the present inability of the entities to provide timely financial information prepared in accordance with US GAAP.

9. Property, Plant and Equipment, Net

	As of December 31, 2010	2009
	(In $ millions)	
Land	57	62
Land improvements	39	44
Buildings and building improvements	334	360
Machinery and equipment	2,589	2,669
Construction in progress	1,129	792
Gross asset value	4,148	3,927
Accumulated depreciation	(1,131)	(1,130)
Property, plant and equipment, net	3,017	2,797

Assets under capital leases included in the amounts above are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Buildings	23	46
Machinery and equipment	263	226
Accumulated depreciation	(74)	(55)
Assets under capital leases, net	212	217

Capitalized interest costs and depreciation expense recorded in the consolidated financial statements are as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Capitalized interest	2	2	6
Depreciation expense	195	213	255

During 2010 and 2009, certain long-lived assets were impaired (Note 4 and Note 17).

10. Goodwill and Intangible Assets, Net

Goodwill

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Total
			(In $ millions)		
As of December 31, 2008					
Goodwill	258	252	40	235	785
Accumulated impairment losses	-	-	(6)	-	(6)
Total	258	252	34	235	779
Sale of PVOH [(1)]	-	-	-	-	-
Exchange rate changes	5	5	1	8	19
As of December 31, 2009					
Goodwill	263	257	35	243	798
Accumulated impairment losses	-	-	-	-	-
Total	263	257	35	243	798
Acquisitions (Note 4)	13	-	-	-	13
Reallocation of Ibn Sina goodwill (Note 4)	34	-	-	(34)	-
Exchange rate changes	(11)	(8)	-	(18)	(37)
As of December 31, 2010					
Goodwill	299	249	35	191	774
Accumulated impairment losses	-	-	-	-	-
Total	299	249	35	191	774

(1) Fully impaired goodwill of $6 million was written off related to the sale of PVOH.

In connection with the Company's annual goodwill impairment test performed during the three months ended September 30, 2010 using June 30 balances, the Company did not record an impairment loss related to goodwill as the estimated fair value for each of the Company's reporting units exceeded the carrying value of the underlying assets by a substantial margin. No events or changes in circumstances occurred during the three months ended December 31, 2010 that would indicate that the carrying amount of the assets may not be fully recoverable. Accordingly, no additional impairment analysis was performed during that period.

Intangible Assets, Net

	Trademarks and Trade names	Licenses	Customer-Related Intangible Assets	Developed Technology	Covenants not to Compete and Other	Total
	(In $ millions)					
Gross Asset Value						
As of December 31, 2008	82	29	537	12	12	672
Acquisitions	-	-	-	1	-	1
Exchange rate changes	1	-	15	-	-	16
As of December 31, 2009	83	29	552	13	12	689
Acquisitions (Note 4)	9	-	6	7	11	33
Exchange rate changes	(4)	1	(32)	-	-	(35)
As of December 31, 2010	88	30	526	20	23	687
Accumulated Amortization						
As of December 31, 2008	-	(3)	(285)	(10)	(10)	(308)
Amortization	(5)	(3)	(67)	(1)	(1)	(77)
Exchange rate changes	-	-	(10)	-	-	(10)
As of December 31, 2009	(5)	(6)	(362)	(11)	(11)	(395)
Amortization	-	(3)	(54)	(1)	(3)	(61)
Exchange rate changes	-	(1)	21	1	-	21
As of December 31, 2010	(5)	(10)	(395)	(11)	(14)	(435)
Net book value	83	20	131	9	9	252

Amortization expense for intangible assets with finite lives is recorded in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Amortization of intangible assets	61	72	76

In addition, during the year ended December 31, 2009 the Company recorded accelerated amortization expense to Amortization of intangible assets in the consolidated statements of operations of $5 million related to the AT Plastics trade name, which was discontinued August 1, 2009. The trade name is now fully amortized.

Estimated amortization expense for the succeeding five fiscal years is as follows:

	(In $ millions)
2011	63
2012	47
2013	29
2014	18
2015	8

The Company's trademarks and trade names have an indefinite life. Accordingly, no amortization expense is recorded on these intangible assets.

In connection with the Company's annual indefinite-lived intangible assets impairment test performed during the three months ended September 30, 2010 using June 30 balances, the Company did not record an impairment loss to indefinite-lived intangible assets as the estimated fair value for each of the Company's indefinite-lived intangible assets exceeded the carrying value of the underlying asset. No events or changes in circumstances occurred during the three months ended December 31, 2010 that would indicate that the carrying amount of the assets may not be fully recoverable. Accordingly, no additional impairment analysis was performed during that period. For the year ended December 31, 2010, the Company did not renew or extend any intangible assets.

11. Current Other Liabilities

	As of December 31,	
	2010	2009
	(In $ millions)	
Salaries and benefits	111	100
Environmental (Note 15)	16	13
Restructuring (Note 17)	57	99
Insurance	27	37
Asset retirement obligations	31	22
Derivatives (Note 21)	69	75
Current portion of benefit obligations (Note 14)	49	49
Sales and use tax/foreign withholding tax payable	15	15
Interest	29	20
Uncertain tax positions (Note 18)	15	5
Other	177	176
Total	596	611

12. Noncurrent Other Liabilities

	As of December 31,	
	2010	2009
	(In $ millions)	
Environmental (Note 15)	85	93
Insurance	69	85
Deferred revenue	41	47
Deferred proceeds (1)	786	848
Asset retirement obligations	46	45
Derivatives (Note 21)	14	44
Income taxes payable	4	61
Other	30	83
Total	1,075	1,306

(1) Primarily relates to proceeds received from the Frankfurt, Germany Airport as part of a settlement for the Company to relocate its Kelsterbach, Germany Ticona operations to a new site (Note 28). Such proceeds will be deferred until the transfer of title to the Frankfurt, Germany Airport.

Changes in asset retirement obligations are as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Balance at beginning of year	67	49	47
Additions [1]	-	14	6
Accretion	3	2	3
Payments	(15)	(14)	(6)
Revisions to cash flow estimates [2]	23	15	1
Exchange rate changes	(1)	1	(2)
Balance at end of year	77	67	49

(1) Primarily relates to sites and impaired long-lived assets (Note 17) which management no longer considers to have an indeterminate life.

(2) Primarily relates to revisions to the estimated cost of future plant closures.

Included in the asset retirement obligations for each of the years ended December 31, 2010 and 2009 is $10 million related to a business acquired in 2005. The Company has a corresponding receivable of $10 million included in noncurrent Other assets in the consolidated balance sheets as of December 31, 2010.

The Company concluded several sites no longer had an indeterminate life based on long-lived asset impairment triggering events and decisions made by the Company. Accordingly, the Company recorded asset retirement obligations associated with these sites. To measure the fair value of the asset retirement obligations, the Company uses the expected present value technique which is classified as a Level 3 measurement under FASB ASC Topic 820. The expected present value technique uses a set of cash flows that represent the probability-weighted average of all possible cash flows based on the Company’s judgment. The Company uses the following inputs to determine the fair value of the asset retirement obligations based on the Company’s experience with fulfilling obligations of this type and the Company’s knowledge of market conditions: a) labor costs; b) allocation of overhead costs; c) profit on labor and overhead costs; d) effect of inflation on estimated costs and profits; e) risk premium for bearing the uncertainty inherent in cash flows, other than inflation; f) time value of money represented by the risk-free interest rate commensurate with the timing of the associated cash flows; and g) nonperformance risk relating to the liability which includes the Company’s own credit risk.

The Company has identified but not recognized asset retirement obligations related to certain of its existing operating facilities. Examples of these types of obligations include demolition, decommissioning, disposal and restoration activities. Legal obligations exist in connection with the retirement of these assets upon closure of the facilities or abandonment of the existing operations. However, the Company currently plans on continuing operations at these facilities indefinitely and therefore a reasonable estimate of fair value cannot be determined at this time. In the event the Company considers plans to abandon or cease operations at these sites, an asset retirement obligation will be reassessed at that time. If certain operating facilities were to close, the related asset retirement obligations could significantly affect the Company’s results of operations and cash flows.

13. Debt

	As of December 31,	
	2010	2009
	(In $ millions)	
Short-term borrowings and current installments of long-term debt — third party and affiliates		
Current installments of long-term debt	74	102
Short-term borrowings, including amounts due to affiliates, weighted average interest rate of 3.3%	154	140
Total	228	242
Long-term debt		
Senior credit facilities		
Term B loan facility due 2014	508	2,785
Term C loan facility due 2016	1,409	-
Senior unsecured notes due 2018	600	-
Pollution control and industrial revenue bonds, interest rates ranging from 5.7% to 6.7%, due at various dates through 2030	181	181
Obligations under capital leases and other secured and unsecured borrowings, interest rates ranging from 6.3% to 25.7%, due at various dates through 2054	245	242
Other bank obligations, interest rates ranging from 1.2% to 5.5%, due at various dates through 2017	121	153
Subtotal	3,064	3,361
Current installments of long-term debt	(74)	(102)
Total	2,990	3,259

Senior Notes

On September 24, 2010, Celanese US completed an offering of $600 million in aggregate principal amount of Senior Notes due 2018 (the “Notes”) in a private placement conducted pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). The Notes are guaranteed on a senior unsecured basis by Celanese and each of the domestic subsidiaries of Celanese US that guarantee its obligations under its senior secured credit facilities (the “Subsidiary Guarantors”).

The Notes were issued under an indenture dated September 24, 2010 (the “Indenture”) among Celanese US, Celanese, the Subsidiary Guarantors and Wells Fargo Bank, National Association, as trustee. The Notes bear interest at a rate of 6 5/8% per annum and were priced at 100% of par. Celanese US will pay interest on the Notes on April 15 and October 15 of each year commencing on April 15, 2011. The Notes will mature on October 15, 2018 and the Notes are redeemable, in whole or in part, at any time on or after October 15, 2014 at the redemption prices specified in the Indenture. Prior to October 15, 2014, Celanese US may redeem some or all of the Notes at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a “make-whole” premium as specified in the Indenture. The Notes are senior unsecured obligations of Celanese US and rank equally in right of payment with all other unsubordinated indebtedness of Celanese US.

The holders of the Notes are entitled to the benefits of a registration rights agreement dated September 24, 2010 (the “Registration Rights Agreement”), by and among Celanese US and the initial purchasers listed therein. Pursuant to the Registration Rights Agreement, Celanese US has agreed to use commercially reasonable efforts to file a registration statement (an “Exchange Offer Registration Statement”) with respect to a registered exchange offer (an “Exchange Offer”) to exchange the Notes for new notes with terms substantially identical in all material respects to the Notes (except that the new notes will not have transfer restrictions, registration rights or be entitled to Additional

Interest (as defined below)), to cause the Exchange Offer Registration Statement to be declared effective by the Securities and Exchange Commission under the Securities Act and to consummate the Exchange Offer by the 270th day after the date of the initial issuance of the Notes (June 21, 2011).

If, on or before the 270th day after the original issue date of the Notes, (a) Celanese US has not exchanged the new notes for all Notes validly tendered in accordance with the terms of an Exchange Offer or, if required, a shelf registration statement covering resales of the Notes has not been declared effective, or (b) a shelf registration statement covering resales of the Notes is required and becomes effective but such shelf registration statement ceases to be effective during the period specified in the Registration Rights Agreement (subject to certain exceptions) (each such event referred to in clauses (a) and (b) of this paragraph, a "Registration Default"), then additional interest ("Additional Interest") shall accrue on the outstanding principal amount of the Notes from and including the date on which such Registration Default has occurred at a rate of 0.25% per annum for the first 90 day period immediately following such date and will increase by an additional 0.25% per annum at the end of each subsequent 90 day period, up to a maximum rate of 1.00% per annum; provided, however, that Additional Interest will not accrue in respect of more than one Registration Default at any time. Additional Interest will cease to accrue upon the earliest to occur of (i) the date on which the Registration Default giving rise to such Additional Interest shall have been cured and (ii) the date that is the second anniversary of the closing date of the offering.

The Indenture contains covenants, including, but not limited to, restrictions on the Company's and its subsidiaries' ability to incur indebtedness; grant liens on assets; merge, consolidate, or sell assets; pay dividends or make other restricted payments; engage in transactions with affiliates; or engage in other businesses.

Senior Credit Facilities

On September 29, 2010, Celanese US, Celanese, and certain of the domestic subsidiaries of Celanese US entered into an amendment agreement (the "Amendment Agreement") with the lenders under Celanese US's existing senior secured credit facilities in order to amend and restate the corresponding Credit Agreement, dated as of April 2, 2007 (as previously amended, the "Existing Credit Agreement", and as amended and restated by the Amendment Agreement, the "Amended Credit Agreement").

Prior to entering into the Amendment Agreement, Celanese US, through its subsidiaries, prepaid outstanding term loan borrowings under the Existing Credit Agreement in an aggregate principal amount of $800 million using the proceeds from the issuance of the Notes and cash on hand. The prepaid principal amount was comprised of $649 million of US dollar-denominated term loan facility and €114 million of Euro-denominated term loan facility.

As part of the Amendment Agreement, $1,140 million of US dollar-denominated term loan facility and €204 million of Euro-denominated term loan facility under the Existing Credit Agreement were converted into the Term C loan facility having an extended maturity of October 31, 2016. The non-extended portions of the Term B loan facility were continued under the Amended Credit Agreement as the Term B loan facility, having principal amounts of $417 million and €69 million, respectively, withoutchange to the maturity date of April 2, 2014. Additionally, Celanese US extended $600 million of revolving credit facility commitments to October 31, 2015. The maturity date of the revolving credit facility will be accelerated to January 1, 2014 if, on such date, the aggregate principal amount of the Term B loan facility outstanding is $450 million or more. The maturity of the $228 million credit-linked revolving facility terminating in 2014 was not extended under the Amendment Agreement.

A summary of the Amendment Agreement changes from the Existing Credit Agreement to the Amended Credit Agreement is as follows:

	US dollar-denominated term loan	Euro dollar-denominated term loan	Maturity Date
	(In millions)		
Existing Credit Agreement			
Balance as of September 23, 2010	$ 2,212	€ 388	April 2, 2014
Principal paydown on September 24, 2010	(649)	(114)	
1% annual amortization payment of principal paid quarterly, pro-rated from July 2, 2010 to September 29, 2010	(6)	(1)	
Balance as of September 29, 2010	$ 1,557	€ 273	
Amended Credit Agreement			
Term C loan facility	$ 1,140	€ 204	October 31, 2016
Term B loan facility	417	69	April 2, 2014
Total	$ 1,557	€ 273	

As of December 31, 2010, the balances available for borrowing under the revolving credit facility and the credit-linked revolving facility are as follows:

	(In $ millions)
Revolving credit facility	
Borrowings outstanding	-
Letters of credit issued	-
Available for borrowing	600
Credit-linked revolving facility	
Letters of credit issued	83
Available for borrowing	145

Borrowings under the Amended Credit Agreement will continue to bear interest at a variable interest rate based on LIBOR (for US dollars) or EURIBOR (for Euros), as applicable, or, for US dollar-denominated loans under certain circumstances, a base rate, in each case plus an applicable margin. The applicable margin for the Term B loan facility and any borrowings under the credit-linked revolving facility is 1.75% above LIBOR or EURIBOR, as applicable, subject to reduction by 0.25% if the Company's total net leverage ratio is 2.25:1.00 or less. The applicable margin for the Term C loan facility is 3.00% above LIBOR or EURIBOR, as applicable, subject to increase by 0.25% if the Company's total net leverage ratio is above 2.25:1.00, and subject to reduction by 0.25% if the Company's total net leverage ratio is 1.75:1.00 or less. The applicable margin for the Term B loan facility and any borrowings under the credit-linked revolving facility is 1.5% as of December 31, 2010. The applicable margin for the Term C loan facility is 3.0%, as of December 31, 2010. The applicable margin for borrowings under the revolving credit facility is currently 2.50% above LIBOR or EURIBOR, as applicable, subject to increase or reduction in certain circumstances based on changes in the Company's corporate credit ratings. Term loan borrowings under the Amended Credit Agreement are subject to amortization at 1% of the initial principal amount per annum, payable quarterly.

The Amended Credit Agreement is guaranteed by Celanese and certain domestic subsidiaries of Celanese US and is secured by a lien on substantially all assets of Celanese US and such guarantors, subject to certain agreed exceptions (including for certain real property and certain shares of foreign subsidiaries), pursuant to the Guarantee and Collateral Agreement, dated as of April 2, 2007.

As a condition to borrowing funds or requesting that letters of credit be issued under the revolving facility, the Company's first lien senior secured leverage ratio (as calculated as of the last day of the most recent fiscal quarter for which financial statements have been delivered under the revolving facility) cannot exceed the threshold as specified below. Further, the Company's first lien senior secured leverage ratio must be maintained at or below that threshold while any amounts are outstanding under the revolving credit facility.

The Company's amended maximum first lien senior secured leverage ratios, estimated first lien senior secured leverage ratios and the borrowing capacity under the revolving credit facility as of December 31, 2010 are as follows:

	First Lien Senior Secured Leverage Ratios			
	Maximum	Estimate	Estimate, if Fully Drawn	Borrowing Capacity
				(In $ millions)
December 31, 2010 and thereafter	3.9 to 1.00	1.8 to 1.00	2.4 to 1.00	600

The Amended Credit Agreement contains covenants that are substantially similar to those found in the Existing Credit Agreement, including, but not limited to, restrictions on the Company's and its subsidiaries' ability to incur indebtedness; grant liens on assets; merge, consolidate, or sell assets; pay dividends or make other restricted payments; make investments; prepay or modify certain indebtedness; engage in transactions with affiliates; enter into sale-leaseback transactions or hedge transactions; or engage in other businesses.

The Amended Credit Agreement also maintains, from the Existing Credit Agreement, a number of events of default, including a cross default to other debt of Celanese, Celanese US, or their subsidiaries, including the Notes, in an aggregate amount equal to more than $40 million and the occurrence of a change of control. Failure to comply with these covenants, or the occurrence of any other event of default, could result in acceleration of the borrowings and other financial obligations under the Amended Credit Agreement.

As a result of the Amendment Agreement and the issuance of the Notes, the Company accelerated amortization of deferred financing costs of $8 million and incurred other refinancing expenses of $8 million which combined are recorded to Refinancing expense in the consolidated statements of operations. In addition, the Company recorded deferred financing costs of $7 million related to the Amendment Agreement and $9 million related to the issuance of the Notes. These deferred financing costs combined with existing deferred financing costs are included in noncurrent Other assets in the consolidated balance sheet as of December 31, 2010. Deferred financing costs of $18 million and $9 million are being amortized over the terms of the Amendment Agreement and the Notes, respectively.

Amortization of deferred financing costs recorded in the consolidated statements of operations is as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Interest expense	7	7	7

Net deferred financing costs recorded in the consolidated balance sheets are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Noncurrent Other assets	27	27

Principal payments scheduled to be made on the Company's debt, including short-term borrowings, are as follows:

	(In $ millions)
2011	228
2012	45
2013	46
2014	538
2015	42
Thereafter	2,319
Total	3,218

The Company is in compliance with all of the covenants related to its debt agreements as of December 31, 2010.

14. Benefit Obligations

Pension obligations. Pension obligations are established for benefits payable in the form of retirement, disability and surviving dependent pensions. The commitments result from participation in defined contribution and defined benefit plans, primarily in the US. Benefits are dependent on years of service and the employee's compensation. Supplemental retirement benefits provided to certain employees are nonqualified for US tax purposes. Separate trusts have been established for some nonqualified plans. Pension costs under the Company's retirement plans are actuarially determined.

The Company sponsors defined benefit pension plans in North America, Europe and Asia. Independent trusts or insurance companies administer the majority of these plans.

The Company sponsors various defined contribution plans in North America, Europe and Asia covering certain employees. Employees may contribute to these plans and the Company will match these contributions in varying amounts. The Company's matching contribution to the defined contribution plans are based on specified percentages of employee contributions.

The Company participates in multiemployer defined benefit pension plans in Europe covering certain employees. The Company's contributions to the multiemployer defined benefit pension plans are based on specified percentages of employee contributions.

Contributions to the defined contribution plans and multiemployer defined benefit pension plans are as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Defined contribution plans	14	11	13
Multiemployer defined benefit plans	6	6	7

Other postretirement obligations. Certain retired employees receive postretirement healthcare and life insurance benefits under plans sponsored by the Company, which has the right to modify or terminate these plans at any time. The cost for coverage is shared between the Company and the retiree. The cost of providing retiree health care and life insurance benefits is actuarially determined and accrued over the service period of the active employee group. The Company's policy is to fund benefits as claims and premiums are paid. The US plan was closed to new participants effective January 1, 2006.

The following tables set forth the benefit obligations, the fair value of the plan assets and the funded status of the Company's pension and postretirement benefit plans; and the amounts recognized in the consolidated financial statements:

	Pension Benefits As of December 31,		Postretirement Benefits As of December 31,	
	2010	2009	2010	2009
	(In $ millions)			
Change in projected benefit obligation				
Projected benefit obligation at beginning of period	3,342	3,073	281	275
Service cost	30	29	1	1
Interest cost	188	193	15	17
Participant contributions	-	-	22	25
Plan amendments	-	5	-	-
Actuarial (gain) loss [1]	210	230	11	12
Divestitures	-	(3)	-	-
Settlements	-	(1)	-	-
Benefits paid	(227)	(222)	(56)	(59)
Federal subsidy on Medicare Part D	-	-	7	6
Curtailments	(3)	(2)	-	-
Exchange rate changes	(7)	40	1	4
Projected benefit obligation at end of period	3,533	3,342	282	281
Change in plan assets				
Fair value of plan assets at beginning of period	2,329	2,170	-	-
Actual return on plan assets	308	306	-	-
Employer contributions	52	44	34	34
Participant contributions	-	-	22	25
Divestitures	-	(2)	-	-
Settlements	-	(3)	-	-
Benefits paid	(227)	(222)	(56)	(59)
Exchange rate changes	(2)	36	-	-
Fair value of plan assets at end of period	2,460	2,329	-	-
Funded status and net amounts recognized				
Plan assets less than benefit obligation	(1,073)	(1,013)	(282)	(281)
Unrecognized prior service cost	5	6	1	1
Unrecognized actuarial (gain) loss	720	630	(50)	(63)
Net amount recognized in the consolidated balance sheets	(348)	(377)	(331)	(343)
Amounts recognized in the consolidated balance sheets consist of				
Noncurrent Other assets	18	5	-	-
Current Other liabilities	(22)	(22)	(27)	(27)
Pension obligations	(1,069)	(996)	(255)	(254)
Accrued benefit liability	(1,073)	(1,013)	(282)	(281)
Net actuarial (gain) loss	720	630	(50)	(63)
Prior service (benefit) cost	5	6	1	1
Other comprehensive (income) loss [2]	725	636	(49)	(62)
Net amount recognized in the consolidated balance sheets	(348)	(377)	(331)	(343)

(1) Primarily relates to change in discount rates.

(2) Amount shown net of tax of $93 million and $54 million as of December 31, 2010 and 2009, respectively, in the consolidated statements of shareholders' equity and comprehensive income (loss). See Note 16 for the related tax associated with the pension and postretirement benefit obligations.

The percentage of US and international projected benefit obligation at the end of the period is as follows:

	Pension Benefits As of December 31,		Postretirement Benefits As of December 31,	
	2010	2009	2010	2009
	(In percentages)			
US plans	85	85	89	90
International plans	15	15	11	10
Total	100	100	100	100

The percentage of US and international fair value of plan assets at the end of the period is as follows:

	Pension Benefits As of December 31,	
	2010	2009
	(In percentages)	
US plans	82	83
International plans	18	17
Total	100	100

Pension plans with projected benefit obligations in excess of plan assets are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Projected benefit obligation	3,320	3,280
Fair value of plan assets	2,228	2,262

Included in the above table are pension plans with accumulated benefit obligations in excess of plan assets as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Accumulated benefit obligation	3,216	3,169
Fair value of plan assets	2,215	2,249

The accumulated benefit obligation for all defined benefit pension plans is as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Accumulated benefit obligation	3,436	3,218

Net periodic benefit cost is as follows:

	Pension Benefits Year Ended December 31,			Postretirement Benefits Year Ended December 31,		
	2010	2009	2008	2010	2009	2008
	(In $ millions)					
Service cost	30	29	31	1	1	1
Interest cost	188	193	195	15	17	17
Expected return on plan assets	(197)	(207)	(218)	-	-	-
Amortization of prior service cost	1	-	-	-	-	-
Recognized actuarial (gain) loss	8	1	1	(4)	(5)	(4)
Curtailment (gain) loss	(4)	(1)	(2)	-	-	-
Settlement (gain) loss	-	-	3	-	-	-
Special termination benefits	-	2	-	-	-	-
Total	26	17	10	12	13	14

Amortization of Accumulated other comprehensive income (loss), net into net periodic benefit cost in 2011 is expected to be as follows:

	Pension Benefits	Postretirement Benefits
	(In $ millions)	
Net actuarial (gain) loss	29	(3)
Prior service cost	1	-
Total	30	(3)

The Company maintains two nonqualified pension plans funded with nonqualified trusts for certain US employees included in the consolidated balance sheets as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Marketable securities, at fair value	77	82
Noncurrent Other assets, consisting of insurance contracts	70	66
Current Other liabilities	20	19
Benefit obligations	223	216

Expense relating to the nonqualified pension plans included in net periodic benefit cost, excluding returns on the assets held by the nonqualified pension trusts, is as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Total	16	15	15

Valuation

The Company uses the corridor approach in the valuation of its defined benefit plans and other postretirement benefits. The corridor approach defers all actuarial gains and losses resulting from variances between actual results and economic estimates or actuarial assumptions. For defined benefit pension plans, these unrecognized gains and losses are amortized when the net gains and losses exceed 10% of the greater of the market-related value of plan assets or the projected benefit obligation at the beginning of the year. For other postretirement benefits,

amortization occurs when the net gains and losses exceed 10% of the accumulated postretirement benefit obligation at the beginning of the year. The amount in excess of the corridor is amortized over the average remaining service period to retirement date for active plan participants or, for retired participants, the average remaining life expectancy.

The principal weighted-average assumptions used to determine benefit obligation are as follows:

	Pension Benefits As of December 31,		Postretirement Benefits As of December 31,	
	2010	2009	2010	2009
	(In percentages)			
Discount rate obligations				
US plans	5.30	5.90	4.90	5.50
International plans	5.05	5.41	4.95	5.49
Combined	5.26	5.83	4.91	5.50
Rate of compensation increase				
US plans	4.00	4.00		
International plans	2.66	2.94		
Combined	3.58	3.84		

The principal weighted-average assumptions used to determine benefit cost are as follows:

	Pension Benefits Year Ended December 31,			Postretirement Benefits Year Ended December 31,		
	2010	2009	2008	2010	2009	2008
	(In percentages)					
Discount rate obligations						
US plans	5.90	6.50	6.30	5.50	6.40	6.00
International plans	5.41	5.84	5.42	5.49	6.11	5.31
Combined	5.83	6.41	6.16	5.50	6.37	5.93
Expected return on plan assets						
US plans	8.50	8.50	8.50			
International plans	6.07	5.29	5.68			
Combined	8.06	7.94	8.05			
Rate of compensation increase						
US plans	4.00	4.00	4.00			
International plans	2.94	3.24	3.15			
Combined	3.84	3.90	3.66			

The expected rate of return is assessed annually and is based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful implementation of different active investment management strategies. Equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash and equity risk premium. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads. The US qualified defined benefit plans' actual return on assets for the year ended December 31, 2010 was 15% versus an expected long-term rate of asset return assumption of 8.5%.

In the US, the rate used to discount pension and other postretirement benefit plan liabilities was based on a yield curve developed from market data of over 300 Aa-grade non-callable bonds at December 31, 2010. This yield curve has discount rates that vary based on the duration of the obligations. The estimated future cash flows for the pension and other benefit obligations were matched to the corresponding rates on the yield curve to derive a weighted average discount rate.

The Company determines its discount rates in the Euro zone using the iBoxx Euro Corporate AA Bond indices with appropriate adjustments for the duration of the plan obligations. In other international locations, the Company determines its discount rates based on the yields of high quality government bonds with a duration appropriate to the duration of the plan obligations.

On January 1, 2010, the Company's health care cost trend assumption for US postretirement medical plan's net periodic benefit cost was 8.5% for the first year declining 0.5% per year to an ultimate rate of 5%. On January 1, 2009, the Company's health care cost trend assumption for US postretirement medical plan's net periodic benefit cost was 9% for the first year declining 0.5% per year to an ultimate rate of 5%. On January 1, 2008, the Company's health care cost trend assumption for US postretirement medical plan's net periodic benefit cost was 9% for the first two years declining 0.5% per year to an ultimate rate of 5%.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase or decrease in the assumed health care cost trend rate would impact postretirement obligations by $4 million and $(4) million, respectively. The effect of a one percent increase or decrease in the assumed health care cost trend rate would have a less than $1 million impact on service and interest cost.

Plan Assets

The investment objective for the plans are to earn, over moving twenty-year periods, the long-term expected rate of return, net of investment fees and transaction costs, to satisfy the benefit obligations of the plan, while at the same time maintaining sufficient liquidity to pay benefit obligations and proper expenses, and meet any other cash needs, in the short- to medium-term.

The weighted average target asset allocations for the Company's pension plans are as follows (in percentages):

US Plans	2011
Domestic bonds	53
Domestic equities	26
Overseas equities	20
Other	1
Total	100

International Plans	2011
Domestic bonds	74
Domestic equities	17
Overseas equities	5
Other	4
Total	100

The equity and debt securities objectives are to provide diversified exposure across the US and Global equity markets and to manage the plan's risks and returns through the use of multiple managers and strategies. The fixed income strategy is designed to reduce liability-related interest rate risk by investing in bonds that match the duration and credit quality of the plan liabilities. Derivatives based strategies may be used to improve the effectiveness of the hedges. Other types of investments include investments in real estate and insurance contracts.

The Company adopted certain provisions of FASB ASC Topic 715-20-50, *Compensation – Retirement Benefits: Defined Benefit Plans – General: Disclosure* ("FASB ASC Topic 715-20-50"), on January 1, 2009. FASB ASC Topic 715-20-50 requires enhanced disclosures about the plan assets of a company's defined benefit pension and other postretirement plans intended to provide financial statement users with a greater understanding of the inputs and valuation techniques used to measure the fair value of plan assets and the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period using the framework established

under FASB ASC Topic 820. FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of the hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to the fair value calculation. Valuations for fund investments such as common/collective trusts and registered investment companies, which do not have readily determinable fair values, are typically estimated using a net asset value provided by a third party as a practical expedient.

The three levels of inputs used to measure fair value are as follows:

Level 1 — unadjusted quoted prices for identical assets or liabilities in active markets accessible by the Company

Level 2 — inputs that are observable in the marketplace other than those inputs classified as Level 1

Level 3 — inputs that are unobservable in the marketplace and significant to the valuation

The Company's defined benefit plan assets are measured at fair value on a recurring basis and include the following items:

Cash and Cash Equivalents: Foreign and domestic currencies as well as short term securities are valued at cost plus accrued interest, which approximates fair value.

Common/Collective Trusts: Composed of various funds whose diversified portfolio is comprised of foreign and domestic equities, fixed income securities, and short term investments. Investments are valued at the net asset value of units held by the plan at year-end.

Corporate stock and government and corporate debt: Valued at the closing price reported on the active market in which the individual securities are traded. Automated quotes are provided by multiple pricing services and validated by the plan custodian. These securities are traded on exchanges as well as in the over the counter market.

Registered Investment Companies: Composed of various mutual funds and other investment companies whose diversified portfolio is comprised of foreign and domestic equities, fixed income securities, and short term investments. Investments are valued at the net asset value of units held by the plan at year-end.

Mortgage Backed Securities: Fair value is estimated based on valuations obtained from third-party pricing services for identical or comparable assets. Mortgage Backed Securities are traded in the over the counter broker/dealer market.

Derivatives: Derivative financial instruments are valued in the market using discounted cash flow techniques. These techniques incorporate Level 1 and Level 2 inputs such as interest rates and foreign currency exchange rates. These market inputs are utilized in the discounted cash flow calculation considering the instrument's term, notional amount, discount rate and credit risk. Significant inputs to the derivative valuation for interest rate swaps, foreign currency forwards and swaps, and options are observable in the active markets and are classified as Level 2 in the hierarchy.

Insurance contracts: Valued at contributions made, plus earnings, less participant withdrawals and administrative expenses, which approximates fair value.

The fair values of pension plan assets are as follows:

	December 31, 2010 Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In $ millions)			
Assets				
Cash and cash equivalents	9	-	-	9
Collateralized mortgage obligations	-	21	-	21
Common/collective trusts	-	200	26	226
Corporate debt	2	778	-	780
Corporate stock-common & preferred	737	-	-	737
Derivatives	-	9	-	9
Government debt				
Treasuries, other debt	33	236	-	269
Mortgage backed securities	-	68	-	68
Real estate	-	9	-	9
Registered investment companies	-	293	-	293
Short-term investments	-	58	-	58
Insurance contracts	-	29	-	29
Other	7	-	-	7
Total assets	788	1,701	26	2,515
Liabilities				
Derivatives	-	(9)	-	(9)
Total liabilities	-	(9)	-	(9)
Total net assets [(1)]	788	1,692	26	2,506

(1) Total net assets excludes non-financial plan receivables and payables of $26 million and $72 million, respectively. Non-financial items include due to/from broker, interest receivables and accrued expenses.

	December 31, 2009 Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In $ millions)			
Assets				
Cash and cash equivalents	2	-	-	2
Collateralized mortgage obligations	-	16	-	16
Common/collective trusts	-	210	19	229
Corporate debt	-	819	-	819
Corporate stock-common & preferred	521	-	-	521
Derivatives	-	258	-	258
Government debt				
Treasuries, other debt	88	211	-	299
Mortgage backed securities	-	53	-	53
Real estate	-	7	-	7
Registered investment companies	-	298	-	298
Short-term investments	-	64	-	64
Other	6	-	-	6
Insurance contracts	-	28	-	28
Total assets	617	1,964	19	2,600
Liabilities				
Derivatives	-	(283)	-	(283)
Total liabilities	-	(283)	-	(283)
Total net assets [(1)]	617	1,681	19	2,317

(1) Total net assets excludes non-financial plan receivables and payables of $129 million and $117 million, respectively. Non-financial items include due to/from broker, interest receivables and accrued expenses.

The Company’s Level 3 investment in common/collective trusts was valued using significant unobservable inputs. Inputs to this valuation include characteristics and quantitative data relating to the asset, investment cost, position size, liquidity, current financial condition of the company and other relevant market data. Level 3 fair value measurements using significant unobservable inputs are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
As of the beginning of the year	19	7
Unrealized gains (losses)	8	10
Purchases, sales, issuances and settlements, net	(1)	2
As of the end of the year	26	19

The financial objectives of the qualified pension plans are established in conjunction with a comprehensive review of each plan’s liability structure. The Company’s asset allocation policy is based on detailed asset/liability analyses. In developing investment policy and financial goals, consideration is given to each plan’s demographics, the returns and risks associated with current and alternative investment strategies and the current and projected cash, expense and funding ratios of each plan. Investment policies must also comply with local statutory requirements as determined by each country. A formal asset/liability study of each plan is undertaken every 3 to 5 years or whenever there has been a material change in plan demographics, benefit structure or funding status and investment market.

The Company has adopted a long-term investment horizon such that the risk and duration of investment losses are weighed against the long-term potential for appreciation of assets. Although there cannot be complete assurance that these objectives will be realized, it is believed that the likelihood for their realization is reasonably high, based upon the asset allocation chosen and the historical and expected performance of the asset classes utilized by the plans. The intent is for investments to be broadly diversified across asset classes, investment styles, market sectors, investment managers, developed and emerging markets and securities in order to moderate portfolio volatility and risk. Investments may be in separate accounts, commingled trusts, mutual funds and other pooled asset portfolios provided they all conform to fiduciary standards.

External investment managers are hired to manage pension assets. Investment consultants assist with the screening process for each new manager hired. Over the long-term, the investment portfolio is expected to earn returns that exceed a composite of market indices that are weighted to match each plan's target asset allocation. The portfolio return should also (over the long-term) meet or exceed the return used for actuarial calculations in order to meet the future needs of each plan.

Employer contributions for pension benefits and postretirement benefits are estimated to be $178 million and $27 million, respectively, in 2011. The table below reflects pension benefits expected to be paid from the plans or from the Company's assets. The postretirement benefits represent the Company's share of the benefit cost.

		Postretirement Benefit	
	Pension Benefit Payments [1]	Payments	Expected Federal Subsidy
	(In $ millions)		
2011	232	57	7
2012	230	57	7
2013	228	58	7
2014	227	59	3
2015	226	60	3
2016-2020	1,165	290	12

(1) Payments are expected to be made primarily from plan assets.

Other Obligations

Additional benefit liabilities and other similar obligations are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Long-term disability	27	30
Other	8	8

15. Environmental

General

The Company is subject to environmental laws and regulations worldwide which impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of solid and hazardous wastes. The Company believes that it is in substantial compliance with all applicable environmental laws and regulations. The Company is also subject to retained environmental obligations specified in various contractual agreements arising from the divestiture of certain businesses by the Company or one of its predecessor companies.

Expenditures, including expenditures for legal compliance, internal environmental initiatives, remediation of active, divested, demerger and US Superfund sites (as defined below) and capital projects are as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Environmental expenditures	66	78	78
Capital project-related environmental expenditures	19	22	13

Environmental remediation reserves are recorded in the consolidated balance sheets as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Current Other liabilities	16	13
Noncurrent Other liabilities	85	93
Total	101	106

Environmental remediation reserves recorded in the consolidated balance sheets are categorized as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Demerger obligations (Note 23)	36	36
Divestiture obligations (Note 23)	26	28
US Superfund sites	13	10
Other environmental remediation reserves	26	32
Total	101	106

Remediation

Due to its industrial history and through retained contractual and legal obligations, the Company has the obligation to remediate specific areas on its own sites as well as on divested, demerger or US Superfund sites (as defined below). In addition, as part of the demerger agreement between the Company and Hoechst AG ("Hoechst"), a specified portion of the responsibility for environmental liabilities from a number of Hoechst divestitures was transferred to the Company (Note 23). The Company provides for such obligations when the event of loss is probable and reasonably estimable.

Remediation efforts recorded in the consolidated statements of operations are as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Cost of sales	1	9	3
Selling, general and administrative expenses	8	6	1

The Company believes that environmental remediation costs will not have a material adverse effect on the financial position of the Company, but may have a material adverse effect on the results of operations or cash flows in any given accounting period.

The Company did not record any insurance recoveries related to these matters for the reported periods and there are no receivables for insurance recoveries as of December 31, 2010. As of December 31, 2010 and 2009, there were

receivables of $7 million and $9 million, respectively, from the former owner of the Company's cellulose Spondon, Derby, United Kingdom acetate flake, tow and film business, which was acquired in 2007, and is included in the Company's Consumer Specialties segment.

German InfraServs

On January 1, 1997, coinciding with a reorganization of the Hoechst businesses in Germany, real estate service companies ("InfraServs") were created to own directly the land and property and to provide various technical and administrative services at each of the manufacturing locations. The Company holds an interest in manufacturing operations at the InfraServ location in Frankfurt am Main-Hoechst, Germany and holds interests in the companies which own and operate the former Hoechst sites in Gendorf, Knapsack and Wiesbaden.

InfraServs are liable for any residual contamination and other pollution because they own the real estate on which the individual facilities operate. In addition, Hoechst, and its legal successors, as the responsible party under German public law, is liable to third parties for all environmental damage that occurred while it was still the owner of the plants and real estate. The contribution agreements entered into in 1997 between Hoechst and the respective operating companies, as part of the divestiture of these companies, provide that the operating companies will indemnify Hoechst, and its legal successors, against environmental liabilities resulting from the transferred businesses. Additionally, the InfraServs have agreed to indemnify Hoechst, and its legal successors, against any environmental liability arising out of or in connection with environmental pollution of any site. Likewise, in certain circumstances the Company could be responsible for the elimination of residual contamination on a few sites that were not transferred to InfraServ companies, in which case Hoechst, and its legal successors, must reimburse the Company for two-thirds of any costs so incurred.

The InfraServ partnership agreements provide that, as between the partners, each partner is responsible for any contamination caused predominantly by such partner. Any liability, which cannot be attributed to an InfraServ partner and for which no third party is responsible, is required to be borne by the InfraServ partnership. In view of this potential obligation to eliminate residual contamination, the InfraServs, primarily relating to equity and cost investments which are not consolidated by the Company, have reserves of $94 million as of December 31, 2010 and 2009.

If an InfraServ partner defaults on its respective indemnification obligations to eliminate residual contamination, the owners of the remaining participation in the InfraServ companies have agreed to fund such liabilities, subject to a number of limitations. To the extent that any liabilities are not satisfied by either the InfraServs or their owners, these liabilities are to be borne by the Company in accordance with the demerger agreement. However, Hoechst, and its legal successors, will reimburse the Company for two-thirds of any such costs. Likewise, in certain circumstances the Company could be responsible for the elimination of residual contamination on several sites that were not transferred to InfraServ companies, in which case Hoechst, and its legal successors, must also reimburse the Company for two-thirds of any costs so incurred. The German InfraServs are owned partially by the Company, as noted below, and the remaining ownership is held by various other companies. The Company's ownership interest and environmental liability participation percentages for such liabilities which cannot be attributed to an InfraServ partner were as follows as of December 31, 2010:

	Ownership %	Liability %
InfraServ GmbH & Co. Gendorf KG	39	10
InfraServ GmbH & Co. Knapsack KG	27	22
InfraServ GmbH & Co. Hoechst KG	32	40
InfraServ GmbH & Co. Wiesbaden KG	8	-
InfraServ Verwaltungs GmbH	100	-

US Superfund Sites

In the US, the Company may be subject to substantial claims brought by US federal or state regulatory agencies or private individuals pursuant to statutory authority or common law. In particular, the Company has a potential liability under the US Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and related state laws (collectively referred to as "Superfund") for investigation and cleanup costs at approximately 36 sites. At most of these sites, numerous companies, including the Company, or one of its predecessor companies, have been notified that the Environmental Protection Agency, state governing bodies or private individuals consider such companies to be potentially responsible parties ("PRP") under Superfund or related laws. The proceedings relating to these sites are in various stages. The cleanup process has not been completed at most sites and the status of the insurance coverage for most of these proceedings is uncertain. Consequently, the Company cannot accurately determine its ultimate liability for investigation or cleanup costs at these sites.

As events progress at each site for which it has been named a PRP, the Company accrues, as appropriate, a liability for site cleanup. Such liabilities include all costs that are probable and can be reasonably estimated. In establishing these liabilities, the Company considers its shipment of waste to a site, its percentage of total waste shipped to the site, the types of wastes involved, the conclusions of any studies, the magnitude of any remedial actions that may be necessary and the number and viability of other PRPs. Often the Company will join with other PRPs to sign joint defense agreements that will settle, among PRPs, each party's percentage allocation of costs at the site. Although the ultimate liability may differ from the estimate, the Company routinely reviews the liabilities and revises the estimate, as appropriate, based on the most current information available.

US Superfund site reserves were utilized as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Total	2	1	2

Additional provisions and adjustments recorded during the years ended December 31, 2010, 2009 and 2008 approximately offset these expenditures.

16. Shareholders' Equity

Preferred Stock

On February 1, 2010, the Company delivered notice to the holders of its 4.25% Convertible Perpetual Preferred Stock (the "Preferred Stock") that it was calling for the redemption of all 9.6 million outstanding shares of Preferred Stock. Holders of the Preferred Stock were entitled to convert each share of Preferred Stock into 1.2600 shares of the Company's Series A common stock, par value $0.0001 per share, at any time prior to 5:00 p.m., New York City time, on February 19, 2010. As of such date, holders of Preferred Stock had elected to convert 9,591,276 shares of Preferred Stock into an aggregate of 12,084,942 shares of Series A common stock. The 8,724 shares of Preferred Stock that remained outstanding after such conversions were redeemed by the Company on February 22, 2010 for 7,437 shares of Series A common stock, in accordance with the terms of the Preferred Stock. In addition to the shares of Series A common stock issued in respect of the shares of Preferred Stock converted and redeemed, the Company paid cash in lieu of fractional shares. The Company recorded expense of less than $1 million to Additional paid-in capital in the consolidated statements of shareholders' equity and comprehensive income (loss) for the year ended December 31, 2010 related to the conversion and redemption of the Preferred Stock.

Common Stock

The Company's Board of Directors follows a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of the Company's Series A common stock unless the Company's Board of Directors, in its

sole discretion, determines otherwise. Further, such dividends payable to holders of the Company's Series A common stock cannot be declared or paid nor can any funds be set aside for the payment thereof, unless the Company has paid or set aside funds for the payment of all accumulated and unpaid dividends with respect to the shares of the Company's Preferred Stock. As discussed above, all Preferred Stock was redeemed by the Company in February 2010 and no preferred stock or accumulated dividends remained outstanding as of December, 31, 2010. The amount available to pay cash dividends is restricted by the Company's senior credit agreement and the Notes.

In April 2010, the Company announced that its Board of Directors approved a 25% increase in the Company's quarterly Series A common stock cash dividend. The Board of Directors increased the quarterly dividend rate from $0.04 to $0.05 per share of Series A common stock on a quarterly basis. The new dividend rate was applicable to dividends payable beginning in August 2010.

The Company declared and paid cash dividends to holders of its Series A common stock as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Total	28	23	24

Treasury Stock

In February 2008, the Company's Board of Directors authorized the repurchase of up to $400 million of the Company's Series A common stock. This authorization was increased to $500 million in October 2008. The authorization gives management discretion in determining the conditions under which shares may be repurchased. The number of shares repurchased and the average purchase price paid per share pursuant to this authorization are as follows:

	Year Ended December 31,			Total From Inception Through December 31, 2010
	2010	2009	2008	
Shares repurchased	1,667,592	-	9,763,200	11,430,792
Average purchase price per share	$ 28.77	$ -	$ 38.68	$ 37.24
Amount spent on repurchased shares (in millions)	$ 48	$ -	$ 378	$ 426

The purchase of treasury stock reduces the number of shares outstanding and the repurchased shares may be used by the Company for compensation programs utilizing the Company's stock and other corporate purposes. The Company accounts for treasury stock using the cost method and includes treasury stock as a component of Shareholders' equity.

Accumulated Other Comprehensive Income (Loss), Net

Accumulated other comprehensive income (loss), net, which is displayed in the consolidated statements of shareholders' equity, represents net earnings (loss) plus the results of certain shareholders' equity changes not reflected in the consolidated statements of operations. Such items include unrealized gain (loss) on marketable securities, foreign currency translation, certain pension and postretirement benefit obligations and unrealized gain (loss) on interest rate swaps.

The components of Accumulated other comprehensive income (loss), net are as follows:

	Unrealized Gain (Loss) on Marketable Securities	Foreign Currency Translation	Unrealized Gain (Loss) on Interest Rate Swaps	Pension and Postretire-ment Benefits	Accumulated Other Comprehensive Income (Loss), Net
				As Adjusted (Note 4)	
			(In $ millions)		
Balance as of December 31, 2007	26	87	(37)	120	196
Current period change	(23) [1]	(130)	(79)	(549)	(781)
Tax benefit (expense)	-	-	-	5	5
Balance as of December 31, 2008	3	(43)	(116)	(424)	(580)
Current period change	(5)	10	23	(150)	(122)
Tax benefit (expense)	2	(5)	(8)	53	42
Balance as of December 31, 2009	-	(38)	(101)	(521)	(660)
Current period change	-	26	32	(102)	(44)
Tax benefit (expense)	(1)	11	(15)	39	34
Balance as of December 31, 2010	(1)	(1)	(84)	(584)	(670)

(1) Includes a net reclassification adjustment of ($2) million to the consolidated statements of operations.

17. Other (Charges) Gains, Net

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Employee termination benefits	(32)	(105)	(21)
Plant/office closures	(4)	(17)	(7)
Asset impairments	(74)	(14)	(115)
Ticona Kelsterbach plant relocation (Note 28)	(26)	(16)	(12)
Insurance recoveries, net (Note 29)	18	6	38
Resolution of commercial disputes	13	-	-
Plumbing actions (Note 23)	59	10	-
Sorbates antitrust actions	-	-	8
Other	-	-	1
Total	(46)	(136)	(108)

2010

In March 2010, the Company concluded that certain long-lived assets were partially impaired at its acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom (Note 4). Accordingly, the Company wrote down the related property, plant and equipment to its fair value of $31 million, resulting in long-lived asset impairment losses of $72 million during the year ended December 31, 2010. The Company calculated the fair value for the reporting unit using a discounted cash flow model incorporating discount rates commensurate with the risks involved which is classified as a Level 3 measurement under FASB ASC Topic 820. The key assumptions used in the discounted cash flow valuation model included discount rates, growth rates, cash flow projections and terminal value rates. Discount rates, growth rates and cash flow projections are the most sensitive and susceptible to change as they require significant management judgment.

As a result of the announced closure of the Company's acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom (Note 4), the Company recorded $15 million of employee termination benefits during the year ended December 31, 2010. The Spondon, Derby, United Kingdom facility is included in the Consumer Specialties segment.

As a result of the Company's Pardies, France "Project of Closure" (Note 4), the Company recorded exit costs of $12 million during the year ended December 31, 2010, which consisted of $6 million in employee termination benefits, $1 million of long-lived asset impairment losses, $2 million of contract termination costs and other plant closure costs and $3 million of reindustrialization costs. The Pardies, France facility is included in the Acetyl Intermediates segment.

As a result of several business optimization projects undertaken by the Company beginning in 2009 and continuing throughout 2010, the Company recorded $11 million in employee termination costs during the year ended December 31, 2010.

Other charges for the year ended December 31, 2010 also included gains of $13 million, net, related to settlements in resolution of a commercial disputes. The settlements were recorded in the Company's Consumer Specialties segment.

2009

During the first quarter of 2009, the Company began efforts to align production capacity and staffing levels with the Company's view of an economic environment of prolonged lower demand. For the year ended December 31, 2009, Other charges included employee termination benefits of $40 million related to this endeavor. As a result of the shutdown of the vinyl acetate monomer ("VAM") production unit in Cangrejera, Mexico, the Company recognized employee termination benefits of $1 million and long-lived asset impairment losses of $1 million during the year ended December 31, 2009. The VAM production unit in Cangrejera, Mexico is included in the Company's Acetyl Intermediates segment.

As a result of the "Project of Closure" (Note 4), Other charges for the Company included exit costs of $89 million during the year ended December 31, 2009, which consisted of $60 million in employee termination benefits, $17 million of contract termination costs and $12 million of long-lived asset impairment losses related to capitalized costs associated with asset retirement obligations (Note 12). The Pardies, France facility is included in the Acetyl Intermediates segment.

Due to continued declines in demand in automotive and electronic sectors during 2009, the Company announced plans to reduce capacity by ceasing polyester polymer production at its Ticona manufacturing plant in Shelby, North Carolina. Other charges for the year ended December 31, 2009 included employee termination benefits of $2 million and long-lived asset impairment losses of $1 million related to this event. The Shelby, North Carolina facility is included in the Advanced Engineered Materials segment.

Other charges for the year ended December 31, 2009 was partially offset by $6 million of insurance recoveries in satisfaction of claims the Company made related to the unplanned outage of the Company's Clear Lake, Texas acetic acid facility during 2007, a $9 million decrease in legal reserves for plumbing claims due to the Company's ongoing assessment of the likely outcome of the plumbing actions and the expiration of the statute of limitation.

2008

Other (charges) gains, net for asset impairments includes long-lived asset impairment losses of $92 million related to the potential closure of the Company's acetic acid and VAM production facility in Pardies, France, the VAM production unit in Cangrejera, Mexico (which the Company subsequently decided to shut down effective at the end of February 2009) and certain other facilities. Of the $92 million recorded in December 2008, $76 million relates to the Acetyl Intermediates segment and $16 million relates to the Advanced Engineered Materials segment. Consideration of this potential capacity reduction was necessitated by the significant change in the global economic environment and anticipated lower customer demand.

Additionally, the Company recognized $23 million of long-lived asset impairment losses related to the shutdown of the Company's Pampa, Texas facility (Acetyl Intermediates segment).

Other (charges) gains, net for employee termination benefits includes severance and retention charges of $13 million related to the sale of the Company's Pampa, Texas facility and $8 million of severance and retention charges related to other business optimization plans undertaken by the Company.

The changes in the restructuring reserves by business segment are as follows:

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Total
			(In $ millions)			
Employee Termination Benefits						
Reserve as of December 31, 2008	2	2	6	17	2	29
Additions	12	9	6	66	12	105
Cash payments	(8)	(7)	(9)	(23)	(7)	(54)
Exchange rate changes	1	-	-	-	-	1
Reserve as of December 31, 2009	7	4	3	60	7	81
Additions	2	17	-	6	7	32
Cash payments	(6)	(3)	(3)	(37)	(4)	(53)
Other changes	-	(1)	-	-	-	(1)
Exchange rate changes	-	(1)	-	(5)	-	(6)
Reserve as of December 31, 2010	3	16	-	24	10	53
Plant/Office Closures						
Reserve as of December 31, 2008	-	2	-	-	1	3
Additions	-	-	-	17	-	17
Transfers	-	(2)	-	-	-	(2)
Cash payments	-	-	-	-	-	-
Reserve as of December 31, 2009	-	-	-	17	1	18
Additions	-	-	-	6	-	6
Cash payments	-	-	-	(18)	-	(18)
Exchange rate changes	-	-	-	(2)	-	(2)
Reserve as of December 31, 2010	-	-	-	3	1	4
Total	3	16	-	27	11	57

18. Income Taxes

Earnings (loss) from continuing operations before tax by jurisdiction are as follows:

	Year Ended December 31,		
	2010	2009	2008
		As Adjusted (Note 4)	
		(In $ millions)	
US	214	294	135
International	324	(43)	298
Total	538	251	433

The income tax provision (benefit) consists of the following:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Current			
US	62	11	62
International	35	148	92
Total	97	159	154
Deferred			
US	16	(404)	(37)
International	(1)	2	(54)
Total	15	(402)	(91)
Income tax provision (benefit)	112	(243)	63

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the consolidated deferred tax assets and liabilities are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Deferred tax assets		
Pension and postretirement obligations	356	361
Accrued expenses	233	195
Inventory	10	10
Net operating loss and tax credit carryforwards	422	375
Other	193	220
Subtotal	1,214	1,161
Valuation allowance	(385)	(334) [1]
Total	829	827
Deferred tax liabilities		
Depreciation and amortization	323	336
Investments	47	45
Other	68	90
Total	438	471
Net deferred tax assets (liabilities)	391	356

(1) Includes deferred tax asset valuation allowances primarily for the Company's deferred tax assets in the US, Luxembourg, France, Spain, China, the United Kingdom and Germany, as well as other foreign jurisdictions. These valuation allowances relate primarily to net operating loss carryforward benefits and other net deferred tax assets, all of which may not be realizable.

The Company maintained a valuation allowance against its US net deferred tax assets since 2004. During 2009, the Company concluded that, due to cumulative profitability, it is more likely than not that it will realize its net US deferred tax assets with the exception of certain state net operating loss carryforwards. Accordingly, during the year ended December 31, 2009, the Company recorded a deferred tax benefit of $492 million for the release of the beginning-of-the-year US valuation allowance associated with those US net deferred tax assets expected to be realized in 2009 and subsequent years.

For the year ended December 31, 2010, the valuation allowance increased by $51 million consisting of: (a) income tax expense, net, of $39 million, (b) a decrease of $13 million related to foreign currency translation adjustments and (c) $25 million of other increases related to unrecognized tax benefits and other adjustments to deferred taxes. The change in valuation allowance associated with foreign currency translation adjustments is related to changes in deferred tax assets for unrealized foreign exchange gains and losses on effective hedges and on foreign income previously taxed but not yet received in the US. The benefit also relates to foreign currency translation adjustments for deferred tax assets recorded in various foreign jurisdictions. The increase related to unrecognized tax benefits and other adjustments to deferred taxes includes adjustments to temporary differences and net operating loss carryforwards due to changes in uncertain tax positions.

A reconciliation of the significant differences between the US federal statutory tax rate of 35% and the effective income tax rate on income from continuing operations is as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Income tax provision computed at US federal statutory tax rate	188	88	152
Change in valuation allowance	39	(314)	(5)
Equity income and dividends	(41)	(20)	(17)
(Income) expense not resulting in tax impact	8	4	18
US tax effect of foreign earnings and dividends	28	10	(5)
Other foreign tax rate differentials [(1)]	(48)	(15)	(84)
Legislative changes	(71)	71	3
Tax-deductible interest on foreign equity investments and other related items	(3)	(76)	-
State income taxes and other	12	9	1
Income tax provision (benefit)	112	(243)	63

(1) Includes impact of earnings from China and Singapore subject to tax holidays which expire between 2008 and 2013 and favorable tax rates in other jurisdictions.

Federal and state income taxes have not been provided on accumulated but undistributed earnings of $2.9 billion as of December 31, 2010 as such earnings have been permanently reinvested in the business. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable.

The effective tax rate for continuing operations for the year ended December 31, 2010 was 21% compared to (97)% for the year ended December 31, 2009. The effective tax rate for 2009 was favorably impacted by the release of the US valuation allowance on net deferred tax assets, partially offset by increases in valuation allowances on certain foreign net deferred tax assets and the effect of new tax legislation in Mexico. The effective rate for the year ended December 31, 2010 was favorably impacted by amendments to tax legislation in Mexico.

The Company operates under tax holidays in various countries which are effective through December 2013. In China, one of the Company’s entities has a tax holiday that provided for a zero percent tax rate in 2008. For 2009 through 2011, the Company’s tax rate is 50% of the statutory rate, or 12.5% based on the 2010 statutory rate of 25%. In Singapore, one of the Company’s entities has a tax holiday that provides for a zero percent tax rate through 2011. The Company realized no material benefits from tax holidays for the year ended December 31, 2010.

Mexico enacted the 2008 Fiscal Reform Bill on October 1, 2007. Effective January 1, 2008, the bill repealed the existing asset-based tax and established a dual income tax system consisting of a new minimum flat tax (the “IETU”) and the existing regular income tax system. The IETU system taxes companies on cash basis net income, consisting only of certain specified items of revenue and expense, at a rate of 16.5%, 17% and 17.5% for 2008, 2009 and 2010 forward, respectively. In general, companies must pay the higher of the income tax or the IETU, although the IETU is not creditable against future income tax liabilities. The Company has determined that it will primarily

be subject to the IETU in future periods. Accordingly, the Company has recorded tax expense (benefit) of $19 million, $(5) million and $7 million for the years ended December 31, 2010, 2009 and 2008, respectively, for the tax effects of the IETU system.

In December 2009, Mexico enacted the 2010 Mexican Tax Reform Bill ("Tax Reform Bill") to be effective January 1, 2010. Under this legislation, the corporate income tax rate was temporarily increased from 28% to 30% for 2010 through 2012, reduced to 29% in 2013 and reduced to 28% in 2014 and future years. These rate changes would impact the Company in the event that it reverts to paying taxes on a regular income tax basis versus on the IETU basis. Further, under current law, income tax loss carryforwards reported in the tax consolidation that were not utilized on an individual company basis within 10 years were subject to recapture. The Tax Reform Bill as enacted accelerated this recapture period from 10 years to 5 years and effectively required payment of taxes even if no benefit was obtained through the tax consolidation regime. Finally, significant modifications were made to the rules for income taxes previously deferred on intercompany dividends, as well as to income taxes related to differences between consolidated and individual Mexican tax earnings and profits. The estimated income tax impact to the Company of the Tax Reform Bill at December 31, 2009 was $73 million and was recorded to Income tax (provision) benefit in the consolidated statements of operations.

In March 2010, the Mexican tax authorities issued Miscellaneous Tax Resolutions ("MTRs") to clarify various provisions included in the Tax Reform Bill related to recapture amounts for 2004 and prior years, including certain aspects of the recapture rules related to income tax loss carryforwards, intercompany dividends and differences between consolidated and individual Mexican tax earnings and profits. At March 31, 2010, the application of the MTRs resulted in a reduction of $43 million to the estimated income tax impact of the Tax Reform Bill that was initially recorded by the Company during the year ended December 31, 2009.

In December 2010, the Mexican tax authorities issued an additional MTR addressing tax year 2005 and subsequent periods. The MTRs issued in March 2010 and December 2010 eliminated the recapture tax on losses for which no tax benefit was received in consolidation and also clarified certain other aspects of the Tax Reform Bill originally enacted in December 2009. The December 2010 MTR resulted in an additional reduction of $27 million to the estimated tax liability previously recorded by the Company. After inflation and exchange rate changes, the Company's estimated tax liability at December 31, 2010 related to the combined Tax Reform Bill and 2010 MTRs is $6 million, payable from 2011 to 2018.

In March 2010, the President of the United States signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010. Currently, employers providing retiree prescription drug coverage that is at least as valuable as the coverage offered under Medicare Part D are entitled to a subsidy from the government. Prior to the new law, employers were entitled to deduct the entire cost of providing the retiree prescription drug coverage, even though a portion was offset by the subsidy. Under the new legislation, in years subsequent to 2012, the tax deductible prescription coverage is reduced by the amount of the subsidy. As a result, the Company reduced its deferred tax asset related to postretirement prescription drug coverage by the amount of the subsidy to be received subsequent to 2012. This reduction of $7 million to the Company's deferred tax asset was recorded to Income tax (provision) benefit in the consolidated statements of operations during the three months ended March 31, 2010.

On December 17, 2010, the President of the United States signed a multi-billion dollar tax package, the Tax Relief, Unemployment Reauthorization and Job Creation Act of 2010 (2010 Tax Relief Act or act). The 2010 Tax Relief Act extends the Bush-era individual and capital gains/dividend tax cuts for all individual taxpayers for two years and includes a one year payroll tax cut for individuals. The act also increases 50 percent bonus depreciation to 100 percent for qualified investments made after September 8, 2010 and before January 1, 2012, and the act also makes 50 percent bonus depreciation available for qualified property placed in service after December 31, 2011 and before January 1, 2013. The 2010 Tax Relief Act also provided a two year extension of expired provisions that were relevant to the Company including the research tax credit and look through treatment for controlled foreign corporations. The impact to the company of the new legislation was not material for the year ended December 31, 2010, but the items noted will provide additional tax benefits to the company in 2011 and 2012.

As of December 31, 2010, the Company had US federal net operating loss carryforwards of $39 million that are subject to limitation. These net operating loss carryforwards begin to expire in 2021. At December 31, 2010, the Company also had state net operating loss carryforwards, net of federal tax impact, of $52 million, $48 million of which are offset by a valuation allowance due to uncertain recoverability. A portion of these loss carryforwards will begin to expire in 2011.

The Company also had foreign net operating loss carryforwards as of December 31, 2010 of $1.0 billion for Luxembourg, France, Spain, Canada, China, the United Kingdom, Germany and other foreign jurisdictions with various expiration dates. Net operating losses in China have various carryforward periods and begin expiring in 2011. Net operating losses in most other foreign jurisdictions have no expiration date. Net operating losses in Mexico have a ten year carryforward period and began to expire in 2009. However, these losses are not available for use under the new IETU tax regulations in Mexico. As the IETU is the primary system upon which the Company will be subject to tax in future periods, no deferred tax asset has been reflected in the consolidated balance sheets as of December 31, 2010 for these income tax loss carryforwards.

FASB ASC Topic 740 *Income Taxes* ("FASB ASC Topic 740"), clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax benefit is required to meet before being recognized in the financial statements. FASB ASC Topic 740 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition.

A reconciliation of the amount of unrecognized tax benefits included in Uncertain tax positions in the consolidated balance sheets is as follows:

	Year Ended December 31,	
	2010	2009
	(In $ millions)	
As of the beginning of the year	208	195
Increases in tax positions for the current year	-	19
Increases in tax positions for prior years	85	39
Decreases in tax positions of prior years	(48)	(38)
Settlements	(1)	(7)
As of the end of the year	244	208

Included in the unrecognized tax benefits as of December 31, 2010 are $264 million of tax benefits that, if recognized, would reduce the Company's effective tax rate. As of December 31, 2010, $15 million of unrecognized tax benefits are included in current Other liabilities (Note 11) in the consolidated balance sheets.

The Company recognizes interest and penalties related to unrecognized tax benefits in Income tax (provision) benefit in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Interest and penalties related to unrecognized tax benefits	12	7	2

As of December 31, 2010 and 2009, cumulative interest and penalties included in Uncertain tax positions in the consolidated balance sheets were $56 million and $45 million, respectively.

The Company operates in the US (including multiple state jurisdictions), Germany and approximately 40 other foreign jurisdictions including Canada, China, France, Mexico and Singapore. Examinations are ongoing in a number of those jurisdictions including, most significantly, in Germany for the years 2001 to 2004 and 2005 to 2007, and in the US for the years 2006 to 2008, which were selected for audit in 2010. The Company's US federal income tax returns for 2003 and beyond are open for examination under statute. The Company's German corporate

tax returns for 2001 and beyond are open for examination under statute. Currently, unrecognized tax benefits are not expected to change significantly over the next 12 months.

19. Stock-Based and Other Management Compensation Plans

In April 2009, the Company approved a global incentive plan which replaces the Company's 2004 stock incentive plan. The 2009 Global Incentive Plan ("GIP") enables the compensation committee of the Board of Directors to award incentive and nonqualified stock options, stock appreciation rights, shares of Series A common stock, restricted stock, restricted stock units ("RSUs") and incentive bonuses (which may be paid in cash or stock or a combination thereof), any of which may be performance-based, with vesting and other award provisions that provide effective incentive to Company employees (including officers), non-management directors and other service providers. Under the 2009 GIP, the Company no longer can grant RSUs with the right to participate in dividends or dividend equivalents.

The maximum number of shares that may be issued under the 2009 GIP is equal to 5,350,000 shares plus (a) any shares of Series A common stock that remain available for issuance under the 2004 Stock Incentive Plan ("SIP") (not including any shares of Series A common stock that are subject to outstanding awards under the 2004 SIP or any shares of Series A common stock that were issued pursuant to awards under the 2004 SIP) and (b) any awards under the 2004 stock incentive plan that remain outstanding that cease for any reason to be subject to such awards (other than by reason of exercise or settlement of the award to the extent that such award is exercised for or settled in vested and non-forfeitable shares). As of December 31, 2010, total shares available for awards and total shares subject to outstanding awards are as follows:

	Shares Available for Awards	Shares Subject to Outstanding Awards
2009 Global Incentive Plan	2,322,450	2,530,454
2004 Stock Incentive Plan	-	5,923,147

Upon the termination of a participant's employment with the Company by reason of death or disability or by the Company without cause (as defined in the respective award agreements), an award in amount equal to (i) the value of the award granted multiplied by (ii) a fraction, (x) the numerator of which is the number of full months between grant date and the date of such termination, and (y) the denominator of which is the term of the award, such product to be rounded down to the nearest whole number, and reduced by (iii) the value of any award that previously vested, shall immediately vest and become payable to the Participant. Upon the termination of a Participant's employment with the Company for any other reason, any unvested portion of the award shall be forfeited and cancelled without consideration.

There was $19 million and $0 million of tax benefit realized from stock option exercises and vesting of RSUs during the years ended December 31, 2010 and 2009, respectively. During the year ended December 31, 2008 the Company reversed $8 million of the $19 million tax benefit that was realized during the year ended December 31, 2007.

Deferred Compensation

In April 2007, certain participants in the Company's 2004 deferred compensation plan elected to participate in a revised program, which includes both cash awards and restricted stock units (see Restricted Stock Units below). Based on participation in the revised program, the Company expensed $9 million, $10 million and $8 million during the years ended December 31, 2010, 2009 and 2008, respectively, related to the revised program and made payments of $4 million during the year ended December 31, 2010 to participants who left the Company and $28 million to active employees during December 2010. As of December 31, 2010, $1 million remains to be paid during 2011 under the revised program.

As of December 31, 2009, there was no deferred compensation payable remaining associated with the 2004 deferred compensation plan. The Company recorded expense related to participants continuing in the 2004 deferred

compensation plan of $0 million, $1 million and $3 million during the years ended December 31, 2010, 2009 and 2008, respectively.

In December 2007, the Company adopted a deferred compensation plan whereby certain of the Company's senior employees and directors were offered the opportunity to defer a portion of their compensation in exchange for a future payment amount equal to their deferments plus or minus certain amounts based upon the market performance of specified measurement funds selected by the participant. Participants are required to make deferral elections under the plan prior to January 1 of the year such deferrals will be withheld from their compensation. The Company expensed less than $1 million during each of the years ended December 31, 2010, 2009 and 2008 related to this plan.

Long-Term Incentive Plan

In December 2008, the Company granted time-vesting cash awards of $22 million to the Company's executive officers and certain other key employees. Each award of cash vests 30% on October 14, 2009, 30% on October 14, 2010 and 40% on October 14, 2011. In its sole discretion, the compensation committee of the Board of Directors may at any time convert all or a portion of the cash award to an award of time-vesting restricted stock units. The liability cash awards are being accrued and expensed over the term of the agreements outlined above.

Activity recorded in the consolidated financial statements related to the time-vesting cash awards is as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Expense	7	7	1
Payments to active employees	5	6	-
Payments to terminated employees	1	1	-

Stock Options

The Company has a stock-based compensation plan that makes awards of stock options to the Company's executives and certain employees. It is the Company's policy to grant options with an exercise price equal to the average of the high and low price of the Company's Series A common stock on the grant date. The options issued have a term ranging from seven to ten years and vest on a graded basis over four years. The estimated value of the Company's stock-based awards less expected forfeitures is recognized over the awards' respective vesting period on a straight-line basis.

Generally, vested stock options are exercised through a broker-assisted cashless exercise program. A broker-assisted cashless exercise is the simultaneous exercise of a stock option by an employee and a sale of the shares through a broker. Authorized shares of the Company's Series A common stock are used to settle stock options.

In October 2010, the Company granted awards of stock options to certain executive officers of the Company that require a holding period of one year subsequent to exercising a stock option award for net profit shares (as defined below) acquired upon exercise. Net profit shares means the aggregate number of Shares determined by the Company's human resources department representing the total number of shares remaining after taking into account the following costs related to exercise: (i) the aggregate option price with respect to the exercise; (ii) the amount of all applicable taxes with respect to the exercise, assuming the participant's maximum applicable federal, state and local tax rates (and applicable employment taxes); and (iii) any transaction costs.

The fair value of each option granted is estimated on the grant date using the Black-Scholes option pricing method. The weighted average assumptions used in the model are outlined in the following table:

	Year Ended December 31,		
	2010	2009	2008
Risk-free interest rate	1.27 %	1.90 %	3.30 %
Estimated life in years	5.72	5.20	7.70
Dividend yield	0.59 %	0.96 %	0.38 %
Volatility	51.75 %	54.30 %	31.40 %

The computation of the expected volatility assumption used in the Black-Scholes calculations for new grants is based on the Company's historical volatilities. When establishing the expected life assumptions, the Company reviews annual historical employee exercise behavior of option grants with similar vesting periods.

The summary of changes in stock options outstanding is as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(In millions)	(In $)	(In years)	(In $ millions)
As of December 31, 2009	6.0	19.01		
Granted	0.2	32.40		
Exercised	(0.8)	17.32		
Forfeited	(0.1)	39.42		
As of December 31, 2010	5.3	19.27	4.2	115
Options exercisable at end of year	4.7	18.14	4.0	108

The weighted-average grant-date fair values of stock options granted is as follows:

	Year Ended December 31,		
	2010	2009	2008
Total	$14.76	$7.46	$16.78

The total intrinsic value of options exercised and cash received from stock option exercises is as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Intrinsic value	13	9	27
Cash received	14	14	18

As of December 31, 2010, the Company had approximately $5 million of total unrecognized compensation expense related to stock options, excluding actual forfeitures, which is expected to be recognized over the weighted-average period of 2.4 years.

During 2009, the Company extended the contractual life of 4 million fully vested share options held by 6 employees. As a result of that modification, the Company recognized additional compensation expense of $1 million for the year ended December 31, 2009.

Restricted Stock Units

The Company's RSUs are net settled by withholding shares of the Company's Series A common stock to cover minimum statutory income taxes and remitting the remaining shares of the Company's Series A common stock to an individual brokerage account. Authorized shares of the Company's Series A common stock are used to settle RSUs.

Performance-based RSUs. The Company grants performance-based RSUs to the Company's executive officers and certain employees once per year. The Company may also grant performance-based RSUs to certain new employees or to employees who assume positions of increasing responsibility at the time those events occur. The number of performance-based RSUs that ultimately vest is dependent on one or both of the following according to the terms of the specific award agreement: The achievement of a) internal profitability targets (performance condition) and b) market performance targets measured by the comparison of the Company's stock performance versus a defined peer group (market condition).

The performance-based RSUs generally cliff-vest during the Company's quarter-end September 30 black-out period three years from the date of grant. The ultimate number of shares of the Company's Series A common stock issued will range from zero to stretch, with stretch defined individually under each award, net of shares used to cover personal income taxes withheld. The market condition is factored into the estimated fair value per unit and compensation expense for each award will be based on the probability of achieving internal profitability targets, as applicable, and recognized on a straight-line basis over the term of the respective grant, less estimated forfeitures. For performance-based RSUs granted without a performance condition, compensation expense is based on the fair value per unit recognized on a straight-line basis over the term of the grant, less estimated forfeitures. Upon the termination of participant's employment by the Company without cause prior to the vesting date, the participant is eligible for a prorated number of performance-based RSUs based on a formula as outlined in each agreement.

A summary of changes in performance-based RSUs outstanding is as follows:

	Number of Units	Weighted Average Fair Value
	(In thousands)	(In $)
Nonvested at December 31, 2009	1,415	25.24
Granted	350	41.34
Vested	(179) [1]	23.63
Cancelled	(69)	23.63
Forfeited	(72)	29.64
Nonvested at December 31, 2010	1,445	29.19

[1] Shares vested on December 31, 2010; however, the shares were not released until January 2011.

The fair value of shares vested for performance-based RSUs is as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Total	8	2	3

Fair value for the Company's performance-based RSUs was estimated at the grant date using a Monte Carlo simulation approach less the present value of the expected dividends not received during the performance period. Monte Carlo simulation was utilized to randomly generate future stock returns for the Company and each company in the defined peer group for each grant based on company-specific dividend yields, volatilities and stock return correlations. These returns were used to calculate future performance-based RSU vesting percentages and the

simulated values of the vested performance-based RSUs were then discounted to present value using a risk-free rate, yielding the expected value of these performance-based RSUs.

The range of assumptions used in the Monte Carlo simulation approach is outlined in the following table:

	Year Ended December 31,		
	2010	2009	2008
Risk-free interest rate	0.79%	1.11%	1.05%
Dividend yield	0.00 - 4.18%	0.00 - 4.64%	0.00 - 12.71%
Volatility	25 - 70%	25 - 75%	20 - 70%

Time-based RSUs. The Company grants non-employee Directors time-based RSUs annually that generally vest one year after grant. The fair value of the time-based RSUs is equal to the closing price of the Company's Series A common stock on the grant date less the present value of the expected dividends not received during the vesting period.

The Company also grants time-based RSUs to the Company's executives and certain employees that vest ratably over time intervals ranging from three to four years. The fair value of the time-based RSUs is equal to the average of the high and low price of the Company's Series A common stock on the grant date less the present value of the expected dividends not received during the vesting period. Upon the termination of participant's employment by the Company without cause prior to the vesting date, the participant is eligible for a prorated number of time-based RSUs based on a formula as outlined in each agreement.

A summary of changes in time-based RSUs outstanding is as follows:

	Employee Time-based RSUs		Director Time-Based RSUs	
	Number of Units (In thousands)	Weighted Average Fair Value (In $)	Number of Units (In thousands)	Weighted Average Fair Value (In $)
Nonvested at December 31, 2009	502	25.57	41	16.58
Granted	322	30.12	21	33.13
Vested	(165)	27.62	(41)	16.58
Forfeited	(52)	25.10	-	-
Nonvested at December 31, 2010	607	26.41	21	33.13

As of December 31, 2010, there was approximately $40 million of unrecognized compensation cost related to RSUs, excluding actual forfeitures, which is expected to be recognized over a weighted-average period of 2.2 years.

The fair value of shares vested for time-based RSUs is as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Total	6	2	1

In October and December 2010, the Company granted time-based RSUs and performance-based RSUs, respectively, to executive officers and certain employees of the Company. The grant requires a holding period of seven years from the grant date of the awards for 0 % to 45 % of the shares vested, depending on salary level, as specified in each individual agreement. The Company's Chief Executive Officer ("CEO") has a requirement to hold 75 % of the shares vested for seven years from the grant date. The fair value of the RSUs with holding periods were discounted an additional 30 % due to the lack of transferability of these RSUs during the holding period. The discount was determined using the weighted-average results as calculated under the Chaffe and Finnerty models.

Performance Units

In December 2008, the Company granted 200,000 performance units to be settled in cash to the Company's CEO. The terms of the performance units are substantially similar to the performance-based RSUs granted in December 2008 and include a performance condition and a market condition. The value of the performance units is equivalent to the value of one share of the Company's Series A common stock and any amounts that may vest under the performance unit award agreement are to be settled in cash rather than shares of the Company's Series A common stock. The compensation committee of the Board of Directors may elect to convert all or any portion of the performance units award to an award of an equivalent value of performance-based RSUs. The performance units vest on October 14, 2011.

20. Leases

Total rent expense charged to operations under all operating leases is as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Total	160	148	141

Future minimum lease payments under non-cancelable rental and lease agreements which have initial or remaining terms in excess of one year as of December 31, 2010 are as follows:

	Capital	Operating
	(In $ millions)	
2011	43	62
2012	42	48
2013	39	44
2014	39	38
2015	34	45
Later years	285	99
Sublease income	-	(25)
Minimum lease commitments	482	311
Less amounts representing interest	237	
Present value of net minimum lease obligations	245	

The Company expects that, in the normal course of business, leases that expire will be renewed or replaced by other leases.

21. Derivative Financial Instruments

Interest Rate Risk Management

To reduce the interest rate risk inherent in the Company's variable rate debt, the Company utilizes interest rate swap agreements to convert a portion of the variable rate debt to a fixed rate obligation. These interest rate swap agreements are designated as cash flow hedges. If an interest rate swap agreement is terminated prior to its maturity, the amount previously recorded to Accumulated other comprehensive income (loss), net is recognized into earnings over the period that the hedged transaction impacts earnings. If the hedging relationship is discontinued because it is probable that the forecasted transaction will not occur according to the original strategy, any related amounts previously recorded to Accumulated other comprehensive income (loss), net are recognized into earnings immediately.

In March 2007, in anticipation of the April 2007 debt refinancing, the Company entered into various US dollar and Euro interest rate swap agreements, which became effective on April 2, 2007, with notional amounts of $1.6 billion and €150 million, respectively. The notional amountof the $1.6 billion US dollar interest rate swaps decreased by $400 million effective January 2, 2008 and decreased by another $200 million effective January 2, 2009. To offset the declines, the Company entered into US dollar interest rate swaps with a combined notional amount of $400 million which became effective on January 2, 2008 and an additional US dollar interest rate swap with a notional amount of $200 million which became effective April 2, 2009. The notional amount of the interest rate swaps decreased by $100 million effective January 4, 2010. No new swaps were entered into to offset the declines.

In August 2010, the Company executed a forward-starting interest rate swap with a notional amount of $1.1 billion. As a result of the swap, the Company has fixed the LIBOR portion of $1.1 billion of the Company's floating rate debt at 1.7125 % effective January 2, 2012 through January 2, 2014.

US-dollar interest rate swap derivative arrangements are as follows:

As of December 31, 2010			
Notional Value (In $ millions)	Effective Date	Expiration Date	Fixed Rate [1]
100	April 2, 2007	January 2, 2011	4.92%
800	April 2, 2007	January 2, 2012	4.92%
400	January 2, 2008	January 2, 2012	4.33%
200	April 2, 2009	January 2, 2012	1.92%
1,100	January 2, 2012	January 2, 2014	1.71%
2,600			

(1) Fixes the LIBOR portion of the Company's US-dollar denominated variable rate borrowings (Note 13).

As of December 31, 2009			
Notional Value (In $ millions)	Effective Date	Expiration Date	Fixed Rate [1]
100	April 2, 2007	January 4, 2010	4.92%
100	April 2, 2007	January 2, 2011	4.92%
800	April 2, 2007	January 2, 2012	4.92%
400	January 2, 2008	January 2, 2012	4.33%
200	April 2, 2009	January 2, 2012	1.92%
1,600			

(1) Fixes the LIBOR portion of the Company's US-dollar denominated variable rate borrowings (Note 13).

Euro interest rate swap derivative arrangements are as follows:

As of December 31, 2010 and December 31, 2009			
Notional Value (In €millions)	Effective Date	Expiration Date	Fixed Rate [1]
150	April 2, 2007	April 2, 2011	4.04%

(1) Fixes the EURIBOR portion of the Company's Euro denominated variable rate borrowings (Note 13).

Interest rate swap activity recorded in the consolidated financial statements is as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Hedging activities			
Interest expense	(68)	(63)	(18)
Ineffective portion			
Other income (expense), net	-	-	1
Unrealized gain (loss)			
Other comprehensive income (loss), net of tax	17	15	(79)

Foreign Exchange Risk Management

Certain subsidiaries have assets and liabilities denominated in currencies other than their respective functional currencies, which creates foreign exchange risk. The Company enters into foreign currency forwards and swaps to minimize its exposure to foreign currency fluctuations. Through these instruments, the Company mitigates its foreign currency exposure on transactions with third party entities as well as intercompany transactions. The foreign currency forwards and swaps are not designated as hedges under FASB ASC Topic 815. Gains and losses on foreign currency forwards and swaps entered into to offset foreign exchange impacts on intercompany balances are classified as Other income (expense), net, in the consolidated statements of operations. Gains and losses on foreign currency forwards and swaps entered into to offset foreign exchange impacts on all other assets and liabilities are classified as Foreign exchange gain (loss), net, in the consolidated statements of operations.

The following table indicates the total US dollar equivalents of net foreign exchange exposure related to (short) long foreign exchange forward contracts outstanding by currency. All of the contracts included in the table below will have approximately offsetting effects from actual underlying payables, receivables, intercompany loans or other assets or liabilities subject to foreign exchange remeasurement.

	2011 Maturity
	(In $ millions)
Currency	
Euro	(217)
British pound sterling	(43)
Chinese renminbi	(265)
Mexican peso	22
Singapore dollar	26
Canadian dollar	35
Japanese yen	1
Brazilian real	(12)
Swedish krona	14
Other	6
Total	(433)

To protect the foreign currency exposure of a net investment in a foreign operation, the Company entered into cross currency swaps with certain financial institutions in 2004. The cross currency swaps and the Euro-denominated portion of the senior term loan were designated as a hedge of a net investment of a foreign operation. The Company dedesignated the net investment hedge due to the debt refinancing in April 2007 and redesignated the cross currency swaps and new senior Euro term loan in July 2007.

Under the terms of the cross currency swap arrangements, the Company paid approximately €13 million ininterest and received approximately $16 million in interest on June 15 and December 15 of each year. Upon maturity of the

cross currency swap agreements in June 2008, the Company owed €276 million ($426 million) and was owed $333 million. In settlement of the obligation, the Company paid $93 million (net of interest of $3 million) in June 2008.

During the year ended December 31, 2008, the Company dedesignated €385 million of the €400 Euro-denominated portion of the term loan, previously designated as a hedge of a net investment of a foreign operation. The remaining €15 million Euro-denominated portion of the term loan was dedesignated as a hedge of a net investment of a foreign operation in June 2009. Prior to the dedesignations, the Company had been using external derivative contracts to offset foreign currency exposures on certain intercompany loans. As a result of the dedesignations, the foreign currency exposure created by the Euro-denominated term loan is expected to offset the foreign currency exposure on certain intercompany loans, decreasing the need for external derivative contracts and reducing the Company's exposure to external counterparties.

The notional values of the foreign currency forwards and swaps are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Total	751	1,463

The effective portion of the gain (loss) on the derivative (cross currency swaps) is recorded in the consolidated financial statements as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Accumulated other comprehensive income (loss), net	-	-	(19)

The gain (loss) related to items excluded from the assessment of hedge effectiveness of the cross currency swaps are recorded in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Other income (expense), net	-	-	1

Commodity Risk Management

The Company has exposure to the prices of commodities in its procurement of certain raw materials. The Company manages its exposure to commodity risk primarily through the use of long-term supply agreements, multi-year purchasing and sales agreements and forward purchase contracts. The Company regularly assesses its practice of using forward purchase contracts and other raw material hedging instruments in accordance with changes in market conditions. Forward purchases and swap contracts for raw materials are principally settled through physical delivery of the commodity. For qualifying contracts, the Company has elected to apply the normal purchases and normal sales exception of FASB ASC Topic 815 based on the probability at the inception and throughout the term of the contract that the Company would not settle net and the transaction would result in the physical delivery of the commodity. As such, realized gains and losses on these contracts are included in the cost of the commodity upon the settlement of the contract.

In addition, the Company occasionally enters into financial derivatives to hedge a component of a raw material or energy source. Typically, these types of transactions do not qualify for hedge accounting. These instruments are marked to market at each reporting period and gains (losses) are included in Cost of sales in the consolidated statements of operations. The Company recognized no gain or loss from these types of contracts during the years

ended December 31, 2010, 2009 and 2008. As of December 31, 2010, the Company did not have any open financial derivative contracts for commodities.

Information regarding changes in the fair value of derivative arrangements is as follows:

	Year Ended December 31, 2010		Year Ended December 31, 2009	
	Gain (Loss) Recognized in Other Comprehensive Income	Gain (Loss) Recognized in Income	Gain (Loss) Recognized in Other Comprehensive Income	Gain (Loss) Recognized in Income
	(In $ millions)		(In $ millions)	
Derivatives designated as cash flow hedging instruments				
Interest rate swaps	(31) [1]	(68) [2]	(40) [3]	(63) [2]
Derivatives not designated as hedging instruments				
Foreign currency forwards and swaps	-	33	-	(20)
Total	(31)	(35)	(40)	(83)

[1] Amount excludes $5 million of losses associated with the Company's equity method investments' derivative activity and $15 million of tax expense.

[2] Amount represents reclassification from Accumulated other comprehensive income (loss), net and is classified as Interest expense in the consolidated statement of operations.

[3] Amount excludes $8 million of tax expense.

See Note 22, Fair Value Measurements, for additional information regarding the fair value of the Company's derivative arrangements.

22. Fair Value Measurements

As discussed in Note 2, the Company adopted certain provisions of FASB ASC Topic 820 on January 1, 2008 and 2009. FASB ASC Topic 820 establishes a three-tiered fair value hierarchy that prioritizes inputs to valuation techniques used in fair value calculations. The three levels of inputs are defined as follows:

Level 1 — unadjusted quoted prices for identical assets or liabilities in active markets accessible by the Company

Level 2 — inputs that are observable in the marketplace other than those inputs classified as Level 1

Level 3 — inputs that are unobservable in the marketplace and significant to the valuation

FASB ASC Topic 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of the hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to the fair value calculation.

The Company's financial assets and liabilities are measured at fair value on a recurring basis and include marketable securities and derivative financial instruments. Marketable securities include US government and corporate bonds and equity securities. Derivative financial instruments include interest rate swaps and foreign currency forwards and swaps.

Marketable Securities. Where possible, the Company utilizes quoted prices in active markets to measure debt and equity securities; such items are classified as Level 1 in the hierarchy and include equity securities and US government bonds. When quoted market prices for identical assets are unavailable, varying valuation techniques are

used. Common inputs in valuing these assets include, among others, benchmark yields and issuer spreads. Such assets are classified as Level 2 in the hierarchy and typically include corporate bonds and other US government securities.

Derivative Financial Instruments. Derivative financial instruments are valued in the market using discounted cash flow techniques. These techniques incorporate Level 1 and Level 2 inputs such as interest rates and foreign currency exchange rates. These market inputs are utilized in the discounted cash flow calculation considering the instrument's term, notional amount, discount rate and credit risk. Significant inputs to the derivative valuation for interest rate swaps and foreign currency forwards and swaps are observable in the active markets and are classified as Level 2 in the hierarchy.

Mutual Funds. Valued at the net asset value per share or unit multiplied by the number of shares or units held as of the measurement date.

Assets and liabilities measured at fair value on a recurring basis are as follows:

	Fair Value Measurement Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
		(In $ millions)	
Marketable securities, at fair value			
US corporate debt securities	-	1	1
Mutual funds	77	-	77
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	-	3	3 (1)
Total assets as of December 31, 2010	77	4	81
Derivatives designated as cash flow hedging instruments			
Interest rate swaps	-	(59)	(59) (2)
Interest rate swaps	-	(14)	(14) (3)
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	-	(10)	(10) (2)
Total liabilities as of December 31, 2010	-	(83)	(83)
Marketable securities, at fair value			
US government debt securities	-	28	28
US corporate debt securities	-	1	1
Total debt securities	-	29	29
Equity securities	52	-	52
Mutual funds	2	-	2
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	-	12	12 (1)
Total assets as of December 31, 2009	54	41	95
Derivatives designated as cash flow hedging instruments			
Interest rate swaps	-	(68)	(68) (2)
Interest rate swaps	-	(44)	(44) (3)
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	-	(7)	(7) (2)
Total liabilities as of December 31, 2009	-	(119)	(119)

(1) Included in current Other assets in the consolidated balance sheets.

(2) Included in current Other liabilities in the consolidated balance sheets.

(3) Included in noncurrent Other liabilities in the consolidated balance sheets.

Carrying values and estimated fair values of financial instruments that are not carried at fair value in the Company's consolidated balance sheets are as follows:

	As of December 31,			
	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In $ millions)			
Cost investments	139	-	129 [1]	-
Insurance contracts in nonqualified pension trusts	70	70	66	66
Long-term debt, including current installments of long-term debt	3,064	3,087	3,361	3,246

[1] As Adjusted (Note 4 and Note 8)

In general, the cost investments included in the table above are not publicly traded and their fair values are not readily determinable; however, the Company believes the carrying values approximate or are less than the fair values.

As of December 31, 2010 and 2009, the fair values of cash and cash equivalents, receivables, trade payables, short-term debt and the current installments of long-term debt approximate carrying values due to the short-term nature of these instruments. These items have been excluded from the table with the exception of the current installments of long-term debt. Additionally, certain noncurrent receivables, principally insurance recoverables, are carried at net realizable value.

The fair value of long-term debt is based on valuations from third-party banks and market quotations.

23. Commitments and Contingencies

The Company is involved in legal and regulatory proceedings, lawsuits and claims incidental to the normal conduct of business, relating to such matters as product liability, contract, antitrust, intellectual property, workers' compensation, chemical exposure, prior acquisitions and divestitures, past waste disposal practices and release of chemicals into the environment. While it is impossible at this time to determine with certainty the ultimate outcome of these proceedings, lawsuits and claims, the Company is actively defending those matters where the Company is named as a defendant. Additionally, the Company believes, based on the advice of legal counsel, that adequate reserves have been made and that the ultimate outcomes of all such litigation and claims will not have a material adverse effect on the financial position of the Company; however, the ultimate outcome of any given matter may have a material adverse impact on the results of operations or cash flows of the Company in any given reporting period.

Plumbing Actions

CNA Holdings LLC ("CNA Holdings"), a US subsidiary of the Company, which included the US business now conducted by the Ticona business that is included in the Advanced Engineered Materials segment, along with Shell Oil Company ("Shell"), E.I. DuPont de Nemours and Company ("DuPont") and others, has been a defendant in a series of lawsuits, including a number of class actions, alleging that plastics manufactured by these companies that were utilized in the production of plumbing systems for residential property were defective or caused such plumbing systems to fail. Based on, among other things, the findings of outside experts and the successful use of Ticona's acetal copolymer in similar applications, CNA Holdings does not believe Ticona's acetal copolymer was defective or caused the plumbing systems to fail. In addition, in many cases CNA Holdings' potential future exposure may be limited by invocation of the statute of limitations.

In November 1995, CNA Holdings, DuPont and Shell entered into national class action settlements that called for the replacement of plumbing systems of claimants who have had qualifying leaks, as well as reimbursements for

certain leak damage. In connection with such settlements, the three companies had agreed to fund these replacements and reimbursements up to an aggregate amount of $950 million. As of December 31, 2010, the aggregate funding is $1,111 million due to additional contributions and funding commitments made primarily by other parties. The time to file claims for the class in *Cox, et al. v. Hoechst Celanese Corporation, et al.* , No. 94-0047 (Chancery Ct., Obion County, Tennessee) has now expired. Accordingly, the court ruled the terms of the Cox settlement have been fully performed. The entity previously established to administer all Cox related claims was dissolved on September 24, 2010.

During the period between 1995 and 2001, CNA Holdings was also named as a defendant in the following putative class actions:

- Couture, et al. v. Shell Oil Company, et al., No. 200-06-000001-985 (Quebec Superior Court, Canada).
- Dilday, et al. v. Hoechst Celanese Corporation, et al., No. 15187 (Chancery Ct., Weakley County, Tennessee).
- Furlan v. Shell Oil Company, et al., No. C967239 (British Columbia Supreme Court, Vancouver Registry, Canada).
- Gariepy, et al. v. Shell Oil Company, et al., No. 30781/99 (Ontario Court General Division, Canada) (pending final approval of nationwide Canadian class settlement).
- Shelter General Insurance Co., et al. v. Shell Oil Company, et al., No. 16809 (Chancery Ct., Weakley County, Tennessee).
- St. Croix Ltd., et al. v. Shell Oil Company, et al., No. 1997/467 (Territorial Ct., St. Croix Division, the US Virgin Islands).
- Tranter v. Shell Oil Company, et al., No. 46565/97 (Ontario Court General Division, Canada).

On January 24, 2011 and February 7, 2011, the Chancery Court for Weakley County, Tennessee entered judgments in the Shelter General Insurance Co., et al., v. Shell Oil Company, et al., No. 16809 and the Dilday, et al. v. Hoechst Celanese Corporation, et al. No. 15187, respectively, dismissing with prejudice all claims against the Company.

The class actions in Canada are subject to a pending settlement that would result in the dismissal of those actions. In addition, between 1994 and 2008 CNA Holdings was named as a defendant in numerous actions of which three are actively pending. In all of these actions, the plaintiffs have sought recovery for alleged damages caused by leaking polybutylene plumbing. Damage amounts have generally not been specified but these actions generally do not involve (either individually or in the aggregate) a large number of homes.

The Company's remaining plumbing action reserves recorded in the consolidated balance sheets as of December 31, 2010 and 2009 are $9 million and $55 million, respectively. The Company recorded recoveries and reductions in legal reserves related to plumbing actions (Note 17) to Other (charges) gains, net in the consolidated statements of operations as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Recoveries	14	1	-
Legal reserve reductions	45	9	-
Total (Note 17)	59	10	-

Plumbing Insurance Indemnifications

Celanese GmbH entered into agreements with insurance companies related to product liability settlements associated with plumbing action claims. These agreements, except those with insolvent insurance companies,

require the Company to indemnify and/or defend these insurance companies in the event that third parties seek additional monies for matters released in these agreements. The indemnifications in these agreements do not provide for time limitations.

In certain of the agreements, Celanese GmbH received a fixed settlement amount. The indemnities under these agreements generally are limited to, but in some cases are greater than, the amount received in settlement from the insurance company. The maximum exposure under some of these indemnifications is $95 million, while other settlement agreements with fixed settlement amounts have no stated indemnification limits.

There are other agreements whereby the settling insurer agreed to pay a fixed percentage of claims that relate to that insurer's policies. The Company has provided indemnification to the insurers for amounts paid in excess of the settlement percentage. These indemnifications do not provide for monetary or time limitations.

Polyester Staple Antitrust Litigation

CNA Holdings, the successor in interest to Hoechst Celanese Corporation ("HCC"), Celanese Americas Corporation and Celanese GmbH (collectively, the "Celanese Entities") and Hoechst, the former parent of HCC, were named as defendants in two actions (involving 25 individual participants) filed in September 2006 by US purchasers of polyester staple fibers manufactured and sold by HCC. The actions allege that the defendants participated in a conspiracy to fix prices, rig bids and allocate customers of polyester staple sold in the United States. These actions were consolidated in a proceeding by a Multi-District Litigation Panel in the United States District Court for the Western District of North Carolina styled *In re Polyester Staple Antitrust Litigation* , MDL 1516. On June 12, 2008 the court dismissed these actions against all Celanese Entities in consideration of a payment by the Company of $107 million. This proceeding related to sales by the polyester staple fibers business which Hoechst sold to KoSa, Inc. in 1998. Accordingly, the impact of this settlement was reflected within discontinued operations in the consolidated statements of operations for the year ended December 31, 2008. Prior to December 31, 2008, the Company had entered into tolling arrangements with four other alleged US purchasers of polyester staple fibers manufactured and sold by the Celanese Entities. These purchasers were not included in the settlement and one such company filed suit against the Company in December 2008 in the Western District of North Carolina entitled *Milliken & Company v. CNA Holdings, Inc., Celanese Americas Corporation and Hoechst AG* (No. 8-SV-00578). The Company is actively defending this matter and has filed a motion to dismiss, which is pending with the court.

In December 1998, HCC sold its polyester staple business (the "1998 Sale") to KoSa B.V., f/k/a Arteva B.V., a subsidiary of Koch Industries, Inc. ("KoSa"), under an asset purchase agreement ("APA"). In August of 2002, Arteva Specialties, S.a.r.l., a subsidiary of KoSa ("Arteva Specialties"), pled guilty to a criminal violation of the Sherman Act relating to anti-competitive conduct following the 1998 Sale. Shortly thereafter, various polyester staple customers filed approximately 50 civil anti-trust lawsuits against KoSa and Arteva Specialties, some of which alleged anti-competitive conduct prior to the 1998 Sale. In a complaint filed on November 3, 2003 in the United States District Court for the Southern District of New York, *Koch Industries, Inc. et al. v. Hoechst Aktiengellschaft et al.* , No. 03-cv-8679, Koch Industries, Inc., KoSa, Arteva Specialties and Arteva Services S.a.r.l. sought recovery from Hoechst and the Celanese Entities exceeding $371 million. In the complaint, the plaintiffs alleged claims of fraud, unjust enrichment and indemnification for retained liabilities and for breach of contractual representations and warranties under the APA. Both parties filed motions for summary judgment in 2009. On July 19, 2010, the court granted in part and denied in part the pending motions. The court dismissed the plaintiffs' claims for fraud and unjust enrichment, which also eliminated plaintiffs' claims for punitive damages. The court also held that the plaintiffs cannot recover damages for liabilities arising out of the operation of the polyester staple business incurred after the 1998 Sale but the plaintiffs can recover damages for the costs of defending and settling civil antitrust actions brought against them to the extent such damages arose out of the operation of the polyester staple business prior to the 1998 Sale (i.e., "Retained Liabilities" as defined in the APA). The plaintiffs alleged that they had paid approximately $135 million for the costs of settling and defending both pre- and post-1998 Sale civil antitrust actions. The court reserved for trial the calculation and allocation of any damages to which the plaintiffs would be entitled under the relevant sections of the APA. The court also preserved for trial the plaintiffs' claim for breach of contractual representations and warranties under the APA. On November 3, 2010, the Company participated in a

mediation of this matter. Following mediation and during the quarter ended December 31, 2010, the parties settled the case pursuant to a confidential agreement. The settlement is a substantial portion of the amount recognized as Earnings (loss) from operations of discontinued operations in the consolidated statements of operations. On December 21, 2010, the case was dismissed with prejudice.

Other Commercial Actions

In April 2007, Southern Chemical Corporation ("Southern") filed a petition in the 190th Judicial District Court of Harris County, Texas styled *Southern Chemical Corporation v. Celanese Ltd* . (Cause No. 2007-25490), seeking declaratory judgment relating to the terms of a multi-year supply contract. The trial court granted the Company's motion for summary judgment in March 2008 dismissing Southern's claims. In September 2009, the intermediate Texas appellate court reversed the trial court decision and remanded the case to the trial court. The Texas Supreme Court subsequently declined both parties' requests that it hear the case. On August 15, 2010, Southern filed a second amended petition adding a claim for breach of contract and seeking equitable damages in an unspecified amount from the Company. Southern amended its complaint again in November 2010. Trial has been set for August 2011. The Company believes that the contractual interpretations set forth by Southern lack merit and is actively defending the matter.

Acetic Acid Patent Infringement Matters

On May 9, 1999, Celanese International Corporation filed a private criminal action styled *Celanese International Corporation v. China Petrochemical Development Corporation* against China Petrochemical Development Corporation ("CPDC") in the Taiwan Kaoshiung District Court alleging that CPDC infringed Celanese International Corporation's patent covering the manufacture of acetic acid. Celanese International Corporation also filed a supplementary civil brief that, in view of changes in Taiwanese patent laws, was subsequently converted to a civil action alleging damages against CPDC based on a period of infringement of ten years, 1991-2000, and based on CPDC's own data that was reported to the Taiwanese securities and exchange commission. Celanese International Corporation's patent was held valid by the Taiwanese patent office. On August 31, 2005, the District Court held that CPDC infringed Celanese International Corporation's acetic acid patent and awarded Celanese International Corporation approximately $28 million (plus interest) for the period of 1995 through 1999. In October 2008, the High Court, on appeal, reversed the District Court's $28 million award to the Company. The Company appealed to the Superior Court in November 2008, and the court remanded the case to the Intellectual Property Court in June 2009. On January 16, 2006, the District Court awarded Celanese International Corporation $800,000 (plus interest) for the year 1990. In January 2009, the High Court, on appeal, affirmed the District Court's award and CPDC appealed on February 5, 2009 to the Supreme Court. During the quarter ended March 31, 2010, this case was remanded to the Intellectual Property Court. In August 2010, the Intellectual Property Court ruled in CPDC's favor and Celanese filed an appeal to the Supreme Court. On June 29, 2007, the District Court awarded Celanese International Corporation $60 million (plus interest) for the period of 2000 through 2005. CPDC appealed this ruling and in July 2009, the High Court ruled in CPDC's favor. The Company appealed to the Supreme Court and in December 2009, the case was remanded to the Intellectual Property Court.

Workers Compensation Claims

The Company has been provided with notices of claims filed with the South Carolina Workers' Compensation Commission and the North Carolina Industrial Commission. The notices of claims identify various alleged injuries to current and former employees arising from alleged exposure to undefined chemicals at current and former plant sites in South Carolina and North Carolina. As of December 31, 2010, there were 1,350 claims pending. The Company has reserves for defense costs related to these matters.

Asbestos Claims

The Company and several of its US subsidiaries are defendants in asbestos cases. During the year ended December 31, 2010, asbestos case activity is as follows:

	Asbestos Cases
As of December 31, 2009	526
Case adjustments	2
New cases filed	41
Resolved cases	(70)
As of December 31, 2010	499

Because many of these cases involve numerous plaintiffs, the Company is subject to claims significantly in excess of the number of actual cases. The Company has reserves for defense costs related to claims arising from these matters.

Award Proceedings in relation to Domination Agreement and Squeeze-Out

On October 1, 2004, Celanese GmbH and the Company's subsidiary, BCP Holdings GmbH ("BCP Holdings"), a German limited liability company, entered into a Domination Agreement pursuant to which the BCP Holdings became obligated to offer to acquire all outstanding Celanese GmbH shares from the minority shareholders of Celanese GmbH in return for payment of fair cash compensation (the "Purchaser Offer"). The amount of this fair cash compensation was determined to be €41.92 per share in accordance with applicable German law. All minority shareholders who elected not to sell their shares to the BCP Holdings under the Purchaser Offer were entitled to remain shareholders of Celanese GmbH and to receive from the BCP Holdings a gross guaranteed annual payment of €3.27 per Celanese GmbH share less certain corporate taxes in lieu of any dividend.

As of March 30, 2005, several minority shareholders of Celanese GmbH had initiated special award proceedings seeking the court's review of the amounts of the fair cash compensation and of the guaranteed annual payment offered in the Purchaser Offer under the Domination Agreement. In the Purchaser Offer, 145,387 shares were tendered at the fair cash compensation of €41.92, and 924,078 shares initially remained outstanding and were entitled to the guaranteed annual payment under the Domination Agreement. As a result of these proceedings, the amount of the fair cash consideration and the guaranteed annual payment paid under the Domination Agreement could be increased by the court so that all minority shareholders, including those who have already tendered their shares in the Purchaser Offer for the fair cash compensation, could claim the respective higher amounts. On December 12, 2006, the court of first instance appointed an expert to assist the court in determining the value of Celanese GmbH.

On May 30, 2006 the majority shareholder of Celanese GmbH adopted a squeeze-out resolution under which all outstanding shares held by minority shareholders should be transferred to BCP Holdings for a fair cash compensation of €66.99 per share (the "Squeeze-Out"). This shareholder resolution was challenged by shareholders but the Squeeze-Out became effective after the disputes were settled on December 22, 2006. Award proceedings were subsequently filed by 79 shareholders against BCP Holdings with the Frankfurt District Court requesting the court to set a higher amount for the Squeeze-Out compensation.

Pursuant to a settlement agreement between BCP Holdings and certain former Celanese GmbH shareholders, if the court sets a higher value for the fair cash compensation or the guaranteed payment under the Purchaser Offer or the Squeeze-Out compensation, former Celanese GmbH shareholders who ceased to be shareholders of Celanese GmbH due to the Squeeze-Out will be entitled to claim for their shares the higher of the compensation amounts determined by the court in these different proceedings related to the Purchaser Offer and the Squeeze-Out. If the fair cash compensation determined by the court is higher than the Squeeze-Out compensation of € 66.99, then 1,069,465 shares will be entitled to an adjustment. If the court confirms the value of the fair cash compensation under the Domination Agreement but determines a higher value for the Squeeze-Out compensation, 924,078 shares

would be entitled to an adjustment. Payments already received by these shareholders as compensation for their shares will be offset so that persons who ceased to be shareholders of Celanese GmbH due to the Squeeze-Out are not entitled to more than the higher of the amount set in the two court proceedings.

Guarantees

The Company has agreed to guarantee or indemnify third parties for environmental and other liabilities pursuant to a variety of agreements, including asset and business divestiture agreements, leases, settlement agreements and various agreements with affiliated companies. Although many of these obligations contain monetary and/or time limitations, others do not provide such limitations.

As indemnification obligations often depend on the occurrence of unpredictable future events, the future costs associated with them cannot be determined at this time.

The Company has accrued for all probable and reasonably estimable losses associated with all known matters or claims that have been brought to its attention. These known obligations include the following:

• ***Demerger Obligations***

In connection with the Hoechst demerger, the Company agreed to indemnify Hoechst, and its legal successors, for various liabilities under the Demerger Agreement, including for environmental liabilities associated with contamination arising under 19 divestiture agreements entered into by Hoechst prior to the demerger.

The Company's obligation to indemnify Hoechst, and its legal successors, for environmental liabilities associated with contamination arising under these 19 divestiture agreements is subject to the following thresholds:

- The Company will indemnify Hoechst, and its legal successors, against those liabilities up to €250 million;
- Hoechst, and its legal successors, will bear those liabilities exceeding €250 million; provided, however, that the Company will reimburse Hoechst, and its legal successors, for one-third of liabilities exceeding €750million in the aggregate.

The aggregate maximum amount of environmental indemnifications under the remaining divestiture agreements that provide for monetary limits is approximately €750 million. Three of the divestiture agreements do not provide for monetary limits. Cumulative payments under the divestiture agreements are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Total	54	51

Based on the estimate of the probability of loss under this indemnification, the Company had reserves of $36 million as of December 31, 2010 and 2009 for this contingency. Where the Company is unable to reasonably determine the probability of loss or estimate such loss under an indemnification, the Company has not recognized any related liabilities.

The Company has also undertaken in the Demerger Agreement to indemnify Hoechst and its legal successors for (i) one-third of any and all liabilities that result from Hoechst being held as the responsible party pursuant to public law or current or future environmental law or by third parties pursuant to private or public law relates to contamination and (ii) liabilities that Hoechst is required to discharge, including tax liabilities, which are associated with businesses that were included in the demerger but were not demerged due to legal restrictions on the transfers of such items. These indemnities do not provide for any monetary or time limitations. The Company has not provided for any significant reserves associated with this indemnification as it is not probable or estimable. The Company has made payments to Hoechst and its legal successors of less than $1 million and $0 million during the years ended December 31, 2010 and 2009, respectively, in connection with this indemnification.

• ***Divestiture Obligations***

The Company and its predecessor companies agreed to indemnify third-party purchasers of former businesses and assets for various pre-closing conditions, as well as for breaches of representations, warranties and covenants. Such liabilities also include environmental liability, product liability, antitrust and other liabilities. These indemnifications and guarantees represent standard contractual terms associated with typical divestiture agreements and, other than environmental liabilities, the Company does not believe that they expose the Company to any significant risk. As of December 31, 2010 and 2009, the Company had reserves in the aggregate of $26 million and $28 million, respectively, for these matters.

The Company has divested numerous businesses, investments and facilities through agreements containing indemnifications or guarantees to the purchasers. Many of the obligations contain monetary and/or time limitations, ranging from one year to thirty years. The aggregate amount of guarantees provided for under these agreements is approximately $205 million as of December 31, 2010. Other agreements do not provide for any monetary or time limitations.

• ***Purchase Obligations***

In the normal course of business, the Company enters into commitments to purchase goods and services over a fixed period of time. The Company maintains a number of "take-or-pay" contracts for purchases of raw materials, utilities and other services. As of December 31, 2010, there were outstanding future commitments of $1.6 billion under take-or-pay contracts. The Company recognized $3 million of losses related to take-or-pay contract termination costs for the year ended December 31, 2010 related to the Company's Pardies, France "Project of Closure" (Note 4 and Note 17). The Company does not expect to incur any material losses under take-or-pay contractual arrangements. Additionally, as of December 31, 2010, there were other outstanding commitments of $308 million representing maintenance and service agreements, energy and utility agreements, consulting contracts and software agreements.

During March 2010, the Company successfully completed an amended raw material purchase agreement with a supplier who had filed for bankruptcy. Under the original contract, the Company made advance payments in exchange for preferential pricing on certain volumes of material purchases over the life of the contract. The cancellation of the original contract and the terms of the subsequent amendment resulted in the Company accelerating amortization on the unamortized prepayment balance of $22 million during the year ended December 31, 2010. The accelerated amortization was recorded to Cost of sales in the consolidated statements of operations as follows: $20 million was recorded in the Acetyl Intermediates segment and $2 million was recorded in the Advanced Engineered Materials segment.

24. Supplemental Cash Flow Information

Supplemental cash flow information for cash and non-cash activities is as follows:

	Year Ended December 31,		
	2010	2009	2008
		(In $ millions)	
Taxes, net of refunds	135	17	98
Interest, net of amounts capitalized	186	208	259
Noncash investing and financing activities			
Fair value adjustment to securities available for sale, net of tax	(2)	(3)	(25)
Capital lease obligations	33	38	103
Accrued capital expenditures	21	(9)	(7)
Asset retirement obligations	25	30	8
Accrued Ticona Kelsterbach plant relocation costs	(7)	22	17

25. Segment Information

Business Segments

The Company operates through the following business segments:

• ***Advanced Engineered Materials***

The Company's Advanced Engineered Materials segment develops, produces and supplies a broad portfolio of high performance specialty polymers for application in automotive, medical and electronics products, as well as other consumer and industrial applications. The Company and its strategic affiliates are a leading participant in the global specialty polymers industry. The primary products of Advanced Engineered Materials are used in a broad range of products including automotive components, medical devices, electronics, appliances, industrial applications, battery separators, conveyor belts, filtration equipment, coatings, electrical and electronics.

Effective April 1, 2010, the Company moved its investment in its Ibn Sina affiliate from its Acetyl Intermediates segment to its Advanced Engineered Materials segment to reflect a change in the affiliate's business dynamics and growth opportunities as a result of the future construction of the POM facility (Note 4). The Company has retrospectively adjusted its reportable segments for prior periods to conform to the current year presentation.

• ***Consumer Specialties***

The Company's Consumer Specialties segment consists of the Acetate Products and Nutrinova businesses. The Acetate Products business primarily produces and supplies acetate tow, which is used in the production of filter products. The Company also produces acetate flake which is processed into acetate fiber in the form of a tow band. The Company's Nutrinova business produces and sells Sunett ®, a high intensity sweetener, and food protection ingredients, such as sorbates, for the food, beverage and pharmaceuticals industries.

• ***Industrial Specialties***

The Company's Industrial Specialties segment includes the Emulsions and EVA Performance Polymers businesses. The Company's Emulsions business is a global leader which produces a broad product portfolio, specializing in vinyl acetate ethylene emulsions, and is a recognized authority on low VOC (volatile organic compounds), an environmentally-friendly technology. The Company's emulsions products are used in a wide array of applications including paints and coatings, adhesives, building and construction, glass fiber, textiles and paper. EVA Performance Polymers business offers a complete line of low-density polyethylene and specialty ethylene vinyl acetate resins and compounds. EVA Performance Polymers' products are used in many applications including flexible packaging films, lamination film products, hot melt adhesives, medical tubing and devices, automotive carpet and solar cell encapsulation films.

In July 2009, the Company completed the sale of its PVOH business to Sekisui (Note 4).

• ***Acetyl Intermediates***

The Company's Acetyl Intermediates segment produces and supplies acetyl products, including acetic acid, VAM, acetic anhydride and acetate esters. These products are generally used as starting materials for colorants, paints, adhesives, coatings, medicines and more. Other chemicals produced in this business segment are organic solvents and intermediates for pharmaceutical, agricultural and chemical products.

In November 2010, the Company announced its newly developed advanced technology to produce ethanol. This innovative, new process combines our proprietary and leading acetyl platform with highly advanced manufacturing technology to produce ethanol from hydrocarbon-sourced feedstocks.

• ***Other Activities***

Other Activities primarily consists of corporate center costs, including financing and administrative activities such as legal, accounting and treasury functions and interest income or expense associated with financing activities of the Company and the Captives.

The business segment management reporting and controlling systems are based on the same accounting policies as those described in the summary of significant accounting policies in Note 2. The Company evaluates performance based on operating profit, net earnings (loss), cash flows and other measures of financial performance reported in accordance with US GAAP.

Sales and revenues related to transactions between business segments are generally recorded at values that approximate third-party selling prices.

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other Activities	Eliminations	Consolidated
				(In $ millions)			
				Year ended December 31, 2010			
Net sales	1,109	1,098 [1]	1,036	3,082 [1]	2	(409)	5,918
Other (charges) gains, net	31	(76)	25 [3]	(12)	(14) [3]	-	(46)
Equity in net earnings (loss) of affiliates	144	2	-	5	17	-	168
Earnings (loss) from continuing operations before tax	329	237	89	252	(369)	-	538
Depreciation and amortization	76 [4]	42	41	117 [4]	11	-	287
Capital expenditures	52	50	55	49	16	-	222 [2]
Goodwill and intangible assets, net	423	284	55	264	-	-	1,026
Total assets	2,765	998	841	1,909	1,768	-	8,281
				Year ended December 31, 2009 - As Adjusted (Note 4)			
Net sales	808	1,084 [1]	974	2,603 [1]	2	(389)	5,082
Other (charges) gains, net	(18)	(9)	4 [3]	(91)	(22) [3]	-	(136)
Equity in net earnings (loss) of affiliates	78	1	-	5	15	-	99
Earnings (loss) from continuing operations before tax	114	288	89	102	(342)	-	251
Depreciation and amortization	73	50	51	123	11	-	308
Capital expenditures	27	50	45	36	9	-	167 [2]
Goodwill and intangible assets, net	385	299	62	346	-	-	1,092
Total assets	2,268	1,083	740	1,985	2,336	-	8,412
				Year ended December 31, 2008 - As Adjusted (Note 4)			
Net sales	1,061	1,155 [1]	1,406	3,875 [1]	2	(676)	6,823
Other (charges) gains, net	(29)	(2)	(3)	(78)	4	-	(108)
Equity in net earnings (loss) of affiliates	155	-	-	3	14	-	172
Earnings (loss) from continuing operations before tax	190	237	47	312	(353)	-	433
Depreciation and amortization	76	53	62	150	9	-	350
Capital expenditures	55	49	67	86	10	-	267 [2]

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(1) Net sales for Acetyl Intermediates and Consumer Specialties include inter-segment sales of $400 million and $9 million, respectively, for the year ended December 31, 2010; $383 million and $6 million, respectively, for the year ended December 31, 2009; and $676 million and $0 million, respectively, for the year ended December 31, 2008.

(2) Excludes expenditures related to the relocation of the Company's Ticona plant in Kelsterbach (Note 28) and includes an increase in accrued capital expenditures of $21 million for the year ended December 31, 2010, and a decrease in accrued capital expenditures of $9 million and $7 million for the years ended December 31, 2009 and 2008, respectively (Note 24).

(3) Includes $7 million and $10 million for the years ended December 31, 2010 and 2009, respectively, of insurance recoveries received from the Company's captive insurance companies related to the Edmonton, Alberta, Canada facility that eliminates in consolidation.

(4) Includes $2 million for Advanced Engineered Materials and $20 million for Acetyl Intermediates for the accelerated amortization of the unamortized prepayment related to a raw material purchase agreement (Note 23).

Geographical Segments

Revenues and noncurrent assets are presented based on the location of the business. The net sales based on the geographic location of the Company's facilities are as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Net sales			
US	1,555	1,262	1,719
International	4,363	3,820	5,104
Total	5,918	5,082	6,823
International countries with significant net sales			
Germany	1,950	1,733	2,469
China	596	460	393
Singapore	612	513	783
Belgium	451	459	478
Canada	277	173	276
Mexico	267	277	391

Property, plant and equipment, net based on the geographic location of the Company's facilities is as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Property, plant and equipment, net		
US	650	634
International	2,367	2,163
Total	3,017	2,797
International countries with significant property, plant and equipment, net		
Germany	1,321	1,075
China	557	516
Singapore	90	98
Belgium	30	27
Canada	131	131
Mexico	109	103

26. Transactions and Relationships with Affiliates and Related Parties

The Company is a party to various transactions with affiliated companies. Entities in which the Company has an investment accounted for under the cost or equity method of accounting are considered affiliates; any transactions or balances with such companies are considered affiliate transactions. Transactions with affiliates are as follows:

	Year Ended December 31,		
	2010	2009	2008
	(In $ millions)		
Purchases from affiliates	169	143	143
Sales to affiliates	8	6	36
Interest income from affiliates	1	1	2
Interest expense to affiliates	-	1	9

Refer to Note 8 for additional information related to dividends received from affiliates.

Balances with affiliates recorded in the consolidated balance sheets are as follows:

	As of December 31,	
	2010	2009
	(In $ millions)	
Trade and other receivables from affiliates	1	-
Current notes receivable (including interest) from affiliates	20	12
Noncurrent notes receivable (including interest) from affiliates	-	7
Total receivables from affiliates	21	19
Accounts payable and other liabilities due affiliates	24	15
Short-term borrowings from affiliates	48	85
Total due to affiliates	72	100

The Company has agreements with certain affiliates, primarily InfraServ entities, whereby excess affiliate cash is lent to and managed by the Company, at variable interest rates governed by those agreements.

27. Earnings (Loss) Per Share

	Year Ended December 31,					
	2010		2009		2008	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
			As adjusted (Note 4)			
	(In $ millions, except for share and per share data)					
Amounts attributable to Celanese Corporation						
Earnings (loss) from continuing operations	426	426	494	494	371	371
Earnings (loss) from discontinued operations	(49)	(49)	4	4	(90)	(90)
Net earnings (loss)	377	377	498	498	281	281
Less: Cumulative preferred stock dividend	(3)	-	(10)	-	(10)	-
Net earnings (loss) available to common shareholders	374	377	488	498	271	281
Weighted average shares — basic	154,564,136	154,564,136	143,688,749	143,688,749	148,350,273	148,350,273
Dilutive stock options		1,828,746		1,167,922		2,559,268
Dilutive restricted stock units		425,385		172,246		504,439
Assumed conversion of preferred stock		1,553,925		12,086,604		12,057,893
Weighted average shares — diluted	154,564,136	158,372,192	143,688,749	157,115,521	148,350,273	163,471,873
Per share						
Earnings (loss) from continuing operations	2.73	2.69	3.37	3.14	2.44	2.27
Earnings (loss) from discontinued operations	(0.31)	(0.31)	0.03	0.03	(0.61)	(0.55)
Net earnings (loss)	2.42	2.38	3.40	3.17	1.83	1.72

Securities that were not included in the computation of diluted net earnings per share as their effect would have been antidilutive are as follows:

	Year Ended December 31,		
	2010	2009	2008
Stock options	575,266	2,433,515	2,298,159
Restricted stock units	74,166	302,635	90,625
Total	649,432	2,736,150	2,388,784

28. Ticona Kelsterbach Plant Relocation

In November 2006, the Company finalized a settlement agreement with the Frankfurt, Germany Airport ("Fraport") to relocate the Kelsterbach, Germany Ticona operations, included in the Advanced Engineered Materials segment, resolving several years of legal disputes related to the planned Fraport expansion. As a result of the settlement, the Company will transition Ticona's operations from Kelsterbach to the Hoechst Industrial Park in the Rhine Main area in Germany. Under the original agreement, Fraport agreed to pay the Company a total of €670 million over a five-year period to offset costs associated with the transition of the operations from its current location and the closure of the Kelsterbach plant. The Company subsequently decided to expand the scope of the new production facilities.

In February 2009, the Company announced the Fraport supervisory board approved the acceleration of the 2009 and 2010 payments of €200 million and €140 million, respectively, required by the settlement agreement signed in June 2007. In February 2009, the Company received a discounted amount of €322 million ($412 million) underthis agreement. In addition, the Company received €59 million ($75 million) in value-added tax from Fraport which was remitted to the tax authorities in April 2009. Amounts received from Fraport are accounted for as deferred proceeds and are included in noncurrent Other liabilities in the consolidated balance sheets. The Kelsterbach, Germany Ticona operations are included in the Advanced Engineered Materials segment.

A summary of the financial statement impact associated with the Ticona Kelsterbach plant relocation is as follows:

	Year Ended December 31,		Total From Inception Through December 31,
	2010	2009	2010
	(In $ millions)		
Proceeds received from Fraport	-	412	749
Costs expensed	26	16	59
Costs capitalized	305 [1]	373 [1]	921
Lease buyout	22 [2]	-	22

[1] Includes decrease in accrued capital expenditures of $7 million for the year ended December 31, 2010, and an increase of $22 million for the year ended December 31, 2009.

[2] Buyout of building capital lease in anticipation of Kelsterbach relocation.

29. Insurance Recoveries

Due to certain events in October 2008 and subsequent periodic cessations of production of the Company's specialty polymers products produced at its EVA Performance Polymers facility in Edmonton, Alberta, Canada, the Company declared two events of force majeure. During 2009, the Company replaced long-lived assets damaged in October 2008. As a result of these events and subsequent periodic cessation of production, the Company recorded $25 million and $10 million of insurance recoveries during the year ended December 31, 2010 and 2009, respectively, in the Company's Industrial Specialties segment. These amounts were partially offset by $7 million and $10 million, respectively, recorded as a charge by the Company's Captives included in the Other Activities segment. The net insurance recoveries of $18 million recorded during the year ended December 31, 2010 consisted of $8 million related to property damage and $10 million related to business interruption. The net insurance recoveries are included in Other (charges) gains, net in the consolidated statements of operations (Note 17).

In May 2007, the Company announced that it had an unplanned outage at its Clear Lake, Texas acetic acid facility. At that time, the Company originally expected the outage to last until the end of May. Upon restart of the facility, additional operating issues were identified which necessitated an extension of the outage for further, more extensive repairs. In July 2007, the Company announced that the further repairs were unsuccessful on restart of the unit. All repairs were completed in early August 2007 and normal production capacity resumed. During the years ended December 31, 2010, 2009 and 2008, the Company recorded $0 million, $6 million and $38 million, respectively, of insurance recoveries from its reinsurers in partial satisfaction of claims that the Company made based on losses resulting from the outage. These insurance recoveries are included in Other (charges) gains, net in the consolidated statements of operations (Note 17).

30. Consolidating Guarantor Financial Information

In September 2010, the Company completed the issuance of the Notes (Note 13) by Celanese US (the "Issuer"). The Notes are guaranteed by Celanese Corporation (the "Parent Guarantor") and substantially all of its US subsidiaries (the "Subsidiary Guarantors"). For cash management purposes, the Company transfers cash between Parent Guarantor, Issuer, Subsidiary Guarantors and non-guarantors through intercompany financing arrangements or

declaration of dividends between the respective parent and its subsidiaries. The transfer of cash under these activities facilitates the ability of the recipient to make specified third-party payments. As a result, the Company presents such intercompany financing activities and dividends within the category where the ultimate use of cash to third parties is presented in the accompanying consolidated statements of cash flows. The consolidating financial statements for the Parent Guarantor, the Issuer, the Subsidiary Guarantors and the non-guarantors are as follows:

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2010					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions)					
Net sales	-	-	2,277	4,570	(929)	5,918
Cost of sales	-	-	(1,704)	(3,976)	942	(4,738)
Gross profit	-	-	573	594	13	1,180
Selling, general and administrative expenses	-	-	(183)	(322)	-	(505)
Amortization of intangible assets	-	-	(14)	(47)	-	(61)
Research and development expenses	-	-	(42)	(28)	-	(70)
Other (charges) gains, net	-	-	68	(114)	-	(46)
Foreign exchange gain (loss), net	-	-	-	(3)	-	(3)
Gain (loss) on disposition of businesses and assets, net	-	-	3	5	-	8
Operating profit	-	-	405	85	13	503
Equity in net earnings (loss) of affiliates	407	551	153	126	(1,069)	168
Interest expense	-	(173)	(38)	(46)	53	(204)
Refinancing expense	-	(16)	-	-	-	(16)
Interest income	-	21	30	9	(53)	7
Dividend income — cost investments	-	-	-	73	-	73
Other income (expense), net	(27)	2	(52)	84	-	7
Earnings (loss) from continuing operations before tax	380	385	498	331	(1,056)	538
Income tax (provision) benefit	(3)	22	(91)	(38)	(2)	(112)
Earnings (loss) from continuing operations	377	407	407	293	(1,058)	426
Earnings (loss) from operation of discontinued operations	-	-	(78)	(2)	-	(80)
Gain (loss) on disposal of discontinued operations	-	-	2	-	-	2
Income tax (provision) benefit from discontinued operations	-	-	28	1	-	29
Earnings (loss) from discontinued operations	-	-	(48)	(1)	-	(49)
Net earnings (loss)	377	407	359	292	(1,058)	377
Net (earnings) loss attributable to noncontrolling interests	-	-	-	-	-	-
Net earnings (loss) attributable to Celanese Corporation	377	407	359	292	(1,058)	377

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2009					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions) (As Adjusted, Note 4)					
Net sales	-	-	2,046	3,986	(950)	5,082
Cost of sales	-	-	(1,443)	(3,578)	942	(4,079)
Gross profit	-	-	603	408	(8)	1,003
Selling, general and administrative expenses	-	-	(176)	(298)	-	(474)
Amortization of intangible assets	-	-	(12)	(65)	-	(77)
Research and development expenses	-	-	(41)	(29)	-	(70)
Other (charges) gains, net	-	-	(1)	(135)	-	(136)
Foreign exchange gain (loss), net	-	-	-	2	-	2
Gain (loss) on disposition of businesses and assets, net	-	-	6	26	10	42
Operating profit	-	-	379	(91)	2	290
Equity in net earnings (loss) of affiliates	491	523	72	86	(1,073)	99
Interest expense	-	(169)	(44)	(47)	53	(207)
Interest income	-	24	27	10	(53)	8
Dividend income — cost investments	-	-	38	19	-	57
Other income (expense), net	-	4	(2)	2	-	4
Earnings (loss) from continuing operations before tax	491	382	470	(21)	(1,071)	251
Income tax (provision) benefit	7	109	276	(149)	-	243
Earnings (loss) from continuing operations	498	491	746	(170)	(1,071)	494
Earnings (loss) from operation of discontinued operations	-	-	-	6	-	6
Gain (loss) on disposal of discontinued operations	-	-	-	-	-	-
Income tax (provision) benefit from discontinued operations	-	-	-	(2)	-	(2)
Earnings (loss) from discontinued operations	-	-	-	4	-	4
Net earnings (loss)	498	491	746	(166)	(1,071)	498
Net (earnings) loss attributable to noncontrolling interests	-	-	-	-	-	-
Net earnings (loss) attributable to Celanese Corporation	498	491	746	(166)	(1,071)	498

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31, 2008					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions) (As Adjusted, Note 4)					
Net sales	-	-	2,732	5,306	(1,215)	6,823
Cost of sales	-	-	(2,141)	(4,621)	1,195	(5,567)
Gross profit	-	-	591	685	(20)	1,256
Selling, general and administrative expenses	-	-	(250)	(307)	12	(545)
Amortization of intangible assets	-	-	(12)	(64)	-	(76)
Research and development expenses	-	-	(46)	(29)	-	(75)
Other (charges) gains, net	-	-	(32)	(76)	-	(108)
Foreign exchange gain (loss), net	-	-	-	(4)	-	(4)
Gain (loss) on disposition of businesses and assets, net	-	-	(6)	(2)	-	(8)
Operating profit	-	-	245	203	(8)	440
Equity in net earnings (loss) of affiliates	265	343	217	149	(802)	172
Interest expense	-	(210)	(88)	(76)	113	(261)
Interest income	-	57	47	40	(113)	31
Dividend income — cost investments	-	-	33	15	-	48
Other income (expense), net	-	1	(9)	11	-	3
Earnings (loss) from continuing operations before tax	265	191	445	342	(810)	433
Income tax (provision) benefit	16	74	(94)	(62)	3	(63)
Earnings (loss) from continuing operations	281	265	351	280	(807)	370
Earnings (loss) from operation of discontinued operations	-	-	(118)	(2)	-	(120)
Gain (loss) on disposal of discontinued operations	-	-	-	6	-	6
Income tax (provision) benefit from discontinued operations	-	-	26	(2)	-	24
Earnings (loss) from discontinued operations	-	-	(92)	2	-	(90)
Net earnings (loss)	281	265	259	282	(807)	280
Net (earnings) loss attributable to noncontrolling interests	-	-	-	1	-	1
Net earnings (loss) attributable to Celanese Corporation	281	265	259	283	(807)	281

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of December 31, 2010					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions)					
ASSETS						
Current assets						
Cash and cash equivalents	-	-	128	612	-	740
Trade receivables — third party and affiliates	-	-	246	672	(91)	827
Non-trade receivables	-	10	1,400	515	(1,672)	253
Inventories	-	-	164	484	(38)	610
Deferred income taxes	-	25	33	34	-	92
Marketable securities, at fair value	-	-	77	1	-	78
Assets held for sale	-	-	9	-	-	9
Other assets	-	48	33	43	(65)	59
Total current assets	-	83	2,090	2,361	(1,866)	2,668
Investments in affiliates	903	3,721	1,413	530	(5,729)	838
Property, plant and equipment, net	-	-	650	2,367	-	3,017
Deferred income taxes	-	19	404	20	-	443
Marketable securities, at fair value	-	-	-	-	-	-
Other assets	-	614	125	389	(839)	289
Goodwill	-	-	297	477	-	774
Intangible assets, net	-	-	79	173	-	252
Total assets	903	4,437	5,058	6,317	(8,434)	8,281
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Short-term borrowings and current installments of long-term debt — third party and affiliates	-	1,227	137	190	(1,326)	228
Trade payables — third party and affiliates	-	-	249	515	(91)	673
Other liabilities	-	87	385	544	(420)	596
Deferred income taxes	-	-	-	28	-	28
Income taxes payable	(26)	(309)	314	39	(1)	17
Total current liabilities	(26)	1,005	1,085	1,316	(1,838)	1,542
Long-term debt	-	2,498	980	346	(834)	2,990
Deferred income taxes	-	-	-	116	-	116
Uncertain tax positions	3	17	28	225	-	273
Benefit obligations	-	-	1,230	129	-	1,359
Other liabilities	-	14	123	954	(16)	1,075
Total Celanese Corporation shareholders' equity	926	903	1,612	3,231	(5,746)	926
Noncontrolling interests	-	-	-	-	-	-
Total shareholders' equity	926	903	1,612	3,231	(5,746)	926
Total liabilities and shareholders' equity	903	4,437	5,058	6,317	(8,434)	8,281

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of December 31, 2009					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions) (As Adjusted, Note 4)					
ASSETS						
Current assets						
Cash and cash equivalents	5	-	520	729	-	1,254
Trade receivables — third party and affiliates	-	-	274	602	(155)	721
Non-trade receivables	-	13	913	509	(1,173)	262
Inventories	-	-	148	415	(41)	522
Deferred income taxes	-	-	32	11	(1)	42
Marketable securities, at fair value	-	-	2	1	-	3
Assets held for sale	-	-	-	2	-	2
Other assets	-	12	25	59	(46)	50
Total current assets	5	25	1,914	2,328	(1,416)	2,856
Investments in affiliates	574	3,282	1,316	465	(4,845)	792
Property, plant and equipment, net	-	-	634	2,163	-	2,797
Deferred income taxes	12	40	375	57	-	484
Marketable securities, at fair value	-	-	80	-	-	80
Other assets	-	614	133	413	(849)	311
Goodwill	-	-	284	514	-	798
Intangible assets, net	-	-	60	234	-	294
Total assets	591	3,961	4,796	6,174	(7,110)	8,412
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Short-term borrowings and current installments of long-term debt — third party and affiliates	-	768	141	230	(897)	242
Trade payables — third party and affiliates	-	-	261	543	(155)	649
Other liabilities	-	98	343	486	(316)	611
Deferred income taxes	-	-	(6)	39	-	33
Income taxes payable	3	(297)	284	86	(4)	72
Total current liabilities	3	569	1,023	1,384	(1,372)	1,607
Long-term debt	-	2,756	989	358	(844)	3,259
Deferred income taxes	-	-	-	137	-	137
Uncertain tax positions	2	18	19	190	-	229
Benefit obligations	-	-	1,167	121	-	1,288
Other liabilities	-	44	176	1,105	(19)	1,306
Total Celanese Corporation shareholders' equity	586	574	1,422	2,879	(4,875)	586
Noncontrolling interests	-	-	-	-	-	-
Total shareholders' equity	586	574	1,422	2,879	(4,875)	586
Total liabilities and shareholders' equity	591	3,961	4,796	6,174	(7,110)	8,412

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	As of December 31, 2010					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions)					
Net cash provided by (used in) operating activities	(42)	-	49	445	-	452
Investing activities from continuing operations						
Capital expenditures on property, plant and equipment	-	-	(88)	(113)	-	(201)
Acquisitions, net of cash acquired	-	-	(46)	-	-	(46)
Proceeds from sale of businesses and assets, net	-	-	4	22	-	26
Capital expenditures related to Ticona Kelsterbach plant relocation	-	-	-	(312)	-	(312)
Other, net	-	-	(6)	(21)	-	(27)
Net cash provided by (used in) investing activities	-	-	(136)	(424)	-	(560)
Financing activities from continuing operations						
Short-term borrowings (repayments), net	-	-	3	(19)	-	(16)
Proceeds from long-term debt	-	600	-	-	-	600
Repayments of long-term debt	-	(827)	(2)	(68)	-	(897)
Refinancing costs	-	(24)	-	-	-	(24)
Proceeds (repayments) from intercompany financing activities	-	251	(218)	(33)	-	-
Purchases of treasury stock, including related fees	(48)	-	-	-	-	(48)
Dividends from subsidiary	86	86	-	-	(172)	-
Dividends to parent	-	(86)	(86)	-	172	-
Stock option exercises	14	-	-	-	-	14
Series A common stock dividends	(28)	-	-	-	-	(28)
Preferred stock dividends	(3)	-	-	-	-	(3)
Other, net	16	-	(2)	-	-	14
Net cash provided by (used in) financing activities	37	-	(305)	(120)	-	(388)
Exchange rate effects on cash and cash equivalents	-	-	-	(18)	-	(18)
Net increase (decrease) in cash and cash equivalents	(5)	-	(392)	(117)	-	(514)
Cash and cash equivalents at beginning of period	5	-	520	729	-	1,254
Cash and cash equivalents at end of period	-	-	128	612	-	740

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2009					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions) (As Adjusted, Note 4)					
Net cash provided by (used in) operating activities	-	-	298	298	-	596
Investing activities from continuing operations						
Capital expenditures on property, plant and equipment	-	-	(58)	(118)	-	(176)
Acquisitions, net of cash acquired	-	-	-	(9)	-	(9)
Proceeds from sale of businesses and assets, net	-	-	132	39	-	171
Deferred proceeds on Ticona Kelsterbach plant relocation	-	-	-	412	-	412
Capital expenditures related to Ticona Kelsterbach plant relocation	-	-	-	(351)	-	(351)
Proceeds from sale of marketable securities	-	-	-	15	-	15
Other, net	-	-	(4)	(27)	-	(31)
Net cash provided by (used in) investing activities	-	-	70	(39)	-	31
Financing activities from continuing operations						
Short-term borrowings (repayments), net	-	-	(4)	(5)	-	(9)
Proceeds from long-term debt	-	-	-	-	-	-
Repayments of long-term debt	-	(28)	(16)	(36)	-	(80)
Refinancing costs	-	(3)	-	-	-	(3)
Proceeds (repayments) from intercompany financing activities	-	31	(31)	-	-	-
Dividends from subsidiary	24	24	4	-	(52)	-
Dividends to parent	-	(24)	(24)	(4)	52	-
Stock option exercises	14	-	-	-	-	14
Series A common stock dividends	(23)	-	-	-	-	(23)
Preferred stock dividends	(10)	-	-	-	-	(10)
Other, net	-	-	(1)	-	-	(1)
Net cash provided by (used in) financing activities	5	-	(72)	(45)	-	(112)
Exchange rate effects on cash and cash equivalents	-	-	-	63	-	63
Net increase (decrease) in cash and cash equivalents	5	-	296	277	-	578
Cash and cash equivalents at beginning of period	-	-	224	452	-	676
Cash and cash equivalents at end of period	5	-	520	729	-	1,254

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2008					
	Parent Guarantor	Issuer	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
	(In $ millions) (As Adjusted, Note 4)					
Net cash provided by (used in) operating activities	7	-	229	350	-	586
Investing activities from continuing operations						
Capital expenditures on property, plant and equipment	-	-	(100)	(174)	-	(274)
Proceeds from sale of businesses and assets, net	-	-	4	5	-	9
Deferred proceeds on Ticona						
Kelsterbach plant relocation	-	-	-	311	-	311
Capital expenditures related to Ticona plant relocation	-	-	-	(185)	-	(185)
Proceeds from sale of marketable securities	-	-	-	202	-	202
Purchases of marketable securities	-	-	-	(91)	-	(91)
Distributions from subsidiary	-	93	-	-	(93)	-
Distributions to parent	-	-	(93)	-	93	-
Settlement of cross currency swap agreements	-	(93)	-	-	-	(93)
Other, net	-	-	(33)	(47)	-	(80)
Net cash provided by (used in) investing activities	-	-	(222)	21	-	(201)
Financing activities from continuing operations						
Short-term borrowings (repayments), net	-	-	5	(69)	-	(64)
Proceeds from long-term debt	-	-	-	13	-	13
Repayments of long-term debt	-	(29)	(1)	(17)	-	(47)
Proceeds (repayments) from intercompany financing activities	-	29	282	(311)	-	-
Purchases of treasury stock, including related fees	(378)	-	-	-	-	(378)
Dividends from subsidiary	359	359	-	-	(718)	-
Dividends to parent	-	(359)	(359)	-	718	-
Stock option exercises	18	-	-	-	-	18
Series A common stock dividends	(24)	-	-	-	-	(24)
Preferred stock dividends	(10)	-	-	-	-	(10)
Other, net	(6)	-	(1)	-	-	(7)
Net cash provided by (used in) financing activities	(41)	-	(74)	(384)	-	(499)
Exchange rate effects on cash and cash equivalents	-	-	-	(35)	-	(35)
Net increase (decrease) in cash and cash equivalents	(34)	-	(67)	(48)	-	(149)
Cash and cash equivalents at beginning of period	34	-	291	500	-	825
Cash and cash equivalents at end of period	-	-	224	452	-	676

31. Subsequent Events

On January 6, 2011, the Company declared a cash dividend of $0.05 per share on its Series A common stock amounting to $8 million. The cash dividend was for the period from November 2, 2010 to January 31, 2011 and was paid on February 1, 2011 to holders of record as of January 18, 2011.

In January 2011, the Company signed letters of intent for projects to construct and operate industrial ethanol production facilities in Nanjing, China, at the Nanjing Chemical Industrial Park, and in Zhuhai, China, at the Gaolan Port Economic Zone. The Company also signed a memorandum of understanding with Wison (China) Holding Co., Ltd., a Chinese synthesis gas supplier, for production of certain feedstocks used in our advanced ethanol production process.

On January 24, 2011 and February 7, 2011, the Chancery Court for Weakley County, Tennessee entered judgments in the Shelter General Insurance Co., et al. v. Shell Oil Company, et al., No. 16809 and the Dilday, et al. v. Hoechst Celanese Corporation, et al. No. 15187, respectively, dismissing with prejudice all claims against the Company.

INDEX TO EXHIBITS

Exhibits will be furnished upon request for a nominal fee, limited to reasonable expenses.

Exhibit Number	Description
3.1**	Second Amended and Restated Certificate of Incorporation
3.2	Third Amended and Restated By-laws, effective as of October 23, 2008 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on October 29, 2008).
3.3**	Certificate of Designations of 4.25% Convertible Perpetual Preferred Stock.
4.1	Form of certificate of Series A Common Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 (File No. 333-120187) filed with the SEC on January 13, 2005).
4.2	Form of certificate of 4.25% Convertible Perpetual Preferred Stock (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-1 (File No. 333-120187) filed with the SEC on January 13, 2005).
4.3	Indenture, dated September 24, 2010, by and among Celanese US Holdings LLC, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on September 29, 2010).
10.1	Registration Rights Agreement, dated September 24, 2010, among Celanese US Holdings LLC, the guarantors party thereto, and the initial purchasers listed therein (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on September 29, 2010).
10.2†	Credit Agreement, dated April 2, 2007, among Celanese Holdings LLC, Celanese US Holdings LLC, the subsidiaries of Celanese US Holdings LLC from time to time party thereto as borrowers, the Lenders party thereto, Deutsche Bank AG, New York Branch, as administrative agent and as collateral agent, Merrill Lynch Capital Corporation as syndication agent, ABN AMRO Bank N.V., Bank of America, N.A., Citibank NA, and JP Morgan Chase Bank NA, as co-documentation agents (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on May 28, 2010).
10.3	First Amendment to Credit Agreement, dated June 30, 2009, among Celanese US Holdings LLC and the Majority Lenders under the Revolving Facility (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on July 1, 2009).
10.4	Amendment Agreement, dated September 29, 2010 among Celanese Corporation, Celanese US Holdings LLC, certain subsidiaries of Celanese US Holdings LLC, the lenders party thereto, Deutsche Bank AG, New York Branch, as administrative agent and as collateral agent, and Deutsche Bank Securities LLC and Banc of Americas Securities LLC as joint lead arrangers and joint book runners (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on September 29, 2010).
10.5	Amended and Restated Credit Agreement, dated September 29, 2010 among Celanese Corporation, Celanese US Holdings LLC, the subsidiaries of Celanese US Holdings LLC from time to time party thereto as borrowers and guarantors, Deutsche Bank AG, New York Branch, as administrative agent and collateral agent, Deutsche Bank Securities LLC and Banc of Americas Securities LLC as joint lead arrangers and joint book runners, HSBC Securities (USA) Inc., JPMorgan Chase Bank, N.A., and The Royal Bank of Scotland PLC, as Co-Documentation Agents, the other lenders party thereto, and certain other agents for such lenders (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on September 29, 2010).
10.6	Guarantee and Collateral Agreement, dated April 2, 2007, by and among Celanese Holdings LLC, Celanese US Holdings LLC, certain subsidiaries of Celanese US Holdings LLC and Deutsche Bank AG, New York Branch (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on May 28, 2010).
10.7	Celanese Corporation 2004 Deferred Compensation Plan (incorporated by reference to Exhibit 10.21 to the Registration Statement on Form S-1 (File No. 333-120187) filed with the SEC on January 3, 2005).
10.7(a)	Amendment to Celanese Corporation 2004 Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on April 3, 2007).

Exhibit Number	Description
10.7(b)	Form of 2007 Deferral Agreement between Celanese Corporation and award recipient, (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 3, 2007).
10.8**	Celanese Corporation 2004 Stock Incentive Plan.
10.8(a)**	Form of Nonqualified Stock Option Agreement (for employees) between Celanese Corporation and award recipient.
10.8(b)	Form of Amendment to Nonqualified Stock Option Agreement (for employees) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.5(b) to the Annual Report on Form 10-K filed with the SEC on February 12, 2010).
10.8(c)	Form of Amendment Two to Nonqualified Stock Option Agreement (for executive officers) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.8(d)**	Form of Nonqualified Stock Option Agreement (for non-employee directors) between Celanese Corporation and award recipient.
10.8(e)	Form of Performance-Based Restricted Stock Unit Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on May 28, 2010).
10.8(f)	Form of Restricted Stock Unit Agreement (for non-employee directors) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on July 27, 2007).
10.8(g)	Form of Performance-Vesting Restricted Stock Unit Award Agreement between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.8(h)	Performance Unit Award Agreement, dated December 11, 2008, between Celanese Corporation and David N. Weidman (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.8(i)	Form of Time-Vesting Cash Award Agreement (for employees) between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between the Company and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.9	Celanese Corporation 2008 Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to the Annual Report on Form 10-K filed on February 29, 2008).
10.9(a)	Amendment Number One to Celanese Corporation 2008 Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-8 filed with the SEC on April 23, 2009).
10.10	Celanese Corporation 2009 Global Incentive Plan (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-8 filed with the SEC on April 23, 2009).
10.10(a)	Form of Time-Vesting Restricted Stock Unit Award Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.10(b)	Form of Performance-Vesting Restricted Stock Unit Award Agreement between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.10(c)	Form of Nonqualified Stock Option Award Agreement between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).

Exhibit Number	Description
10.10(d)	Form of Long-Term Incentive Cash Award Agreement, together with a schedule identifying substantially identical agreements between the Company and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.8 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.10(e)	Time-Vesting Restricted Stock Unit Agreement, dated April 23, 2009, between Celanese Corporation and Gjon N. Nivica, Jr. (incorporated by reference to Exhibit 10.10 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.10(f)	Form of Time-Vesting Restricted Stock Unit Award Agreement (for non-employee directors) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.8 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.10(g)	Form of Performance-Vesting Restricted Stock Unit Award Agreement) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on September 13, 2010).
10.10(h)	Form of Time-Vesting Restricted Stock Unit Award Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on September 13, 2010).
10.10(i)	Form of Nonqualified Stock Option Award Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on September 13, 2010).
10.11	Celanese Corporation 2009 Employee Stock Purchase Program (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-8 filed on April 23, 2009).
10.12	Executive Severance Benefits Plan, dated July 21, 2010 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on July 27, 2010).
10.13*	Summary of pension benefits for David N. Weidman (updated to include revisions effective after the summary was first filed as Exhibit 10.34 to the Annual Report on Form 10-K filed with the SEC on March 31, 2005).
10.14	Compensation Letter Agreement, dated March 27, 2007 between Celanese Corporation and Jim Alder (incorporated by reference to Exhibit 10.31 to the Annual Report on Form 10-K filed with the SEC on February 29, 2008).
10.15	Offer Letter, dated February 25, 2009, between Celanese Corporation and Gjon N. Nivica, Jr. (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed with the SEC on April 28, 2009).
10.16†	Offer Letter, dated November 18, 2009, between Celanese Corporation and Jacquelyn H. Wolf (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed with the SEC on May 28, 2010).
10.17	Agreement and General Release, dated March 28, 2008, between Celanese Corporation and William P. Antonace (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q filed with the SEC on October 22, 2008).
10.18	Agreement and General Release, dated September 25, 2008, between Celanese Corporation and Curtis S. Shaw (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on October 22, 2008).
10.19	Agreement and General Release, dated March 5, 2009, between Celanese Corporation and John J. Gallagher, III (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 5, 2009).
10.20	Restated Agreement and General Release, dated June 3, 2009, between Celanese Corporation and Miguel A. Desdin (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed with the SEC on May 28, 2010).
10.21	Agreement and General Release, dated August 3, 2009, between Celanese Corporation and John A. O'Dwyer (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on October 27, 2009).

Exhibit Number	Description
10.22	Agreement and General Release, dated November 16, 2009, between Celanese Corporation and Michael L. Summers (incorporated by reference to Exhibit 10.19 to the Annual Report on Form 10-K filed with the SEC on February 12, 2010).
10.23	Agreement and General Release, dated April 23, 2010, between Celanese Corporation and Sandra Beach Lin (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 27, 2010).
10.24	Change in Control Agreement, dated April 1, 2008, between Celanese Corporation and David N. Weidman, together with a schedule identifying other substantially identical agreements between Celanese Corporation and each of its name executive officers identified thereon and identifying the material differences between each of those agreements and the filed Changed of Control Agreement (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on April 7, 2008).
10.25	Change in Control Agreement, dated April 1, 2008 between Celanese Corporation and Sandra Beach Lin, together with a schedule identifying other substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon and identifying the material differences between each of those agreements and the filed Change of Control Agreement (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on April 23, 2008).
10.26	Change in Control Agreement, dated May 1, 2008, between Celanese Corporation and Christopher W. Jensen (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on July 23, 2008).
10.27	Form of Change in Control Agreement between Celanese Corporation and participant, together with a schedule of substantially identical agreements between Celanese Corporation and the individuals identified thereon (incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2010).
10.28	Form of Long-Term Incentive Claw-Back Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.29*	Summary of Non-Employee Director Compensation
10.30**	Share Purchase and Transfer Agreement and Settlement Agreement, dated August 19, 2005 between Celanese Europe Holding GmbH & Co. KG, as purchaser, and Paulson & Co. Inc., and Arnhold and S. Bleichroeder Advisers, LLC, each on behalf of its own and with respect to shares owned by the investment funds and separate accounts managed by it, as the sellers.
10.31	Translation of Letter of Intent, dated November 29, 2006, among Celanese AG, Ticona GmbH and Fraport AG (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed November 29, 2006).
10.32†	Purchase Agreement dated as of December 12, 2006 by and among Celanese Ltd. and certain of its affiliates named therein and Advent Oxo (Cayman) Limited, Oxo Titan US Corporation, Drachenfelssee 520. V V GMBH and Drachenfelssee 521. V V GMBH (incorporated by reference to Exhibit 10.27 to the Annual Report on Form 10-K filed on February 21, 2007).
10.32(a)	First Amendment to Purchase Agreement dated February 28, 2007, by and among Advent Oxea Cayman Ltd., Oxea Corporation, Drachenfelssee 520. V V GmbH, Drachenfelssee 521. V V GmbH, Celanese Ltd., Ticona Polymers Inc. and Celanese Chemicals Europe GmbH (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q filed on May 9, 2007).
10.32(b)	Second Amendment to Purchase Agreement effective as of July 1, 2007 by and among Advent Oxea Cayman Ltd., Oxea Corporation, Oxea Holdings GmbH, Oxea Deutschland GmbH, Oxea Bishop, LLC, Oxea Japan KK, Oxea UK Ltd., Celanese Ltd., and Celanese Chemicals Europe GmbH (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on October 24, 2007).
21.1*	List of subsidiaries of Celanese Corporation
23.1*	Consent of Independent Registered Public Accounting Firm of Celanese Corporation, KPMG LLP
23.2*	Consent of Independent Auditors of CTE Petrochemicals Company, Deloitte & Touche LLP

Exhibit Number	Description
23.3*	Consent of Independent Auditors of National Methanol Company, Deloitte & Touche Bakr Abulkhair & Co.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1*	Audited financial statements as of December 31, 2010 and 2009 and for each of the years in the three year period ended December 31, 2010 for CTE Petrochemicals Company
99.2*	Audited financial statements as of December 31, 2010 and 2009 and for each of the years in the three year period ended December 31, 2010 for National Methanol Company
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Refiled herewith solely for the purpose of complying with Item 10(d) of Regulation S-K.

† Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the SEC under Rule 24b-2 of the Securities Exchange Act of 19034, as amended. The omitted portions of this exhibit have been separately filed with the SEC.

Undertaking Regarding Furnishing Additional Documents

The Company agrees to furnish to the SEC, upon its request, the instruments not filed herewith with respect to the Company's senior unsecured notes due 2018 that were issued in a private placement conducted pursuant to Rule 144A under the Securities Act of 1933, as amended, on September 24, 2010, and which are discussed in Note 13 to the accompanying consolidated financial statements included in this Annual Report on Form 10-K.

Exhibit 3.1

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

CELANESE CORPORATION

The undersigned, David N. Weidman, certifies that he is the Chief Executive Officer and President of Celanese Corporation, a corporation organized and existing under the laws of Delaware, and does hereby further certify as follows:

(1) The name of the Corporation is Celanese Corporation (the " Corporation "). The original Certificate of Incorporation of the Corporation was filed with the Secretary of the State of Delaware on November 3, 2004.

(2) The name under which the Corporation was originally incorporated is: Celanese Corporation.

(3) An Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on January 18, 2005.

(4) This Second Amended and Restated Certificate of Incorporation amends and restates the Certificate of the Incorporation of the Corporation.

(5) This Second Amended and Restated Certificate of Incorporation has been duly adopted in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the " DGCL ").

(6) This Second Amended and Restated Certificate of Incorporation will be effective upon its filing with the Secretary of State of the State of Delaware.

(7) Pursuant to Sections 228, 242 and 245 of the DGCL, the text of the Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety as follows:

ARTICLE I

SECTION 1.1. Name . The name of the Corporation (the " Corporation ") is: Celanese Corporation.

ARTICLE II

SECTION 2.1. Address . The registered office in the State of Delaware is the Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is the Corporation Trust Company.

ARTICLE III

SECTION 3.1. Purpose . The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the " DGCL ").

ARTICLE IV

SECTION 4.1. Capitalization . (a) The total number of shares of stock that the Corporation is authorized to issue is 600,000,000 shares, consisting of (i) 500,000,000 shares of Common Stock, par value $0.0001 per share, of which 400,000,000 shares shall be designated Series A Common Stock (" Series A Common Stock ") and 100,000,000 shares shall be designated Series B Common Stock (" Series B Common Stock " and, with the Series A Common Stock, the " Common Stock "), and (ii) 100,000,000 shares of Preferred Stock, par value $0.01 per share (" Preferred Stock ").

(b) Upon the filing of this Second Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the " Stock Split Effective Time ") each share of Series B Common Stock outstanding immediately prior thereto (" Old Series B Common Stock "), shall automatically, without further action on the part of the Corporation or any holder of such Old Series B Common Stock, be reclassified as and shall become 152.772947 validly issued, fully paid and nonassessable shares of Series B Common Stock, as constituted following the Stock Split Effective Time. The reclassification of the Old Series B Common Stock into such new number of shares of Series B Common Stock will be deemed to occur at the Stock Split Effective Time, regardless of when any certificates previously representing such shares of Old Series B Common Stock (if such shares are held in certificated form) are physically surrendered to the Corporation in exchange for certificates representing such new number of shares of Series B Common Stock. After the Stock Split Effective Time, certificates previously representing shares of Old Series B Common Stock (if such shares are held in certificated form) will, until such shares are surrendered to the Corporation in exchange for certificates representing such new number of shares of Series B Common Stock, represent the number of Series B Common Stock into which such shares of Old Series B Common Stock shall have been reclassified pursuant to this Section 4.1(b). Notwithstanding anything in this Section 4.1(b) to the contrary, in any case in which the reclassification of shares of Old Series B Common Stock into shares of Series B Common Stock would otherwise result in any holder of Series B Common Stock holding a fractional share, the Corporation shall, in lieu of issuing any such fractional share, pay the holder of Series B Common Stock the fair value of such fraction and such fair value shall be determined by multiplying such fraction of a share by $16.

SECTION 4.2. Preferred Stock . The Board of Directors is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, conversion, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series, as are not inconsistent with this Second Amended and Restated Certificate of Incorporation or any amendment hereto, and as may be permitted by the DGCL. The powers,

preferences and relative, participating, conversion, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

SECTION 4.3. Common Stock .

(a) General . Except as provided in this Section 4.3 or as otherwise required by the DGCL, all shares of Series A Common Stock and the Series B Common Stock shall have the same powers, privileges, preferences and relative participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, and shall be identical to each other in all respects.

(b) Dividends . (i) Except for the Mandatory Dividends or as otherwise required by the DGCL, in any circumstance where the Corporation may declare dividends or otherwise make distributions (including, without limitation, any distribution on liquidation, dissolution or winding-up of the Corporation) on either the Series A Common Stock or Series B Common Stock, the Corporation shall declare the same per share dividends or make the same per share distributions, as the case may be, on the other series of Common Stock; *provided* , *however* , that if any such dividends or distributions are declared with respect to the Series B Common Stock in the form of additional shares of Series B Common Stock, such dividends or distributions shall be made with respect to the Series A Common Stock in the form of an equivalent number of shares of Series A Common Stock. Subject to applicable law and rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having preference over the right to participate with the Common Stock with respect to the payment of dividends and except as provided in Section 4.3(b)(ii), dividends may be declared and paid on the Common Stock out of the assets of the Corporation which are by law available therefor at such times and in such amounts as the Board of Directors in its discretion shall determine.

(ii) Series B Common Stock . The holders of the Series B Common Stock shall be entitled to receive, and the Board of Directors of the Corporation shall declare (subject only to the legal availability of funds for the payment thereof) at any time on or after January 24, 2005, the following mandatory dividends on the Series B Common Stock (collectively, the " Mandatory Dividends "), each payable on a pro rata basis with respect to the then-outstanding shares of Series B Common Stock:

(A) On or as soon as practicable after April 7, 2005:

1) an aggregate cash dividend equal to $803,594,144; and

2) an aggregate cash dividend equal to $15.20 multiplied by the number of shares of Series A Common Stock purchased by the underwriters of the initial public offering of the Series A Common Stock contemplated by the prospectus for such offering, dated January 20, 2005, pursuant to the

option granted to such underwriters, under the underwriting agreement related to such offering, to purchase up to 7,500,000 shares of Series A Common Stock (the " Over-Allotment Option "); and

(B) as soon as possible following the expiration of the Over-Allotment Option (which will occur on February 19, 2005) a stock dividend, paid in shares of Series A Common Stock, of an aggregate number of shares of Series A Common Stock equal to (1) 7,500,000 minus (2) the number of shares of Series A Common Stock actually purchased pursuant to the Over-Allotment Option.

For the avoidance of doubt, in no event shall any holder of Series A Common Stock, in its capacity as such, be entitled to receive any portion of the Mandatory Dividends.

(iii) The Corporation shall take all actions required or permitted under the DGCL to permit the payment of the Mandatory Dividends and shall declare and pay such dividends as provided in this Section 4.3(b)(ii) to the extent there are funds legally available therefor.

(c) Voting Rights . Each holder of record of Series A Common Stock and each holder of record of Series B Common Stock shall have one vote for each share of such series of Common Stock that is outstanding in his, her or its name on the books of the Corporation and which is entitled to vote. The holders of record of Series A Common Stock and holders of record of Series B Common Stock shall vote as a single class on all matters, except as otherwise required by law or this Second Amended and Restated Certificate of Incorporation. In the election of directors, each stockholder shall be entitled to cast for any one candidate no greater number of votes than the number of shares held by such stockholder; no stockholder shall be entitled to cumulate votes on behalf of any candidate. Except as otherwise required by law, holders of record of either series of Common Stock, as such, shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Second Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(d) Consent Required for Amendment to Certificate of Incorporation and By-laws . The affirmative vote of the holders of a majority of the outstanding Series B Common Stock, voting separately as a class, shall be required for any amendment, alteration or repeal (including by merger, consolidation or otherwise by operation of law) of any provision of this Second Amended and Restated Certificate of Incorporation or the By-laws of the Corporation that would adversely affect the powers, privileges or rights of the Series B Common Stock or the holders thereof in such capacity (in either case except for changes affecting only those powers,

privileges or rights shared by both series of Common Stock and affecting such powers, privileges or rights equally with respect to both series of Common Stock).

(e) Liquidation, Dissolution or Winding Up . Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over the right to participate with the Common Stock with respect to the distribution of assets of the Corporation upon such dissolution, liquidation or winding up of the Corporation, the holders of Common Stock, shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by such holders. Neither the holders of Series A Common Stock nor the holders of Series B Common Stock shall have any preference over the other in connection with such distribution.

(f) Conversion . (i) At any time and from time to time any holder of Series B Common Stock may, at such holder's option, convert all or any portion of such holder's shares of Series B Common Stock into an equal number of fully paid and nonassessable shares of Series A Common Stock by: (A) if such shares are held in certificated form, delivery and surrender to the Corporation of the certificates representing the shares of Series B Common Stock to be so converted or (B) if such shares are held in book-entry form, delivery of written notice to the Corporation. Any conversion pursuant to this Section 4.3(f)(i) shall be deemed to have been effected at the time of such surrender or delivery of such written notice, as the case may be. Upon such surrender or delivery of written notice pursuant to this Section 4.3(f)(i), the Corporation shall deliver or cause to be delivered to or upon the written order of the record owner of such shares of Series B Common Stock certificates representing the number of fully paid and nonassessable shares of Series A Common Stock into which the shares of Series B Common Stock represented by such surrendered certificates or covered by such written notice, as the case may be, have been converted in accordance with the provisions of this Section 4.3(f)(i).

(ii) Immediately upon the payment in full of the Mandatory Dividends to the holders of Series B Common Stock (the " Conversion Event "), without any action on the part of the Corporation or any holder or holders of Series B Common Stock, each share of Series B Common Stock issued and outstanding immediately prior to the payment of the Mandatory Dividends shall automatically be converted into one fully paid and nonassessable share of Series A Common Stock. Upon the occurrence of a Conversion Event, prompt written notice thereof and of the resulting conversion of the Series B Common Stock shall be given by first class mail, postage prepaid, to each person who immediately prior to the Conversion Event was a holder of record of shares of Series B Common Stock, at such person's address as the same appears on the stock register of the Corporation; *provided, however* , that neither a failure to give such notice nor any defect therein shall affect the effectiveness of the conversion of any shares of Series B Common Stock. Each such notice shall include a statement setting forth the place or places where certificates formerly representing shares of Series B Common Stock (if such shares are held in certificated form) are to be surrendered in accordance with this paragraph. Conversion pursuant to this Section 4.3(f)(ii) shall be deemed to have been effected at the time of the Conversion Event. Immediately upon the occurrence of the Conversion Event, the rights of the holders of shares of Series B Common Stock so converted, as such, shall cease and such holders shall be treated for all

purposes as having become the holders of the shares of Series A Common Stock issuable upon such conversion; *provided* , *however* , that such persons shall be entitled to receive when paid any dividends declared on the Series B Common Stock as of a record date preceding the Conversion Event and unpaid as of the time of the Conversion Event. With respect to shares of Series B Common Stock held in book-entry form, the Corporation shall, as promptly as practicable after the Conversion Event, deliver or cause to be delivered to or upon the written order of the record owner of such shares of Series B Common Stock certificates representing the number of fully paid and nonassessable shares of Series A Common Stock into which such shares of Series B Common Stock have been converted in accordance with the provisions of this Section 4.3(f)(ii). With respect to shares of Series B Common Stock held in certificated form, as promptly as practicable upon the delivery to the Corporation of the certificates formerly representing such shares of Series B Common Stock, the Corporation shall deliver or cause to be delivered to or upon the written order of the record owner of such shares of Series B Common Stock certificates representing the number of fully paid and nonassessable shares of Series A Common Stock into which the shares of Series B Common Stock represented by such surrendered certificates have been converted in accordance with the provisions of this Section 4.3(f)(ii).

(iii) The Corporation will pay any and all documentary, stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Series A Common Stock on the conversion of shares of Series B Common Stock pursuant to this Section 4.3(f); *provided* , *however* , that the Corporation shall not be required to pay any tax which may be payable in respect of any registration of transfer involved in the issue or delivery of shares of Series A Common Stock in a name other than that of the record owner of Series B Common Stock converted or to be converted, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax or has established, to the reasonable satisfaction of the Corporation, that such tax has been paid.

(iv) As long as any shares of Series B Common Stock shall be outstanding, the Corporation shall reserve and keep available out of its authorized but unissued shares of Series A Common Stock, solely for the purpose of effecting the conversion of shares of Series B Common Stock, that number of shares of Series A Common Stock necessary to effect the conversion of all of the then outstanding shares of Series B Common Stock. If at any time, the Board of Directors of the Corporation determines that the number of authorized but unissued shares of Series A Common Stock would be insufficient to effect the conversion of all of the then outstanding shares of Series B Common Stock, the Corporation shall take such action as may be necessary to increase its authorized but unissued shares of Series A Common Stock to such number of shares as shall be sufficient to effect such conversion.

(v) Upon the occurrence of a Conversion Event or a conversion of all or any portion of Series B Common Stock pursuant to Section 4.3(f)(i), the Series B Common Stock so converted shall be cancelled and retired and may not be reissued. Following a Conversion Event or the conversion pursuant to Section 4.3(f)(i) of all outstanding shares of Series B Common Stock and the filing of a certificate of retirement

with the Secretary of State of the State of Delaware in accordance with Section 243 of the DGCL, all references in this Second Amended and Restated Certificate of Incorporation to Common Stock shall be deemed to refer only to the Series A Common Stock.

(g) Preemptive Rights . Neither holders of the Series A Common Stock nor holders of Series B Common Stock shall have preemptive rights.

(h) Restrictions on Issuance . Shares of Series B Common Stock may not be issued by the Corporation to any Person other than Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and BA Capital Investors Sidecar Fund, L.P., or their respective Affiliates, except with the prior written consent of the holders of a majority of the outstanding Series B Common Stock.

(i) Adjustments . In the event that the Corporation shall at any time when any shares of Series B Common Stock are outstanding effect a subdivision, combination or consolidation of the outstanding shares of Series A Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Series A Common Stock, then in each case the Corporation shall, at the same time, effect an equivalent subdivision, combination or consolidation of the outstanding shares of Series B Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Series B Common Stock. In the event that the Corporation shall at any time when any shares of Series A Common Stock are outstanding effect a subdivision, combination or consolidation of the outstanding shares of Series B Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Series B Common Stock, then in each case the Corporation shall, at the same time, effect an equivalent subdivision, combination or consolidation of the outstanding shares of Series A Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Series A Common Stock.

ARTICLE V

SECTION 5.1. By-laws . In furtherance and not in limitation of the powers conferred by the DGCL and subject to Section 4.3(d), the Board of Directors is expressly authorized to make, amend, alter and repeal the By-laws of the Corporation without the assent or vote of the stockholders, in any manner not inconsistent with the laws of the State of Delaware or this Second Amended and Restated Certificate of Incorporation. Notwithstanding anything to the contrary contained in this Second Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least 80% in voting power of all the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend or repeal Sections 2.02, 2.03, 3.02, 3.03, 3.04 or 3.05, or the proviso to Section 9.01, of the By-laws or to adopt any provision inconsistent therewith.

ARTICLE VI

SECTION 6.1. Books and Records . The books and records of the Corporation may be kept (subject to any mandatory requirement of law) outside the State of Delaware at such

place or places as may be designated from time to time by the Board of Directors or by the By-laws of the Corporation.

ARTICLE VII

SECTION 7.1. Board of Directors: Composition. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than seven directors or more than fifteen directors, the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of a majority of the Board of Directors. The directors shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of directors constituting the entire Board of Directors. Class I directors shall be originally elected for a term expiring at the 2005 annual meeting of stockholders, Class II directors shall be originally elected for a term expiring at the 2006 annual meeting of stockholders, and Class III directors shall be originally elected for a term expiring at the 2007 annual meeting of stockholders. At each annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting shall be elected for a term expiring at the third succeeding annual meeting of stockholders. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Elections of directors need not be by written ballot unless the By-laws of the Corporation shall so provide.

SECTION 7.2. Board of Directors: Vacancies. Any newly created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring on the Board of Directors shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, except, for so long as Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and their respective affiliates (collectively, "Blackstone") are the beneficial owners, in the aggregate, of at least 25% in voting power of all shares of capital stock of the Corporation entitled to vote generally in the election of directors, then only the stockholders entitled to vote generally in the election of directors shall be entitled to fill such newly created directorship or vacancy. Except for the filling of directorships by stockholders as provided in the preceding sentence (which shall require only a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors), if any applicable provision of the DGCL expressly confers power on stockholders to fill such a directorship at a special meeting of stockholders, such a directorship may be filled at such meeting only by the affirmative vote of at least 80% of the voting power of all shares of the Corporation entitled to vote generally in the election of directors voting as a single class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

SECTION 7.3. Board of Directors: Removal of Directors . Any or all of the directors (other than the directors elected by the holders of any class or classes of Preferred Stock of the Corporation, voting separately as a class or classes, as the case may be) may be removed at any time either with or without cause by the affirmative vote of a majority in voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting as a single class; *provided* , *however* , if at any time Blackstone no longer is the beneficial owner, in the aggregate, of at least 50.1% in voting power of all shares entitled to vote generally in the election of directors, then any director or the entire Board of Directors may be removed only for cause and only by the affirmative vote of at least 80% in voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting as a single class. For purposes of this Second Amended and Restated Certificate of Incorporation, the "beneficial owner" of shares shall be determined pursuant to Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

SECTION 7.4. Voting Rights of Preferred Stock . (a) Notwithstanding Sections 7.1, 7.2 and 7.3, whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal, filling of vacancies and other features of such directorships shall be governed by the terms of this Second Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article VII unless expressly provided by such terms.

(b) Notwithstanding Section 7.1, during any period when the holders of any series of Preferred Stock have the right to elect additional directors, then upon commencement of the right to elect such directors and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors provided for in the terms of such Preferred Stock, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to such terms, whichever occurs earlier, subject to his or her earlier death, disqualification, resignation or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such Preferred Stock, the terms of office of all such additional directors elected by the holders of such Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

ARTICLE VIII

SECTION 8.1. Meetings of Stockholders .

(a) Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an office or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; *provided* , *however* if at any time Blackstone no longer is the beneficial owner, in the aggregate, of at least 50.1% in voting power of all shares entitled to vote generally in the election of directors, then any action required or permitted to be taken by the holders of the Common Stock of the Corporation must be effected at a duly called annual or special meeting of such holders and may no longer be effected by any consent in writing by such holders.

(b) Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time by the Chairman of the Board, the Board of Directors or a committee of the Board of Directors which has been duly designated by the Board of Directors and whose powers and authority, as provided in a resolution of the Board of Directors or in the By-laws of the Corporation, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

ARTICLE IX

SECTION 9.1. Limitation of Liability . To the fullest extent permitted by the DGCL as the same exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for any liability imposed by law (as in effect from time to time) (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the director derived an improper personal benefit.

SECTION 9.2. Indemnification of Directors, Officers, Employees or Agents . The Corporation shall, to the fullest extent permitted by the DGCL as the same exists or may hereafter be amended, indemnify its directors where such director is made party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal or administrative, by reason of the fact that the person is or was a director of the Corporation. The Corporation may accord to any current or former director, officer, employee or agent of the Corporation the right to, or regulate the manner of providing to any current or former director, officer, employee or agent of the Corporation, indemnification to the fullest extent permitted by the DGCL.

SECTION 9.3. Adjustments; Amendments . If the DGCL is amended after the date of the filing of this Second Amended and Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors or permitting indemnification to a fuller extent, then the liability of a director of the Corporation shall be

eliminated or limited, and indemnification shall be extended, in each case to the fullest extent permitted by the DGCL, as so amended from time to time. No repeal or modification of the foregoing provisions of this Article IX by the stockholders shall adversely affect any right or protection of a director of the Corporation existing by virtue of this Article IX at the time of such repeal or modification.

ARTICLE X

SECTION 10.1. Amendment . Notwithstanding anything contained in this Second Amended and Restated Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% in voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal Article V, Article VII, Article VIII or Article X or to adopt any provision inconsistent therewith.

ARTICLE XI

SECTION 11.2. Severability . If any provision or provisions of this Second Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, then, to the fullest extent permitted by applicable law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Second Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Second Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby.

ARTICLE XII

SECTION 12.1. Competition and Corporate Opportunities .

(a) In recognition and anticipation that (i) certain directors, principals, officers, employees and/or other representatives of Blackstone Crystal Holdings Capital Partners (Cayman) IV Ltd., Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and BA Capital Investors Sidecar Fund, L.P. (collectively, the " Original Stockholders ") and their respective Affiliates (as defined below) may serve as directors or officers of the Corporation, (ii) the Original Stockholders and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board of Directors who are not employees of the Corporation (" Non-Employee Directors ") and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Section 12.1 are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of

business opportunities as they may involve the Original Stockholders, the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

(b) None of (i) any Original Stockholder or any of its Affiliates or (ii) any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation in both his director and officer capacities) or his or her Affiliates (the Persons (as defined below) identified in (i) and (ii) above being referred to, collectively, as " Identified Persons " and, individually, as an " Identified Person ") shall have any duty to refrain from directly or indirectly (x) engaging in a corporate opportunity in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage or (y) otherwise competing with the Corporation, and, to the fullest extent permitted by the DGCL, no Identified Person shall be liable to the Corporation or its stockholders for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. The Corporation hereby renounces any interest or expectancy in, or in being offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in paragraph (c) of this Section 12.1. In the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself and the Corporation or any of its Affiliates, such Identified Person shall have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by the DGCL, shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself or himself, or offers or directs such corporate opportunity to another Person.

(c) The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of this Corporation) if such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the Corporation and the provisions of Section 12.1(b) shall not apply to any such corporate opportunity.

(d) In addition to and notwithstanding the foregoing provisions of this Section 12.1, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that the Corporation is not permitted to undertake under the terms of Article III or that the Corporation is not financially able or contractually permitted or legally able to undertake, or that is, from its nature, not in the line of the Corporation's business or is of no practical advantage to it or that is one in which the Corporation has no interest or reasonable expectancy.

(e) For purposes of this Section 12.1, (i) " Affiliate " shall mean (A) in respect of an Original Stockholder, any Person that, directly or indirectly, is controlled by such Original Stockholder, controls such Original Stockholder or is under common control with such Original Stockholder and shall include any principal, member, director, partner, shareholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), (B) in respect of a Non-Employee Director, any

Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (C) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; and (ii) “ Person ” shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

(f) To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Section 12.1.

* * *

IN WITNESS WHEREOF, the undersigned has caused this Second Amended and Restated Certificate of Incorporation to be signed by David N. Weidman on January 24, 2005.

CELANESE CORPORATION

/s/ David N. Weidman

Name: David N. Weidman
Title: Chief Executive Officer and President

Exhibit 3.3

CERTIFICATE OF DESIGNATIONS OF
4.25% CONVERTIBLE PERPETUAL PREFERRED STOCK

of

CELANESE CORPORATION

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

The undersigned, David N. Weidman, Chief Executive Officer and President and Corliss J. Nelson, Chief Financial Officer of Celanese Corporation, a Delaware corporation (hereinafter called the " **Corporation** "), do hereby certify that the Board of Directors of the Corporation (the " **Board of Directors** "), pursuant to the provisions of Sections 103 and 151 of the General Corporation Law of the State of Delaware, hereby makes this Certificate of Designations (this " **Certificate** ") and hereby state and certify that pursuant to the authority expressly vested in the Board of Directors by the Second Amended and Restated Certificate of Incorporation of the Corporation (as such may be amended, modified or restated from time to time, the " **Second Amended and Restated Certificate of Incorporation** "), the Board of Directors duly adopted the following resolutions:

RESOLVED, that, pursuant to Article IV of the Second Amended and Restated Certificate of Incorporation (which authorizes 100,000,000 shares of Preferred Stock, $0.01 par value per share), and the authority conferred on the Board of Directors, the Board of Directors hereby fixes the powers, designations, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions, of a series of preferred stock as follows:

1. *Number and Designation.* 9,600,000 shares of the preferred stock of the Corporation shall be designated as "4.25% Convertible Perpetual Preferred Stock" (the " **Preferred Stock** ").

2. *Certain Definitions.* As used in this Certificate, the following terms shall have the meanings defined in this Section 2. Any capitalized term not otherwise defined herein shall have the meaning set forth in the Second Amended and Restated Certificate of Incorporation, unless the context otherwise requires:

" **Additional Shares** " shall have the meaning assigned to it in Section 8 hereof.

" **Affiliate** " of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person.

For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“ **Agent Members** ” shall have the meaning assigned to it in Section 16(a) hereof.

“ **Board of Director** s” means either the board of directors of the Corporation or any duly authorized committee thereof.

“ **Business Day** ” means any day other than a Saturday, Sunday or a day on which state or U.S. federally chartered banking institutions in New York, New York are not required to be open.

“ **Capital Stock** ” of any Person means any and all shares, interests, participations or other equivalents however designated of corporate stock or other equity participations, including partnership interests, whether general or limited, of such Person and any rights (other than debt securities convertible or exchangeable into an equity interest), warrants or options to acquire an equity interest in such Person.

“ **Certificate** ” means this Certificate of Designations.

“ **Closing Sale Price** ” of the shares of Common Stock or other Capital Stock or similar equity interests on any date means the closing sale price per share (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported on the New York Stock Exchange or such other national or regional exchange or market on which shares of Common Stock or such other Capital Stock or similar equity interests are then listed or quoted. In the absence of such quotations, the Board of Directors shall be entitled to determine the Closing Sale Price on the basis it considers appropriate, which determination shall be conclusive. The Closing Sale Price shall be determined without reference to any extended or after hours trading.

“ **Common Stock** ” means any stock of any class of the Corporation that has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and that is not subject to redemption by the Corporation; *provided* however that references to Common Stock herein shall be deemed to exclude any outstanding shares of Series B Common Stock. Subject to the provisions of Section 10, however, shares issuable on conversion or redemption of the Preferred Stock shall include only shares of the Series A Common Stock, par value $.0001 per share, or shares of any class or classes resulting from any reclassification or reclassifications thereof and that have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which are not subject to redemption by the Corporation; *provided* that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable on conversion shall be substantially in the proportion that the total number of shares of such class resulting from all such

reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications. From and after the time that shares of Preferred Stock are convertible into shares of Public Acquirer Common Stock pursuant to Section 8(b)(v), references to Common Stock herein shall, as applicable, become references to such Public Acquirer Common Stock.

" **Conversion Agent** " shall have the meaning assigned to it in Section 18(a) hereof.

" **Conversion Price** " per share of Preferred Stock means, on any date, the Liquidation Preference divided by the Conversion Rate in effect on such date.

" **Conversion Rate** " per share of Preferred Stock means 1.25 shares of Common Stock, subject to adjustment pursuant to Section 9 hereof.

" **Corporation** " shall have the meaning assigned to it in the preamble to this Certificate, and shall include any successor to such Corporation.

" **Current Market Price** " shall mean the average of the daily Closing Sale Prices per share of Common Stock for each of the ten consecutive Trading Days ending on the earlier of such date of determination and the day before the " **ex-date** " with respect to the issuance, distribution, subdivision or combination requiring such computation. For purpose of this paragraph, the term " **ex-date** ," (1) when used with respect to any issuance or distribution, means the first date on which the Common Stock trades, regular way, on the relevant exchange or in the relevant market from which the Closing Sale Price was obtained without the right to receive such issuance or distribution, and (2) when used with respect to any subdivision or combination of shares of Common Stock, means the first date on which the Common Stock trades, regular way, on such exchange or in such market after the time at which such subdivision or combination becomes effective. If another distribution to which Section 9(d) applies occurs during the period applicable for calculating "Current Market Price" pursuant to this definition, the "Current Market Price" shall be calculated for such period in a manner determined by the Board of Directors to reflect the impact of such issuance, distribution, subdivision or combination on the Closing Sale Price of the Common Stock during such period.

" **Depositary** " means DTC or its successor depositary.

" **Designated Event** " means an event that shall be deemed to have occurred upon a Fundamental Change or a Termination of Trading.

" **Designated Event Redemption Date** " shall have the meaning assigned to it in Section 12 hereof.

" **Dividend Payment Date** " means February 1, May 1, August 1 and November 1 of each year, commencing May 1, 2005, or if any such date is not a Business Day, on the next succeeding Business Day.

“ **Dividend Period** ” shall mean the period beginning on, and including, a Dividend Payment Date and ending on, and excluding, the immediately succeeding Dividend Payment Date.

“ **DTC** ” shall mean The Depository Trust Company, New York, New York.

“ **Effective Date** ” shall have the meaning assigned to it in Section 8 hereof.

“ **Exchange Act** ” shall mean the Securities Exchange Act of 1934, as amended.

“ **Fair Market Value** ” shall mean the amount which a willing buyer would pay a willing seller in an arm’s-length transaction.

“ **Fundamental Change** ” shall mean any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, reclassification, recapitalization or otherwise) in connection with which 90% or more of the Common Stock of the Corporation is exchanged for, converted into, acquired for or constitutes solely the right to receive, consideration which is not at least 90% shares of common stock that (i) is listed on, or immediately after the transaction or event will be listed on, a United States national securities exchange, or (ii) is approved, or immediately after the transaction or event will be approved, for quotation thereof in an inter-dealer quotation system of any registered United States national securities association.

“ **Global Preferred Shares** ” shall have the meaning assigned to it in Section 16(a) hereof.

“ **Global Shares Legend** ” shall have the meaning assigned to it in Section 16(a) hereof.

“ **Junior Stock** ” shall have the meaning assigned to it in Section 3(a) hereof.

“ **Liquidation Preference** ” shall have the meaning assigned to it in Section 5(a) hereof.

“ **Officer** ” means the Chairman of the Board, a Vice Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Controller, any Assistant Controller, the Secretary or any Assistant Secretary of the Corporation.

“ **Outstanding** ” means, when used with respect to Preferred Stock, as of any date of determination, all shares of Preferred Stock outstanding as of such date; *provided* , however, that, if such Preferred Stock is to be redeemed, notice of such redemption has been duly given pursuant to this Certificate and the Paying Agent holds, in accordance with this Certificate, money or shares of Common Stock sufficient to pay the Redemption Price for the shares of Preferred Stock to be redeemed, then immediately after such Redemption Date such shares of Preferred Stock shall cease to be Outstanding; *provided further* that, in determining whether the holders of Preferred Stock have given any request, demand, authorization, direction, notice, consent or waiver or taken any other

action hereunder, Preferred Stock owned by the Corporation or its Affiliates shall be deemed not to be Outstanding, except that, in determining whether the Registrar shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Preferred Stock which the Registrar has actual knowledge of being so owned shall be deemed not to be Outstanding.

" **Parity Stock** " shall have the meaning assigned to it in Section 3(b) hereof.

" **Paying Agent** " shall have the meaning assigned to it in Section 18(a) hereof.

" **Person** " means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

" **Preferred Stock** " shall have the meaning assigned to it in the recitals to this Certificate.

" **Preferred Stock Director** " shall have the meaning assigned to it in Section 13(c) hereof.

" **Public Acquirer Fundamental Change** " means any Fundamental Change that would otherwise obligate the Corporation to increase the Conversion Rate as described in Section 8(b) where the acquirer has a class of common stock traded on a national securities exchange or quoted on the Nasdaq National Market or which will be so traded or quoted when issued or exchanged in connection with such fundamental change (the ‘‘ **Public Acquirer Common Stock** ’’). If an acquirer does not itself have a class of common stock satisfying the foregoing requirement, it will be deemed to have Public Acquirer Common Stock if a corporation that directly or indirectly owns at least a majority of the acquirer, has a class of common stock satisfying the foregoing requirement, and all references to Public Acquirer Common Stock will refer to such class of common stock. Majority owned for these purposes means having the ‘‘beneficial ownership’’ (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all shares of the respective entity's capital stock that are entitled to vote generally in the election of directors.

" **Record Date** " means (i) with respect to the dividends payable on February 1, May 1, August 1 and November 1 of each year, January 15, April 15, July 15 and October 15 of each year, respectively, or such other record date, not more than 60 days and not less than 10 days preceding the applicable Dividend Payment Date, as shall be fixed by the Board of Directors and (ii) solely for the purpose of adjustments to the Conversion Rate pursuant to Section 9 with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

“ **Redemption Date** ” means a date that is fixed for redemption of the Preferred Stock by the Corporation in accordance with Section 6 hereof.

“ **Redemption Price** ” means an amount equal to the Liquidation Preference per share of Preferred Stock being redeemed, plus an amount equal to any accumulated and unpaid dividends, (whether or not declared), thereon to, but excluding, the Redemption Date; *provided* that if the Redemption Date shall occur after a Record Date and before the related Dividend Payment Date, the Redemption Price shall be only an amount equal to the Liquidation Preference per share of Preferred Stock being redeemed and will not include any amount in respect of dividends declared and payable on such corresponding Dividend Payment Date.

“ **Registrar** ” shall have the meaning assigned to it in Section 14 hereof.

“ **Rights** ” shall have the meaning assigned to it in Section 11 hereof.

“ **Rights Plan** ” shall have the meaning assigned to it in Section 11 hereof.

“ **Securities Act** ” means the Securities Act of 1933, as amended.

“ **Senior Stock** ” shall have the meaning assigned to it in Section 3(c) hereof.

“ **Series B Common Stock”** means the shares of Series B Common Stock, par value $.0001, of the Corporation.

“ **Series B Common Stock Dividends** ” means the mandatory cash and stock dividends to be paid to the holders of Series B Common Stock as required by Article IV, Section 4.3(b)(ii) of the Second Amended and Restated Certificate of Incorporation.

“ **Stock Price** ” shall have the meaning assigned to it in Section 8 hereof.

“ **Subsidiary** ” means (a) a corporation, a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is, at the date of determination, directly or indirectly owned by the Corporation, by one or more Subsidiaries of the Corporation or by the Corporation and one or more Subsidiaries of the Corporation, (b) a partnership in which the Corporation or a Subsidiary of the Corporation holds a majority interest in the equity capital or profits of such partnership, or (c) any other Person (other than a corporation) in which the Corporation, a Subsidiary of the Corporation or the Corporation and one or more Subsidiaries of the Corporation, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such person.

“ **Termination of Trading”** shall mean that shares of Common Stock of the Corporation (or other shares of common stock into which the Preferred Stock is then convertible) are neither listed for trading on a United States national or regional securities exchange nor approved for quotation on a United States national securities exchange or

quotation thereof in an inter-dealer quotation system of any registered United States national securities association.

" **Trading Day** " means a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not listed on a national or regional securities exchange, on Nasdaq or, if the Common Stock is not quoted on Nasdaq, on the principal other market on which the Common Stock is then traded.

" **Transfer Agent** " shall have the meaning assigned to it in Section 14 hereof.

3. *Rank.* The Preferred Stock shall, with respect to dividend rights and rights upon liquidation, winding-up or dissolution, rank:

(a) senior to the Common Stock, the Series B Common Stock and any other class or series of Capital Stock of the Corporation, the terms of which provide that such class or series ranks junior to the Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution of the Corporation (collectively, together with any warrants, rights, calls or options exercisable for or convertible into such Capital Stock, the " **Junior Stock** ");

(b) on a parity with any other class or series of Capital Stock of the Corporation, the terms of which provide that such class or series ranks on a parity with the Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution of the Corporation (collectively, together with any warrants, rights, calls or options exercisable for or convertible into such Capital Stock, the " **Parity Stock** ");

(c) junior to each class or series of Capital Stock of the Corporation, the terms of which do not expressly provide that such class or series ranks junior to or on a parity with the Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution of the Corporation (collectively, together with any warrants, rights, calls or options exercisable for or convertible into such Capital Stock, the " **Senior Stock** ");

(d) junior to all existing and future debt obligations of the Corporation; and

(e) junior to all Subsidiaries' (i) existing and future liabilities and (ii) capital stock held by parties other than the Corporation.

4. *Dividends.* (a) Holders of Preferred Stock shall be entitled to receive, when, as and if, declared by the Board of Directors, out of funds legally available for the payment of dividends, cash dividends on each outstanding share of Preferred Stock at the annual rate of 4.25% of the Liquidation Preference per share; *provided* however that such holders will not be entitled to receive any dividends that may be declared by the Board of

Directors to the holders of Common Stock unless the shares of Preferred Stock have been converted to Common Stock as set forth in Section 7 hereof prior to or on the record date for the payment of such dividends. Such dividends shall be payable in arrears in equal amounts quarterly on each Dividend Payment Date, beginning May 1, 2005, in preference to and in priority over dividends on any Junior Stock but subject to the rights of any holders of Senior Stock or Parity Stock.

(b) Dividends shall be cumulative from the initial date of issuance or the last Dividend Payment Date for which accumulated dividends were paid, whichever is later, whether or not funds of the Corporation are legally available for the payment of such dividends and whether or not the Board of Directors declares the dividends. Each such dividend shall be payable to the holders of record of shares of the Preferred Stock, as they appear on the Corporation's stock register at the close of business on a Record Date. Accumulated and unpaid dividends for any past Dividend Periods may be declared and paid at any time, without reference to any Dividend Payment Date, to holders of record on such date, not more than 45 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(c) Accumulated and unpaid dividends for any past Dividend Period (whether or not declared) shall cumulate at the annual rate of 4.25% and shall be payable in the manner set forth in this Section 4.

(d) The amount of dividends payable for each full Dividend Period for the Preferred Stock shall be computed by dividing the annual dividend rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Preferred Stock shall be computed on the basis of 30-day months and a 12-month year. Holders of Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Preferred Stock.

(e) No dividend shall be declared or paid, or funds set apart for the payment of any dividend or other distribution, whether in cash, obligations or shares of Capital Stock of the Corporation or other property, directly or indirectly, upon any shares of Junior Stock or Parity Stock, nor shall any shares of Junior Stock or Parity Stock be redeemed, repurchased or otherwise acquired for consideration by the Corporation or any of its subsidiaries through a sinking fund or otherwise, unless all accumulated and unpaid dividends through the most recent Dividend Payment Date (whether or not there are funds of the Corporation legally available for the payment of dividends) on the shares of Preferred Stock and any Parity Stock for all preceding dividend periods have been paid in full or set apart for payment and except for the Series B Common Stock Dividends; *provided* , however, that, notwithstanding any provisions of this Section 4(e) to the contrary, the Corporation or any of its subsidiaries may redeem, repurchase or otherwise acquire for consideration Junior Stock or Parity Stock with Junior Stock or

pursuant to a purchase or exchange offer made on the same terms to all holders of Preferred Stock and such Parity Stock. When dividends are not paid in full, as aforesaid, upon the shares of Preferred Stock, all dividends declared on the Preferred Stock and any other Parity Stock shall be paid pro rata so that the amount of dividends so declared on the shares of Preferred Stock and each such other class or series of Parity Stock shall in all cases bear to each other the same ratio as accumulated dividends on the shares of Preferred Stock and such class or series of Parity Stock bear to each other.

5. *Liquidation Preference.* (a) In the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the Corporation's assets (whether capital or surplus) shall be made to or set apart for the holders of Junior Stock, holders of Preferred Stock shall be entitled to receive $25.00 per share of Preferred Stock (the " **Liquidation Preference** ") plus an amount equal to all dividends (whether or not declared) accumulated and unpaid thereon to the date of final distribution to such holders, but shall not be entitled to any further payment or other participation in any distribution of the assets of the Corporation. If, upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the Corporation's assets, or proceeds thereof, distributable among the holders of Preferred Stock are insufficient to pay in full the preferential amount aforesaid and liquidating payments on any Parity Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of the Preferred Stock and any other Parity Stock equally and ratably in proportion to the respective amounts that would be payable on such shares of Preferred Stock and any such other Parity Stock if all amounts payable thereon were paid in full.

(b) Neither the voluntary sale, conveyance, exchange or transfer, for cash, shares of stock, securities or other consideration, of all or substantially all of the Corporation's property or assets, nor the consolidation, merger or amalgamation of the Corporation with or into any corporation or the consolidation, merger or amalgamation of any corporation with or into the Corporation shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding-up of the Corporation.

(c) Subject to the rights of the holders of any Parity Stock, after payment has been made in full to the holders of the Preferred Stock, as provided in this Section 5, holders of Junior Stock shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of Preferred Stock shall not be entitled to share therein.

6. *Optional Redemption of the Preferred Stock.* Shares of Preferred Stock shall be redeemable at the option of the Corporation in accordance with this Section 6.

(a) The Corporation may not redeem any shares of Preferred Stock before February 1, 2010. On or after February 1, 2010, the Corporation shall have the option to redeem, subject to Section 6(l) hereof, (i) some or all the shares of

Preferred Stock at the Redemption Price, but only if the Closing Sale Price of the Common Stock for 20 Trading Days within a period of 30 consecutive Trading Days ending on the Trading Day prior to the date the Corporation gives notice of such redemption pursuant to this Section 6 exceeds 130% of the Conversion Price in effect on each such Trading Day or (ii) all the Outstanding shares of Preferred Stock at the Redemption Price, but only if on any Dividend Payment Date, the total number of Outstanding shares of Preferred Stock is less than 15% of the total number of Outstanding shares of Preferred Stock on February 1, 2005.

(b) In the event the Corporation elects to redeem shares of Preferred Stock, the Corporation shall:

(i) send a written notice to the Registrar and Transfer Agent of the Redemption Date, stating the number of shares to be redeemed and the Redemption Price, at least 35 days before the Redemption Date (unless a shorter period shall be satisfactory to the Registrar and Transfer Agent);

(ii) send a written notice by first class mail to each holder of record of the Preferred Stock at such holder's registered address, not fewer than 20 nor more than 90 days prior to the Redemption Date stating:

(A) the Redemption Date;

(B) the Redemption Price ~~and whether such Redemption Price will be paid in cash, shares of Common Stock, or, if a combination thereof, the percentages of the Redemption Price in respect of which the Corporation will pay in cash and shares of Common Stock~~ ;

(C) the Conversion Price and the Conversion Ratio;

(D) the name and address of the Paying Agent and Conversion Agent;

(E) that shares of Preferred Stock called for redemption may be converted at any time before 5:00 p.m., New York City time on the Business Day immediately preceding the Redemption Date;

(F) that holders who want to convert shares of the Preferred Stock must satisfy the requirements set forth in Section 7 of this Certificate;

(G) that shares of the Preferred Stock called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(H) if fewer than all the Outstanding shares of the Preferred Stock are to be redeemed by the Corporation, the number of shares to be redeemed;

(I) that, unless the Corporation defaults in making payment of such Redemption Price, dividends in respect of the shares of Preferred Stock called for redemption will cease to accumulate on and after the Redemption Date;

(J) the CUSIP number of the Preferred Stock; and

(K) any other information the Corporation wishes to present; and

(iii) (A) publish the information set forth in Section 6(b)(ii) once in a daily newspaper printed in the English language and of general circulation in the Borough of Manhattan, The City of New York, (B) issue a press release containing such information and (C) publish such information on the Corporation's web site on the World Wide Web.

~~(c)~~ The Redemption Price shall be payable ~~, at the Corporation's election, in cash, shares of Common Stock, or a combination of cash and shares of Common Stock; *provided* that the Corporation shall not be permitted to pay all or any portion of the Redemption Price in shares of Common Stock unless:~~

(i) ~~the Corporation shall have given timely notice pursuant to Section 6(b) hereof of its intention to redeem all or a specified percentage of the Preferred Stock with shares of Common Stock as provided herein;~~

(ii) ~~the Corporation shall have registered such shares of Common Stock under the Securities Act and the Exchange Act, in each case, if required;~~

(iii) ~~such shares of Common Stock have been listed on a United States national securities exchange or have been quoted in an inter-dealer quotation system of any registered United States national securities association; and~~

(iv) ~~any necessary qualification or registration under applicable state securities laws has been obtained, if required, or an exemption therefrom is available.~~

~~If the foregoing conditions are not satisfied with respect to any holder or holders of Preferred Stock prior to the close of business on the last day prior to the Redemption Date and the Corporation has elected to redeem the Preferred Stock pursuant to this Section 6 through the issuance of shares of Common Stock, then, notwithstanding any election by the Corporation to the contrary, the Corporation shall pay the entire Redemption Price of the Preferred Stock of such holder or holders in cash.~~

(d) Payment of the specified portion of the Redemption Price in shares of Common Stock pursuant to Section 6(c) hereof shall be made by the issuance of a number of shares of Common Stock equal to the quotient obtained by dividing (i) the portion of the Redemption Price, as the case may be, to be paid in shares of Common Stock by (ii) 97.5% of the average of the Closing Sale Prices of the Common Stock for the ten Trading Days ending on the fifth Trading Day prior to the Redemption Date (appropriately adjusted to take into account the occurrence during such period of any event described in Section 9). The Corporation shall not issue fractional shares of Common Stock in payment of the Redemption Price. Instead, the Corporation shall pay cash based on the Closing Sale Price of the Common Stock on the Redemption Date for all fractional shares. Upon determination of the actual number of shares of Common Stock to be issued upon redemption of the Preferred Stock, the Corporation shall be required to disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on the Corporation's web site or through such other public medium as the Corporation may use at that time.

(e) If the Corporation gives notice of redemption, then, by 12:00 p.m., New York City time, on the Redemption Date, to the extent sufficient funds are legally available, the Corporation shall, with respect to:

(i) shares of the Preferred Stock held by DTC or its nominees, deposit or cause to be deposited, irrevocably with DTC cash or shares of Common Stock, as applicable, sufficient to pay the Redemption Price and shall give DTC irrevocable instructions and authority to pay the Redemption Price to holders of such shares of the Preferred Stock; and

(ii) shares of the Preferred Stock held in certificated form, deposit or cause to be deposited, irrevocably with the Paying Agent cash or shares of Common Stock, as applicable, sufficient to pay the Redemption Price and shall give the Paying Agent irrevocable instructions and authority to pay the Redemption Price to holders of such shares of the Preferred Stock upon surrender of their certificates evidencing their shares of the Preferred Stock.

(f) If on the Redemption Date, DTC and/or the Paying Agent holds or hold money or shares of Common Stock, as applicable, sufficient to pay the Redemption Price for the shares of Preferred Stock delivered for redemption as set

forth herein, dividends shall cease to accumulate as of the Redemption Date on those shares of the Preferred Stock called for redemption and all rights of holders of such shares shall terminate, except for the right to receive the Redemption Price pursuant to this Section 6 and the right to convert such shares of Preferred Stock as provided in Section 7(a) hereof (to the extent the holder does not receive the Redemption Price).

(g) Payment of the Redemption Price for shares of the Preferred Stock is conditioned upon book-entry transfer or physical delivery of certificates representing the Preferred Stock, together with necessary endorsements, to the Paying Agent at any time after delivery of the notice of redemption.

(h) Payment of the Redemption Price for shares of the Preferred Stock will be made (1) on the Redemption Date, if book-entry transfer or physical delivery of the Preferred Stock has been made by or on the Redemption Date, or (2) if book-entry transfer or physical delivery of the Preferred Stock has not been made by or on the Redemption Date, at the time of such transfer or delivery.

(i) If the Redemption Date falls after a Record Date and before the related Dividend Payment Date, holders of the shares of Preferred Stock at the close of business on that Record Date shall be entitled to receive the dividend payable on those shares on the corresponding Dividend Payment Date.

(j) If fewer than all the Outstanding shares of Preferred Stock are to be redeemed, the number of shares to be redeemed shall be determined by the Board of Directors and the shares to be redeemed shall be selected by lot, on a pro rata basis, or any other method as may be determined by the Board of Directors to be fair and appropriate.

(k) Upon surrender of a certificate or certificates representing shares of the Preferred Stock that is or are redeemed in part, the Corporation shall execute, and the Transfer Agent shall authenticate and deliver to the holder, a new certificate of certificates representing shares of the Preferred Stock in an amount equal to the unredeemed portion of the shares of Preferred Stock surrendered for partial redemption.

(l) Notwithstanding the foregoing provisions of this Section 6, unless full cumulative dividends (whether or not declared) on all Outstanding shares of Preferred Stock and Parity Stock have been paid or set apart for payment for all Dividend Periods terminating on or before the Redemption Date, none of the shares of Preferred Stock shall be redeemed, and no sum shall be set aside for such redemption, unless pursuant to a purchase or exchange offer made on the same terms to all holders of Preferred Stock and any Parity Stock.

7. *Conversion* . (a) *Right to Convert.* Each share of Preferred Stock shall be convertible, at any time, in accordance with, and subject to, this Section 7 into a number of fully paid and non-assessable shares of Common Stock equal to the Conversion Rate

in effect at such time. Notwithstanding the foregoing, if any shares of Preferred Stock are to be redeemed pursuant to Section 6, such conversion right shall cease and terminate, as to the shares of the Preferred Stock to be redeemed, at 5:00 p.m., New York City time, on the Business Day immediately preceding the Redemption Date, unless the Corporation shall default in the payment of the Redemption Price therefor, as provided herein.

(b) *Conversion Procedures* . (i) Conversion of shares of the Preferred Stock may be effected by any holder thereof upon the surrender to the Corporation, at the principal office of the Corporation or at the office of the Conversion Agent as may be designated by the Board of Directors, of the certificate or certificates for such shares of the Preferred Stock to be converted accompanied by a complete and manually signed Notice of Conversion (as set forth in the form of Preferred Stock certificate attached hereto) along with (A) appropriate endorsements and transfer documents as required by the Registrar or Conversion Agent and (B) if required pursuant to Section 7(c), funds equal to the dividend payable on the next Dividend Payment Date. In case such Notice of Conversion shall specify a name or names other than that of such holder, such notice shall be accompanied by payment of all transfer taxes payable upon the issuance of shares of Common Stock in such name or names. Other than such taxes, the Corporation shall pay any documentary, stamp or similar issue or transfer taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of the Preferred Stock pursuant hereto. The conversion of the Preferred Stock will be deemed to have been made as of the close of business on the date (the “ **Conversion Date** ”) such certificate or certificates have been surrendered and the receipt of such Notice of Conversion and payment of all required transfer taxes, if any (or the demonstration to the satisfaction of the Corporation that such taxes have been paid). As promptly as practicable following the Conversion Date, the Corporation shall deliver or cause to be delivered (1) certificates representing the number of validly issued, fully paid and nonassessable full shares of Common Stock to which the holder of shares of the Preferred Stock being converted (or such holder’s transferee) shall be entitled, and (2) if less than the full number of shares of the Preferred Stock evidenced by the surrendered certificate or certificates is being converted, a new certificate or certificates, of like tenor, for the number of shares evidenced by such surrendered certificate or certificates less the number of shares being converted. As of the close of business on the Conversion Date, the rights of the holder of the Preferred Stock as to the shares being converted shall cease except for the right to receive shares of Common Stock and the Person entitled to receive the shares of Common Stock shall be treated for all purposes as having become the record holder of such shares of Common Stock at such time.

(ii) Anything herein to the contrary notwithstanding, in the case of Global Preferred Shares, Notices of Conversion may be delivered to, and shares of the Preferred Stock representing beneficial interests in respect of such Global Preferred Shares may be surrendered for conversion in accordance with the applicable procedures of, the Depositary as in effect from time to time.

(c) *Dividend and Other Payments Upon Conversion.* (i) If a holder of shares of Preferred Stock exercises conversion rights, such shares will cease to accumulate dividends as of the end of the day immediately preceding the Conversion Date. On conversion of the Preferred Stock, except for conversion during the period from the close of business on any Record Date corresponding to a Dividend Payment Date to the close of business on the Business Day immediately preceding such Dividend Payment Date, in which case the holder on such Dividend Record Date shall receive the dividends payable on such Dividend Payment Date, accumulated and unpaid dividends on the converted share of Preferred Stock shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the holder thereof through delivery of the Common Stock (together with the cash payment, if any, in lieu of fractional shares) in exchange for the Preferred Stock being converted pursuant to the provisions hereof. Shares of the Preferred Stock surrendered for conversion after the close of business on any Record Date for the payment of dividends declared and before the opening of business on the Dividend Payment Date corresponding to that Record Date must be accompanied by a payment to the Corporation in cash of an amount equal to the dividend payable in respect of those shares on such Dividend Payment Date; *provided* that a holder of shares of the Preferred Stock on a Record Date who converts such shares into shares of Common Stock on the corresponding Dividend Payment Date shall be entitled to receive the dividend payable on such shares of the Preferred Stock on such Dividend Payment Date, and such holder need not include payment to the Corporation of the amount of such dividend upon surrender of shares of the Preferred Stock for conversion.

(ii) Notwithstanding the foregoing, if shares of the Preferred Stock are converted during the period between the close of business on any Record Date and the opening of business on the corresponding Dividend Payment Date and the Corporation has called such shares of the Preferred Stock for redemption during such period, or the Corporation has designated a Designated Event Redemption Date during such period, then, in each case, the holder who tenders such shares for conversion shall receive the dividend payable on such Dividend Payment Date and need not include payment of the amount of such dividend upon surrender of shares of the Preferred Stock for conversion.

(d) *Fractional Shares.* In connection with the conversion of any shares of the Preferred Stock, no fractions of shares of Common Stock shall be issued, but the Corporation shall pay a cash adjustment in respect of any fractional interest in an amount equal to the fractional interest multiplied by the Closing Sale Price of the Common Stock on the Conversion Date, rounded to the nearest whole cent.

(e) *Total Shares.* If more than one share of the Preferred Stock shall be surrendered for conversion by the same holder at the same time, the number of full shares of Common Stock issuable on conversion of those shares shall be computed on the basis of the total number of shares of the Preferred Stock so surrendered.

(f) *Reservation of Shares; Shares to be Fully Paid; Compliance with Governmental Requirements; Listing of Common Stock.* The Corporation shall:

(i) at all times reserve and keep available, free from preemptive rights, for issuance upon the conversion of shares of the Preferred Stock such number of its authorized but unissued shares of Common Stock as shall from time to time be sufficient to permit the conversion of all Outstanding shares of the Preferred Stock;

(ii) prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Preferred Stock, comply with all applicable federal and state laws and regulations that require action to be taken by the Corporation (including, without limitation, the registration or approval, if required, of any shares of Common Stock to be provided for the purpose of conversion of the Preferred Stock hereunder); and

(iii) ensure that all shares of Common Stock delivered upon conversion of the Preferred Stock will, upon delivery, be duly and validly issued and fully paid and nonassessable, free of all liens and charges and not subject to any preemptive rights.

8. *Make Whole Payment Upon the Occurrence of a Designated Event That is Also a Fundamental Change*

(a) *General.* If a holder exercises its right pursuant to Section 7 hereof to convert its Preferred Stock upon the occurrence of a Designated Event that is also a Fundamental Change that occurs prior to February 1, 2015, then in the circumstances set forth in Section 8(b) hereof, such holder will be entitled to receive, in addition to a number of shares of Common Stock equal to the applicable Conversion Rate, an additional number of shares of Common Stock of the Corporation (the " **Additional Shares** ") upon conversion as set forth in Section 8 (b).

(b) *Determination of Additional Shares.* The number of Additional Shares shall be determined for the Preferred Stock by reference to the table below, based on the date on which the corporate transaction becomes effective (the " **Effective Date** ") and the average of the Closing Sale Prices of Common Stock of the Corporation over the ten Trading Day period ending on the fifth Trading Day immediately preceding the Effective Date (the " **Stock Price** ").

(i) The Stock Prices set forth in the first row of each table below (i.e., column headers) will be adjusted as of any date on which the Conversion Rate of the Preferred Stock is adjusted. The adjusted Stock Prices will equal the Stock Prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the

Stock Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of Additional Shares will be adjusted in the same manner as the Conversion Rate as set forth under Section 9.

(ii) The following table sets forth the number of Additional Shares to be received per $25.00 Liquidation Preference per share of Preferred Stock:

	Stock Price on the Effective Date														
Effective Date	**$16.00**	**$17.50**	**$20.00**	**$22.50**	**$25.00**	**$30.00**	**$35.00**	**$40.00**	**$50.00**	**$60.00**	**$70.00**	**$80.00**	**$90.00**	**$100.00**	**$115.00**
January 26, 2005	0.3125	0.2685	0.2129	0.1725	0.1421	0.1002	0.0733	0.0548	0.0317	0.0186	0.0106	0.0057	0.0027	0.0011	0.0000
February 1, 2006	0.2898	0.2466	0.1926	0.1539	0.1253	0.0868	0.0627	0.0465	0.0266	0.0153	0.0085	0.0044	0.0020	0.0007	0.0000
February 1, 2007	0.2683	0.2251	0.1717	0.1343	0.1072	0.0720	0.0510	0.0373	0.0211	0.0120	0.0066	0.0033	0.0013	0.0003	0.0000
February 1, 2008	0.2475	0.2031	0.1488	0.1118	0.0859	0.0542	0.0370	0.0266	0.0149	0.0084	0.0045	0.0021	0.0007	0.0001	0.0000
February 1, 2009	0.2300	0.1823	0.1238	0.0848	0.0591	0.0316	0.0197	0.0138	0.0079	0.0045	0.0024	0.0010	0.0002	0.0000	0.0000
February 1, 2010	0.2233	0.1726	0.1057	0.0545	0.0140	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
February 1, 2011	0.2213	0.1709	0.1045	0.0538	0.0138	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
February 1, 2012	0.2203	0.1701	0.1040	0.0535	0.0137	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
February 1, 2013	0.2190	0.1689	0.1031	0.0530	0.0135	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
February 1, 2014	0.2187	0.1685	0.1028	0.0527	0.0134	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
February 1, 2015	0.2198	0.1694	0.1034	0.0531	0.0136	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

(iii) The exact Stock Prices and Effective Dates may not be set forth in the table above, in which case:

(A) If the Stock Price is between two Stock Price amounts in the table or the Effective Date is between two Effective Dates in the table, the number of Additional Shares will be determined by a straight-line interpolation between the number of Additional Shares set forth for the higher and lower Stock Price amounts and the two dates, as applicable, based on a 365-day year.

(B) If the Stock Price is equal to or in excess of $115.00 per share (subject to adjustment), no Additional Shares will be issued upon conversion.

(C) If the Stock Price is less than $16.00 per share (subject to adjustment), no Additional Shares will be issued upon conversion.

(iv) Notwithstanding the foregoing, in no event will the total number of shares of Common Stock of the Corporation issuable upon conversion exceed 1.5625 per $25.00 Liquidation Preference per share of Preferred Stock, subject to adjustments in the same manner of the Conversion Rate as set forth under Section 9 below.

(v) Notwithstanding the foregoing, in the case of a Public Acquirer Fundamental Change, the Corporation may, in lieu of increasing

the Conversion Rate by Additional Shares as described in Section 8(b)(ii), elect to adjust the Conversion Rate and the related conversion obligation such that, from and after the Effective Date of such Public Acquirer Fundamental Change, holders of the Preferred Stock who elect to convert will be entitled to convert their Preferred Stock into a number of shares of Public Acquirer Common Stock that have been registered, or the resale of which will be registered, under the Securities Act, if required, by multiplying the Conversion Rate in effect immediately before the Public Acquirer Fundamental Change by a fraction,

(A) the numerator of which will be (i) in the case of a consolidation, merger or binding share exchange, pursuant to which the Common Stock of the Corporation is converted into or exchanged for the right to receive cash, securities or other property, the value of all cash and any other consideration (as determined by the Board of Directors) paid or payable per share of Common Stock or (ii) in the case of any other Public Acquirer Fundamental Change, the average of the Closing Sale Price of Common Stock of the Corporation for the five consecutive Trading Days prior to but excluding the Effective Date of such Public Acquirer Fundamental Change; and

(B) the denominator of which will be the average of the last Closing Sale Price of the Public Acquirer Common Stock for the five consecutive Trading Days commencing on the Trading Day next succeeding the effective date of such Public Acquirer Fundamental Change.

Upon the Corporation's decision to adjust the Conversion Rate and related conversion obligation upon a Public Acquirer Fundamental Change, holders may convert their Preferred Stock at the adjusted Conversion Rate described in this Section 8(b)(v) but will not be entitled to the increased Conversion Rate as described in this Section 8. The registered shares of Public Acquirer Common Stock, or the shares of Public Acquirer Common Stock registered for resale, as the case may be, shall be listed, or approved for listing subject only to the official notice of issuance, on a national securities exchange or the Nasdaq National Market. Upon a Public Acquirer Fundamental Change, shares of Public Acquirer Common Stock shall be subject to the conversion adjustments in Section 9 hereof.

(vi) In the event the Corporation elects to adjust the Conversion Rate as set forth in Section 8(b)(v), then the Corporation shall not enter into any transaction which would result in a Public Acquirer Fundamental Change unless, as a term of such transaction, the acquirer irrevocably commits itself to implement the provisions of Section 8(b)(v).

9. *Conversion Rate Adjustments.* The Conversion Rate shall be adjusted from time to time by the Corporation in accordance with the provisions of this Section 9.

(a) If the Corporation shall hereafter pay a dividend or make a distribution (other than the Series B Common Stock Dividends) to all holders of the outstanding Common Stock in shares of Common Stock, the Conversion Rate in effect at the opening of business on the date following the Record Date shall be increased by multiplying such Conversion Rate by a fraction,

(i) the numerator of which shall be the sum of the number of shares of Common Stock outstanding at the close of business on such Record Date and the total number of shares of Common Stock constituting such dividend or other distribution; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on such Record Date.

Such increase shall become effective immediately after the opening of business on the day following such Record Date. If any dividend or distribution of the type described in this Section 9(a) is declared but not so paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(b) If the Corporation shall issue rights or warrants to all holders of any class of Common Stock entitling them (for a period expiring within forty-five (45) days after the Record Date to subscribe for or purchase shares of Common Stock (or securities convertible into Common Stock) at a price per share (or having a conversion price per share) less than the Current Market Price on the Record Date, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to such Record Date by a fraction,

(i) the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on such Record Date plus the total number of additional shares of Common Stock so offered for subscription or purchase (or into which the convertible securities so offered are convertible); and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on such Record Date plus the number of shares which the aggregate offering price of the total number of shares so offered for subscription or purchase (or the aggregate conversion price of the convertible securities so offered) would purchase at such Current Market Price.

Such adjustment shall become effective immediately after the opening of business on the day following such Record Date. To the extent that shares of Common

Stock (or securities convertible into Common Stock) are not delivered pursuant to such rights or warrants, upon the expiration or termination of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustment made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock (or securities convertible into Common Stock) actually delivered. If such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such Record Date had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Corporation for such rights or warrants and any amount payable on exercise or conversion thereof, the Fair Market Value of such consideration, if other than cash, to be determined by the Board of Directors, whose determination shall be conclusive.

(c) If the outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased, and conversely, in the event outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(d) If the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock shares of any class of Capital Stock of the Corporation (other than any dividends or distributions to which Section 9(a) applies or the Series B Common Stock Dividends) or evidences of its indebtedness or assets (including securities, but excluding (i) any rights or warrants referred to in 9(b) or (ii) any dividend or distribution (x) paid exclusively in cash or (y) referred to in Section 9(a) or Section 9(g)) (any of the foregoing hereinafter referred to in this Section 9(d) as the " **Distributed Property** "), then, in each such case, the Conversion Rate shall be adjusted so that the same shall be equal to the rate determined by multiplying the Conversion Rate in effect on the Record Date with respect to such distribution by a fraction,

(iii) the numerator of which shall be the Current Market Price on such Record Date; and

(iv) the denominator of which shall be the Current Market Price on such Record Date less the Fair Market Value (as determined by the Board of Directors, whose determination shall be conclusive, and

described in a resolution of the Board of Directors) on such Record Date of the portion of the Distributed Property applicable to one share of Common Stock (determined on the basis of the number of shares of the Common Stock outstanding on such Record Date).

Such adjustment shall become effective immediately prior to the opening of business on the day following such Record Date; *provided* that if the then Fair Market Value (as so determined by the Board of Directors) of the portion of the Distributed Property applicable to one share of Common Stock is equal to or greater than the Current Market Price on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Preferred Stock shall have the right to receive upon conversion the amount of Distributed Property such holder would have received had such holder converted each share of its Preferred Stock on the Record Date. To the extent that any of the Distributed Property is not distributed, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustment made been made on the basis of only the Distributed Property actually distributed. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. If the Board of Directors determines the Fair Market Value of any distribution for purposes of this Section 9(d) by reference to the trading market for any securities, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price on the applicable Record Date.

Rights or warrants (including rights under any Rights Plan) distributed by the Corporation to all holders of Common Stock entitling the holders thereof to subscribe for or purchase shares of the Corporation's Capital Stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events (" **Trigger Event** "): (i) are deemed to be transferred with such shares of Common Stock; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Common Stock, shall be deemed not to have been distributed for purposes of this 9(d) (and no adjustment to the Conversion Rate under this 9(d) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this 9(d). If any such right or warrant, including any such existing rights or warrants distributed prior to the date of this Certificate, are subject to events, upon the occurrence of which such rights or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and record date with respect to new rights or warrants with such rights (and a termination or expiration of the existing rights or warrants without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 9(d) was made, (1) in the case of any such rights or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, the

Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants that shall have expired or been terminated without exercise thereof, the Conversion Rate shall be readjusted as if such expired or terminated rights and warrants had not been issued.

For purposes of this Section 9(d), Section 9(a) and Section 9(b), any dividend or distribution to which this Section 9(d) is applicable that also includes shares of Common Stock, or rights or warrants to subscribe for or purchase shares of Common Stock (or both), shall be deemed instead to be (1) a dividend or distribution of the evidences of indebtedness, assets or shares of Capital Stock other than such shares of Common Stock or rights or warrants, as to which any Conversion Rate adjustment required by this Section 9(d) with respect to such dividend or distribution shall then be made, immediately followed by (2) a dividend or distribution of such shares of Common Stock or such rights or warrants, as to which any further Conversion Rate adjustment required by Sections 9(a) and 9(b) with respect to such dividend or distribution shall then be made, except any shares of Common Stock included in such dividend or distribution shall not be deemed "outstanding at the close of business on such Record Date" within the meaning of Sections 9(a) and 9(b).

(e) If the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock cash (other than the Series B Common Stock Dividend), excluding (i) any dividend or distribution in connection with the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, (ii) any quarterly cash dividend on its Common Stock to the extent that the aggregate amount of cash distributions per share of Common Stock in any quarter does not exceed $0.03 (the " **Dividend Threshold Amount** "), then, in such case, the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the close of business on such Record Date by a fraction,

(i) the numerator of which shall be the Current Market Price on such Record Date less the Dividend Threshold Amount (as such Dividend Threshold Amount may be adjusted pursuant to this Section 9(e)); and

(ii) the denominator of which shall be the Current Market Price on such Record Date less the amount of cash so distributed applicable to one share of Common Stock.

Such adjustment shall be effective immediately prior to the opening of business on the day following the Record Date; *provided* that if the portion of the cash so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price on the record date, in lieu of the foregoing adjustment, adequate provision shall be

made so that each holder of Preferred Stock shall have the right to receive upon conversion the amount of cash such holder would have received had such holder converted each share of Preferred Stock on the Record Date. To the extent that such dividend or distribution is not made, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustment made been made on the basis of only the dividend or distribution actually made. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. If an adjustment is required to be made as set forth in this Section 9(e) as a result of a distribution that is not a quarterly dividend, the Dividend Threshold Amount shall be deemed to be zero for purposes of calculating the adjustment to the Conversion Rate under this Section 9(e). The Dividend Threshold Amount shall be adjusted inversely proportional to the adjustments to the Conversion Rate made pursuant to Sections 9(a), (b), (c), (d), (f) and (g) hereof.

(f) If a tender or exchange offer made by the Corporation or any Subsidiary for all or any portion of the Common Stock shall require the payment to stockholders of consideration per share of Common Stock having a Fair Market Value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) that, as of the last time (the " **Expiration Time** ") tenders or exchanges may be made pursuant to such tender or exchange offer, exceeds the Closing Sale Price of a share of Common Stock on the Trading Day next succeeding the Expiration Time, the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the Expiration Time by a fraction,

(i) the numerator of which shall be the sum of (x) the Fair Market Value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchanged and not withdrawn as of the Expiration Time (the shares deemed so accepted up to any such maximum, being referred to as the " **Purchased Shares** ") and (y) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) at the Expiration Time and the Closing Sale Price of a share of Common Stock on the Trading Day next succeeding the Expiration Time; and

(ii) the denominator of which shall be the number of shares of Common Stock outstanding (including any Purchased Shares) at the Expiration Time multiplied by the Closing Sale Price of a share of Common Stock on the Trading Day next succeeding the Expiration Time.

Such adjustment shall become effective immediately prior to the opening of business on the day following the Expiration Time. In the event that the Corporation or any such Subsidiary, as the case may be, is obligated to purchase shares pursuant to any such

tender or exchange offer, but the Corporation or any such Subsidiary, as the case may be, is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made.

(g) If the Corporation pays a dividend or makes a distribution to all holders of its Common Stock consisting of Capital Stock of any class or series, or similar equity interests, of or relating to a Subsidiary or other business unit of the Corporation, unless the Corporation distributes such Capital Stock or equity interests to holders of the Preferred Stock in such distribution on the same basis as they would have received had such holders converted their shares of Preferred Stock into shares of Common Stock immediately prior to such distributions, the Conversion Rate shall be increased so that the same shall be equal to the rate determined by multiplying the Conversion Rate in effect on the Record Date with respect to such distribution by a fraction,

(i) the numerator of which shall be the sum of (A) the average of the Closing Sale Prices of the Common Stock for the ten (10) Trading Days commencing on and including the fifth Trading Day after the date on which "ex-dividend trading" commences for such dividend or distribution on The New York Stock Exchange or such other national or regional exchange or market on which such securities are then listed or quoted (the " **Ex-Dividend Date** ") plus (B) the fair market value of the securities distributed in respect of each share of Common Stock, which shall equal the number of securities distributed in respect of each share of Common Stock multiplied by the average of the Closing Sale Prices of those distributed securities for the ten (10) Trading Days commencing on and including the fifth Trading Day after the Ex-Dividend Date; and

(ii) the denominator of which shall be the average of the Closing Sale Prices of the Common Stock for the ten (10) Trading Days commencing on and including the fifth Trading Day after the Ex-Dividend Date.

Such adjustment shall become effective immediately prior to the opening of business on the day following the fifteenth Trading Day after the Ex-Dividend Date.

(h) To the fullest extent permitted by law, the Corporation may make such increases in the Conversion Rate in addition to those required by this Section 9 as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes. To the fullest extent permitted by applicable law, the Corporation from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least 20 days and the increase is irrevocable during the period and the Board of Directors

determines in good faith that such increase would be in the best interest of the Corporation, which determination shall be conclusive. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Corporation shall mail to each holder of the Preferred Stock at the address of such holder as it appears in the stock register a notice of the increase at least 15 days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

(i) No adjustment in the Conversion Rate (other than any adjustment pursuant to Section 9(e) above) shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Rate then in effect; *provided* , *however* , that any adjustments that by reason of this Section 9(i) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 9 shall be made by the Corporation and shall be made to the nearest cent or to the nearest one-ten thousandth (1/10,000) of a share, as the case may be. No adjustment need be made for rights to purchase Common Stock pursuant to a Corporation plan for reinvestment of dividends or interest or, except as set forth in this Section 9, for any issuance of Common Stock or securities convertible, exercisable or exchangeable into Common Stock. To the extent the Preferred Stock becomes convertible into cash, assets, property or securities (other than Capital Stock of the Corporation), subject to Section 10, no adjustment need be made thereafter to the Conversion Rate. Interest will not accrue on any cash into which the Preferred Stock may be convertible.

(j) Whenever the Conversion Rate is adjusted as herein provided (except for adjustments pursuant to Section 9(e) hereof that in the aggregate are less than 1%), the Corporation shall promptly file with the Conversion Agent an Officer’s certificate setting forth the Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a responsible officer of the Conversion Agent shall have received such Officer’s certificate, the Conversion Agent shall not be deemed to have knowledge of any adjustment of the Conversion Rate and may assume that the last Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Corporation shall prepare a notice of such adjustment of the Conversion Rate setting forth the adjusted Conversion Rate and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Conversion Rate to each holder of Preferred Stock at its last address appearing in the stock register within twenty (20) days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) For purposes of this Section 9, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation, unless such treasury shares participate in any distribution or dividend that requires an adjustment pursuant to this Section 9, but shall include shares

issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

10. *Effect of Reclassification, Consolidation, Merger or Sale on Conversion Privilege* . (a) If any of the following events occur, namely (i) any reclassification or change of the outstanding shares of Common Stock (other than a subdivision or combination to which Section 9(c) applies), (ii) any consolidation, merger or combination of the Corporation with another Person as a result of which holders of Common Stock shall be entitled to receive stock, other securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, or (iii) any sale or conveyance of all or substantially all of the properties and assets of the Corporation to any other Person as a result of which holders of Common Stock shall be entitled to receive stock, other securities or other property or assets (including cash) with respect to or in exchange for such Common Stock, then each share of Preferred Stock outstanding immediately prior to such transaction shall be convertible into the kind and amount of shares of stock, other securities or other property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance by a holder of a number of shares of Common Stock issuable upon conversion of such Preferred Stock (assuming, for such purposes, a sufficient number of authorized shares of Common Stock are available to convert all such Preferred Stock) immediately prior to such reclassification, change, consolidation, merger, combination, sale or conveyance assuming such holder of Common Stock did not exercise his rights of election, if any, as to the kind or amount of stock, other securities or other property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance (provided that, if the kind or amount of stock, other securities or other property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance is not the same for each share of Common Stock in respect of which such rights of election shall not have been exercised (" **non-electing share** "), then for the purposes of this Section 10 the kind and amount of stock, other securities or other property or assets (including cash) receivable upon such reclassification, change, consolidation, merger, combination, sale or conveyance for each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares).

(b) The Corporation shall cause notice of the application of this Section 10 to be delivered to each holder of the Preferred Stock at the address of such holder as it appears in the stock register within twenty (20) days after the occurrence of any of the events specified in Section 10(a) and shall issue a press release containing such information and publish such information on its web site on the World Wide Web. Failure to deliver such notice shall not affect the legality or validity of any conversion right pursuant to this Section 10.

(c) The above provisions of this Section 10 shall similarly apply to successive reclassifications, changes, consolidations, mergers, combinations, sales and conveyances, and the provisions of Section 9 shall apply to any shares of Capital Stock received by the holders of Common Stock in any such

reclassification, change, consolidation, merger, combination, sale or conveyance; *provided* that if this Section 10 applies to any event or occurrence, Section 9 shall not apply to such event or occurrence.

11. *Rights Issued in Respect of Common Stock Issued Upon Conversion* . Each share of Common Stock issued upon conversion of the Preferred Stock shall be entitled to receive the appropriate number of common stock or preferred stock purchase rights, as the case may be, including without limitation, the rights under the Rights Plan (collectively, the " **Rights** "), if any, that shares of Common Stock are entitled to receive and the certificates representing the Common Stock issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any shareholder rights agreement adopted by the Corporation, as the same may be amended from time to time (in each case, a " **Rights Plan** "). Provided that such Rights Plan requires that each share of Common Stock issued upon conversion of the Preferred Stock at any time prior to the distribution of separate certificates representing the Rights be entitled to receive such Rights, then, notwithstanding anything else to the contrary in this Certificate, there shall not be any adjustment to the conversion privilege or Conversion Rate as a result of the issuance of Rights, but an adjustment to the Conversion Rate shall be made pursuant to Section 9(d) upon the separation of the Rights from the Common Stock.

12. *Designated Event that Requires the Corporation to Redeem Shares of Preferred Stock at the Option of the Holder.*

(a) *Redemption Right.* Subject to legally available funds, if there shall occur a Designated Event, shares of Preferred Stock that remain outstanding after a Designated Event shall be redeemed, subject to satisfaction by or on behalf of any holder of the requirements set forth in Section 12(c), by the Corporation at the option of the holders thereof as of the date specified by the Corporation (the " **Designated Event Redemption Date** ") that is not more than 30 calendar days (or the next succeeding business day if such 30 th calendar day is not a business day) after the mailing of written notice of the Designated Event pursuant to 12(b) below. The Redemption Price shall be paid, subject to legally available funds, at the option of the Corporation, in cash, shares of Common Stock, or any combination thereof; *provided* that if upon a Designated Event, the Corporation is prohibited from paying the Redemption Price in cash under the terms of any indebtedness of the Corporation or by applicable law, the Corporation shall, if permitted under the terms of such indebtedness and under applicable laws, elect to pay the Redemption Price in shares of Common Stock; *provided further* that the Corporation shall not be permitted to pay all or any portion of the Redemption Price in shares of Common Stock unless:

(i) the Corporation shall have given timely notice pursuant to Section 12(b) hereof of its intention to redeem all or a specified percentage of the Preferred Stock with shares of Common Stock as provided herein; and

(ii) the Corporation shall have registered such shares of Common Stock under the Securities Act, if required.

If the foregoing conditions to pay the Redemption Price in shares of Common Stock are not satisfied with respect to any holder or holders of Preferred Stock prior to the close of business on the Designated Event Redemption Date and the Corporation has elected to redeem the Preferred Stock pursuant to this Section 12 through the issuance of shares of Common Stock, then, notwithstanding any election by the Corporation to the contrary, the Corporation shall pay, subject to legally available funds, the entire Redemption Price of the Preferred Stock of such holder or holders entirely in cash. Except as provided in the preceding sentence, the Corporation may not change the form of consideration to be paid for the Preferred Stock after the mailing of written notice of the Designated Event pursuant to Section 12(b) below.

(b) *Notice to Holders.* Within 15 days after the occurrence of a Designated Event, the Corporation shall mail a written notice of the Designated Event to each holder at the address of such holder as it appears in the stock register and to beneficial owners (as required by applicable law), issue a press release containing such notice and publish such notice on its web site on the World Wide Web. The Corporation shall also deliver a copy of the notice to the Transfer Agent. The notice shall include the form of a Designated Event Redemption Notice (as defined in Section 12(c) below) to be completed by the holder and shall state:

(i) the date of such Designated Event and, briefly, the events causing such Designated Event;

(ii) the date by which the Designated Event Redemption Notice pursuant to this Section 12 must be given;

(iii) the Designated Event Redemption Date;

(iv) the Redemption Price that will be payable with respect to the shares of Preferred Stock that remain outstanding after such Designated Event as of the Designated Event Redemption Date, and whether such Redemption Price will be paid in cash, shares of Common Stock, or, if a combination thereof, the percentages of the Redemption Price the Corporation will pay in cash and in shares of Common Stock;

(v) the name and address of each Paying Agent and Conversion Agent;

(vi) the Conversion Rate and any adjustments thereto;

(vii) that Preferred Stock that remains outstanding after such Designated Event as to which a Designated Event Redemption Notice has been given may be converted into Common Stock pursuant to this

Certificate only to the extent that the Designated Event Redemption Notice has been withdrawn in accordance with the terms of this Certificate;

(viii) the procedures that the holder of Preferred Stock must follow to exercise rights under this Section 12; and

(ix) the procedures for withdrawing a Designated Event Redemption Notice, including a form of notice of withdrawal.

If any of the Preferred Stock that remains outstanding after such Designated Event is in the form of Global Preferred Shares, then the Corporation shall modify such notice to the extent necessary to accord with the procedures of the Depositary applicable to the redemption of Global Preferred Shares.

(c) *Conditions to Redemption.* (i) Subject to legally available funds, a holder of shares of Preferred Stock that remain outstanding after a Designated Event may exercise its rights specified in Section 12(a) upon delivery of a written notice (which shall be in substantially the form included as Exhibit B to this Certificate and which may be delivered by letter, overnight courier, hand delivery, facsimile transmission or in any other written form and, in the case of Global Preferred Shares, may be delivered electronically or by other means in accordance with the Depositary's customary procedures) of the exercise of such rights (a " **Designated Event Redemption Notice** ") to the Transfer Agent at any time prior to the close of business on the Business Day immediately before the Designated Event Redemption Date. The Designated Event Redemption Notice must specify (A) if certificated shares of Preferred Stock have been issued, the certificate numbers for such shares in respect of which such notice is being submitted, or if not, such information as may be required by the Depositary, (B) the number of shares of Preferred Stock, with respect to which such notice is being submitted; and (C) that the Corporation shall redeem such Preferred Stock in accordance with the applicable provisions of this Certificate and the Second Amended and Restated Certificate of Incorporation The Transfer Agent shall promptly notify the Corporation of the receipt of any Designated Event Redemption Notice.

(ii) The delivery of such shares of Preferred Stock to be redeemed by the Corporation to the Transfer Agent (together with all necessary endorsements) at the office of the Transfer Agent, or the book-entry transfer of such shares, shall be a condition to the receipt by the holder of the Redemption Price.

(iii) Any redemption by the Corporation contemplated pursuant to the provisions of this Section 12(c) shall be consummated by the delivery of the consideration to be received by the holder promptly following the later of the Designated Event Redemption Date and the time of delivery of such share of Preferred Stock to the Transfer Agent in accordance with this Section 12(c).

(d) *Withdrawal of Designated Event Redemption Notice.* Notwithstanding anything herein to the contrary, any holder of Preferred Stock that remains outstanding after a Designated Event delivering to the Transfer Agent the Designated Event Redemption Notice shall have the right to withdraw such Designated Event Redemption Notice in whole or in part at any time prior to the close of business on the Business Day before the Designated Event Redemption Date by delivery of a written notice of withdrawal to the Transfer Agent specifying:

(i) if certificated shares of Preferred Stock have been issued, the certificate numbers for such shares in respect of which such notice of withdrawal is being submitted, or if not, such information as may be required by the Depositary;

(ii) the number of shares of Preferred Stock, with respect to which such notice of withdrawal is being submitted; and

(iii) the number of shares of Preferred Stock, if any, that remain subject to the original Designated Event Redemption Notice and that have been or will be delivered for redemption by the Corporation.

The Transfer Agent shall promptly notify the Corporation of the receipt of any written notice of withdrawal of a Designated Event Redemption Notice. The Transfer Agent will promptly return to the respective holders thereof any shares of Preferred Stock with respect to which a Designated Event Redemption Notice has been withdrawn in compliance with this Certificate.

(e) *Global Preferred Shares.* Anything herein to the contrary notwithstanding, in the case of Global Preferred Shares, any Designated Event Redemption Notice may be delivered or withdrawn, and the shares of Preferred Stock that remain outstanding after a Designated Event in respect of such Global Preferred Shares may be surrendered or delivered for redemption, in accordance with the applicable procedures of the Depositary as in effect from time to time.

(f) *Effect of Designated Event Redemption Notice.* Upon receipt by the Transfer Agent of the Designated Event Redemption Notice, the holder of the shares of Preferred Stock in respect of which such Designated Event Redemption Notice was given shall (unless such Designated Event Redemption Notice is withdrawn as specified above) thereafter be entitled, subject to legally available funds, to receive the Redemption Price with respect to such shares of Preferred Stock, subject to 12(c) hereof. Such Redemption Price shall be paid, subject to legally available funds, to such holder promptly on the later of (a) the Designated Event Redemption Date with respect to such shares of Preferred Stock or (b) the time of delivery or book-entry transfer of such shares of Preferred Stock to the Transfer Agent by the holder thereof in the manner required by this Section 12. Shares of Preferred Stock in respect of which a Designated Event Redemption Notice has been given by the holder thereof may not be converted into Common

Stock on or after the date of the delivery of such Designated Event Redemption Notice unless such Designated Event Redemption Notice has first been validly withdrawn as specified in Section 12(d) above.

(g) *Payment of Redemption Price in Common Stock.* Payment of the specified portion of the Redemption Price in shares of Common Stock pursuant to Section 12(a) hereof shall be made by the issuance of a number of shares of Common Stock equal to the quotient obtained by dividing (i) the portion of the Redemption Price, as the case may be, to be paid in shares of Common Stock by (ii) 97.5% of the average of the Closing Sale Prices of the Common Stock for the ten Trading Days immediately preceding and including the fifth Trading Day prior to the Designated Event Redemption Date (appropriately adjusted to take into account the occurrence during such period of any event described in Section 9); *provided* that in no event will the Corporation be required to deliver more than 240,000,000 shares of Common Stock in satisfaction of the Redemption Price, subject to the adjustments set forth in Section 9. The Corporation will not issue fractional shares of Common Stock in payment of the Redemption Price. Instead, the Corporation will pay cash based on the Closing Sale Price for all fractional shares on the Designated Event Redemption Date. If a holder of Preferred Stock that remains outstanding after a Designated Event elects to have more than one share of Preferred Stock redeemed, the number of shares of Common Stock to be received by such holder shall be based on the aggregate number of shares of Preferred Stock to be redeemed. Upon determination of the actual number of shares of Common Stock to be issued upon redemption of Preferred Stock, the Corporation shall be required to disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on the Corporation's web site or through such other public medium as the Corporation may use at that time.

(h) *Deposit of Redemption Price* . Prior to 11:00 a.m. (New York City time) on the Designated Event Redemption Date, the Corporation shall, subject to legally available funds, deposit with the Paying Agent an amount of cash (in immediately available funds if deposited on such Business Day), Common Stock, or combination of cash and Common Stock, as applicable, sufficient to pay the aggregate Redemption Price of all shares of Preferred Stock that remain outstanding after a Designated Event or portions thereof which are to be redeemed as of the Designated Event Redemption Date. The manner in which the deposit required by this Section 12(h) is made by the Corporation shall be at the option of the Corporation, *provided* , however, that such deposit shall be made in a manner such that the Paying Agent shall have immediately available funds on the Designated Event Redemption Date. If the Paying Agent holds, on the Business Day following the Designated Event Redemption Date, cash, Common Stock or cash and Common Stock, as applicable, sufficient to pay the Redemption Price of any share of Preferred Stock for which a Designated Event Redemption Notice has been tendered and not withdrawn in accordance with this Section 12(d), then, immediately after such Designated Event Redemption Date, such share of

Preferred Stock (whether or not book-entry transfer of the shares of Preferred Stock is made or whether or not the certificates representing the shares of Preferred Stock are delivered to the Transfer Agent) will cease to be Outstanding, dividends will cease to accrue and all other rights of the holder in respect thereof shall terminate (other than the right to receive the Redemption Price as aforesaid). The Corporation shall publicly announce the number of shares of Preferred Stock redeemed as a result of such Designated Event on or as soon as practicable after the Designated Event Redemption Date.

(i) *Preferred Stock Redeemed in Part.* Upon surrender of a certificate or certificates representing shares of the Preferred Stock that remain outstanding after a Designated Event that is or are redeemed in part, the Corporation shall execute, and the Transfer Agent shall authenticate and deliver to the holder, a new certificate or certificates representing shares of the Preferred Stock in an amount equal to the unredeemed portion of the shares of Preferred Stock surrendered for partial redemption.

(j) *Repayment to the Corporation* . The Paying Agent shall return to the Corporation any cash or Common Stock that remains unclaimed for two years, subject to applicable unclaimed property law, together with interest, if any, thereon held by the Paying Agent for the payment of the Redemption Price; *provided* , however, that to the extent that the aggregate amount of cash deposited by the Corporation pursuant to this Section 12 exceeds the aggregate Redemption Price of the Preferred Stock or portions thereof which the Corporation is obligated to redeem as of the Designated Event Redemption Date, then on the Business Day following the Designated Event Redemption Date, the Paying Agent shall return any such excess to the Corporation. Thereafter, any holder entitled to payment must look to the Corporation for payment as general creditors, unless an applicable abandoned property law designates another Person.

(k) *Ranking.* In the event of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of the Preferred Stock shall, following the exercise of their option pursuant to Section 12(a) hereof, not have any preference over the holders of the shares of the Common Stock with respect to the Corporation's redemption obligations set forth in Section 12(a) hereof.

(l) *Compliance with Laws.* The Corporation will comply with all the applicable provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act, if required, in connection with any offer by the Corporation to redeem the Preferred Stock and to the extent necessary to comply therewith, the time periods specified herein shall be extended accordingly.

13. *Voting Rights.*

(a) The holders of record of shares of the Preferred Stock shall not be entitled to any voting rights except as hereinafter provided in this Section 13, as

otherwise provided in the Second Amended and Restated Certificate of Incorporation, or as otherwise provided by law.

(b) The affirmative vote of holders of at least two-thirds of the outstanding shares of the Preferred Stock and all other Parity Stock with like voting rights, voting as a single class, in person or by proxy, at an annual meeting of the Corporation's stockholders or at a special meeting called for the purpose, or by written consent in lieu of such a meeting, shall be required to alter, repeal or amend, whether by merger, consolidation, combination, reclassification or otherwise, any provisions of the Second Amended and Restated Certificate of Incorporation or this Certificate if the amendment would amend, alter or affect the powers, preferences or rights of the Preferred Stock, so as to adversely affect the holders thereof, including, without limitation, the creation of, or increase in the authorized number of, shares of any class or series of Senior Stock; *provided however,* that any increase in the amount of the authorized Common Stock or currently authorized Preferred Stock or the creation and issuance of any class or series of Common Stock, other Junior Stock or Parity Stock will not be deemed to adversely affect such powers, preferences or rights.

(c) If at any time (1) dividends on any shares of Preferred Stock or any other class or series of Parity Stock having like voting rights shall be in arrears for Dividend Periods, whether or not consecutive, containing in the aggregate a number of days equivalent to six calendar quarters or (2) the Corporation shall have failed to pay the Redemption Price when due (whether the redemption is pursuant to an Optional Redemption or the redemption is in connection with a Designated Event) then, the total number of directors constituting the entire Board of Directors shall automatically be increased by two, and, in each case, the holders of shares of Preferred Stock (voting separately as a class with all other series of Parity Stock upon which like voting rights have been conferred and are exercisable) will be entitled to elect two of the authorized number of the Corporation's directors (each, a " **Preferred Stock Director** ") at the next annual meeting of stockholders (or at a special meeting of the Corporation's stockholders called for such purpose, whichever is earlier) and each subsequent meeting until the Redemption Price or all dividends accumulated on the Preferred Stock have been fully paid or set aside for payment. The Preferred Stock Directors shall not be divided into the classes of the Board and the term of office of all such Preferred Stock Directors shall terminate immediately upon the termination of the right of the holders of Preferred Stock and such Parity Stock to vote for directors and upon such termination the total number of directors constituting the entire Board will be automatically reduced by two. Each holder of shares of the Preferred Stock will have one vote for each share of Preferred Stock held. At any time after voting power to elect directors shall have become vested and be continuing in the holders of the Preferred Stock pursuant to this Section 13(c), or if a vacancy shall exist in the office of any Preferred Stock Director, the Board of Directors may, and upon written request of the holders of record of at least 25% of the Outstanding Preferred Stock addressed to the Chairman of the Board of the Corporation shall, call a

special meeting of the holders of the Preferred Stock (voting separately as a class with all other series of Parity Stock upon which like voting rights have been conferred and are exercisable) for the purpose of electing the Preferred Stock Director that such holders are entitled to elect. At any meeting held for the purpose of electing a Preferred Stock Director, the presence in person or by proxy of the holders of at least a majority of the Outstanding Preferred Stock shall be required to constitute a quorum of such Preferred Stock. Any vacancy occurring in the office of a Preferred Stock Director may be filled by the remaining Preferred Stock Director unless and until such vacancy shall be filled by the holders of the Preferred Stock and all other Parity Stock having like voting rights, as provided above.

14. *Transfer Agent and Registrar* . The duly appointed Transfer Agent (the " **Transfer Agent** ") or Registrar (the " **Registrar** ") for the Preferred Stock shall be Equiserve Trust Company, N.A. The Corporation may, in its sole discretion, remove the Transfer Agent and Registrar in accordance with the agreement between the Corporation and the Transfer Agent and Registrar; provided that the Corporation shall appoint a successor transfer agent and registrar who shall accept such appointment prior to the effectiveness of such removal.

15. *Currency* . All shares of Preferred Stock shall be denominated in U.S. currency, and all payments and distributions thereon or with respect thereto shall be made in U.S. currency. All references herein to "$"or "dollars" refer to U.S. currency.

16. *Form* . (a) The Preferred Stock shall be issued in the form of one or more permanent global shares of Preferred Stock (each, a " **Global Preferred Share** ") in definitive, fully registered form with the global legend (the " **Global Shares Legend** ") each as set forth on the form of Preferred Stock certificate attached hereto as Exhibit A, which is hereby incorporated in and expressly made a part of this Certificate. The Global Preferred Shares may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Corporation is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Corporation). The Global Preferred Shares shall be deposited on behalf of the holders of the Preferred Stock represented thereby with the Registrar, at its New York office, as custodian for the Depositary, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Corporation and countersigned and registered by the Registrar as hereinafter provided. The aggregate number of shares represented by each Global Preferred Share may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Depositary or its nominee as hereinafter provided. This Section 16(a) shall apply only to a Global Preferred Share deposited with or on behalf of the Depositary. The Corporation shall execute and the Registrar shall, in accordance with this Section 16, countersign and deliver initially one or more Global Preferred Shares that (i) shall be registered in the name of Cede & Co. or other nominee of the Depositary and (ii) shall be delivered by the Registrar to Cede & Co. or pursuant to instructions received from Cede & Co. or held by the Registrar as custodian for the Depositary pursuant to an agreement between the Depositary and the

Registrar. Members of, or participants in, the Depositary (" **Agent Members** ") shall have no rights under this Certificate, with respect to any Global Preferred Share held on their behalf by the Depositary or by the Registrar as the custodian of the Depositary, or under such Global Preferred Share, and the Depositary may be treated by the Corporation, the Registrar and any agent of the Corporation or the Registrar as the absolute owner of such Global Preferred Share for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Registrar or any agent of the Corporation or the Registrar from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Preferred Share. Owners of beneficial interests in Global Preferred Shares shall not be entitled to receive physical delivery of certificated shares of Preferred Stock, unless (x) DTC is unwilling or unable to continue as Depositary for the Global Preferred Shares and the Corporation does not appoint a qualified replacement for DTC within 90 days, (y) DTC ceases to be a "clearing agency" registered under the Exchange Act or (z) the Corporation decides to discontinue the use of book-entry transfer through DTC (or any successor Depositary). In any such case, the Global Preferred Shares shall be exchanged in whole for certificated shares of Preferred Stock in registered form, with the same terms and of an equal aggregate Liquidation Preference (unless the Corporation determines otherwise in accordance with applicable law). Certificated shares of Preferred Stock shall be registered in the name or names of the Person or Person specified by DTC in a written instrument to the Registrar.

(b) (i) Authorized Officers shall sign the Global Preferred Shares for the Corporation, in accordance with the Corporation's bylaws and applicable law, by manual or facsimile signature.

(ii) If the Officers whose signatures are on a Global Preferred Share no longer hold that office at the time the Transfer Agent authenticates the Global Preferred Share, the Global Preferred Share shall be valid nevertheless.

(iii) A Global Preferred Share shall not be valid until an authorized signatory of the Transfer Agent manually countersigns such Global Preferred Share. The signature shall be conclusive evidence that such Global Preferred Share has been authenticated under this Certificate. Each Global Preferred Share shall be dated the date of its authentication.

17. *Registration; Transfer.*

(a) Notwithstanding any provision to the contrary herein, so long as a Global Preferred Share remains outstanding and is held by or on behalf of the Depositary, transfers of a Global Preferred Share, in whole or in part, or of any beneficial interest therein, shall only be made in accordance with this Section 17.

(b) Transfers of a Global Preferred Share shall be limited to transfers of such Global Preferred Share in whole, but not in part, to nominees of the Depositary or to a successor of the Depositary or such successor's nominee.

18. *Paying Agent and Conversion Agent.*

(a) The Corporation shall maintain in the Borough of Manhattan, City of New York, State of New York (i) an office or agency where Preferred Stock may be presented for payment (the " **Paying Agent** ") and (ii) an office or agency where Preferred Stock may be presented for conversion (the " **Conversion Agent** "). The Transfer Agent shall act as Paying Agent and Conversion Agent, unless another Paying Agent or Conversion Agent is appointed by the Corporation. The Corporation may appoint the Registrar, the Paying Agent and the Conversion Agent and may appoint one or more additional paying agents and one or more additional conversion agents in such other locations as it shall determine. The term "Paying Agent" includes any additional paying agent and the term "Conversion Agent" includes any additional conversion agent. The Corporation may change any Paying Agent or Conversion Agent without prior notice to any holder. The Corporation shall notify the Registrar of the name and address of any Paying Agent or Conversion Agent appointed by the Corporation. If the Corporation fails to appoint or maintain another entity as Paying Agent or Conversion Agent, the Registrar shall act as such. The Corporation or any of its Affiliates may act as Paying Agent, Registrar or Conversion Agent. The Registrar shall record any exchanges, increases or decreases in the Preferred Stock on Schedule A attached hereto.

(b) Payments due on the Preferred Stock shall be payable at the office or agency of the Corporation maintained for such purpose in The City of New York and at any other office or agency maintained by the Corporation for such purpose. Payments shall be payable by United States dollar check drawn on, or wire transfer (provided, that appropriate wire instructions have been received by the Registrar at least 15 days prior to the applicable date of payment) to a U.S. dollar account maintained by the holder with, a bank located in New York City; *provided* that at the option of the Corporation, payment of dividends may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Preferred Stock register. Notwithstanding the foregoing, payments due in respect of beneficial interests in the Global Preferred Shares shall be payable by wire transfer of immediately available funds in accordance with the procedures of the Depositary.

19. *Headings* . The headings of the Sections of this Certificate are for convenience of reference only and shall not define, limit or affect any of the provisions hereof.

IN WITNESS WHEREOF, Celanese Corporation has caused this Certificate of Designations to be signed and attested by the undersigned this day of January 25, 2005.

CELANESE CORPORATION

By: /s/ David N. Weidman
Name: David N. Weidman
Title: Chief Executive Officer and President

By: /s/ Corliss J. Nelson
Name: Corliss J. Nelson
Title: Chief Financial Officer

ATTEST:

By: /s/ Andreas Pohlmann
Name: Andreas Pohlmann
Title: Chief Administrative Officer and Secretary

EXHIBIT A

FORM OF 4.25% CONVERTIBLE PERPETUAL PREFERRED STOCK

Number: ___ ____________ Shares

CUSIP NO.:

4.25% Convertible Perpetual Preferred Stock
(par value $0.01 per share)
(liquidation preference $25.00 per share)
OF
CELANESE CORPORATION

FACE OF SECURITY

[GLOBAL SHARES LEGEND] [UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF DESIGNATIONS REFERRED TO BELOW.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH REGISTRAR AND TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.]

CELANESE CORPORATION, a Delaware corporation (the "Corporation"), hereby certifies that Cede & Co. or registered assigns (the "Holder") is the registered owner of fully paid and non-assessable shares of preferred stock of the Corporation designated the "4.25% Convertible Perpetual Preferred Stock," par value $0.01 per share and liquidation preference $25.00 per share (the "Preferred Stock"). The shares of Preferred Stock are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Stock represented hereby are issued and shall in all respects be subject to the provisions of the Certificate of Designations of the Corporation dated January 24, 2005, as the same may be amended from time to time in accordance with its terms (the "Certificate of Designations"). Capitalized terms used herein but not defined shall have the respective meanings given them in the Certificate of Designations. The Corporation will provide a copy of the Certificate of Designations to a Holder without charge upon written request to the Corporation at its principal place of business.

Reference is hereby made to select provisions of the Preferred Stock set forth on the reverse hereof, and to the Certificate of Designations, which select provisions and the Certificate of Designations shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by the Certificate of Designations and is entitled to the benefits thereunder.

Unless the Transfer Agent's Certificate of Authentication hereon has been properly executed, the shares of Preferred Stock evidenced hereby shall not be entitled to any benefit under the Certificate of Designations or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, Celanese Corporation has executed this certificate as of the date set forth below.

CELANESE CORPORATION

By: ________________________________
Name:
Title:

By: ________________________________
Name:
Title:

Dated: ________________________________

TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the certificates representing shares of Preferred Stock referred to in the within mentioned Certificate of Designations.

as Transfer Agent

By: ________________________________
Name:
Title: Authorized Signatory

Dated: ________________________________

REVERSE OF SECURITY

CELANESE CORPORATION

4.25% Convertible Perpetual Preferred Stock

Dividends on each share of 4.25% Convertible Perpetual Preferred Stock shall be payable in cash at a rate per annum set forth on the face hereof or as provided in the Certificate of Designations.

The shares of 4.25% Convertible Perpetual Preferred Stock shall be redeemable as provided in the Certificate of Designations. The shares of 4.25% Convertible Perpetual Preferred Stock shall be convertible into the Corporation's Series A Common Stock in the manner and according to the terms set forth in the Certificate of Designations. Upon a Designated Event, holders of shares of 4.25% Convertible Perpetual Preferred Stock that remain outstanding after the Designated Event will have the right to require the Corporation to redeem such shares in the manner and according to the terms set forth in the Certificate of Designations.

As required under Delaware law, the Corporation shall furnish to any Holder upon request and without charge, a full summary statement of the designations, voting rights preferences, limitations and special rights of the shares of each class or series authorized to be issued by the Corporation so far as they have been fixed and determined.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of 4.25% Convertible Perpetual Preferred Stock evidenced hereby to:

____

____

(Insert assignee's social security or tax identification number)

____

(Insert address and zip code of assignee)

____

____

and irrevocably appoints:

____

agent to transfer the shares of 4.25% Convertible Perpetual Preferred Stock evidenced hereby on the books of the Transfer Agent and Registrar. The agent may substitute another to act for him or her.

Date: ________________

Signature: ____________________

(Sign exactly as your name appears on the other side of this % Convertible Perpetual Preferred Stock)

Signature Guarantee: __________________ [1]

[1] Signature must be guaranteed by an "eligible guarantor institution" (i.e., a bank, stockbroker, savings and loan association or credit union) meeting the requirements of the Registrar, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE OF CONVERSION

(To be Executed by the Registered Holder
in order to Convert the 4.25% Convertible Perpetual Preferred Stock)

The undersigned hereby irrevocably elects to convert (the "Conversion") _______ shares of 4.25% Convertible Perpetual Preferred Stock (the "Preferred Stock"), represented by stock certificate No(s). __ (the "Preferred Stock Certificates") into shares of Series A common stock, par value $.0001 per share ("Common Stock"), of Celanese Corporation (the "Corporation") according to the conditions of the Certificate of Designations establishing the terms of the Preferred Stock (the "Certificate of Designations"), as of the date written below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates. No fee will be charged to the holder for any conversion, except for transfer taxes, if any. A copy of each Preferred Stock Certificate is attached hereto (or evidence of loss, theft or destruction thereof).

The undersigned represents and warrants that all offers and sales by the undersigned of the shares of Common Stock issuable to the undersigned upon conversion of the Preferred Stock shall be made pursuant to registration of the Common Stock under the Securities Act of 1933 (the "Act") or pursuant to an exemption from registration under the Act.

The Corporation is not required to issue shares of Common Stock until the original Preferred Stock Certificate(s) (or evidence of loss, theft or destruction thereof) to be converted are received by the Corporation or its Transfer Agent. The Corporation shall issue and deliver shares of Common Stock to an overnight courier as promptly as practicable following receipt of the original Preferred Stock Certificate(s) to be converted.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in or pursuant to the Certificate of Designations.

Date of Conversion: ________________________________

Applicable Conversion Rate: _________________________

Number of shares of 4.25% Convertible Perpetual Preferred Stock to be Converted: ___________________________

Number of shares of Common Stock to be Issued:_______

Signature: ______________________________________

Name: ____

Address: [2] ______________________________________

Fax No.: _______________________________________

[2] Address where shares of Common Stock and any other payments or certificates shall be sent by the Corporation.

SCHEDULE A

SCHEDULE OF EXCHANGES FOR GLOBAL SECURITY

The initial number of shares of 4.25% Convertible Perpetual Preferred Stock represented by this Global Preferred Share shall be ______. The following exchanges of a part of this Global Preferred Share have been made:

Date of Exchange	Amount of decrease in number of shares represented by this Global Preferred Share	Amount of increase in number of shares represented by this Global Preferred Share	Number of shares represented by this Global Preferred Share following such decrease or increase	Signature of authorized officer of Registrar

EXHIBIT B

FORM OF NOTICE OF ELECTION OF REDEMPTION
UPON A DESIGNATED EVENT

Equiserve Trust Company, N.A., as Transfer Agent
25 Royall St.
Canton, MA 02021
Attn: Carole A. McHugh

Re: Celanese Corporation
4.25% Convertible Perpetual Preferred Stock
(the "Preferred Stock")

The undersigned hereby irrevocably acknowledges receipt of a notice from Celanese Corporation (the "Corporation") as to the occurrence of a Designated Event with respect to the Corporation and requests and instructs the Corporation to redeem _____ shares of Preferred Stock in accordance with the terms of the Certificate of Designations at the Redemption Price.

Capitalized terms used but not defined herein shall have the meanings ascribed thereto pursuant to the Certificate of Designations.

Dated: ______________________

____

____
Signature(s)

NOTICE: The above signatures of the holder(s) hereof must correspond with the name as written upon the face of the Security in every particular without alteration or enlargement or any change whatever.

Aggregate Liquidation Preference to be redeemed (if less than all):

____

____
Social Security or Other Taxpayer Identification Number

Exhibit 10.8

CELANESE CORPORATION
2004 STOCK INCENTIVE PLAN

1. Purpose of the Plan

The purpose of the Plan (as defined below) is to aid the Company (as defined below) and its Affiliates (as defined below) in recruiting and retaining key employees, directors or consultants of outstanding ability and to motivate such employees, directors or consultants to exert their best efforts on behalf of the Company and its Affiliates by providing incentives through the granting of Awards (as defined below). The Company expects that it will benefit from the added interest which such key employees, directors or consultants will have in the welfare of the Company as a result of their proprietary interest in the Company's success.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) Affiliate : With respect to any Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such Person or any other Person designated by the Committee in which any Person has an interest.

(b) Award : Any Option, Stock Appreciation Right, or Other Stock-Based Award granted pursuant to the Plan.

(c) Award Agreement : Any written agreement, contract, or other instrument or document evidencing any Award, which may, but need not, be executed or acknowledged by a Participant.

(d) Blackstone : Blackstone LR Associates (Cayman) IV Ltd., Blackstone Management Associates (Cayman) IV L.P., Blackstone Capital Partners (Cayman) IV L.P., Blackstone Capital Partners (Cayman) IV-A L.P., Blackstone Family Investment Partnership (Cayman) IV-A L.P. and Blackstone Chemical Coinvest Partners (Cayman) L.P.

(e) Board : The Board of Directors of the Company.

(f) Change in Control : (i) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any "person" or "group" (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) other than Blackstone or its affiliates or (ii) any person or group, other than Blackstone or its affiliates, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 51% of the total voting power of the voting stock of the Company, including by way of merger, consolidation or otherwise.

(g) Code : The Internal Revenue Code of 1986, as amended, or any successor thereto.

(h) Committee : A committee of the Board designated by the Board.

(i) Company : Celanese Corporation, a Delaware corporation.

(j) Effective Date : The date the Board adopts the Plan.

(k) Employment: (i) a Participant's employment if the Participant is an employee of the Company or any of its Affiliates, (ii) a Participant's services as a consultant, if the Participant is a consultant to the Company or any of its Affiliates and (iii) a Participant's services as an non-employee director, if the Participant is a non-employee member of the Board or the board of directors of an Affiliate; provided however that unless otherwise determined by the Committee, a change in a Participant's status from employee to non-employee (other than a director of the Company or an Affiliate) shall constitute a termination of employment hereunder.

(l) Exchange Act : The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, or any successor statute thereto.

(m) Fair Market Value : On a given date, (a) if there is a public market for the Shares on such date, the average of the high and low closing bid prices of the Shares on such stock exchange on which the Shares are principally trading on the date in question, or, if there were no sales on such date, on the closest preceding date on which there were sales of Shares or (ii) if there is no public market for the Shares on such date, the fair market value of the Shares as determined in good faith by the Board.

(n) ISO: An Option that is also an incentive stock option granted pursuant to Section 6(d) of the Plan.

(o) Option : A stock option granted pursuant to Section 6 of the Plan.

(p) Option Price : The purchase price per Share of an Option, as determined pursuant to Section 6(a) of the Plan.

(q) Other Stock-Based Award : Any award granted under Section 8 of the Plan.

(r) Participant : An employee, director or consultant of the Company or its Affiliates who is selected by the Committee to participate in the Plan.

(s) Person : Any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

(t) Plan : Celanese Corporation 2004 Stock Incentive Plan.

(u) Shares : Shares of Series A common stock of the Company.

(v) Stock Appreciation Right : Any right granted under Section 7 of the Plan.

(w) Subsidiary: A subsidiary corporation, as defined in Section 424(f) of the Code.

3. Shares Subject to the Plan

The total number of Shares which may be issued under the Plan is 16,250,000, subject to adjustment pursuant to Section 9 of the Plan. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or the payment of cash upon the exercise of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards (or portion thereof) that terminate or lapse may be granted again under the Plan.

4. Administration

(a) The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part as it determines; provided , however , that the Board may, in its sole discretion, take any action designated to the Committee under this Plan as it may deem necessary.

(b) The Committee shall have the full power and authority to make, and establish the terms and conditions of, any Award to any person eligible to be a Participant, consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions). Awards may, in the discretion of the Committee, be made under the Plan in assumption of, or in substitution for, outstanding awards previously granted by the Company or its Affiliates or a company acquired by the Company or with which the Company combines. The number of Shares underlying such substitute awards shall be counted against the aggregate number of Shares available for Awards under the Plan.

(c) The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan, and may delegate such authority, as it deems appropriate. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors).

(d) The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local, or other taxes as a result of the exercise, grant or vesting of an Award. Unless the Committee specifies otherwise, the Participant may elect to pay a portion or all of such withholding taxes by having Shares withheld by the Company with a Fair Market Value equal to the minimum statutory withholding rate from any Shares that would have otherwise been received by the Participant in connection with (i) the exercise of an Option or Stock Appreciation Right or (ii) the delivery of Shares pursuant to an Other Stock-Based Award.

5. Limitations

No Awards may be granted under the Plan after the tenth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

6. Options

Options granted under the Plan shall be, as determined by the Committee, non-qualified stock options or ISOs for federal income tax purposes, as evidenced by the related Award Agreements, and shall be subject to the following terms and conditions as well as the terms and conditions set forth in the applicable Award Agreement:

(a) Option Price . The Option Price shall be determined by the Committee, but, with respect to ISOs, shall not be less than 100% of the Fair Market Value of the Shares on the date an Option is granted.

(b) Exercisability . Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) Exercise of Options . Except as otherwise provided in the Plan or in an Award Agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of this Section 6, the exercise date of an Option shall be the date a notice of exercise is received by the Company, together with payment (or to the extent permitted by applicable law, provision for payment) of the full purchase price in accordance with this Section 6(c). The purchase price for the Shares as to which an Option is exercised shall be paid to the Company as designated by the Committee, pursuant to one or more of the following methods: (i) in cash, or its equivalent (e.g., by check), (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased to the Company and satisfying such other requirements as may be imposed by the Committee; provided that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee or generally accepted accounting principles); (iii) partly in cash and partly in such Shares; (iv) if there is a public market for the Shares at such time, subject to such rules as may be established by the Committee, through delivery of irrevocable instructions to a broker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate Option Price for the shares being purchased or (v) such other method as approved by the Committee. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(d) ISOs . The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code. No ISO may be granted to any Participant who at the time of such grant is not an employee of the Company or of any of its Subsidiaries. In addition, no ISO may be granted to any Participant who at the time of such grant owns more than 10% of the total combined voting power of all

classes of stock of the Company or of any of its Subsidiaries, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (I) within two years after the date of grant of such ISO or (II) within one year after the transfer of such Shares to the Participant, shall notify the Company of such disposition and of the amount realized upon such disposition. All Options granted under the Plan are intended to be non-qualified stock options, unless the applicable Award Agreement expressly states that the Option is intended to be an ISO. If an Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a non-qualified stock option granted under the Plan; provided that such Option (or portion thereof) otherwise complies with the Plan's requirements relating to non-qualified stock options. In no event shall any member of the Committee, the Company or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of an Option to qualify for any reason as an ISO.

(e) Attestation. Wherever in this Plan or any Award Agreement a Participant is permitted to pay the Option Price or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case the Company shall treat the Option as exercised without further payment and shall withhold such number of Shares from the Shares acquired by the exercise of the Option.

7. Stock Appreciation Rights

(a) Grants. The Committee may grant (i) a Stock Appreciation Right independent of an Option or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same number of Shares covered by an Option (or such lesser number of Shares as the Committee may determine) and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 7 (or such additional limitations as may be included in an Award agreement).

(b) Terms. The exercise price per Share of a Stock Appreciation Right shall be an amount determined by the Committee but in no event shall such amount be less than the Fair Market Value of a Share on the date the Stock Appreciation Right is granted; provided, however, that notwithstanding the foregoing in the case of a Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, the exercise price may not be less than the Option Price of the related Option. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to the Company the unexercised Option, or any portion thereof, and to receive from the

Company in exchange therefor an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (ii) the number of Shares covered by the Option, or portion thereof, which is surrendered. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash (any such Shares valued at such Fair Market Value), all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by the Company of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. The date a notice of exercise is received by the Company shall be the exercise date. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) Limitations . The Committee may impose, in its discretion, such conditions upon the exercisability or transferability of Stock Appreciation Rights as it may deem fit.

8. Other Stock-Based Awards

The Committee, in its sole discretion, may grant the right to purchase Shares, Awards of Shares, Awards of restricted Shares, Awards of phantom stock units and other Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares ("Other Stock-Based Awards"). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine: (a) the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; (b) whether such Other Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and (c) all other terms and conditions of such Other Stock-Based Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

9. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) Generally . In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or transaction or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares (other than regular cash dividends or any synthetic secondary offering following an initial public offering of the Shares) or any transaction similar to the foregoing or the issuance of equity (or rights to acquire equity) for consideration less than Fair Market Value (other than equity-based compensation or the conversion of preferred shares of the Company to Shares), the Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be

equitable, as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the Option Price or exercise price of any Stock Appreciation Right and/or (iii) any other affected terms of such Awards.

(b) Change in Control . In the event of a Change in Control after the Effective Date, the Committee may, in its sole discretion, provide for the (i) termination of an Award upon the consummation of the Change in Control, but only if such Award has vested and been paid out or the Participant has been permitted to exercise the Option in full for a period of not less than 15 days prior to the Change in Control, (ii) acceleration of all or any portion of an Award, (iii) payment of an amount (in cash or, in the discretion of the Committee, in the form of consideration paid to shareholders of the Company in connection with such Change in Control) in exchange for the cancellation of an Award, which, in the case of Options and Stock Appreciation Rights, may equal the excess, if any, of the Fair Market Value of the Shares subject to such Options or Stock Appreciation Rights over the aggregate Option Price or grant price of such Option or Stock Appreciation Rights, and/or (iv) issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder.

10. No Right to Employment or Awards

The granting of an Award under the Plan shall impose no obligation on the Company or any of its Affiliates to continue the Employment of a Participant and shall not lessen or affect the Company's or its Affiliates' rights to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

11. Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

12. Nontransferability of Awards

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant other than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

13. Awards Subject to the Plan

In the event of a conflict between any term or provision contained in the Plan and a term or provision in any Award Agreement, the applicable terms and provisions of the Plan will govern and prevail.

14. Severability.

If any provision of the Plan or any Award is, becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

15. Amendments or Termination

(a) Amendments or Termination of the Plan . The Committee may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made, without the written consent of a Participant, if such action would diminish any of the rights of the Participant under any Award theretofore granted to such Participant under the Plan; provided , however , that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws.

(b) Amendments to Awards . The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted, prospectively or retroactively; provided that no waiver, amendment, alteration, suspension, discontinuation, cancellation or termination shall impair the rights of any Participant or any holder or beneficiary of any Award theretofore granted without the consent of the affected Participant, holder or beneficiary.

16. Other Benefit Plans

All Awards shall constitute a special incentive payment to the Participant and shall not be taken into account in computing the amount of salary or compensation of the Participant for the purpose of determining any benefits under any pension, retirement, profit-sharing, bonus, life insurance or other benefit plan of the Company or under any agreement between the Company and the Participant, unless such plan or agreement specifically provides otherwise.

17. Choice of Law

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to conflicts of laws.

18. Effectiveness of the Plan

The Plan shall be effective as of the Effective Date.

Exhibit 10.8(a)

CELANESE CORPORATION
2004 STOCK INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT, is made effective as of January 20, 2005 (the " **Date of Grant** "), between Celanese Corporation (the " **Company** ") and the individual named as a participant on the signature page hereto (the " **Participant** ").

RECITALS :

WHEREAS, the Company has adopted the Plan (as defined below), the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant the Options provided for herein to the Participant pursuant to the Plan and the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. **Definitions** . Whenever the following terms are used in this Agreement, they shall have the meanings set forth below. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

(a) **Cause** : "Cause" as defined in an employment agreement or change in control agreement between the Company or its subsidiaries and the Participant or, if not defined therein or if there is no such agreement, "Cause" means (i) the Participant's willful failure to perform Participant's duties to the Company (other than as a result of total or partial incapacity due to physical or mental illness) for a period of 30 days following written notice by the Company to the Participant of such failure, (ii) commission of (x) a felony (other than traffic-related) under the laws of the United States or any state thereof or any similar criminal act in a jurisdiction outside the United States or (y) a crime involving moral turpitude, (iii) Participant's willful malfeasance or willful misconduct which is demonstrably injurious to the Company, (iv) any act of fraud by the Participant or (v) the Participant's breach of the provisions of any confidentiality, noncompetition or nonsolicitation to which the Participant is subject.

(b) **Disability** : The Participant becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform Participant's duties.

(c) **EBITDA** : The same meaning as "Adjusted EBITDA" in the Company's Credit Agreement dated as of January 26, 2005, except there shall be no inclusion of any favorable reserve reversals or any extraordinary or non-recurring gains unless the reserve or gain is adjusting an expense that occurred and impacted Adjusted EBITDA during 2004-2008.

(d) **Expiration Date** : The tenth anniversary of the Date of Grant.

(e) **Free Cash Flow** : EBITDA less "Capital Expenditures" (as defined under GAAP), plus or minus Changes in Trade Working Capital, minus cash outflows from Special Charges and restructuring costs (not included in Special Charges or included in purchase accounting) plus cash recoveries associated with expenses recognized after January 1, 2005, in each case without duplication.

(f) **Good Reason** : "Good Reason" as defined in an employment agreement or change in control agreement between the Company or its subsidiaries and the Participant or, if not defined therein or if there is no such agreement, "Good Reason" means (i) a substantial diminution in Participant's position or duties; adverse change in reporting lines, or assignment of duties materially inconsistent with his position (other than in connection with an increase in responsibility or a promotion), (ii) any reduction in Participant's base salary or annual bonus opportunity or (iii) failure of the Company to pay compensation or benefits when due, in each case which is not cured within 30 days following the Company's receipt of written notice from Participant describing the event constituting Good Reason.

(g) **Options** : Collectively, the Time Option and the Performance Options to purchase Shares granted under this Agreement.

(h) **Performance Options** : Collectively, the Tier I EBITDA Performance Option, the Tier I FCF Performance Option, the Tier II EBITDA Performance Option and the Tier II FCF Performance Option.

(i) **Performance Targets** : Collectively, the Tier I EBITDA Target, the Tier I FCF Target, the Tier II EBITDA Target and the Tier II FCF Target.

(j) **Plan** : The Celanese Corporation 2004 Stock Incentive Plan, as from time to time amended.

(k) **Retirement:** Voluntary resignation on or after Participant has attained age 65.

(l) **Stockholders Agreement** : The Stockholders Agreement, dated as of January 18, 2005 (as amended from time to time), among the Company and the other parties thereto.

(m) **Tier I EBITDA Performance Option** : An Option to purchase the number of Shares set forth on Schedule A attached hereto.

(n) **Tier I EBITDA Target** : The Tier I EBITDA Target set forth on Schedule B attached hereto.

(o) **Tier I FCF Performance Option** : An Option to purchase the number of Shares set forth on Schedule A attached hereto.

(p) **Tier I FCF Target** : The Tier I FCF Target set forth on Schedule B attached hereto.

(q) **Tier II EBITDA Performance Option** : An Option to purchase the number of Shares set forth on Schedule A attached hereto.

(r) **Tier II EBITDA Target** : The Tier II EBITDA Target set forth on Schedule B attached hereto.

(s) **Tier II FCF Performance Option** : An Option to purchase the number of Shares set forth on Schedule A attached hereto.

(t) **Tier II FCF Target** : The Tier II FCF Target set forth on Schedule B attached hereto.

(u) **Time Option** : An Option with respect to which the terms and conditions are set forth in Section 3(a) of this Agreement.

(v) **Vested Portion** : At any time, the portion of an Option which has become vested, as described in Section 3 of this Agreement.

2. **Grant of Options.** The Company hereby grants to the Participant the right and option to purchase, on the terms and conditions hereinafter set forth, the number of Shares subject to the Time Option, the Tier I EBITDA Performance Option, the Tier I FCF Performance Option, the Tier II EBITDA Performance Option and the Tier II FCF Performance Option set forth on Schedule A attached hereto, subject to adjustment as set forth in the Plan. The exercise price of the Shares subject to the Options shall be $16 per Share, subject to adjustment as set forth in the Plan (the " **Option Price** "). The Options are intended to be nonqualified stock options, and are not intended to be treated as ISOs that comply with Section 422 of the Code.

3. **Vesting of the Options** .

(a) Vesting of the Time Option .

(i) In General . Subject to the Participant's continued Employment with the Company and its Affiliates, the Time Option shall vest and become exercisable (A) with respect to fifteen percent (15%) of the Shares subject to such Time Option on the Date of Grant, (B) with respect to an additional twenty percent (20%) of the Shares subject to such Time Option on December 31, 2005, December 31, 2006, December 31, 2007 and December 31, 2008 and (C) with respect to the remaining five percent (5%) of the Shares subject to the Time Option on March 31, 2009.

(ii) Change in Control . Notwithstanding the foregoing, upon a Change in Control, the Time Option shall, to the extent not previously cancelled or expired, immediately become one hundred percent (100%) vested and exercisable.

(b) Vesting of the Performance Options .

(i) In General . Each Performance Option shall vest and become exercisable with respect to fifteen percent (15%) of the Shares subject to each such

Performance Option on the Date of Grant. Subject to the Participant's continued Employment with the Company and its Affiliates, each Performance Option, to the extent not previously canceled or expired, shall become fully vested and exercisable with respect to one hundred percent (100%) of the Shares subject to such Performance Option on the eighth anniversary of the Date of Grant.

(ii) Acceleration . Notwithstanding the last sentence of Section 3(b)(i) above and subject to the Participant's continued Employment with the Company and its Affiliates, each Performance Option shall vest and become exercisable (A) with respect to thirty percent (30%) of the Shares subject to each such Performance Option on December 31, 2005 and December 31, 2006, (B) with respect to fifteen percent (15%) of the Shares subject to each such Performance Option on December 31, 2007 and (C) with respect to ten percent (10%) of the Shares subject to each such Performance Option on December 31, 2008 (each of December 31, 2005, December 31, 2006, December 31, 2007 and December 31, 2008, an " **Accelerated Vesting Date** ") to the extent that the Performance Target for such Performance Option is achieved for the fiscal year ending on an Accelerated Vesting Date.

(iii) Catch-Up . Notwithstanding the foregoing and subject to the Participant's continued Employment with the Company and its Affiliates, if, on December 31, 2008, the cumulative Performance Target for a Performance Option has been achieved for the period commencing with the year ending on December 31, 2005 through the year ending on December 31, 2008, then such Performance Option shall immediately become one hundred percent (100%) vested and exercisable. In addition, (x) if Blackstone sells ninety percent (90%) of its equity interest in the Company prior to December 31, 2008 or (y) upon the occurrence of a Change of Control, the portion of a Performance Option that was eligible to, but did not, vest on an Accelerated Vesting Date that occurred prior to such event shall vest to the extent that the cumulative Performance Target for such Performance Option was achieved for the period commencing with the year ending on December 31, 2005 through the year ending on the Accelerated Vesting Date immediately prior to such event.

(iv) Change in Control . Notwithstanding the foregoing, upon a Change in Control, the Performance Option shall, to the extent not previously cancelled or expired, become vested and exercisable with respect to the Shares that were eligible to vest and become exercisable on each Accelerated Vesting Date through the Accelerated Vesting Date of the year of the Change in Control if either (x) the cumulative Performance Target applicable to such Performance Option was achieved for the period commencing with the year ending on December 31, 2005 through the Change in Control (the Performance Target for the year of the Change in Control shall be appropriately adjusted by the Committee to reflect the period from the beginning of the year of the Change in Control through the Change in Control) or (x) Blackstone receives in connection with such Change in Control an amount equal to at least $54.45 per Share on its initial equity investment (appropriately adjusted, as determined in the sole discretion of the Committee, to reflect any changes in the capitalization of the Company).

(c) Termination of Employment.

(i) General. Other than as described in Sections 3(c)(ii) and (iii), if the Participant's Employment with the Company and its Affiliates terminates for any reason, the Option, to the extent not then vested and exercisable, shall expire and be immediately canceled by the Company without consideration.

(ii) Time Option. Notwithstanding Section 3(a) and 3(c)(i), in the event that the Participant's Employment is terminated (A) by the Company without Cause, (B) by the Participant with Good Reason or (C) due to the Participant's death, Disability or Retirement, to the extent not previously cancelled or expired, the Time Option shall immediately become vested and exercisable as to the Shares subject to the Time Option that would have otherwise vested and become exercisable in the calendar year in which such termination of Employment occurs.

(iii) Performance Option. Notwithstanding Section 3(b) and 3(c)(i), in the event that (x) the Participant's Employment is terminated (A) by the Company without Cause, (B) by the Participant with Good Reason or (C) due to the Participant's death, Disability or Retirement and (y) a Performance Target is achieved with respect to a Performance Option for the year of such termination of Employment, to the extent not previously cancelled or expired, such Performance Option shall become vested and exercisable with respect to the Shares subject to the Performance Option that would have vested and become exercisable upon the achievement of such Performance Target as if the Participant's Employment continued through the end of such year.

4. **Exercise of Options.**

(a) Period of Exercise. Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of an Option at any time prior to the Expiration Date. Notwithstanding the foregoing, if the Participant's Employment terminates prior to the Expiration Date, the Vested Portion of an Option shall remain exercisable only for the period set forth below (and shall expire upon termination of such period):

(i) Termination by the Company Without Cause, Termination by the Participant with Good Reason or Termination Due to Death, Disability or Retirement. If the Participant's Employment with the Company and its Affiliates is terminated (A) by the Company without Cause, (B) by the Participant with Good Reason or (C) due to the Participant's death, Disability or Retirement, the Participant may exercise (x) the Vested Portion of the Time Option for a period ending on the earlier of (A) one year following the date of such termination and (B) the Expiration Date and (y) the Vested Portion of a Performance Option for a period ending on the earlier of (A) the later of (1) one year following the date of such termination and (2) 90 days following the date the total Vested Portion of such Performance Option is determined and (B) the Expiration Date; and

(ii) Termination by the Participant without Good Reason. If the Participant's Employment with the Company and its Affiliates is terminated by the Participant without Good Reason, the Participant may exercise the Vested Portion of an

Option for a period ending on the earlier of (A) 90 days following the date of such termination and (B) the Expiration Date; and

(iii) Termination by the Company for Cause . If the Participant's Employment with the Company and its Affiliates is terminated by the Company for Cause, the Vested Portion of an Option shall immediately terminate in full and cease to be exercisable; and

(b) Method of Exercise .

(i) Subject to Section 4(a) of this Agreement, the Vested Portion of an Option may be exercised by delivering to the Company at its principal office written notice of intent to so exercise; provided that the Option may be exercised with respect to whole Shares only. Such notice shall specify the number of Shares for which the Option is being exercised and, other than as described in clause (C) of the following sentence, shall be accompanied by payment in full of the aggregate Option Price in respect of such Shares. Payment of the aggregate Option Price may be made (A) in cash, or its equivalent (e.g., a check), (B) by transferring to the Company Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee or generally accepted accounting principles), (C) if there is a public market for the Shares at the time of payment, subject to such rules as may be established by the Committee, through delivery of irrevocable instructions to a broker to sell the Shares otherwise deliverable upon the exercise of the Option and deliver promptly to the Company an amount equal to the aggregate Option Price or (D) by a combination of (A) and (B) above or such other method as approved by the Committee. No Participant shall have any rights to dividends or other rights of a stockholder with respect to the Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares or otherwise completed the exercise transaction as described in the preceding sentence and, if applicable, has satisfied any other conditions imposed pursuant to this Agreement.

(ii) Notwithstanding any other provision of the Plan or this Agreement to the contrary, absent an available exemption to registration or qualification, an Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange that the Committee shall in its sole reasonable discretion determine to be required by such laws, rulings or regulations.

(iii) Upon the Company's determination that an Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. However, the Company shall not be liable to the Participant for damages relating to any reasonable delays in issuing the certificates to the Participant or any loss by the Participant of the certificates.

(iv) In the event of the Participant's death, the Vested Portion of an Option shall remain vested and exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set forth in Section 4(a) of this Agreement. Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(v) As a condition to the exercise of any Option evidenced by this Agreement, the Participant shall execute the Stockholders Agreement, if then in effect.

5. **Adjustments** . In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, reorganization, recapitalization, merger, consolidation, spin-off, combination or transaction or exchange of Shares or other corporate exchange, or in the event of any distribution to shareholders of Shares (other than regular cash dividends or any synthetic secondary offering following an initial public offering of the Shares) or any transaction similar to the foregoing or the issuance of equity (or rights to acquire equity) for consideration less than Fair Market Value (other than equity-based compensation or the conversion of preferred shares of the Company to Shares), the Committee in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable, to the Option; provided, that in the event of an extraordinary dividend or similar extraordinary distribution (excluding an initial public offering of the Shares and any synthetic secondary offerings), in lieu of any other adjustment or substitution, the Participant shall be entitled to receive, with respect to each Share subject to the Vested Portion of the Option as of such distribution, an amount equal to such extraordinary dividend or distribution paid with respect to a Share (whether paid in cash or otherwise), such amount to be paid when such distribution is paid to shareholders of the Company.

6. **No Right to Continued Employment** . Neither the Plan nor this Agreement shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship to, the Company or any Affiliate. Further, the Company or its Affiliate may at any time terminate the Participant or discontinue any consulting relationship, free from any liability or any claim under the Plan or this Agreement, except as otherwise expressly provided herein.

7. **Legend on Certificates** . The certificates representing the Shares purchased by exercise of an Option shall be subject to such stop transfer orders and other restrictions as the Committee may determine is required by the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, any applicable federal or state laws and the Company's Certificate of Incorporation and Bylaws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

8. **Transferability** . Unless otherwise determined by the Committee, an Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the

designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. During the Participant's lifetime, an Option is exercisable only by the Participant.

9. **Withholding** . The Participant may be required to pay to the Company or its Affiliate and the Company or its Affiliate shall have the right and is hereby authorized to withhold from any payment due or transfer made under the Option or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding taxes in respect of the Option, its exercise, or any payment or transfer under the Option or under the Plan and to take such action as may be necessary in the option of the Company to satisfy all obligations for the payment of such taxes.

10. **Securities Laws** . Upon the acquisition of any Shares pursuant to the exercise of an Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

11. **Notices** . Any notice under this Agreement shall be addressed to the Company in care of its General Counsel, addressed to the principal executive office of the Company and to the Participant at the address last appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

12. **Governing Law** . This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of laws provisions thereof.

13. **Options Subject to Plan and Stockholders Agreement** . By entering into this Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the Stockholders Agreement. The Options and the Shares received upon exercise of the Options are subject to the Plan and the Stockholders Agreement. The terms and provisions of the Plan and the Stockholders Agreement as each may be amended from time to time are hereby incorporated by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan or the Stockholders Agreement, the applicable terms and provisions of the Plan or the Stockholders Agreement will govern and prevail. In the event of a conflict between any term or provision of the Plan and any term or provision of the Stockholders Agreement, the applicable terms and provisions of the Stockholders Agreement will govern and prevail.

14. **Signature in Counterparts** . This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

CELANESE CORPORATION

By: ______________________________

Its ______________________________

____

Participant

Schedule A

The number of Shares subject to each Option is set forth below:

Time Option:

Tier I EBITDA Performance Option:

Tier I FCF Performance Option:

Tier II EBITDA Performance Option:

Tier II FCF Performance Option:

Schedule B

Performance Targets

Year-End	Tier I EBITDA Target	Tier I FCF Target*	Tier II EBITDA Target	Tier II FCF Target*
December 31, 2005	$865 million		$900 million	
December 31, 2006	$975 million		$1.075 million	
December 31, 2007	$975 million		$1.075 million	
December 31, 2008	$825 million		$925 million	

* To be established annually by the Board, no later than 90 days following the beginning of such year.

The Performance Targets shall be adjusted by the Committee, to the extent that the Committee deems equitable in its sole discretion, upon acquisitions, divestitures, to reflect changes in the business and in other appropriate circumstances.

Exhibit 10.8(d)

CELANESE CORPORATION
2004 STOCK INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AGREEMENT
(Non-Employee Director)

THIS AGREEMENT, is made effective as of January 20, 2005 (the "Date of Grant"), between Celanese Corporation (the "Company") and the individual named as a participant on the signature page hereto (the "Participant").

RECITALS :

WHEREAS, the Company has adopted the Plan (as defined below), the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant the Option provided for herein to the Participant pursuant to the Plan and the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. **Definitions** . Whenever the following terms are used in this Agreement, they shall have the meanings set forth below. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

(a) **Cause** : Any of the following events: (i) the Participant's willful failure to perform Participant's duties to the Company (other than as a result of total or partial incapacity due to physical or mental illness) for a period of 30 days following written notice by the Company to the Participant of such failure, (ii) commission of (x) a felony (other than traffic-related) under the laws of the United States or any state thereof or any similar criminal act in a jurisdiction outside the United States or (y) a crime involving moral turpitude, (iii) Participant's willful malfeasance or willful misconduct which is demonstrably injurious to the Company, (iv) any act of fraud by the Participant or (v) the Participant's breach of the provisions of any confidentiality, noncompetition or nonsolicitation to which the Participant is subject.

(b) **Disability** : The Participant becomes physically or mentally incapacitated and is therefore unable for a period of six consecutive months or for an aggregate of nine months in any 24 consecutive month period to perform Participant's duties.

(c) **Expiration Date** : The tenth anniversary of the Date of Grant.

(d) **Plan** : The Celanese Corporation 2004 Stock Incentive Plan, as from time to time amended.

(e) **Stockholders Agreement** : The Stockholders Agreement, dated as of January 18, 2005 (as amended from time to time), among the Company and the other parties thereto.

(f) **Vested Portion** : At any time, the portion of the Option which has become vested, as described in Section 3 of this Agreement.

2. **Grant of Option.** The Company hereby grants to the Participant the right and option to purchase, on the terms and conditions hereinafter set forth, [ ] Shares of the Company (the " **Option** "), subject to adjustment as set forth in the Plan. The exercise price of the Shares subject to the Option shall be $16 per Share (the " **Option Price** "), subject to adjustment as set forth in the Plan. The Option is intended to be a nonqualified stock option and is not intended to be treated as an ISO that complies with Section 422 of the Code.

3. **Vesting of the Option** .

(a) In General . Subject to the Participant's continued Employment with the Company and its Affiliates, the Option shall vest and become exercisable with respect to twenty-five percent (25%) of the Shares subject to the Option as of the Date of Grant and shall vest and become exercisable with respect to 25% of the Shares subject to the Option on December 31 2005, December 31, 2006 and December 31, 2007.

(b) Change in Control . Notwithstanding the foregoing, upon a Change in Control, the Option shall, to the extent not previously cancelled or expired, immediately become 100% vested and exercisable.

(c) Termination of Employment . If the Participant's Employment with the Company and its Affiliates terminates for any reason, the Option, to the extent not then vested and exercisable, shall be immediately canceled by the Company without consideration [; provided , however , that if the Participant's Employment terminates due to the Participant's death or Disability, to the extent not previously cancelled or expired, the Option shall immediately become vested and exercisable as to the Shares subject to the Option that would have otherwise vested and become exercisable in the calendar year in which such termination of Employment occurs].

4. **Exercise of Option.**

(a) Period of Exercise . Subject to the provisions of the Plan and this Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the Expiration Date. Notwithstanding the foregoing, if the Participant's Employment terminates prior to the Expiration Date, the Vested Portion of the Option shall remain exercisable for the period set forth below:

(i) Termination due to Death or Disability, Termination by the Company without Cause or Termination by the Participant . If the Participant's Employment with the Company and its Affiliates is terminated (a) due to the Participant's death or Disability, (b) by the Company without Cause or (c) by the Participant, the Participant may exercise the Vested Portion of the Option for a period ending on the earlier of (A) [one year] following the date of such termination and (B) the Expiration Date; and

(ii) Termination by the Company for Cause . If the Participant's Employment with the Company and its Affiliates is terminated by the Company for

Cause, the Vested Portion of the Option shall immediately terminate in full and cease to be exercisable.

(b) Method of Exercise .

(i) Subject to Section 4(a) of this Agreement, the Vested Portion of an Option may be exercised by delivering to the Company at its principal office written notice of intent to so exercise; provided that the Option may be exercised with respect to whole Shares only. Such notice shall specify the number of Shares for which the Option is being exercised and, other than as described in clause (C) of the following sentence, shall be accompanied by payment in full of the aggregate Option Price in respect of such Shares. Payment of the aggregate Option Price may be made (A) in cash, or its equivalent (e.g., a check), (B) by transferring to the Company Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; provided that such Shares have been held by the Participant for no less than six months (or such other period as established from time to time by the Committee or generally accepted accounting principles), (C) if there is a public market for the Shares at the time of payment, subject to such rules as may be established by the Committee, through delivery of irrevocable instructions to a broker to sell the Shares otherwise deliverable upon the exercise of the Option and deliver promptly to the Company an amount equal to the aggregate Option Price or (D) such other method as approved by the Committee. No Participant shall have any rights to dividends or other rights of a stockholder with respect to the Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares or otherwise completed the exercise transaction as described in the preceding sentence and, if applicable, has satisfied any other conditions imposed pursuant to this Agreement.

(ii) Notwithstanding any other provision of the Plan or this Agreement to the contrary, absent an available exemption to registration or qualification, the Option may not be exercised prior to the completion of any registration or qualification of the Option or the Shares under applicable state and federal securities or other laws, or under any ruling or regulation of any governmental body or national securities exchange that the Committee shall in its sole reasonable discretion determine to be necessary or advisable.

(iii) Upon the Company's determination that the Option has been validly exercised as to any of the Shares, the Company shall issue certificates in the Participant's name for such Shares. However, the Company shall not be liable to the Participant for damages relating to any delays in issuing the certificates to the Participant, any loss by the Participant of the certificates, or any mistakes or errors in the issuance of the certificates or in the certificates themselves.

(iv) In the event of the Participant's death, the Vested Portion of the Option shall remain vested and exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set

forth in Section 4(a) of this Agreement. Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(v) As a condition to the exercise of any Option evidenced by this Agreement, the Participant shall execute the Stockholders Agreement.

5. **No Right to Continued Employment** . Neither the Plan nor this Agreement shall be construed as giving the Participant the right to be retained in the employ of, or in any relationship to, the Company or any Affiliate. Further, the Company or its Affiliate may at any time terminate the Participant or discontinue any relationship, free from any liability or any claim under the Plan or this Agreement, except as otherwise expressly provided herein.

6. **Legend on Certificates** . The certificates representing the Shares purchased by exercise of the Option shall be subject to such stop transfer orders and other restrictions as the Committee may deem reasonably advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, any applicable federal or state laws and the Company's Certificate of Incorporation and Bylaws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

7. **Transferability** . Unless otherwise determined by the Committee, the Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. During the Participant's lifetime, the Option is exercisable only by the Participant.

8. **Withholding** . The Participant may be required to pay to the Company or its Affiliate and the Company or its Affiliate shall have the right and is hereby authorized to withhold from any payment due or transfer made under the Option or under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, Shares, other securities, other Awards or other property) of any applicable withholding taxes in respect of the Option, its exercise, or any payment or transfer under the Option or under the Plan and to take such action as may be necessary in the option of the Company to satisfy all obligations for the payment of such taxes.

9. **Securities Laws** . Upon the acquisition of any Shares pursuant to the exercise of the Option, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

10. **Notices** . Any notice under this Agreement shall be addressed to the Company in care of its General Counsel, addressed to the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may

hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

11. **Governing Law** . This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of laws provisions thereof.

12. **Option Subject to Plan and Stockholders Agreement** . By entering into this Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan and the Stockholders Agreement. The Option and the Shares received upon exercise of the Option are subject to the Plan and the Stockholders Agreement. The terms and provisions of the Plan and the Stockholders Agreement as it may be amended from time to time are hereby incorporated by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan or the Stockholders Agreement, the applicable terms and provisions of the Plan or the Stockholders Agreement will govern and prevail. In the event of a conflict between any term or provision of the Plan and any term or provision of the Stockholders Agreement, the applicable terms and provisions of the Stockholders Agreement will govern and prevail.

13. **Signature in Counterparts** . This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the parties hereto.

CELANESE CORPORATION

By ______________________________

Its ______________________________

____

Participant

Exhibit 10.13

PENSION BENEFITS FOR DAVID N. WEIDMAN

The following is a description of the pension benefits to which David N. Weidman, President and Chief Executive Officer of Celanese Corporation (the "Company") will be entitled to participate as part of his compensation package with the Company, as described in Mr. Weidman's employment agreement (the "Employment Agreement"), which was filed with the Securities and Exchange Commission as Exhibit 10.25 to the Annual Report on Form 10-K for the fiscal year ended December 31, 2004. Although Mr. Weidman's Employment Agreement expired pursuant to its terms on December 31, 2007, the pension benefits awarded pursuant to his Employment Agreement have vested and are still effective as of the date of this filing. This description is provided pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Pursuant to the terms of the Employment Agreement, Mr. Weidman is entitled to participate in the same pension benefit formula on substantially similar terms as the former members of the board of managers for Celanese AG, the Company's indirect subsidiary, as summarized below.

The promised pension benefit becomes fully vested once Mr. Weidman attains five (5) years of Company service and is paid after Mr. Weidman leaves the Company or reaches the age of 60, whichever is later. The amount of the pension is calculated as the product of the escalation factor of 1.8% , the number of qualifying years of service and the pensionable income. In this calculation, the number of qualifying years of service is limited to 30. Consequently, the maximum figure is 54% of the pensionable income. Qualifying years of service are all complete years of service since September 1, 2000, spent in Celanese Corporation and its subsidiaries and in Hoechst Aktiengesellschaft and its subsidiaries.

The pensionable income is calculated as the sum of the average basic annual salary of the last three calendar years prior to retirement and the average annual bonus of the last three calendar years prior to retirement insofar as these shall be qualifying years of service.

The following are offset against this pension: (i) payments under all other qualified and non-qualified plans paid by the Company and its affiliates (excluding payments attributable to employee contributions) and (ii) social security pension benefits acquired during qualified years of service at a rate of 50%.

In the event of an early disability, the pension benefit is paid for the duration of the disability. From the age of 60 onwards, the payment is continued at the same level as an old-age pension in case the disability persists. In the event of death, the pension is to be paid to the spouse and unmarried children entitled to maintenance. All other Celanese-financed benefits, if any, are offset against the survivors' pension.

Exhibit 10.29

Summary of Non-Employee Director Compensation

Each non-employee director of Celanese Corporation (the "Company") is entitled to (i) an annual cash retainer of $85,000, which is paid in quarterly installments, and (ii) an annual equity retainer of $85,000 in restricted stock units (awarded at the first regular board meeting following the Annual Meeting of Stockholders). In addition, the chair of the nominating and corporate governance committee, compensation committee and environmental, health & safety committee receives an annual fee of $10,000 and the chair of the audit committee receives an annual fee of $20,000. The presiding director receives no additional compensation for his services as such.

Non-employee directors are also able to participate in the Company's 2008 Deferred Compensation Plan, which is an unfunded, nonqualified deferred compensation plan that allows directors the opportunity to defer a portion of their compensation in exchange for a future payment amount equal to their deferments plus or minus certain amounts based upon the market performance of specified measurement funds selected by the participant.

Exhibit 10.30

DATED AUGUST 19, 2005

Between

CELANESE EUROPE HOLDING GMBH & CO. KG

as the Purchaser

and

PAULSON & CO. INC AND

ARNHOLD AND S. BLEICHROEDER ADVISERS, LLC,

EACH ON BEHALF OF ITS OWN AND WITH RESPECT TO SHARES OWNED BY

THE INVESTMENT FUNDS AND

SEPARATE ACCOUNTS MANAGED BY IT

as the Sellers

SHARE PURCHASE AND TRANSFER AGREEMENT

AND SETTLEMENT AGREEMENT

THIS SHARE PURCHASE AND TRANSFER AGREEMENT AND SETTLEMENT AGREEMENT (this "AGREEMENT") is made on August 19, 2005

BETWEEN:

(1) CELANESE EUROPE HOLDING GMBH & CO. KG, a limited partnership (Kommanditgesellschaft) organized under the laws of the Federal Republic of Germany with registered office (Sitz) at Kronberg i.T., registered with the commercial register of the Local Court (Amtsgericht) Koenigstein, Germany, under registration number HRA 2970 (the "PURCHASER")

AND

(2) PAULSON & CO. INC., a corporation organized under the laws of the State of Delaware, with its principal offices at 590 Madison Avenue, New York, NY 10022, USA ("PAULSON"), acting on its own behalf as well as with respect to the Shares (as defined below) owned by the investment funds and separate accounts managed by it; and

(3) ARNHOLD AND S. BLEICHROEDER ADVISERS, LLC, a limited liability company established under the laws of the State of Delaware, with its principal offices at 1345 Avenue of the Americas, New York, NY 10105, USA ("ASB" and together with Paulson, the "SELLERS"), acting on its own behalf as well as with respect to the Shares (as defined below) owned by the investment funds and separate accounts managed by it.

The Sellers and the Purchaser are also collectively referred to hereinafter as the "PARTIES" and each individually as a "PARTY".

PREAMBLE:

A. Pursuant to a voluntary public takeover offer (the "TENDER OFFER") the Purchaser acquired in April 2004 approximately 82.6% of the outstanding shares in Celanese Aktiengesellschaft, a stock corporation organized under the laws of the Federal Republic of Germany, with registered office (Sitz) in Kronberg i.T., Germany, registered with the commercial register of the Local Court Koenigstein under registration number HRB 5277 (the "COMPANY").

B. The registered share capital of the Company in the nominal amount of EUR 140,069,354 is divided into 54,790,369 registered shares with no par value (auf den Namen lautende Stuckaktien) (the "SHARES"). The Shares are admitted to trading on the official market (Amtlicher Markt) of the Frankfurt Stock Exchange. The Shares are traded on the Frankfurt Stock Exchange and through the electronic trading system XETRA under the symbol "CZZ", under the German Securities Identification Number (Wertpapierkennnummer) (WKN) 575 300 and under the International Securities Identification Number (ISIN) DE 0005753008. The Shares were delisted from the New York Stock Exchange on June 2, 2004.

C. On June 22, 2004, the Purchaser and the Company entered into a domination and profit and loss transfer agreement (Beherrschungs- und Gewinnabfuhrungsvertrag) (the "DOMINATION AGREEMENT"). The Domination Agreement was submitted to a shareholder vote, and approved, at an extraordinary general meeting of the Company held on July 30 and 31, 2004 (the "EGM"). The Domination Agreement was registered in the commercial register of the Local Court of Koenigstein im Taunus on August 2, 2004 and, under

the terms thereof, became operative on October 1, 2004. In connection with the Domination Agreement, the Purchaser has offered, pursuant to a mandatory offer required by Section 305(1) of the German Stock Corporation Act, the minority shareholders (ausstehende Aktionare) of the Company a "fair cash compensation" (angemessene Barabfindung) in exchange for their Shares in the amount of EUR 41.92 per Share (the "MANDATORY OFFER"). In addition, under the Domination Agreement, pursuant to Section 304(1), sentence 1 of the German Stock Corporation Act, any minority shareholder who elects not to tender its Shares into the Mandatory Offer and to remain a shareholder of the Company is entitled to receive a certain guaranteed fixed annual dividend (Ausgleich) per Share in lieu of any future dividend payments.

D. Following the EGM, certain minority shareholders of the Company, whose names are set forth in Annex A (the "ORIGINAL PLAINTIFFS") brought forward legal actions with the Frankfurt District Court (Landgericht) and requested the court to set aside the shareholder resolutions passed at the EGM (collectively, the "ORIGINAL ACTIONS"). Several minority shareholders have joined the Original Actions via third party interventions in support of the Original Plaintiffs. The Purchaser has joined the proceedings via a third party intervention in support of the Company. In September 2004, the Frankfurt District Court consolidated the Original Actions (file no. 3-05 O 112/04). One minority shareholder, Metropol Vermoegensverwaltungs- und Grundstuecks-GmbH, Cologne, Germany (the "AVOIDANCE PLAINTIFF" and together with the Original Plaintiffs, the "PLAINTIFFS"), brought forward an additional action (file no. 3-05 O 61/05) with the Frankfurt District Court and requested the court to rule that the shareholder resolutions passed at the EGM were void (Nichtigkeitsklage) (the "AVOIDANCE PROCEEDINGS"). In addition, several minority shareholders (including Paulson and the Plaintiffs) have initiated special award proceedings (Spruchverfahren) seeking the court's review of the amounts of the fair cash compensation and the guaranteed fixed annual dividend offered under the Domination Agreement (collectively, the "AWARD PROCEEDINGS"). In March 2005, the Frankfurt District Court dismissed the motions of all minority shareholders regarding the initiation of the Award Proceedings as inadmissible. The ruling of the court is, however, subject to pending appeals (sofortige Beschwerden) (collectively, the "APPEALS") including appeals of Paulson and the Plaintiffs with the Frankfurt Higher District Court (Oberlandesgericht).

E. A ratification resolution (Bestatigungsbeschluss) to ratify the shareholders' resolutions passed at the EGM was submitted to a shareholder vote, and approved, at the annual general meeting of the Company held on May 19 and 20, 2005 (the "AGM"). Following the AGM, several minority shareholders of the Company (including Paulson and the Plaintiffs) brought forward legal actions with the Frankfurt District Court against the shareholders' resolutions passed at the AGM as well, and requested that the court set aside the ratification resolution (collectively, the "ADDITIONAL ACTIONS"). In June 2005, the Frankfurt District Court has suspended the proceedings regarding the Original Actions until a judicially final and binding decision is rendered with regard to the Additional Actions and consolidated the Additional Actions (file no. 3-05 O 71/05).

F. In addition to the Original Actions, the Avoidance Action, the Award Proceedings, the Appeals and the Additional Actions, certain minority shareholders have instituted the legal proceedings set forth in Annex B against, among others, the Company and the Purchaser in connection with the Tender Offer and the Domination Agreement (these proceedings together with the Original Actions, the Avoidance Action, the Award Proceedings, the Appeals and the Additional Actions, and together with any and all other legal proceedings commenced against the Company or the Purchaser or any of their affiliates before, on or

after the date hereof relating in any way to the subject matter of any of the foregoing, the "LEGAL PROCEEDINGS").

G. As of today, Paulson and the investment funds and separate accounts managed by it own in the aggregate 5,758,299 Shares (the "PAULSON SHARES"), representing approximately 11.43% of the outstanding shares of the Company; and ASB and the investment funds and separate accounts managed by it own in the aggregate 160,000 Shares (the "ASB SHARES" and together with the Paulson Shares, the "SELLERS' SHARES"), representing approximately 0.32% of the outstanding Shares of the Company. The Sellers' Shares are currently held in book entry form within the Clearstream Banking AG booking system in various securities accounts of the Sellers and of the investment funds and separate accounts managed by the Sellers.

IT IS AGREED as follows:

1. SUBJECT MATTER OF THIS AGREEMENT; CONDITION PRECEDENT

The subject matter of this Agreement is (i) the sale and transfer of all Shares held by the Sellers and the investment funds and separate accounts managed by the Sellers to the Purchaser as well as (ii) the settlement of all Legal Proceedings, to the extent the Sellers are a party to the Legal Proceedings; (iii) the agreement by the Sellers not to make future investments in the Company; and (iv) a general release relating to their investment in the Company.

2. SALE AND PURCHASE OF SHARES

2.1 Paulson hereby sells to the Purchaser, and the Purchaser hereby purchases from Paulson, the Paulson Shares; and ASB hereby sells to the Purchaser, and the Purchaser hereby purchases from ASB, the ASB Shares. For the avoidance of doubt, the sale and purchase of the Sellers' Shares pursuant to this Agreement shall include all Shares held, directly or indirectly, by the Sellers and the investment funds and separate accounts managed by them, irrespective of whether the description of the Shares and the Sellers' Shares set forth in recitals B and G of the Preamble or elsewhere herein is true and complete.

2.2 The sale and purchase of the Sellers' Shares contemplated by this Agreement shall be made with all rights attached to the Sellers' Shares (the "ANCILLARY RIGHTS"), including, without limitation, the rights to receive dividends and all subscription rights (Bezugsrechte). The right to receive dividends shall include the right to receive, in part or in total, the guaranteed fixed annual dividend for the current fiscal year 2004/2005 as well as the right to receive dividends for all previous fiscal years of the Company, to the extent that profits of previous fiscal years have not been distributed as of the date hereof. The Ancillary Rights shall also include any right to participate in an increase of the amount of the fair cash compensation and/or the guaranteed fixed annual payment as a result of, or in connection with the Award Proceedings or other proceedings or agreements irrespective of whether such increase occurs through a court ruling, an agreement amongst the parties to the Award Proceedings or otherwise.

3. PURCHASE PRICE

3.1 The purchase price for the Sellers' Shares amounts to EUR 51.00 per share (the "BASE PURCHASE PRICE"). In addition to the Base Purchase Price and as consideration for the Sellers' undertakings and the settlement set forth in
Section 7 below, the Sellers shall be

entitled to an additional payment of EUR 2.00 per share (the "ADDITIONAL PURCHASE PRICE"). Thus, the aggregate purchase price (i.e., Base Purchase Price and Additional Purchase Price) for the 5,758,299 Shares sold by Paulson amounts to EUR 305,189,847.00 (the "PAULSON PURCHASE PRICE"); and the aggregate purchase price (i.e., Base Purchase Price and Additional Purchase Price) for the 160,000 Shares sold by ASB amounts to EUR 8,480,000.00 (the "ASB PURCHASE PRICE").

3.2 The Purchaser shall pay the Paulson Purchase Price and the ASB Purchase Price in accordance with the provisions of Section 4 below to bank accounts of the Sellers specified by the Sellers (the "SELLERS' BANK ACCOUNTS").

A credit made to the Sellers' Bank Accounts shall have the effect of discharging the Purchaser in a corresponding amount from its obligation (schuldbefreiende Wirkung) to pay the Purchase Price to the respective Seller.

4. TRANSFER OF SHARES

4.1 The Sellers' Shares are hereby assigned and transferred as follows:

(a) Paulson, on its own behalf and on behalf of the investment funds and separate accounts managed by it, hereby assigns and transfers to the Purchaser who accepts such transfer and assignment, the Paulson Shares, which transfer and assignment shall include all Ancillary Rights attached to the Paulson Shares.

(b) ASB, on its own behalf and on behalf of the investment funds and separate accounts managed by it, hereby assigns and transfers to the Purchaser who accepts such transfer and assignment, the ASB Shares, which transfer and assignment shall include all Ancillary Rights attached to the ASB Shares.

The assignment and transfer of the Paulson Shares shall, however, be subject to the condition precedent of complete payment of the Paulson Purchase Price by the Purchaser to the bank accounts specified by Paulson; and the assignment and transfer of the ASB Shares shall, however, be subject to the condition precedent of complete payment of the ASB Purchase Price by the Purchaser to the bank accounts specified by ASB (each, a "CONDITION TO TRANSFER OF TITLE").

4.2 In order to ensure transfer of title in the Sellers' Shares, the Parties shall take the following actions concurrently (Zug um Zug) as soon as the Sellers have fully complied with their obligations under Section 7.1(a):

(a) The Sellers shall procure that (i) the Paulson Shares are transferred to the securities deposit of the Purchaser specified by the Purchaser (the "PURCHASER'S SECURITIES DEPOSIT") by making a corresponding book-entry transfer (Girosammelgutschrift) concurrently (Zug um Zug) with the payment by the Purchaser of the Paulson Purchase Price into the Paulson bank accounts; and (ii) the ASB Shares are transferred to the Purchaser's Securities Deposit by making a corresponding book-entry transfer (Girosammelgutschrift) concurrently with the payment by the Purchaser of the ASB Purchase Price into the ASB bank accounts.

(b) The Purchaser shall irrevocably instruct its bank in writing to (i) transfer the Paulson Purchase Price from its cash account with its bank to the Paulson bank accounts free of any bank charges, by wire transfer in immediately available funds in Euro concurrently with the transfer of the Paulson shares to the Purchaser's Securities

Deposit; and (ii) transfer the ASB Purchase Price from its cash account with its bank to the ASB bank accounts free of any bank charges, by wire transfer in immediately available funds in Euro concurrently with the transfer of the ASB shares to the Purchaser's Securities Deposit.

(c) The Parties shall take any other action, make any other declaration and execute any such document which is required or which the Purchaser reasonably requests to be executed in order to transfer title in the Sellers' Shares to the Purchaser.

4.3 The Parties agree that, from the execution hereof and until the occurrence of the transfer of the Sellers' Shares to the Purchaser's Securities Deposit by way of book entry transfer, the Sellers shall hold the Sellers' Shares in custody for the Purchaser, free of any charges or costs.

5. REPRESENTATIONS AND WARRANTIES

5.1 Each Seller hereby represents and warrants severally by way of an independent guarantee (selbstandiges Garantieversprechen) pursuant to Section 311(1) German Civil Code (Burgerliches Gesetzbuch), except as otherwise is expressly provided for herein, as of the date hereof and, if different, as of the date when the transfer of the Shares pursuant to
Section 4 above becomes effective, as follows:

(a) Paulson represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. ASB represents and warrants that it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Each Seller represents and warrants that it has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. Each Seller represents and warrants that the execution and delivery of this Agreement, the performance of such Seller's obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate and other proceedings on the part of the respective Seller. Each Seller represents and warrants that this Agreement has been duly executed and delivered by such Seller, and assuming the due execution hereof by the Purchaser, this Agreement constitutes the legal, valid and binding obligation of such Seller in accordance with its terms.

(c) Each Seller represents and warrants that it or the investment funds and separate accounts managed by it have good and valid title to the Sellers' Shares sold and to be transferred by such Seller, free and clear of any liens, claims, encumbrances, security interests, options, pre-emptive, drag-along or tag-along rights, rights of first refusal or first offer, charges or restrictions of any kind (collectively, "LIENS"). Each of the Sellers represents and warrants that upon book-entry of the transfer of such Seller's Shares in the Purchaser's Security Deposit, good and valid title to such Seller's Shares sold and to be transferred by such Seller will pass to the Purchaser, free and clear of any Liens, except for Liens arising from acts of the Purchaser.

5.2 The Purchaser hereby represents and warrants by way of an independent guarantee (selbstandiges Garantieversprechen) pursuant to Section 311(1) German Civil Code (Burgerliches Gesetzbuch), except as otherwise is expressly provided for herein, as of the

date hereof and, if different, as of the date when the transfer of the Shares pursuant to Section 4 above becomes effective, as follows:

(a) The Purchaser represents and warrants that it is a limited partnership (Kommanditgesellschaft) organized, validly existing and in good standing under the laws of the Federal Republic of Germany.

(b) The Purchaser represents and warrants that it has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The Purchaser represents and warrants that the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate and other proceedings on its part. The Purchaser represents and warrants that this Agreement has been duly executed and delivered by it, and assuming the due execution hereof by the Sellers, this Agreement constitutes the legal, valid and binding obligation of the Purchaser in accordance with its terms.

6. REMEDIES

6.1 If it becomes apparent that one or several of the representations and warranties given by the Sellers in this Agreement are not accurate or incomplete or in case of a breach of any of the other obligations of the Sellers under this Agreement, then the Purchaser may at its sole discretion request from the Sellers - who shall be liable for their respective obligations severally (teilschuldnerisch) - either

(a) that the respective Seller put the Purchaser into the position the Purchaser would be in had the relevant representations and warranties been correct and complete or the relevant obligation not been breached, as the case may be; or

(b) compensation for the damages (Schadensersatz wegen Nichterfullung) incurred by the Purchaser because of the inaccuracy or incompleteness of the relevant representations and warranties or the breach of the relevant obligation, as the case may be, provided, however, that the Purchaser shall only be entitled to be compensated for damages after
(i) the Purchaser has granted the respective Seller a period of at least 10 calendar days in which to bring about the position the Purchaser would be in had the relevant representations and warranties been correct and complete or the relevant obligation not been breached, as the case may be, (each, a "RECTIFICATION") and the respective Seller fails to do so within said time period or (ii) if Rectification is not possible or sufficient.

6.2 If it becomes apparent that one or several of the representations and warranties given by the Purchaser in this Agreement are not accurate or incomplete or in case of a breach of any of the other obligations of the Purchaser under this Agreement, then the Sellers may at their sole discretion request from the Purchaser either

(a) that the Purchaser put the Sellers into the position the Sellers would be in had the relevant representations and warranties been correct and complete or the relevant obligation not been breached, as the case may be; or

(b) compensation for the damages (Schadensersatz wegen Nichterfullung) incurred by the Sellers because of the inaccuracy or incompleteness of the relevant representations and warranties or the breach of the relevant obligation, as the case

may be, provided, however, that the Sellers shall only be entitled to be compensated for damages after (i) the Sellers have granted the Purchaser a period of at least 10 calendar days in which to bring about the position the Sellers would be in had the relevant representations and warranties been correct and complete or the relevant obligation not been breached, as the case may be, (each, a "RECTIFICATION") and the Purchaser fails to do so within said time period or (ii) if Rectification is not possible or sufficient.

6.3 Except as otherwise provided for in this Agreement, any claim by the Purchaser or the Sellers, as the case may be, based on the incorrectness or incompleteness of the representations and warranties shall become time-barred (verjahrt) on December 31, 2008. With respect to all other claims of the Purchaser against the Sellers or the Sellers against the Purchaser, as the case may be, and except as otherwise expressly provided for in this Agreement, the statutory limitation periods shall apply. With respect to the suspension (Hemmung) and interruption (Neubeginn) of the statute of limitations time periods set forth herein, the statutory regime applies.

6.4 Except as otherwise provided for in this Agreement and legally permissible, any claims of the Purchaser relating to avoidance (Anfechtung), rescission (Rucktritt) and the reduction of the Purchase Price (Minderung), as well as claims based on breach of pre-contractual duty (culpa in contrahendo,
Section 311(2) BGB) shall be excluded, except to the extent such claims are the result of gross negligence or willful misconduct on the part of the Sellers.

7. SELLERS' UNDERTAKINGS; SETTLEMENT

7.1 With respect to the purchase and acquisition of the Sellers' Shares by the Purchaser, the Sellers are prepared to accept the shareholders' resolutions passed at the EGM and the AGM and to acknowledge the legal effectiveness of the Domination Agreement. Therefore, the Sellers irrevocably undertake vis-a-vis the Purchaser and the Company (echter Vertrag zugunsten Dritter) to take the following actions without delay and hereby irrevocably makes the following declarations, as the case may be:

(a) Each of the Sellers shall, and shall procure that its affiliates, their respective past and current employees, officers, directors, representatives, agents, assigns, successors, predecessors, parents, subsidiaries, investors and shareholders, except to the extent such investors and shareholders are not acting with respect to an investment in such Sellers' investment funds and separate accounts (the "RELATED PARTIES"), irrevocably withdraw and abandon all actions, applications and appeals (Klage- bzw. Antragsrucknahme; Rucknahme von Rechtsmitteln) it brought forward in connection with the Tender Offer and the Domination Agreement, including in connection with the Legal Proceedings; and the Sellers hereby irrevocably waive the respective causes of action (Verzicht auf die geltend gemachten Anspruche).

(b) Each Seller on its own behalf and on behalf of its Related Parties hereby irrevocably waives any objections it might have against the legal effectiveness and validity or the lawfulness of the shareholders' resolutions passed at the EGM and the AGM, the Domination Agreement and the Tender Offer as well as any action taken under or in connection with the Domination Agreement and the Tender Offer. Each Seller shall take any action or make any additional declaration which the Purchaser or the Company reasonably requests from such Seller to maintain the legal effectiveness and registration of the Domination Agreement.

(c) Each of the Sellers hereby acknowledges the effectiveness, validity and the lawfulness of the shareholders' resolutions passed at the EGM and the AGM, the Domination Agreement and the Tender Offer as well as any action taken under or in connection with the Domination Agreement and the Tender Offer. Each Seller shall, and shall procure that its Related Parties, refrain from taking any action (either in court or out of court) to challenge directly or indirectly the legal effectiveness and validity or the lawfulness of the shareholders' resolutions passed at the EGM and the AGM, the Domination Agreement and the Tender Offer as well as any action taken under or in connection with the Domination Agreement and the Tender Offer; each of the Sellers shall, and shall procure that its Related Parties, further refrain from initiating any other legal proceedings of whatever nature (including award proceedings), in any court or tribunal under the laws of any nation, state or territory, based on the alleged ineffectiveness, invalidity or unlawfulness of the shareholders' resolutions passed at the EGM and the AGM, the Domination Agreement and the Tender Offer as well as any action taken under or in connection with the Domination Agreement and the Tender Offer. Each of the Sellers shall, and shall procure that its Related Parties, also refrain from directly or indirectly supporting or encouraging any other person to take or to continue any such proceedings. In particular, each of the Sellers shall, and shall procure that its Related Parties, refrain from taking any action in connection with, and shall not directly or indirectly support any (existing or former) minority shareholder of the Company or any other person in connection with the Legal Proceedings or any other legal proceedings relating to the shareholders' resolutions passed at the EGM and the AGM, the Domination Agreement and the Tender Offer as well as any action taken under or in connection with the Domination Agreement and the Tender Offer. Each of the Sellers shall, and shall procure that its Related Parties, not make available any work product or other documentation prepared by itself, its affiliates or its former and present advisors (including legal advisors, accountants and financial advisors) related to or otherwise relevant for the Legal Proceedings to any other person.

(d) Each of the Sellers shall, and shall procure that its Related Parties, refrain from acquiring, directly or indirectly, any Shares or any other investment in the Company and shall, and shall procure that its Related Parties, not hold or otherwise control directly or indirectly any Shares or other investment in the Company in the future.

(e) Without limiting the generality of the foregoing, each of the Sellers shall, and shall procure that its Related Parties, refrain from taking any action (either in court or out of court) to challenge directly or indirectly any shareholders' resolutions or corporate decisions of the Company or to initiate any legal proceedings of whatever nature (including award proceedings) , in any court or tribunal under the laws of any nation, state or territory, in connection with such shareholders' resolutions or corporate decisions including, without limitation, in connection with an amendment of the Company's articles of association, a delisting of the Company, a squeeze-out or a conversion of the Company or any other type of restructuring of the Company (each, a "FUTURE TRANSACTION"). The Sellers shall also refrain, and shall procure that its Related Parties, from directly or indirectly supporting or encouraging any other person to take any action (either in court or out of court) to challenge or to continue to challenge, as the case may be, the legal effectiveness, validity or lawfulness of a Future Transaction or to initiate any legal proceedings of whatever nature (including award proceedings), in any court or tribunal under the laws of any nation, state or territory, in this connection.

7.2 Upon withdrawal and abandonment by the Sellers of all actions and applications in accordance with Section 7.1(a), the Purchaser or the Company (as the case may be) shall, with respect to each such action, application and appeal, as the case may be, waive the initiation of proceedings regarding the determination of legal fees (Verzicht auf die Einleitung eines Kostenfestsetzungsverfahrens) with respect to the Sellers. The Purchaser and the Company will, however, not reimburse the Sellers for any costs, in particular lawyers', accountants' and other consultants' fees, incurred by the Sellers through such actions and applications or proceedings or the preparation thereof and the Sellers hereby irrevocably waive any claims in this respect.

7.3 Upon consummation of the sale and purchase of the Sellers' Shares in accordance with Section 4 above, all claims of the Sellers arising from and in connection with the Tender Offer and the Domination Agreement or any action taken under or in connection with the Domination Agreement and the Tender Offer are, except for the Parties' rights and obligations under this Agreement, settled (erledigt). In addition, each of the Sellers on behalf of itself and its Related Parties hereby irrevocably waives any and all actual or potential claims whatsoever (whether or not relating to the subject matter of the current Legal Proceedings) arising out of, or relating to the transactions or matters referred to directly or indirectly in this Agreement that such Seller has, or in the future may have, against the Purchaser, the Company or any of the Purchaser's or the Company's past, current and future Related Parties under the laws of any nation, state or territory. The Purchaser hereby accepts such waiver.

8. PURCHASER'S UNDERTAKINGS; INCREASE OF FAIR CASH COMPENSATION

8.1 With respect to the sale and transfer of the Sellers' Shares by the Sellers and the settlement between the Parties in accordance with Section 7 above, the Purchaser undertakes vis-a-vis the Sellers, subject to compliance with applicable law, to increase the fair cash compensation (Abfindung) under the Mandatory Offer of EUR 41.92 per Share resolved upon during the AGM (the "ORIGINAL CASH COMPENSATION") by an amount of EUR 9.08 per Share (the "ADDITIONAL CASH COMPENSATION") up to an aggregate amount of EUR 51.00 per Share for all minority shareholders that accept the Mandatory Offer on or prior to September 29, 2005, provided, however, that a minority shareholder shall only be entitled to the Additional Cash Compensation if such shareholder irrevocably declares by signing a waiver declaration the form of which is attached as Annex C that such shareholder (i) has not filed or has withdrawn (as the case may be), and will not file, an application for the initiation of award proceedings, and irrevocably waives any and all rights to initiate and carry out award proceedings in connection with the Domination Agreement; (ii) has not adhered, and will not adhere, to applications and has not, or will not, facilitate award proceedings in connection with the Domination Agreement in any other way, whether directly or indirectly; and (iii) irrevocably waives any and all rights to participate in an increase of the amount of the fair cash compensation and/or the guaranteed fixed annual payment as a result of, or in connection with the Award Proceedings or other proceedings or agreements irrespective of whether such increase occurs through a court ruling, an agreement amongst the parties or otherwise. Minority shareholders who accept the Mandatory Offer after September 29, 2005 shall not be entitled to receive the Additional Cash Compensation.

8.2 Notwithstanding the foregoing, for the avoidance of doubt and as a matter of utmost precaution the increase of the fair cash compensation under the Mandatory Offer shall be structured in a manner that, if the declarations described in the proviso to Section 8.1 above

are not binding upon minority shareholders and the Original Cash Compensation is increased as a result of the Award Proceedings, other proceedings or agreements - irrespective of whether such increase occurs through a court ruling, an agreement amongst the parties to the relevant proceedings or otherwise - (the "COMPENSATION INCREASE"), the Additional Cash Compensation is to be credited against such Compensation Increase. Thus, the Additional Cash Compensation shall be deemed to be a prepayment on such Compensation Increase.

8.3 As long as the Purchaser complies with Sections 8.1 and 8.2, the undertakings of the Purchaser set forth in this Section 8 shall not prevent the Purchaser to enter into separate transactions with one, several or all minority shareholders and/or their representatives on terms and conditions deviating from the terms and conditions provided for in this Section 8.

9. CONTINUED COOPERATION, CONFIDENTIALITY, PRESS RELEASES

9.1 The Parties agree to co-operate fully after the date hereof in order to consummate all the transactions intended by and/or envisaged in this Agreement. Each Party shall take such further actions, make such additional declarations and execute such documents as are necessary or, in the reasonable view of the Purchaser, appropriate to consummate the transactions intended by and/or contemplated in this Agreement.

9.2 The Parties shall treat the existence of this Agreement and its contents strictly confidential and shall make no public statements whatsoever concerning the existence of this Agreement and its contents. Notwithstanding the foregoing, it is acknowledged and agreed that (i) the Company and its affiliates may refer to this Agreement and describe its contents if and to the extent so required in order to implement the undertakings of the Purchaser set forth in Section 8 or by statutory law, regulation or order of a court, administrative agency or any other public authority, including, without limitation, in Form 8-K, amendments to its Schedule 13D, Schedule 13E-3, Form TO and other filings made pursuant to the U.S. Securities Exchange Act of 1934, as amended or the U.S. Securities Act of 1933, as amended; and (ii) each of the Sellers may refer to this Agreement and describe its contents to its shareholders and investors in accordance with past practice.

9.3 Upon execution of this Agreement, the Parties shall agree on the content and form of a press release with regard to the transactions and other agreements set forth herein. The Sellers shall not unreasonably withhold their consent to such or any other press releases prepared by the Purchaser and/or the Company. Until such press release is disseminated, the Sellers shall not communicate in any way with the press or any other media regarding this Agreement and the transactions contemplated hereby. In response to any unsolicited inquiry by the press or any other media regarding this Agreement and the transactions contemplated hereby, the Parties shall decline to comment. Following the dissemination of the press release, the Parties' only response to unsolicited inquiries by the press or any other media regarding the subject matter of this Agreement shall be that the transactions contemplated by this Agreement represent a fair resolution amongst the Parties with respect to the subject matter of this Agreement. Notwithstanding the foregoing, it is acknowledged and agreed that no Party shall make any adverse statements to the press or any other media about any other Party with respect to the subject matter of this Agreement.

10. ASSIGNMENT

None of the Sellers may not transfer any rights and obligations under or in connection with this Agreement without prior written consent of the Purchaser. The Purchaser has the right

to only transfer its rights and obligations under this Agreement in whole or in part to one or more enterprises controlled by the Purchaser (each, a "TRANSFEREE") by way of assignment and assumption of this Agreement (Vertragsubernahme) (a "TRANSFER OF CONTRACT"). Upon the Transfer of Contract coming into effect, the Transferee fully assumes the contractual position of the Purchaser under this Agreement. The Sellers hereby grant its irrevocable consent to any Transfer of Contract. The Transfer of Contract shall become legally effective as of the receipt (Zugang) by the Sellers of a written declaration made by the Purchaser and the Transferee that a Transfer of Contract has occurred.

11. LANGUAGE

This Agreement is made in, and shall be construed in accordance with, the English language. In the event of a conflict between English terms and German terms immediately following in italics and in parenthesis in this Agreement, the German terms shall prevail.

12. APPLICABLE LAW, JURISDICTION

12.1 This Agreement shall be governed by and interpreted exclusively in accordance with the laws of the Federal Republic of Germany with the exclusion of its conflict-of-laws provisions and the Convention on Contracts for the International Sale of Goods.

12.2 Frankfurt am Main, Germany shall be the exclusive place of jurisdiction for all disputes arising out of or in connection with this Agreement, provided, however, that the Purchaser may commence legal proceedings against the Sellers at any court that is competent (zustandig) for such proceedings.

13. FEES AND EXPENSES

Except as otherwise specifically set forth in this Agreement, the Parties hereto shall bear their respective expenses incurred with the preparation, execution and performance of this Agreement and the transactions contemplated therein, including all fees and expenses of their advisors and all fees and expenses incurred by each Party in connection with the Legal Proceedings.

14. AMENDMENTS

Any amendment or addition to this Agreement must be executed in writing, unless a more stringent form is required. This also applies to the deletion or amendment of this clause.

15. ENTIRE AGREEMENT

This Agreement sets out the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes any and all earlier and current agreements, either orally or in writing, between the Parties.

16. SEVERABILITY

If one of the provisions of this Agreement is or becomes invalid or unimplementable, this shall not affect the validity of the remaining provisions. The Parties shall modify to the extent necessary or replace the invalid or unimplementable provision so that the effect of the modified or new provision corresponds as closely as possible to the intended effect of the invalid or unimplementable provision. In the event of an unintended omission in this

Agreement, a provision shall be deemed agreed between the Parties which corresponds, on the basis of the purpose and the meaning of this Agreement and the Parties' intention, as closely as possible to the provision the Parties would have agreed upon had the Parties considered the matter at the outset.

17. NOTICES, COMMUNICATION, EXERCISE OF RIGHTS

17.1 Any notice or other communication under this Agreement shall be effected in the English language and in writing and shall be delivered personally against confirmation of receipt or sent by "registered mail return receipt requested" or by an internationally recognized courier service or transmitted by facsimile (followed by confirmation delivered by "registered mail return receipt requested" or by an internationally recognized courier service) to the Parties at the followings addresses:

If to the Sellers:

Paulson & Co. Inc.
590 Madison Avenue
New York, NY 10022
USA
attn. General Counsel
Fax no. +1 212 977 9505,

and

Arnhold and S. Bleichroeder Advisers, LLC 1345 Avenue of the Americas
New York, NY 10105
USA
attn.: General Counsel
Fax no. +1 212 698 3271,

with a copy to:

Linklaters Oppenhoff & Radler
Dr. Hans-Ulrich Wilsing
Borsenplatz 1
50667 Koln
Germany
Fax no. +49 221 2091 435.

If to the Purchaser:

Celanese Europe Holding GmbH & Co. KG Frankfurter Strasse 111
61476 Kronberg i.T.
Germany
attn.: Management Board
Fax no. + +49 69 305 82731 ,

with a copy to:

Gleiss Lutz
Dr. Gerhard Wirth and Dr. Jan M. Bauer Maybachstrasse 6
70469 Stuttgart
Germany
Fax no. +49 711 855 096,

and a copy to

Simpson Thacher & Bartlett LLP
William R. Dougherty
425 Lexington Avenue
New York, NY 10017
USA
Fax no. +1 212 455 2502.

The Sellers jointly on the one hand and the Purchaser on the other hand may change the addresses and fax numbers set forth above by giving a corresponding notice in accordance with this Section 17.1 indicating the new address and/or fax number, as the case may be, to which notices under this Agreement shall be delivered, provided, however, that such notice or a change of address shall be effective only upon receipt thereof.

17.2 Any amendments, consents, waivers, statements, declarations or notices of the Sellers under or in connection with this Agreement shall be validly made or given if made or given by Paulson. on behalf of all Sellers and Sellers hereby authorize Paulson to act in their name and on their behalf in making any and all such amendments, consents, waivers, statements, declarations and notices. The same shall apply to the exercise of any rights by the Sellers under or in connection with this Agreement.

[Signature Page to Follow.]

This Agreement is signed in New York, USA, on August 19, 2005 by and on behalf of the Parties as follows:

Paulson & Co. Inc.:

By: ---------------------------------- Name:

By: ------------------------------------- Name:

Title: Title:

Arnhold and S. Bleichroeder Advisers, LLC:

By: ---------------------------------- Name: Title:

By: ------------------------------------- Name: Title:

Celanese Europe Holding GmbH & Co. KG

By: Its general partner
Celanese Europe Management GmbH:

By: ---------------------------------- Name: Title:

By: ------------------------------------- Name: Title:

ANNEX A

NAMES OF ORIGINAL PLAINTIFFS

- Richard Mayer

- Jochen Knoesel

- Allerthal Werke AG and Christa Gotz

- Carthago Value Invest AG

- Prof. Dr. Ekkehard Wenger

- Jens-Uwe Penquitt & Claus Deininger Vermogensverwaltung GbR

- Dr. Leonhard Knoll

- B.E.M. Borseninformations- und Effektenmanagement GmbH

- Protagon Capital GmbH

ANNEX B

OTHER LEGAL PROCEEDINGS

I. TENDER OFFER PROCEEDINGS (ANFECHTUNG DES AKTIENKAUFS IM RAHMEN DES UBERNAHMEVERFAHRENS)

PLAINTIFF	DEFENDANT	FILE NUMBER (FIRST INSTANCE)	FILE NUMBER (COURT OF APPEAL)
Richard Mayer	- Celanese Europe Holding GmbH & Co. KG - Claudio Sonder	3-06 O 181/04	5 U 131/05

II. PUBLIC REGISTER PROCEEDINGS (AMTSLOSCHUNGSVERFAHREN)

1. PUBLIC REGISTER PROCEEDINGS WITH THE KONIGSTEIN LOCAL COURT (AMTSGERICHT)

PLAINTIFFS	DEFENDANT	FILE NUMBER
Richard Mayer	Celanese AG	80 HRB 5277
OCP Obay Capital Pool Vermogens-verwaltungsgesellschaft mbH and Protagon Capital GmbH	Celanese AG	80 HRB 5277

2. PUBLIC REGISTER PROCEEDINGS WITH THE FRANKFURT DISTRICT COURT (LANDGERICHT)

PLAINTIFF	DEFENDANT	FILE NUMBER (FIRST INSTANCE)	FILE NUMBER (COURT OF APPEAL)
Richard Mayer	Celanese AG	3-16 T 25/04	20 W 425/04

ANNEX C

WAIVER LETTER (GERMAN VERSION)

VERZICHTSERKLARUNG

von ______________________________________, Wohnort/Sitz in ____________________,

____:

Mir/der von mir vertretenen Gesellschaft

- gehoren _______ Aktien der Celanese AG, die ich im Rahmen des Beherrschungs- und Gewinnabfuhrungsvertrags gegen Zahlung der festgelegten Abfindung einreiche;

- gehorten _______Aktien der Celanese AG, die ich im Rahmen des Beherrschungs- und Gewinnabfuhrungsvertrags gegen Zahlung der festgelegten Abfindung bereits eingereicht habe.

1. Ich erklare gegenuber Celanese Europe Holding GmbH & Co. KG, dass ich/die von mir vertretene Gesellschaft im Zusammenhang mit dem Beherrschungs- und Gewinnabfuhrungsvertrag vom 22. Juni 2004

- keinen Antrag auf Einleitung eines Spruchverfahrens gemaB Section 1 Nr. 1 Spruchverfahrensgesetz gestellt habe oder stellen werde oder einen bereits gestellten Antrag unwiderruflich und rechtsverbindlich zuruckgenommen habe und dass ich auf die Einleitung und Durchfuhrung eines Spruchverfahrens zur Bestimmung der angemessenen Barabfindung im Zusammenhang mit dem Ubertragungsbeschluss verzichte;

- Antragen nicht beitreten werde und ein Spruchverfahren gemaB Section 1 Nr. 1 Spruchverfahrensgesetz auch nicht in sonstiger Weise unmittelbar oder mittelbar fordern werde;

- auf eine in einem Spruchverfahren gemaB Section 1 Nr. 1 Spruchverfahrensgesetz gerichtlich festgesetzte Abfindung oder zur Beendigung eines solchen Spruchverfahrens vereinbarte Abfindung verzichte.

_______________, den ______________ 2005

Exhibit 21.1

List of Subsidiaries of Celanese Corporation

Name of Company	Jurisdiction
1776461 Canada Inc.	Canada
Acetex Chimie S.A.	France
Acetex (Cyprus) Ltd.	Cyprus
Acetex Derivatives, SAS	France
Acetex Intermediates, SAS	France
Acetyls Holdco Cayman Ltd.	Cayman Islands
Alberta Ag — Industries Ltd.	Canada
Amcel International Co., Inc.	Delaware
BCP Holdings GmbH	Germany
CAPE Holding GmbH	Germany
Celanese (China) Holding Co., Ltd.	China
Celanese (Nanjing) Acetyl Derivatives Co., Ltd.	China
Celanese (Nanjing) Chemicals Co., Ltd.	China
Celanese (Nanjing) Diversified Chemical Co., Ltd.	China
Celanese (Shanghai) International Trading Co., Ltd.	China
Celanese Acetate Limited	United Kingdom
Celanese Acetate LLC	Delaware
Celanese Advanced Materials Inc.	Delaware
Celanese Alpine S. à r.l. & Co. KG	Germany
Celanese Americas LLC	Delaware
Celanese Canada Inc.	Canada
Celanese Chemicals Europe GmbH	Germany
Celanese Chemicals Ibérica S.L	Spain
Celanese Chemicals Inc.	Delaware
Celanese Chemicals India Private Ltd	India
Celanese Chemicals S.A. (Pty) Ltd.	South Africa
Celanese Chemicals UK Ltd.	United Kingdom
Celanese Deutschland Holding GmbH	Germany
Celanese do Brasil Ltda.	Brazil
Celanese Emulsions B.V	Netherlands
Celanese Emulsions GmbH	Germany
Celanese Emulsions Ltd.	United Kingdom
Celanese Emulsions Norden AB	Sweden
Celanese Emulsions Pension Plan Trust Ltd	United Kingdom
Celanese EVA Performance Polymers Corporation	North Carolina
Celanese EVA Performance Polymers Inc.	Canada
Celanese EVA Performance Polymers Partnership	Canada
Celanese Far East Ltd.	Hong Kong
Celanese Global Relocation LLC	Delaware
Celanese GmbH	Germany
Celanese Holding GmbH	Germany
Celanese Holdings B.V	Netherlands
Celanese Holdings Luxembourg S.à r.l	Luxembourg
Celanese Hungary Kft.	Hungary
Celanese International Corporation	Delaware
Celanese International Holdings Luxembourg S.à r.l	Luxembourg
Celanese Japan Limited	Japan
Celanese Korea Chusik Hoesa	Korea
Celanese Ltd.	Texas
Celanese Mexico Holdings LLC	Delaware
Celanese Polisinteza d.o.o*†	Slovenia
Celanese Pte. Ltd.	Singapore
Celanese S.A.	Argentina
Celanese S.A./N.V.	Belgium
Celanese Singapore Pte. Ltd.	Singapore
Celanese Singapore VAM Pte. Ltd.	Singapore
Celanese US Holdings LLC	Delaware
Celanese Ventures USA Inc	Delaware

Celstran GmbH	Germany
Celtran Inc.	Delaware
Celwood Insurance Company	Vermont
CNA Funding LLC	Delaware
CNA Holdings LLC	Delaware
Crystal US Sub 3 Corp.	Delaware
Edmonton Methanol Company	Canada
Elwood Insurance Limited	Bermuda
FKAT LLC	Delaware
Grupo Celanese, S. de R.L. de C.V.**	Mexico
HNA Acquisition ULC	Canada
Hoechst Italia S.p.A.†	Italy
InfraServ Verwaltungs GmbH	Germany
KEP Americas Engineering Plastics, LLC	Delaware
KEP Europe GmbH	Germany
Majoriva GmbH	Germany
Methanol Holdco Cayman Ltd.	Cayman Islands
Northern Mountains Celcan LP	Canada
NutriCapital Inc.	Delaware
Nutrinova Benelux S.A./N.V.†	Belgium
Nutrinova France S.à r.l	France
Nutrinova Inc.	Delaware
Nutrinova Nutrition Specialties & Food Ingredients GmbH	Germany
Nutrinova UK Limited†	United Kingdom
Riomava GmbH	Germany
Servicios Corporativos Celanese S. de R.L. de C.V.	Mexico
Synthesegasanlage Ruhr GmbH i.L***†	Germany
Tenedora Tercera de Toluca S. de R.L. de C.V.	Mexico
Ticona Austria GmbH	Austria
Ticona CR s.r.o	Czech Republic
Ticona Fortron Inc.	Delaware
Ticona France S.à r.l	France
Ticona GmbH	Germany
Ticona Industrial Co. Ltd.	South Korea
Ticona Italia S.r.L	Italy
Ticona Japan Ltd.	Japan
Ticona Korea Ltd.	Korea
Ticona LLC	Delaware
Ticona PBT Holding B.V.	Netherlands
Ticona Polymers Inc.	Delaware
Ticona Polymers Ltda.	Brazil
Ticona Technische Polymere gAG	Russia
Ticona Teknik Polimerler Sanayi ve Tic. Ltd.****†	Turkey
Ticona UK Limited	United Kingdom
Transatlantique Chimie S.A.	France
Tydeus Erste Vermögensverwaltungs GmbH	Germany
Tydeus Zweite Vermögensverwaltungs GmbH	Germany
US Pet Film Inc.	Delaware
Varimajo GmbH	Germany

* Aggregate ownership is 76.00%

** Aggregate ownership is 99.89%

*** Aggregate ownership is 50.00%

**** Aggregate ownership is 99.95%

† In liquidation

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Celanese Corporation:

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Registration Nos. 333-122789, 333-128048, 333-158734, 333-158736 and 333-166358) of Celanese Corporation of our reports dated February 11, 2011, with respect to the consolidated balance sheets of Celanese Corporation as of December 31, 2010 and 2009, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2010, and the effectiveness of internal control over financial reporting as of December 31, 2010, which reports appear in the December 31, 2010 annual report on Form 10-K of Celanese Corporation.

Our report dated February 11, 2011 contains explanatory paragraphs related to the Company's adoption of Financial Accounting Standards Board ("FASB") Staff Position No. 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* (included in FASB Accounting Standards Codification ("ASC") Subtopic 715-20, *Defined Benefit Plans*), during the year ended December 31, 2009 and to the Company's adoption of FASB Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (included in FASB ASC Subtopic 820-10, *Fair Value Measurements and Disclosures*), during the year ended December 31, 2008.

/s/ KPMG LLP

Dallas, Texas
February 11, 2011

Consent of Independent Auditors

We consent to the incorporation by reference in Registration Statement Nos. 333-122789, 333-128048, 333-158734, 333-158736, and 333-166358 on Form S-8 of Celanese Corporation of our report dated February 10, 2011 related to the financial statements of CTE Petrochemicals Company as of December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010, appearing in this Annual Report on Form 10-K of Celanese Corporation for the year ended December 31, 2010.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 10, 2011

Exhibit 23.3

Consent of Independent Auditors

We consent to the incorporation by reference in Registration Statement Nos. 333-122789, 333-128048, 333-158734, 333-158736, and 333-166358 on Form S-8 of Celanese Corporation of our report dated February 10, 2011 related to the financial statements of National Methanol Company (Ibn Sina) (which expresses an unqualified opinion and includes an explanatory paragraph relating to differences between accounting principles generally accepted in Saudi Arabia and accounting principles generally accepted in the United States of America) as of December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010, appearing in this Annual Report on Form 10-K of Celanese Corporation for the year ended December 31, 2010.

/s/ DELOITTE & TOUCHE BAKR ABULKHAIR & CO.

Al Khobar
Saudi Arabia
February 10, 2011

Exhibit 31.1

**CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David N. Weidman, certify that:

1. I have reviewed this report on Form 10-K of Celanese Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David N. Weidman

David N. Weidman
Chairman of the Board of Directors and
Chief Executive Officer
Date: February 11, 2011

Exhibit 31.2

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven M. Sterin, certify that:

1. I have reviewed this report on Form 10-K of Celanese Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Steven M. Sterin

Steven M. Sterin
Senior Vice President and
Chief Financial Officer
Date: February 11, 2011

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Celanese Corporation (the "Company") on Form 10-K for the period ending December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David N. Weidman, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David N. Weidman

David N. Weidman
Chairman of the Board of Directors and
Chief Executive Officer
Date: February 11, 2011

A signed original of this written statement required by Section 906 has been provided to Celanese Corporation and will be retained by Celanese Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Celanese Corporation (the "Company") on Form 10-K for the period ending December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven M. Sterin, Senior Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven M. Sterin

Steven M. Sterin
Senior Vice President and
Chief Financial Officer
Date: February 11, 2011

A signed original of this written statement required by Section 906 has been provided to Celanese Corporation and will be retained by Celanese Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CTE PETROCHEMICALS COMPANY
FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Partners of
CTE Petrochemicals Company

We have audited the accompanying balance sheets of CTE Petrochemicals Company (the "Company") as of December 31, 2010 and 2009, and the related statements of operations, partners' capital, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of CTE Petrochemicals Company as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Houston, Texas
February 10, 2011

CTE PETROCHEMICALS COMPANY
STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2010	2009	2008
		(In thousands)	
Equity in net earnings of Ibn Sina	$161,704	$134,466	$201,477
Withholding tax expense	(7,698)	(4,126)	(11,941)
Income tax benefit	-	4,750	-
Net earnings	$154,006	$135,090	$189,536

See the accompanying notes to the financial statements.

CTE PETROCHEMICALS COMPANY
BALANCE SHEETS

	As of December 31,	
	2010	**2009**
	(In thousands)	
ASSETS		
Investment in Ibn Sina	$143,789	$158,771
Total assets	$143,789	$158,771
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities		
Income taxes payable	$ -	$14,499
Total current liabilities	-	14,499
Partners' capital	143,789	144,272
Total liabilities and partners' capital	$143,789	$158,771

See the accompanying notes to the financial statements.

CTE PETROCHEMICALS COMPANY
STATEMENTS OF PARTNERS' CAPITAL

	2010			2009			2008		
	Texas Eastern Arabian Ltd.	Elwood Insurance Ltd.	Total	Texas Eastern Arabian Ltd.	Elwood Insurance Ltd.	Total	Texas Eastern Arabian Ltd.	Elwood Insurance Ltd.	Total
	(In thousands)			(In thousands)			(In thousands)		
Partners' Capital									
Balance as of the beginning of the period	$72,748	$72,747	$145,495	$46,143	$46,143	$92,286	$70,686	$70,685	$141,371
Net earnings	77,003	77,003	154,006	67,545	67,545	$135,090	94,768	94,768	189,536
Dividends	(77,407)	(76,555)	(153,962)	(40,940)	(40,941)	(81,881)	(119,310)	(119,311)	(238,621)
Balance as of the end of the year	72,344	73,195	145,539	72,748	72,747	145,495	46,144	46,142	92,286
Accumulated Other Comprehensive Income(Loss), Net									
Balance as of the beginning of the period	(612)	(611)	(1,223)	(1,024)	(1,024)	(2,048)	(899)	(899)	(1,798)
Pension and postretirement benefits	(263)	(264)	(527)	412	413	825	(125)	(125)	(250)
Balance as of the end of the period	(875)	(875)	(1,750)	(612)	(611)	(1,223)	(1,024)	(1,024)	(2,048)
Total Partners' Capital	$71,469	$72,320	$143,789	$72,136	$72,136	$144,272	$45,120	$45,118	$90,238

See the accompanying notes to the financial statements.

CTE PETROCHEMICALS COMPANY
STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2010	2009	2008
		(In thousands)	
Operating activities			
Net earnings	$154,006	$135,090	$189,536
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Equity in net earnings of Ibn Sina	(161,704)	(134,466)	(201,477)
Dividends received	176,159	86,007	250,562
Income taxes payable	(14,499)	(4,750)	-
Net cash provided by operating activities	153,962	$81,881	238,621
Financing activities			
Dividends paid	(153,962)	(81,881)	(238,621)
Net cash provided by (used in) financing activities	(153,962)	(81,881)	(238,621)
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	$ -	$ -	$ -

See the accompanying notes to the financial statements.

CTE PETROCHEMICALS COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Description of the Company and Basis of Presentation

CTE Petrochemicals Company ("CTE" or the "Company") is a common general partnership (the "Partnership") which was formed on January 27, 1981 pursuant to the laws of the Cayman Islands, British West Indies. The original partners, Celanese Arabian Inc. ("Celanese Arabian") and Texas Eastern Arabian Ltd. ("Texas Eastern"), a wholly owned subsidiary of Duke Energy Corporation ("Duke"), each acquired an equal ownership interest in CTE. Through a series of transactions, Elwood Insurance Limited ("Elwood"), a wholly owned subsidiary of Celanese Corporation ("Celanese"), acquired Celanese Arabian's original interest in CTE, and Celanese and Duke continue to have an equal ownership interest, including profit and loss distribution, through their respective subsidiaries, Elwood and Texas Eastern.

CTE's only asset is its 50% investment in National Methanol Company ("Ibn Sina"). Ibn Sina, a Saudi limited liability company registered under the laws of Saudi Arabia, is owned equally by CTE and Saudi Basic Industries Corporation ("SABIC"), a privately-held Saudi Arabian joint stock company. Ibn Sina was formed in 1981 and is in the business of operating a petrochemical complex which produces methanol and methyl tertiary butyl ether ("MTBE").

On April 1, 2010, Elwood, Texas Eastern, and SABIC expanded the scope of Ibn Sina to include the creation of a polyacetal ("POM") production facility, and extended the term of the joint venture to 2032. The capital required to build the POM plant is funded equally by SABIC and CTE. Elwood and Texas Eastern provide 65% and 35%, respectively, of the POM funding requirements of CTE. Once the POM plant becomes commercially operational, which is estimated to take approximately three years to complete, CTE's respective earnings will be split 65% and 35% to Elwood and Texas Eastern, respectively. However, the partners' equal ownership percentage in CTE will remain unchanged. Elwood and Texas Eastern will continue to share the power to direct the activities that most significantly impact the Company's economic performance. SABIC will continue to have 50% ownership in Ibn Sina, including its respective share of profits and losses.

Basis of Presentation

The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for all periods presented.

2. Summary of Accounting Policies

- **Estimates and assumptions**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. These estimates, based on best available information at the time, could differ from actual results.

- **Investment in Ibn Sina**

The Company accounts for its investment in Ibn Sina using the equity method of accounting as it has the ability to exercise significant influence over operating and financial policies of Ibn Sina, but does not exercise control.

The Company assesses the recoverability of the carrying value of its investment whenever events or changes in circumstances indicate a loss in value that is other than a temporary decline. A loss in value of an equity-method investment which is other than a temporary decline will be recognized as the difference between the carrying amount of the investment and its fair value.

- **Dividends**

The Company records dividends when received. Historically, Ibn Sina has distributed a substantial portion of the after tax earnings to its shareholders. CTE remits the dividends to its shareholders, Elwood and Texas Eastern, simultaneously when received from Ibn Sina.

- **Accumulated Other Comprehensive Income**

Accumulated other comprehensive income is the Company's share of Ibn Sina's gains or losses for pension and postretirement benefits that are not recognized immediately as a component of net periodic pension cost.

3. Investment in Ibn Sina

The following are summarized US GAAP financial statement results of Ibn Sina (in thousands):

	2010	2009	2008
Total Assets	$480,263	$468,447	$ 356,089
Debt	-	-	-
Total Liabilities	183,977	140,229	112,040
Net Sales	930,617	752,572	1,073,511
Operating Profit	387,722	324,991	469,869
Net Income	343,639	289,100	421,233

The laws of Saudi Arabia require different allocations of income taxes to capital balances based upon the respective partner's country of domicile. Accordingly, CTE's percentage of Ibn Sina's net income in equity is not proportioned to its ownership percentages.

4. Taxes

The financial statements reflect no provision or liability for income taxes because the Company's financial results are included in the income tax returns of the Partners for the years ended December 31, 2010, 2009 and 2008. The Company incurs withholding tax at a rate of 5% on dividends received from its investment in Ibn Sina. Withholding taxes are reported as withholding tax expense on the Company's income statement when dividends are received. Amounts shown as withholding tax expense were paid in the respective periods presented.

The Company adopted the provisions of FASB ASC 740, *Income Taxes* (originally issued as FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*), which clarifies the accounting and disclosure for uncertainty in income tax positions, as defined, on January 1, 2007. Based on the Company's review, a reserve of $19.3 million related to Saudi Arabia corporate income tax on the Company's share of Ibn Sina earnings for tax years 1997 to 2003 was required. The tax reserve was recorded through income tax expense on the Company's financial statements prior to the adoption of FASB ASC 740 and no cumulative effect adjustment was required at adoption. Upon receiving a final tax assessment from the Saudi Arabian tax authority in 2009, the Company reversed $4.7 million of the tax reserve. The remaining $14.5 million was paid in the first quarter of 2010.

5. Subsequent Events

Subsequent events were updated through February 10, 2011, the date at which the financial statements were available to be issued.

Exhibit 99.2

NATIONAL METHANOL COMPANY (IBN SINA)
(LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2010, 2009 and 2008

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INDEPENDENT AUDITORS' REPORT

To the management
National Methanol Company (Ibn Sina)
Al-Jubail, Saudi Arabia

We have audited the accompanying balance sheets of National Methanol Company (Ibn Sina), a Saudi limited liability company (the "Company") as of December 31, 2010 and 2009, and the related statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2010 in conformity with accounting principles generally accepted in Saudi Arabia.

Accounting principles generally accepted in Saudi Arabia vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 23 to the financial statements.

/s/ Deloitte & Touche
Bakr Abulkhair & Co.

Nasser M. Al-Sagga
License No. 322
February 10, 2011

NATIONAL METHANOL COMPANY (IBN SINA)
(LIMITED LIABILITY COMPANY)

BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND 2009

	Note	**2010 SR 000**	2009 SR 000
ASSETS			
Current assets			
Cash and cash equivalents	3	**335,234**	284,318
Trade receivables from related parties	17	**462,130**	471,770
Inventories	4	**219,202**	180,718
Other receivables and prepayments	5	**37,695**	52,146
Total current assets		**1,054,261**	988,952
Non-current assets			
Property, plant and equipment	6	**621,607**	697,663
Project under construction	7	**28,663**	-
Intangible assets	8	**38,736**	39,264
Other non-current assets	9	**54,020**	27,334
Total non-current assets		**743,026**	764,261
TOTAL ASSETS		**1,797,287**	1,753,213
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable	11	**46,538**	29,825
Accrued and other current liabilities	12	**490,987**	388,729
Total current liabilities		**537,525**	418,554
Non-current liabilities			
End-of-service indemnities	13	**96,244**	83,371
Other liabilities	14	**15,139**	15,422
Total non-current liabilities		**111,383**	98,793
Shareholders' equity			
Share capital	1	**558,000**	558,000
Statutory reserve	20	**279,000**	279,000
Retained earnings		**311,379**	398,866
Total shareholders' equity		**1,148,379**	1,235,866
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,797,287**	1,753,213

The accompanying notes form an integral part of these financial statements

NATIONAL METHANOL COMPANY (IBN SINA)
(LIMITED LIABILITY COMPANY)

STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	Note	**2010 SR 000**	2009 SR 000	2008 SR 000
Sales	17	**3,489,813**	2,822,144	4,025,668
Cost of sales	17	**2,021,016**	1,585,055	2,243,193
Gross profit		**1,468,797**	1,237,089	1,782,475
Distribution expenses		**372**	525	797
General and administrative expenses	16,17	**16,335**	14,817	19,501
Operating income		**1,452,090**	1,221,747	1,762,177
Financial income		**2,077**	812	18,166
Other income (expenses), net		**5,908**	4,155	(2,272)
NET INCOME		**1,460,075**	1,226,714	1,778,071

The accompanying notes form an integral part of these financial statements

NATIONAL METHANOL COMPANY (IBN SINA)
(LIMITED LIABILITY COMPANY)

STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	Note	Saudi Basic Industries Corporation SR 000	CTE Petrochemicals Company SR 000	Total SR 000
Share capital				
December 31, 2010, 2009 and 2008	1	**279,000**	**279,000**	**558,000**
Statutory reserve				
December 31, 2010, 2009 and 2008	20	**139,500**	**139,500**	**279,000**
Retained earnings				
January 1, 2008		243,774	202,891	446,665
Net income for the year		889,036	889,035	1,778,071
Zakat and income tax for year	15	(21,064)	(182,688)	(203,752)
Amounts withheld from shareholders towards zakat and income tax		-	117,561	117,561
Dividend related to year 2007, net		(243,774)	(202,891)	(446,665)
Dividend related to current year		(809,500)	(809,500)	(1,619,000)
December 31, 2008		58,472	14,408	72,880
Net income for the year		613,357	613,357	1,226,714
Zakat and income tax for year	15	(16,495)	(121,047)	(137,542)
Amounts withheld from shareholders towards zakat and income tax		-	106,105	106,105
Dividend related to year 2008, net		(58,616)	(15,640)	(74,256)
Dividend related to current year		(397,518)	(397,517)	(795,035)
December 31, 2009		199,200	199,666	398,866
Net income for the year		**730,038**	**730,037**	**1,460,075**
Zakat and income tax for year	15	**(19,846)**	**(159,586)**	**(179,432)**
Amounts withheld from shareholders towards zakat and income tax		-	**97,421**	**97,421**
Dividend related to year 2009, net		**(199,304)**	**(192,049)**	**(391,353)**
Dividend related to current year		**(537,099)**	**(537,099)**	**(1,074,198)**
December 31, 2010		**172,989**	**138,390**	**311,379**
Total shareholders' equity				
December 31, 2010		**591,489**	**556,890**	**1,148,379**
December 31, 2009		617,700	618,166	1,235,866
December 31, 2008		476,972	432,908	909,880

The accompanying notes form an integral part of these financial statements

NATIONAL METHANOL COMPANY (IBN SINA)
(LIMITED LIABILITY COMPANY)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

	2010 SR 000	2009 SR 000	2008 SR 000
OPERATING ACTIVITIES			
Net income	**1,460,075**	1,226,714	1,778,071
Adjustments for:			
Depreciation	**97,306**	94,850	84,830
Amortization of intangible assets	**51,992**	57,280	47,108
End-of-service indemnities	**14,750**	7,040	12,975
Loss on disposal of property, plant and equipment	-	460	220
Changes in operating assets and liabilities:			
Trade receivables from related parties	**9,640**	(145,618)	339,768
Inventories	**(38,484)**	(57,761)	8,680
Other receivables and prepayments	**14,451**	(18,106)	4,893
Accounts payable	**16,713**	(1,147)	(4,401)
Accrued and other current liabilities	**51,551**	171,636	(210,752)
Other liabilities	**(283)**	(3,490)	(493)
Cash from operations	**1,677,711**	1,331,858	2,060,899
End-of-service indemnities paid	**(1,877)**	(24,128)	(6,331)
Zakat and income tax paid	**(137,746)**	(190,923)	(205,850)
Net cash from operating activities	**1,538,088**	1,116,807	1,848,718
INVESTING ACTIVITIES			
Additions to property, plant and equipment	**(48,933)**	(50,973)	(62,746)
Proceeds from disposal of property, plant and equipment	-	486	-
Additions to project under construction	**(19,642)**	-	-
Additions to intangible assets	**(51,464)**	(73,103)	(17,012)
Other non-current assets	**997**	(921)	6,928
Net cash used in investing activities	**(119,042)**	(124,511)	(72,830)
FINANCING ACTIVITIES			
Dividends paid net of zakat and income tax	**(1,368,130)**	(763,186)	(1,948,104)
Net cash used in financing activities	**(1,368,130)**	(763,186)	(1,948,104)
Net change in cash and cash equivalents	**50,916**	229,110	(172,216)
Cash and cash equivalents, January 1	**284,318**	55,208	227,424
CASH AND CASH EQUIVALENTS, DECEMBER 31	**335,234**	284,318	55,208
Non-cash transactions:			
Accruals for additions to project under construction	**9,021**	-	-
Construction in progress transferred to employee home ownership receivables	**27,683**	-	-

The accompanying notes form an integral part of these financial statements

1. ORGANIZATION AND ACTIVITIES

National Methanol Company ("Ibn Sina") ("the Company") is a Saudi limited liability company registered under Commercial Registration No. 2055000779 dated 19 Rajab 1401H (May 23, 1981).

The Company is owned equally by Saudi Basic Industries Corporation ("SABIC"), a Saudi Arabian joint stock company and CTE Petrochemicals Company ("CTE"), a partnership registered in Cayman Islands, British West Indies. CTE is equally owned by Elwood Insurance Ltd., a Bermuda Corporation, and Texas Eastern Arabian Ltd., a Bermuda Corporation.

The authorized share capital of the Company is SR 742 million divided into 7,420 units of SR 100,000 each. The paid up capital at December 31, 2010 and 2009 was SR 558 million comprised of 5,580 units of SR 100,000 each.

The Company's principal business activity is to operate a petrochemical complex at Al-Jubail Industrial City which produces Methanol and Methy1 Tertiary Butyl Ether ("MTBE"). The Company's Methanol and MTBE plants commenced commercial operations on November 1, 1984 and July 1, 1994, respectively. SABIC distributes and markets the Company's products.

During 2010, the shareholders agreed to expand the Company's activities by establishing a plant for the manufacturing of polyoxymethylene ("POM").

The Company's registered office is in Al-Jubail Industrial City in the Kingdom of Saudi Arabia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in compliance with the accounting standards issued by the Saudi Organization for Certified Public Accountants. The following is a summary of significant accounting policies applied by the Company:

Accounting convention
The financial statements are prepared under the historical cost convention.

Revenue recognition
Product sales are made to SABIC ("the Marketer"). Upon delivery of products to the Marketer, sales are recorded at provisional selling prices net of marketing expenses paid directly by the Marketer. These selling prices are later adjusted based upon actual selling prices received by the Marketer from third parties. Adjustments are recorded as they become known to the Company.

Distribution and general and administrative expenses
Distribution expenses principally comprise of costs incurred in the distribution and sale of the Company's products / services. All other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales, when required, are made on a consistent basis.

Accounts receivable

Accounts receivable are stated at the original invoice amount less an allowance for any uncollectible amounts. Adjustments are recorded as they become known to the Company. An estimate for doubtful debts is made when the collection of the accounts receivable amount is considered doubtful. Bad debts are written off as incurred.

Inventories

Finished goods and chemicals are stated at the lower of cost or net realizable value. Cost of finished goods, chemicals, spare parts and supplies is determined on a weighted average cost basis. Inventories of finished goods include cost of materials, labor and an appropriate portion of direct overheads.

Inventory items that are considered as essential to ensure continuous plant operations are treated as capital spare parts and are classified as plant and equipment and are depreciated using the depreciation rate relevant to the corresponding plant and equipment.

Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation except for construction in progress which is stated at cost. Expenditure on maintenance and repairs is expensed, while expenditure for betterments are capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining term of the lease. Catalysts are depreciated over their estimated useful lives which in certain cases, can be up to 20 years. The estimated years of depreciation of the principal classes of assets are as follows:

	Years
Buildings	33
Plant and equipment	5-20
Furniture, fixtures and vehicles	4-10

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment, intangible assets and project under construction to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

Intangible assets
Intangible assets anticipated to provide identifiable future benefits are classified as non-current assets, and are amortized using the straight-line method over their estimated useful lives. Such intangibles assets and their expected amortization periods are as follows:

Employee home ownership ("HOP") costs
Costs incurred in connection with the construction of employee housing are capitalized with the related assets and are amortized using the straight line method over a period of five years.

Planned turnaround costs
Planned turnaround costs are deferred and amortized over the period until the date of the next planned turnaround. Should an unexpected turnaround occur prior to the previously envisaged date of planned turnaround, then the previously unamortized deferred costs are immediately expensed and the new turnaround costs are amortized over the period likely to benefit from such costs.

Costs of implementation of SAP Enterprise Resource Planning System ("SAP ERP")
As per the requirements of SABIC's unified accounting policies, all costs relating to Fanar-SAP ERP implementation are deferred and amortized using the straight line method over a period of five years.

Project under construction
Project under construction represents the costs incurred for the construction of the POM project and is accounted for at cost.

Production advances
Amounts received from affiliates in respect of capital advances to finance tangible assets of the Company are included under non current liabilities and are amortized over the estimated useful lives of the related assets using the straight line method.

End-of-service indemnities
End-of-service indemnities, required by the Saudi Arabian labor law, are provided in the financial statements based on the employees' length of service.

Employees' home ownership program
The Company has a home ownership program that offers eligible Saudi employees home ownership opportunities.

Unsold housing units constructed for eventual sale to eligible employees are included under property, plant and equipment and depreciated over 33 years.

When the houses are allocated to the employees, the cost of houses constructed and sold to the employees under the program is transferred from property, plant and equipment to other non-current assets. Down payments and installments of purchase price received from employees are set off against the other non-current assets.

The cost of the houses and the related purchase price is removed from other non-current assets when the title to the houses is transferred to the employees, at which time, no significant gain or loss is expected to result to the Company.

Employees' savings plan
The Company maintains an employee saving plan. The contributions from the participants are deposited in a separate bank account and provision is established for the Company's contribution.

Dividends
Dividends are recognised as a liability at the time of their approval by the Board of Directors. Interim dividends are recorded as and when approved by the Board of Directors.

Foreign currency translation
Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Saudi Riyals at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of income.

Zakat and income tax
The Company is subject to the Regulations of the Department of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. Zakat and income tax are provided on an accruals basis and charged to retained earnings. The zakat charge is computed at 2.5% on the zakat base or adjusted net income, whichever is higher. Income tax is computed at 20% of adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

As per the requirements of the standard issued by the Saudi Organization for Certified Public Accountants, zakat and income tax provisions for mixed companies are presented as a separate item in the statement of changes in shareholders' equity. Any amount withheld or recovered from shareholders towards zakat and income tax is added back to the shareholders' equity.

By-product sales
Sales of by-products are credited to cost of sales.

Technology and innovation
Technology and innovation costs are expensed when incurred.

Leasing
Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight line basis over the term of the operating lease.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, demand deposits, and fixed term deposits with original maturities of three months or less. At December 31, 2010 and 2009, cash and cash equivalents are as follows:

	2010	2009
	SR 000	SR 000
Cash and bank balances	**140,234**	284,318
Time deposits	**195,000**	—
	335,234	284,318

Cash and bank balances at December 31, 2010 include employees saving plan deposits held in a separate bank account of SR 4.0 million (2009: SR 3.5 million), which are not available to the Company.

4. INVENTORIES

	2010 SR 000	2009 SR 000
Finished goods	**113,563**	97,602
Chemicals	**10,276**	5,119
Spare parts and supplies	**80,952**	72,215
Goods in transit	**14,411**	5,782
	219,202	180,718

Inventories at December 31, 2010 are shown net of allowance for obsolescence of SR 12.3 million (2009 — SR 12.3 million). The spare parts inventory primarily relates to plant and machinery and, accordingly, this inventory is expected to be utilized over a period exceeding one year.

5. OTHER RECEIVABLES AND PREPAYMENTS

	2010 SR 000	2009 SR 000
Advances to related parties (note 17)	**25,930**	37,680
Prepayments	**7,316**	8,197
Others	**4,449**	6,269
	37,695	52,146

6. PROPERTY, PLANT AND EQUIPMENT

2010

	Buildings SR 000	Plant and equipment SR 000	Catalyst SR 000	Furniture, fixtures and vehicles SR 000	Construction in progress SR 000	Total SR 000
Cost						
January 1, 2010	311,568	2,133,933	121,294	79,830	59,233	2,705,858
Additions	—	**23,509**	**766**	**553**	**24,105**	**48,933**
Transfers	—	**29,610**	**19,094**	—	**(76,387)**	**(27,683)**
December 31, 2010	**311,568**	**2,187,052**	**141,154**	**80,383**	**6,951**	**2,727,108**
Depreciation						
January 1, 2010	205,840	1,673,270	57,872	71,213	—	2,008,195
Charge for year	**9,559**	**74,528**	**10,986**	**2,233**	—	**97,306**
December 31, 2010	**215,399**	**1,747,798**	**68,858**	**73,446**	—	**2,105,501**
Net book value						
December 31, 2010	**96,169**	**439,254**	**72,296**	**6,937**	**6,951**	**621,607**

2009

	Buildings SR 000	Plant and equipment SR 000	Catalyst SR 000	Furniture, fixtures and vehicles SR 000	Construction in progress SR 000	Total SR 000
Cost						
January 1, 2009	304,149	2,094,182	88,600	75,743	93,503	2,656,177
Additions	5,189	23,440	1,478	617	20,249	50,973
Disposals	—	—	—	(346)	(946)	(1,292)
Transfers	2,230	16,311	31,216	3,816	(53,573)	—
December 31, 2009	311,568	2,133,933	121,294	79,830	59,233	2,705,858
Depreciation						
January 1, 2009	196,310	1,600,819	47,041	69,521	—	1,913,691
Charge for year	9,530	72,451	10,831	2,038	—	94,850
Disposals	—	—	—	(346)	—	(346)
December 31, 2009	205,840	1,673,270	57,872	71,213	—	2,008,195
Net book value						
December 31, 2009	105,728	460,663	63,422	8,617	59,233	697,663

The Company has leased land for plant and equipment and buildings from the Royal Commission for Jubail and Yanbu at nominal rent. The lease is for a period of 30 years commencing from 1 Jumada 1402H (February 24, 1982) and is renewable for a similar period under mutually agreed terms and conditions.

At December 31, 2010 and 2009, construction in progress mainly represents costs incurred and advances paid in respect of housing units under construction.

7. PROJECT UNDER CONSTRUCTION

Project under construction at December 31, 2010 comprises of costs incurred by the Company for the construction of the POM plant and related facilities at Jubail Industrial City, Kingdom of Saudi Arabia. The POM plant is currently in the front end engineering design (FEED) phase and is expected to be completed by 2014. Construction related costs at December 31, 2010, comprise of construction costs under various agreements and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in a manner intended by the management. Directly attributable costs mainly includes employee benefits and licensing fees.

8. INTANGIBLE ASSETS

2010

	Employee home ownership costs SR 000	Turnaround costs SR 000	Software development costs SR 000	Total SR 000
Cost				
January 1, 2010	4,359	167,188	17,585	189,132
Additions	—	**51,464**	—	**51,464**
December 31, 2010	**4,359**	**218,652**	**17,585**	**240,596**
Amortization				
January 1, 2010	1,257	131,026	17,585	149,868
Charge for the year	**872**	**51,120**	—	**51,992**
December 31, 2010	**2,129**	**182,146**	**17,585**	**201,860**
Net book value				
December 31, 2010	**2,230**	**36,506**	—	**38,736**

2009

	Employee home ownership costs SR 000	Turnaround costs SR 000	Software development costs SR 000	Total SR 000
Cost				
January 1, 2009	4,359	95,552	16,118	116,029
Additions	—	71,636	1,467	73,103
December 31, 2009	4,359	167,188	17,585	189,132
Amortization				
January 1, 2009	385	78,935	13,268	92,588
Charge for the year	872	52,091	4,317	57,280
December 31, 2009	1,257	131,026	17,585	149,868
Net book value				
December 31, 2009	3,102	36,162	—	39,264

9. OTHER NON-CURRENT ASSETS

	2010 SR 000	2009 SR 000
Employee home ownership receivables	**52,423**	25,641
Others	**1,597**	1,693
	54,020	27,334

10. BANK FACILITIES

The Company has bank facilities amounting to SR 187.5 million from a local commercial bank for overdraft, short term loans, letters of credit, guarantees etc. and bearing interest at commercial rates. These facilities were not utilized at December 31, 2010 and 2009.

11. ACCOUNTS PAYABLE

	2010 SR 000	2009 SR 000
Trade accounts payable	**7,927**	10,106
Due to related parties	**38,611**	19,719
	46,538	29,825

12. ACCRUED AND OTHER CURRENT LIABILITIES

	2010 SR 000	2009 SR 000
Other operating costs	**394,417**	342,666
Technology and innovation costs (note 16,17)	**1,632**	1,787
Zakat and income tax (note 15)	**73,125**	31,439
Withholding tax	**6,299**	6,659
POM project accruals	**9,021**	—
Others	**6,493**	6,178
	490,987	388,729

13. END-OF-SERVICE INDEMNITIES

	2010 SR 000	2009 SR 000
January 1	**83,371**	100,459
Additional provision in year	**14,750**	7,040
Utilization of provision	**(1,877)**	(24,128)
December 31	**96,244**	83,371

14. OTHER LIABILITIES

	2010 SR 000	2009 SR 000
Employees' savings plan (note 19)	**8,029**	7,547
Employees' early retirement	**173**	311
Other deferred credits	**6,937**	7,564
	15,139	15,422

Other deferred credits represent capital advances received from two affiliated companies for their share of the capital cost of a commonly used Truck Loading Facility which is owned and managed by the Company. These advances are being amortized to income over a period of twenty years, which approximates the period over which the related assets are depreciated by the Company.

15. ZAKAT AND INCOME TAX

The principal elements of the zakat base are as follows:

	2010 SR 000	2009 SR 000	2008 SR 000
Non-current assets	**743,026**	764,261	792,340
Spare parts and supplies	**80,952**	72,215	61,027
Non-current liabilities	**111,383**	98,793	119,371
Opening shareholders' equity	**1,235,866**	909,880	1,283,665
Dividends paid	**1,368,130**	763,186	1,948,104
Net income	**1,460,075**	1,226,714	1,778,071

Some of these amounts have been adjusted in arriving at the zakat charge for the year.

The movement in zakat and income tax provision is as follows:

	2010 SR 000	2009 SR 000	2008 SR 000
Zakat			
January 1	**16,495**	23,284	22,470
Provision for year	**19,806**	16,495	21,064
Under provision for prior year	**40**	—	—
Payments during year	**(16,535)**	(23,284)	(20,250)
December 31	**19,806**	16,495	23,284

	2010 SR 000	2009 SR 000	2008 SR 000
Income tax			
January 1	**14,944**	61,536	64,448
Provision for year	**150,740**	121,047	182,688
Under provision for prior year	**8,846**	—	—
Payments during year	**(121,211)**	(167,639)	(185,600)
December 31	**53,319**	14,944	61,536

The charge for the year for zakat and income tax is as follows:

	2010 SR 000	2009 SR 000	2008 SR 000
Zakat for current year	**19,806**	16,495	21,064
Under provision of zakat for prior year	**40**	—	—
Income tax for current year	**150,740**	121,047	182,688
Under provision for income tax for prior year	**8,846**	—	—
Charged to retained earnings	**179,432**	137,542	203,752

Outstanding assessments

Zakat and income tax assessments have been finalized with the Department of Zakat and Income Tax ("DZIT") upto 2003.

During 2009, the Company accepted the revised assessments by the DZIT for the years 1997 to 2003 based on the decision of the Higher Appeal Committee demanding an additional income tax, zakat, delay fine and deemed profit tax liability of SR 56.3 million. The additional assessed liability of SR 56.3 million was paid during January 2010 and was reimbursed by shareholders.

Additionally, the DZIT issued a revised assessment for the year 2004 demanding additional income tax, zakat and delay fine amounting to SR 2.2 million. The Company has filed an appeal against the above assessment and has also submitted a bank guarantee amounting to SR 2.2 million to the DZIT. Additional liabilities that

may become payable in connection with zakat, income taxes, delay fines and costs related to the appeals will be borne by the shareholders of the Company.

The DZIT did not issue assessments for the year 2005 onwards as these years are in process by the DZIT.

16. GENERAL AND ADMINISTRATIVE EXPENSES

	2010	2009	2008
	SR 000	SR 000	SR 000
Employee benefits	**5,602**	6,496	7,156
Technology and innovation (note 17)	**8,282**	6,941	11,212
Depreciation	**10**	10	64
Other	**2,441**	1,370	1,069
	16,335	14,817	19,501

17. RELATED PARTY TRANSACTIONS

Trade receivables from related parties at December 31, 2010 and 2009 mainly represent receivables from the Marketer (SABIC).

All procurement services, including warehousing , transporting and arranging for delivery of materials related to the Company's spare parts, supplies and materials are provided by SABIC under the terms of the procurement services agreement entered between the Company and SABIC. Procurement services are provided by SABIC through the Shared Services Organization (SSO). Advances to SABIC for such services, which are included under other receivables and prepayments, amounted to SR 25.9 million at December 31, 2010 (2009: SR 37.7 million). SABIC charged the Company SR 4.7 million in 2010 (2009: SR 4.2 million) (2008: SR 3.6 million) as procurement services fees.

In addition to procurement services, SSO provides accounting, human resources, information technology, engineering, and other general services to the Company. The total amount charged in respect of these services was SR 8.8 million (2009: SR 7.7 million) (2008: SR 7.5 million).

SABIC Terminal Services Limited (Sabtank) provides shipping and material handling services to the Company. The total service fee charged by the related party in this respect amounted to SR 6.0 million (2009: SR 7.8 million) (2008: SR 8.1 million).

The shareholders also provide the Company with certain required technical, research and development, administrative and other services in accordance with executed agreements. The Company has a Technology and Innovation Service agreement with SABIC, under which SABIC provides research and development services to the Company. The Company is required to pay an annual fee under the agreement, which is

calculated at one percent of Methanol sales plus the lesser of US $1 million or one percent of MTBE sales. A summary of the amounts charged by the shareholders is as follows:

	2010 **SR 000**	2009 SR 000	2008 SR 000
SABIC — for technology and innovation services	**8,282**	6,941	11,212

During 2010, related parties incurred SR 12.2 million in relation to the POM project which is reimbursable on an actual basis.

18. OPERATING LEASE ARRANGEMENTS

	2010 **SR 000**	2009 SR 000	2008 SR 000
Charges under operating leases recognized as an expense during the year	**6,206**	7,029	5,116

Operating lease charges represent rentals payable for vehicles, properties and land. Rentals are fixed at the start of each lease term for a period of 4 years for vehicles and 1 to 2 years for properties.

19. EMPLOYEE SAVING PLAN

The Company administers a saving plan covering substantially all of the Company's employees. Participating employees may elect to contribute 1 to 15 percent of their basic salary. The Company matches cumulative employee contributions at a rate which increases by 10 percent each year until completion of ten years of participation, at which time Company's cumulative contributions equal the employee's cumulative contributions. The Company's contributions to the saving plan are accrued monthly and are not funded.

Employees are always fully vested in their contribution. The employees are fully vested in the Company's accruals generally after one year of participation in the plan. Employees may withdraw their contribution at any time under certain conditions, and have the option to repay such withdrawals. All fully vested amounts are payable to the employees upon retirement or termination of participation in the plan. Upon completion of ten years participation in the plan, Saudi employees may elect to continue their participation or to collect all fully vested amounts and to rejoin the plan as if for the first time.

20. STATUTORY RESERVE

In accordance with Regulations for Companies in Saudi Arabia, the Company has established a statutory reserve by appropriation of 10% of net income until the reserve equaled 50% of the share capital. This reserve is not available for dividend distribution.

21. RISK MANAGEMENT

Financial instruments carried on the balance sheet principally include cash and cash equivalents, accounts receivable from related parties and other receivables, accounts payable and accrued and other current liabilities.

Credit Risk is the risk that one party will fail to discharge its obligation and will cause the other party to incur a financial loss. Receivables are generally from related parties. Cash is substantially placed with banks with sound credit ratings. Trade accounts receivable are carried net of provision for doubtful debts, if any.

Interest Rate Risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Company has no significant interest bearing long term assets or liabilities.

Liquidity Risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

Currency Risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Management monitors the fluctuations in currency exchange rates and manages their effect on the financial statements accordingly.

Fair Value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As the Company's financial instruments are compiled under the historical cost convention, differences can arise between their book values and fair value estimates. Management believes that the fair value of the Company's financial assets and liabilities are not materially different from their carrying values.

22. CAPITAL COMMITMENTS

At December 31, the Company had the following capital commitments:

	2010	2009	2008
	SR 000	SR 000	SR 000
Commitments for POM project and acquisition of property and equipment	**172,380**	84,000	105,000

23. SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN ACCOUNTING STANDARDS ISSUED BY THE SAUDI ORGANIZATION FOR CERTIFIED PUBLIC ACCOUNTANTS (SAUDI GAAP) AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES (US GAAP)

The Company is a Saudi limited liability company registered in the Kingdom of Saudi Arabia and prepares its financial statements in accordance with Saudi GAAP. Saudi GAAP varies in certain respects from US GAAP. The material differences between accounting principles, practices and methods under Saudi GAAP and US GAAP and their effect on net income and shareholders' equity for the years ended December 31, 2010, 2009 and 2008 are presented below, with an explanation of the adjustments. There are no material effects on the

balance sheets or the statements of cash flows under Saudi GAAP for the purposes of reconciliation to US GAAP. In addition, comprehensive income under Saudi GAAP is the same as net income.

(a) Reconciliation of net income

(in SR '000)	Year Ended December 31, 2010	2009	2008
Net income under Saudi GAAP	**1,460,075**	1,226,714	1,778,071
Adjustments:			
- Zakat and income tax (i)	**(179,432)**	(137,542)	(203,752)
- Deferred tax (ii)	**6,140**	(2,019)	3,521
- Actuarial valuation adjustments for end of service indemnities (iii)	**2,881**	(6,492)	668
- Other (iv)	**(1,016)**	3,463	1,115
Net income under US GAAP	**1,288,648**	1,084,124	1,579,623

(b) Reconciliation of shareholders' equity

(in SR '000)	Year Ended December 31, 2010	2009	2008
Shareholders' equity under Saudi GAAP	**1,148,379**	1,235,866	909,880
- Deferred tax (ii)	**5,993**	(147)	1,872
- Actuarial valuation adjustments for end of service indemnities (iii)	**(31,481)**	(21,215)	(14,723)
- Other (iv)	**(11,817)**	(10,801)	(14,264)
Shareholders' equity under US GAAP	**1,111,074**	1,203,703	882,765

(c) Summary of reconciling items to US GAAP

(i) Zakat and income tax

Under Saudi GAAP, companies with both Saudi and foreign shareholders (commonly referred to as mixed companies) are required to present income tax and zakat as a separate line item in the statement of changes in shareholders' equity. However, under US GAAP, income tax and zakat are viewed as expenses attributable to the Company's operations. Accordingly, income tax and zakat are recognized in the statements of income.

(ii) Deferred tax

The Company has not recognized deferred income tax under Saudi GAAP. Under US GAAP, deferred tax assets and deferred tax liabilities are recognized for future tax consequences of events, which have been recognized in an entity's financial statements or tax returns. The Company recognized deferred tax assets and liabilities for the portion of temporary differences subject to income tax, that is, the portion of the taxable income attributable to foreign shareholders. Deferred

tax assets and liabilities attributable to zakat, which is also considered as a tax based on income, are not material and, as such, have not been recorded.

(iii) Actuarial valuation adjustment for end of service indemnities ("EOSI")

Under Saudi GAAP, the Company's EOSI obligations is calculated as the current amount of the aggregate vested benefits to which each employee is entitled, assuming each employee had left the Company at the balance sheet date. However, under US GAAP, EOSI is deemed to be a defined benefit plan, and requires recognition of a liability, known as projected benefit obligation, for the actuarial present value as of the balance sheet date of all benefits attributed by the benefit formula to employee services prior to that date. Since EOSI is unfunded, under US GAAP, a liability is recognized equal to the projected benefit obligation. Net periodic pension costs comprise of service costs, interest costs, and gains and losses. In addition, gains or losses that are not recognized immediately as a component of net periodic pension cost are recognized as increases or decreases in other comprehensive income as they arise, and subsequently amortized to income using the corridor approach.

(iv) Other

Other adjustments include the impact on net income and shareholders' equity primarily for intangible assets capitalized under Saudi GAAP which should be expensed under US GAAP, interest-free loans to employees recorded at historical cost under Saudi GAAP that are recorded at amortized cost under US GAAP and certain items of plant and equipment which are capitalized under Saudi GAAP which should be expensed as incurred under US GAAP.