

CELANESE CORP

FORM 10-Q (Quarterly Report)

Filed 07/29/10 for the Period Ending 06/30/10

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|-------------|--|
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| Telephone | 972-443-4000 |
| CIK | 0001306830 |
| Symbol | CE |
| SIC Code | 2820 - Plastic Material, Synthetic Resin/Rubber, Cellulos (No Glass) |
| Industry | Commodity Chemicals |
| Sector | Basic Materials |
| Fiscal Year | 12/31 |

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

Form 10-Q

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

For the quarterly period ended June 30, 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

*(State or Other Jurisdiction of
Incorporation or Organization)*

**1601 West LBJ Freeway,
Dallas, TX**

(Address of Principal Executive Offices)

98-0420726

*(I.R.S. Employer
Identification No.)*

75234-6034

(Zip Code)

(972) 443-4000

(Registrant's telephone number, including area code)

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 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 Smaller reporting company
(Do not check if a smaller reporting company)

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

The number of outstanding shares of the registrant's Series A common stock, \$0.0001 par value, as of July 26, 2010 was 156,083,014.

CELANESE CORPORATION
Form 10-Q
For the Quarterly Period Ended June 30, 2010

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Item 1. Financial Statements

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|---|-------------|---------------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| | As Adjusted (Note 3) | | As Adjusted (Note 3) | |
| | (In \$ millions, except share and per share data) | | | |
| Net sales | 1,517 | 1,244 | 2,905 | 2,390 |
| Cost of sales | (1,214) | (996) | (2,384) | (1,942) |
| Gross profit | 303 | 248 | 521 | 448 |
| Selling, general and administrative expenses | (123) | (114) | (246) | (228) |
| Amortization of intangible assets | (15) | (21) | (30) | (38) |
| Research and development expenses | (18) | (18) | (37) | (38) |
| Other (charges) gains, net | (6) | (6) | (83) | (27) |
| Foreign exchange gain (loss), net | - | 1 | 2 | 3 |
| Gain (loss) on disposition of businesses and assets, net | 15 | (1) | 15 | (4) |
| Operating profit (loss) | 156 | 89 | 142 | 116 |
| Equity in net earnings (loss) of affiliates | 45 | 35 | 94 | 41 |
| Interest expense | (49) | (54) | (98) | (105) |
| Interest income | 1 | 2 | 2 | 5 |
| Dividend income — cost investments | 72 | 53 | 72 | 56 |
| Other income (expense), net | (1) | 2 | 5 | 3 |
| Earnings (loss) from continuing operations before tax | 224 | 127 | 217 | 116 |
| Income tax (provision) benefit | (61) | (17) | (41) | (22) |
| Earnings (loss) from continuing operations | 163 | 110 | 176 | 94 |
| Earnings (loss) from operation of discontinued operations | (5) | (1) | (5) | - |
| Gain (loss) on disposition of discontinued operations | - | - | 2 | - |
| Income tax (provision) benefit from discontinued operations | 2 | - | 1 | - |
| Earnings (loss) from discontinued operations | (3) | (1) | (2) | - |
| Net earnings (loss) | 160 | 109 | 174 | 94 |
| Net (earnings) loss attributable to noncontrolling interests | - | - | - | - |
| Net earnings (loss) attributable to Celanese Corporation | 160 | 109 | 174 | 94 |
| Cumulative preferred stock dividends | - | (2) | (3) | (5) |
| Net earnings (loss) available to common shareholders | 160 | 107 | 171 | 89 |
| Amounts attributable to Celanese Corporation | | | | |
| Earnings (loss) from continuing operations | 163 | 110 | 176 | 94 |
| Earnings (loss) from discontinued operations | (3) | (1) | (2) | - |
| Net earnings (loss) | 160 | 109 | 174 | 94 |
| Earnings (loss) per common share — basic | | | | |
| Continuing operations | 1.04 | 0.75 | 1.13 | 0.62 |
| Discontinued operations | (0.02) | (0.01) | (0.01) | - |
| Net earnings (loss) — basic | 1.02 | 0.74 | 1.12 | 0.62 |
| Earnings (loss) per common share — diluted | | | | |
| Continuing operations | 1.03 | 0.70 | 1.11 | 0.60 |
| Discontinued operations | (0.02) | (0.01) | (0.01) | - |
| Net earnings (loss) — diluted | 1.01 | 0.69 | 1.10 | 0.60 |
| Weighted average shares — basic | 156,326,226 | 143,528,126 | 153,315,950 | 143,517,588 |
| Weighted average shares — diluted | 158,405,119 | 157,077,970 | 158,674,073 | 156,355,049 |

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

| | As of June 30, 2010 | As of December 31, 2009 |
|---|-------------------------------------|-------------------------------|
| | | As Adjusted (Note 3) |
| | (In \$ millions, except share data) | |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 1,081 | 1,254 |
| Trade receivables — third party and affiliates (net of allowance for doubtful accounts — 2010: \$17; 2009: \$18) | 862 | 721 |
| Non-trade receivables | 244 | 262 |
| Inventories | 522 | 522 |
| Deferred income taxes | 41 | 42 |
| Marketable securities, at fair value | 2 | 3 |
| Assets held for sale | - | 2 |
| Other assets | 70 | 50 |
| Total current assets | <u>2,822</u> | <u>2,856</u> |
| Investments in affiliates | 769 | 792 |
| Property, plant and equipment (net of accumulated depreciation — 2010: \$1,111; 2009: \$1,130) | 2,676 | 2,797 |
| Deferred income taxes | 485 | 484 |
| Marketable securities, at fair value | 75 | 80 |
| Other assets | 273 | 311 |
| Goodwill | 736 | 798 |
| Intangible assets, net | 269 | 294 |
| Total assets | <u>8,105</u> | <u>8,412</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Short-term borrowings and current installments of long-term debt — third party and affiliates | 265 | 242 |
| Trade payables — third party and affiliates | 607 | 649 |
| Other liabilities | 532 | 611 |
| Deferred income taxes | 30 | 33 |
| Income taxes payable | 76 | 72 |
| Total current liabilities | <u>1,510</u> | <u>1,607</u> |
| Long-term debt | 3,162 | 3,259 |
| Deferred income taxes | 121 | 137 |
| Uncertain tax positions | 224 | 229 |
| Benefit obligations | 1,260 | 1,288 |
| Other liabilities | 1,139 | 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: 177,352,475 issued and 156,072,197 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: 21,280,278; 2009: 20,601,686) | (801) | (781) |
| Additional paid-in capital | 535 | 522 |
| Retained earnings | 1,664 | 1,505 |
| Accumulated other comprehensive income (loss), net | (709) | (660) |
| Total Celanese Corporation shareholders' equity | 689 | 586 |
| Noncontrolling interests | - | - |
| Total shareholders' equity | <u>689</u> | <u>586</u> |
| Total liabilities and shareholders' equity | <u>8,105</u> | <u>8,412</u> |

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

| | Six Months Ended June 30, 2010 | |
|--|-------------------------------------|-----------------------------------|
| | Shares | Amount As Adjusted (Note 3) |
| | (In \$ millions, except share data) | |
| Preferred stock | | |
| Balance as of the beginning of the period | 9,600,000 | - |
| Redemption of preferred stock | (9,600,000) | - |
| Balance as of the end of the period | - | - |
| Series A common stock | | |
| Balance as of the beginning of the period | 144,394,069 | - |
| Stock option exercises | 213,568 | - |
| Conversion of preferred stock | 12,084,942 | - |
| Redemption of preferred stock | 7,437 | - |
| Purchases of treasury stock | (678,592) | - |
| Stock awards | 50,773 | - |
| Balance as of the end of the period | 156,072,197 | - |
| Treasury stock | | |
| Balance as of the beginning of the period | 20,601,686 | (781) |
| Purchases of treasury stock, including related fees | 678,592 | (20) |
| Balance as of the end of the period | 21,280,278 | (801) |
| Additional paid-in capital | | |
| Balance as of the beginning of the period | | 522 |
| Stock-based compensation, net of tax | | 10 |
| Stock option exercises, net of tax | | 3 |
| Balance as of the end of the period | | 535 |
| Retained earnings | | |
| Balance as of the beginning of the period | | 1,505 |
| Net earnings (loss) attributable to Celanese Corporation | | 174 |
| Series A common stock dividends | | (12) |
| Preferred stock dividends | | (3) |
| Balance as of the end of the period | | 1,664 |
| Accumulated other comprehensive income (loss), net | | |
| Balance as of the beginning of the period | | (660) |
| Unrealized gain (loss) on securities | | 1 |
| Foreign currency translation | | (59) |
| Unrealized gain (loss) on interest rate swaps | | 3 |
| Pension and postretirement benefits | | 6 |
| Balance as of the end of the period | | (709) |
| Total Celanese Corporation shareholders' equity | | 689 |
| Noncontrolling interests | | |
| Balance as of the beginning of the period | | - |
| Net earnings (loss) attributable to noncontrolling interests | | - |
| Balance as of the end of the period | | - |
| Total shareholders' equity | | 689 |
| Comprehensive income (loss) | | |
| Net earnings (loss) | | 174 |
| Other comprehensive income (loss), net of tax | | |
| Unrealized gain (loss) on securities | | 1 |
| Foreign currency translation | | (59) |
| Unrealized gain (loss) on interest rate swaps | | 3 |
| Pension and postretirement benefits | | 6 |
| Total comprehensive income (loss), net of tax | | 125 |
| Comprehensive (income) loss attributable to noncontrolling interests | | - |
| Comprehensive income (loss) attributable to Celanese Corporation | | 125 |

See the accompanying notes to the unaudited interim consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Six Months Ended June 30, | |
|---|------------------------------|---------------------------------|
| | 2010 | 2009 As Adjusted (Note 3) |
| | (In \$ millions) | |
| Operating activities | | |
| Net earnings (loss) | 174 | 94 |
| Adjustments to reconcile net earnings (loss) to net cash provided by operating activities | | |
| Other charges (gains), net of amounts used | 35 | (6) |
| Depreciation, amortization and accretion | 159 | 156 |
| Deferred income taxes, net | (10) | 3 |
| (Gain) loss on disposition of businesses and assets, net | (15) | 3 |
| Other, net | 30 | 2 |
| Operating cash provided by (used in) discontinued operations | 2 | 1 |
| Changes in operating assets and liabilities | | |
| Trade receivables — third party and affiliates, net | (150) | (70) |
| Inventories | (32) | 75 |
| Other assets | 24 | 55 |
| Trade payables — third party and affiliates | 28 | 35 |
| Other liabilities | (26) | (49) |
| Net cash provided by (used in) operating activities | 219 | 299 |
| Investing activities | | |
| Capital expenditures on property, plant and equipment | (78) | (96) |
| Acquisitions, net of cash acquired | (46) | - |
| Proceeds from sale of businesses and assets, net | 20 | (1) |
| Deferred proceeds on Ticona Kelsterbach plant relocation | - | 412 |
| Capital expenditures related to Ticona Kelsterbach plant relocation | (151) | (147) |
| Proceeds from sale of marketable securities | - | 15 |
| Other, net | (20) | - |
| Net cash provided by (used in) investing activities | (275) | 183 |
| Financing activities | | |
| Short-term borrowings (repayments), net | (9) | 6 |
| Repayments of long-term debt | (38) | (46) |
| Refinancing costs | - | (3) |
| Purchases of treasury stock, including related fees | (20) | - |
| Stock option exercises | 4 | 1 |
| Series A common stock dividends | (12) | (12) |
| Preferred stock dividends | (3) | (5) |
| Net cash provided by (used in) financing activities | (78) | (59) |
| Exchange rate effects on cash and cash equivalents | (39) | 46 |
| Net increase (decrease) in cash and cash equivalents | (173) | 469 |
| Cash and cash equivalents at beginning of period | 1,254 | 676 |
| Cash and cash equivalents at end of period | 1,081 | 1,145 |

See the accompanying notes to the unaudited interim consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company and Basis of Presentation

Description of the Company

Celanese Corporation and its subsidiaries (collectively the “Company”) is a leading, 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.

Basis of Presentation

The unaudited interim consolidated financial statements for the three and six months ended June 30, 2010 and 2009 contained in this Quarterly Report on Form 10-Q (“Quarterly Report”) were prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) for all periods presented. The unaudited interim consolidated financial statements and other financial information included in this Quarterly Report, unless otherwise specified, have been presented to separately show the effects of discontinued operations. In this Quarterly Report, the term “Celanese US” refers to the Company’s subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries. The term “Purchaser” refers to our subsidiary, Celanese Europe Holding GmbH & Co. KG, and not its subsidiaries, except where otherwise indicated.

In the opinion of management, the accompanying unaudited consolidated balance sheets and related unaudited interim consolidated statements of operations, cash flows and shareholders’ equity and comprehensive income (loss) include all adjustments, consisting only of normal recurring items necessary for their fair presentation in conformity with US GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted in accordance with rules and regulations of the Securities and Exchange Commission (“SEC”). These unaudited interim consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements as of and for the year ended December 31, 2009, as filed on February 12, 2010 with the SEC as part of the Company’s Annual Report on Form 10-K (the “2009 Form 10-K”).

Operating results for the three and six months ended June 30, 2010 are not necessarily indicative of the results to be expected for the entire year.

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 in which the Company believes investors may have an interest 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 Quarterly Report.

Estimates and Assumptions

The preparation of unaudited interim 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 unaudited interim 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.

Reclassifications

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

2. Recent Accounting Pronouncements

In February 2010, the Financial Accounting Standards Board (“FASB”) issued FASB Accounting Standards Update 2010-09, *Subsequent Events: Amendments to Certain Recognition and Disclosure Requirements* (“ASU 2010-09”), which amends FASB Accounting Standards Codification (“ASC”) Topic 855, *Subsequent Events*. The update provides that SEC filers, as defined in ASU 2010-09, are no longer required to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements. The update also requires SEC filers to continue to evaluate subsequent events through the date the financial statements are issued rather than the date the financial statements are available to be issued. The Company adopted ASU 2010-09 upon issuance. This update had no impact on the Company’s financial position, results of operations or cash flows.

In January 2010, the FASB issued FASB Accounting Standards Update 2010-06, *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements* (“ASU 2010-06”), which amends FASB ASC Topic 820-10, *Fair Value Measurements and Disclosures*. The update provides additional disclosures for transfers in and out of Levels 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.

3. Acquisitions, Dispositions, Ventures and Plant Closures

Acquisitions

On May 5, 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 Topic ASC 820, *Fair Value Measurements and Disclosures* (“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.

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

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

In connection with the acquisition, the Company has committed to purchase certain inventory at a future date valued at a range between \$12 million and \$17 million.

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 (\$7 million). FACT develops, produces and markets long-fiber reinforced thermoplastics. As part of the acquisition, the Company entered into a ten year lease agreement with the seller for the property and buildings on which the FACT business is located with an 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. 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 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. 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 included in Note 18 has been retrospectively adjusted to reflect the change.

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

| | Three Months Ended June 30, 2009 | | | Six Months Ended June 30, 2009 | | |
|--|---|---|------------------|--------------------------------|---|------------------|
| | 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 | 27 | 35 | 8 | 25 | 41 | 16 |
| Dividend income — cost investments | 56 | 53 | (3) | 62 | 56 | (6) |
| Earnings (loss) from continuing operations before tax | 122 | 127 | 5 | 106 | 116 | 10 |
| Earnings (loss) from continuing operations | 105 | 110 | 5 | 84 | 94 | 10 |
| Net earnings (loss) | 104 | 109 | 5 | 84 | 94 | 10 |
| Net earnings (loss) attributable to Celanese Corporation | 104 | 109 | 5 | 84 | 94 | 10 |
| Net earnings (loss) available to common shareholders | 102 | 107 | 5 | 79 | 89 | 10 |
| Earnings (loss) per common share — basic | | | | | | |
| Continuing operations | 0.72 | 0.75 | 0.03 | 0.55 | 0.62 | 0.07 |
| Discontinued operations | (0.01) | (0.01) | - | - | - | - |
| Net earnings (loss) — basic | 0.71 | 0.74 | 0.03 | 0.55 | 0.62 | 0.07 |
| Earnings (loss) per common share — diluted | | | | | | |
| Continuing operations | 0.67 | 0.70 | 0.03 | 0.54 | 0.60 | 0.06 |
| Discontinued operations | (0.01) | (0.01) | - | - | - | - |
| Net earnings (loss) — diluted | 0.66 | 0.69 | 0.03 | 0.54 | 0.60 | 0.06 |

The retrospective effect of applying the equity method of accounting to this investment to the unaudited consolidated balance sheet 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 |

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

| | Six Months Ended June 30, 2009 | | |
|---|--------------------------------|---|------------------|
| | As Originally Reported | As Adjusted for Retrospective Application | Effect of Change |
| | (In \$ millions) | | |
| Net earnings (loss) | 84 | 94 | 10 |
| Adjustments to reconcile net earnings (loss) to net cash provided by operating activities | | | |
| Other, net | 12 | 2 | (10) |

Plant Closures

In April 2010, the Company announced it was considering a plan to consolidate its global acetate manufacturing capabilities by proposing the closure of its acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom. The consolidation is designed to strengthen the Company’s competitive position, reduce fixed costs and align future production capacities with anticipated industry demand trends. The consolidation is also driven by a global shift in product consumption. The Company would expect 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.

During the first quarter of 2010, the Company concluded that certain long-lived assets of the Spondon, Derby, United Kingdom facility were partially impaired. Accordingly, during the six months ended June 30, 2010, the Company recorded long-lived asset impairment losses of \$72 million (Note 13) to Other (charges) gains, net in the unaudited interim consolidated statements of operations. The Spondon, Derby, United Kingdom facility is included in the Consumer Specialties segment.

On July 27, 2010, the Company concluded the formal consultation process with employees and their representatives and is continuing to consider a plan to consolidate its global acetate manufacturing capabilities by closing its acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom. The Company has made a final offer to the union regarding severance and will continue to negotiate with the labor unions other measures of assistance aimed at minimizing the effects of the plant’s closing on the Spondon workforce, including training and outplacement.

In July 2009, the Company announced that its wholly-owned French subsidiary, Acetex Chimie, 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 unaudited interim consolidated statements of operations related to the Project of Closure (Note 13) are as follows:

| | Three Months Ended June 30, 2010 | Six Months Ended June 30, 2010 |
|--|---|---|
| | (In \$ millions) | |
| Employee termination benefits | (1) | (2) |
| Asset impairments | - | (1) |
| Contract termination costs | - | (3) |
| Reindustrialization costs | - | (3) |
| Total exit costs recorded to Other (charges) gains, net | (1) | (9) |
| Environmental remediation reserves | 2 | - |
| Inventory write-offs | - | (4) |
| Other | (2) | (5) |
| Total plant shutdown costs | - | (9) |

Assets held for sale in the unaudited consolidated balance sheets includes an office building with a net book value of \$2 million as of December 31, 2009. As of June 30, 2010, the Company sold the office building and recorded a gain of \$14 million in Gain (loss) on disposition of businesses and assets, net, in the unaudited interim consolidated statements of operations.

4. Marketable Securities, at Fair Value

The Company’s captive insurance companies and pension-related trusts hold available-for-sale securities for capitalization and funding requirements, respectively. The Company received proceeds from sales of marketable

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securities and recorded realized gains (losses) to Other income (expense), net, in the unaudited interim consolidated statements of operations as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|----------|------------------------------|----------|
| | 2010 | 2009 | 2010 | 2009 |
| | (In \$ millions) | | | |
| Proceeds from sale of securities | - | - | - | 15 |
| Realized gain on sale of securities | 1 | 2 | 1 | 3 |
| Realized loss on sale of securities | - | - | - | - |
| Net realized gain (loss) on sale of securities | <u>1</u> | <u>2</u> | <u>1</u> | <u>3</u> |

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 did not recognize any other-than-temporary impairment losses related to equity securities in the unaudited interim consolidated statements of operations for the three and six months ended June 30, 2010 and 2009.

The amortized cost, gross unrealized gain, gross unrealized loss and fair value 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 government debt securities | 25 | 5 | - | 30 |
| US corporate debt securities | 1 | - | - | 1 |
| Total debt securities | 26 | 5 | - | 31 |
| Equity securities | 52 | - | (7) | 45 |
| Money market deposits and other securities | 1 | - | - | 1 |
| As of June 30, 2010 | <u>79</u> | <u>5</u> | <u>(7)</u> | <u>77</u> |
| US government debt securities | 26 | 2 | - | 28 |
| US corporate debt securities | 1 | - | - | 1 |
| Total debt securities | 27 | 2 | - | 29 |
| Equity securities | 55 | - | (3) | 52 |
| Money market deposits and other securities | 2 | - | - | 2 |
| As of December 31, 2009 | <u>84</u> | <u>2</u> | <u>(3)</u> | <u>83</u> |

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Fixed maturities as of June 30, 2010 by contractual maturity are shown below. 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.

| | Amortized Cost | Fair Value |
|------------------------|-------------------|---------------|
| | (In \$ millions) | |
| Within one year | 2 | 2 |
| From one to five years | - | - |
| From six to ten years | - | - |
| Greater than ten years | 25 | 30 |
| Total | 27 | 32 |

Proceeds received from fixed maturities that mature within one year are expected to be reinvested into additional securities upon such maturity.

5. Inventories

| | As of June 30, 2010 | As of December 31, 2009 |
|----------------------------|---------------------------|-------------------------------|
| | (In \$ millions) | |
| Finished goods | 381 | 367 |
| Work-in-process | 27 | 28 |
| Raw materials and supplies | 114 | 127 |
| Total | 522 | 522 |

6. Goodwill and Intangible Assets, Net

Goodwill

| | Advanced Engineered Materials | Consumer Specialties | Industrial Specialties | Acetyl Intermediates | Total |
|---|-------------------------------------|-------------------------|---------------------------|-------------------------|------------|
| | (In \$ millions) | | | | |
| As of December 31, 2009 | | | | | |
| Goodwill | 263 | 257 | 35 | 243 | 798 |
| Accumulated impairment losses | - | - | - | - | - |
| | 263 | 257 | 35 | 243 | 798 |
| Acquisition (Note 3) | 13 | - | - | - | 13 |
| Reallocation of Ibn Sina goodwill (Note 18) | 34 | - | - | (34) | - |
| Exchange rate changes | (22) | (17) | (2) | (34) | (75) |
| As of June 30, 2010 | | | | | |
| Goodwill | 288 | 240 | 33 | 175 | 736 |
| Accumulated impairment losses | - | - | - | - | - |
| Total | 288 | 240 | 33 | 175 | 736 |

Intangible Assets, Net

| | Trademarks and Trade Names | Licenses | Customer- Related Intangible Assets (In \$ millions) | Developed Technology | Covenants Not to Compete and Other | Total |
|---------------------------------|----------------------------------|----------|--|-------------------------|---|-------|
| Gross Asset Value | | | | | | |
| As of December 31, 2009 | 83 | 29 | 552 | 13 | 12 | 689 |
| Acquisition (Note 3) | 9 | - | 6 | 7 | 11 | 33 |
| Exchange rate changes | (8) | - | (65) | - | (1) | (74) |
| As of June 30, 2010 | 84 | 29 | 493 | 20 | 22 | 648 |
| Accumulated Amortization | | | | | | |
| As of December 31, 2009 | (5) | (6) | (362) | (11) | (11) | (395) |
| Amortization | - | (2) | (27) | - | (1) | (30) |
| Exchange rate changes | - | - | 45 | 1 | - | 46 |
| As of June 30, 2010 | (5) | (8) | (344) | (10) | (12) | (379) |
| Net book value | 79 | 21 | 149 | 10 | 10 | 269 |

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.

As of June 30, 2010, the Company did not renew or extend any intangible assets.

7. Current Other Liabilities

| | As of June 30, 2010 | As of December 31, 2009 |
|---|---------------------------|-------------------------------|
| | (In \$ millions) | |
| Salaries and benefits | 92 | 100 |
| Environmental (Note 11) | 15 | 13 |
| Restructuring (Note 13) | 53 | 99 |
| Insurance | 29 | 37 |
| Asset retirement obligations | 11 | 22 |
| Derivatives | 67 | 75 |
| Current portion of benefit obligations | 49 | 49 |
| Interest | 18 | 20 |
| Sales and use tax/foreign withholding tax payable | 13 | 15 |
| Uncertain tax positions | 5 | 5 |
| Other | 180 | 176 |
| Total | 532 | 611 |

8. Noncurrent Other Liabilities

| | As of June 30, 2010 | As of December 31, 2009 |
|------------------------------|---------------------------|-------------------------------|
| | (In \$ millions) | |
| Environmental (Note 11) | 82 | 93 |
| Insurance | 88 | 85 |
| Deferred revenue | 43 | 49 |
| Deferred proceeds (Note 20) | 725 | 846 |
| Asset retirement obligations | 56 | 45 |
| Derivatives | 35 | 44 |
| Income taxes payable | 34 | 61 |
| Other | 76 | 83 |
| Total | 1,139 | 1,306 |

9. Debt

| | As of June 30, 2010 | As of December 31, 2009 |
|---|---------------------------|-------------------------------|
| | (In \$ millions) | |
| Short-term borrowings and current installments of long-term debt — third party and affiliates | | |
| Current installments of long-term debt, interest rates ranging from 2.31% to 25.73% | 103 | 102 |
| Short-term borrowings, including amounts due to affiliates, interest rates ranging from 0.27% to 5.04% | 162 | 140 |
| Total | 265 | 242 |
| Long-term debt | | |
| Senior credit facilities: Term loan facility due 2014 | 2,688 | 2,785 |
| 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 due at various dates through 2054 | 260 | 242 |
| Other bank obligations, interest rates ranging from 2.3% to 5.3%, due at various dates through 2014 | 136 | 153 |
| Subtotal | 3,265 | 3,361 |
| Less: Current installments of long-term debt | 103 | 102 |
| Total | 3,162 | 3,259 |

Senior Credit Facilities

The Company's senior credit facility consists of \$2,280 million of US dollar-denominated and €400 million of Euro-denominated term loans due 2014, a \$600 million revolving credit facility terminating in 2013 and a \$228 million credit-linked revolving facility terminating in 2014. Borrowings under the senior credit agreement 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 loans and any loans under the credit-linked revolving facility is 1.75%, subject to potential reductions as defined in the senior credit agreement. As of June 30, 2010, the applicable margin was 1.75%. The term loans under the senior credit agreement are subject to amortization at 1% of the initial principal amount per annum, payable quarterly. The remaining principal amount of the term loans is due on April 2, 2014.

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As of June 30, 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 | 91 |
| Available for borrowing | 137 |

In June 2009, the Company entered into an amendment to the senior credit agreement. The amendment reduced the amount available under the revolving credit facility from \$650 million to \$600 million and increased the first lien senior secured leverage ratio that is applicable when any amount is outstanding under the revolving credit portion of the senior credit agreement. The first lien senior secured leverage ratio is calculated as the ratio of consolidated first lien senior secured debt to earnings before interest, taxes, depreciation and amortization, subject to adjustments identified in the credit agreement.

As a condition to borrowing funds or requesting that letters of credit be issued under that 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.

Prior to giving effect to the amendment, the maximum first lien senior secured leverage ratio was 3.90 to 1.00. 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 June 30, 2010 are as follows:

| | <u>First Lien Senior Secured Leverage Ratios</u> | | | <u>Borrowing Capacity (In \$ millions)</u> |
|----------------------------------|--|-----------------|-------------------------------------|--|
| | <u>Maximum</u> | <u>Estimate</u> | <u>Estimate, If Fully Drawn</u> | |
| June 30, 2010 | 4.25 to 1.00 | 2.7 to 1.00 | 3.34 to 1.00 | 600 |
| September 30, 2010 | 4.25 to 1.00 | | | |
| December 31, 2010 and thereafter | 3.90 to 1.00 | | | |

The Company's senior credit agreement also contains a number of restrictions on certain of its subsidiaries, including, but not limited to, restrictions on their 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 certain hedge transactions; or engage in other businesses. The senior credit agreement also contains a number of affirmative covenants and events of default, including a cross-default to other debt of certain of the Company's subsidiaries in an aggregate amount equal to \$40 million or greater 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 loans and other financial obligations under the Company's senior credit agreement.

The Company is in compliance with all of the covenants related to its debt agreements as of June 30, 2010.

The senior credit agreement is guaranteed by Celanese Holdings LLC, a subsidiary of Celanese Corporation, and certain domestic subsidiaries of the Company's subsidiary, Celanese US, and is secured by a lien on substantially all assets of Celanese US and such guarantors, subject to certain agreed exceptions, pursuant to the Guarantee and Collateral Agreement, dated as of April 2, 2007, by and among Celanese Holdings LLC, Celanese US, certain subsidiaries of Celanese US and Deutsche Bank AG, New York Branch, as Administrative Agent and as Collateral Agent.

10. Benefit Obligations

The components of net periodic benefit costs recognized are as follows:

| | Pension Benefits | | Postretirement Benefits | | Pension Benefits | | Postretirement Benefits | |
|----------------------------------|-----------------------------|----------|---------------------------|----------|---------------------------|----------|---------------------------|----------|
| | Three Months Ended June 30, | | Six Months Ended June 30, | | Six Months Ended June 30, | | Six Months Ended June 30, | |
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | (In \$ millions) | | | | | | | |
| Service cost | 8 | 7 | 1 | 1 | 16 | 14 | 1 | 1 |
| Interest cost | 48 | 48 | 3 | 4 | 96 | 95 | 7 | 8 |
| Expected return on plan assets | (50) | (52) | - | - | (100) | (102) | - | - |
| Recognized actuarial (gain) loss | 2 | 1 | (1) | (2) | 4 | 1 | (2) | (3) |
| Curtailment (gain) loss | (1) | 1 | - | - | (3) | 1 | - | - |
| Total | <u>7</u> | <u>5</u> | <u>3</u> | <u>3</u> | <u>13</u> | <u>9</u> | <u>6</u> | <u>6</u> |

The Company expects to contribute \$52 million to its defined benefit pension plans in 2010. As of June 30, 2010, \$24 million of contributions have been made. The Company's estimates of its US defined benefit pension plan contributions reflect the provisions of the Pension Protection Act of 2006.

The Company expects to make benefit contributions of \$27 million under the provisions of its other postretirement benefit plans in 2010. As of June 30, 2010, \$14 million of benefit contributions have been made.

The Company participates in multiemployer defined benefit plans in Europe covering certain employees. The Company's contributions to the multiemployer defined benefit plans are based on specified percentages of employee contributions and totaled \$3 million and \$4 million for each of the six months ended June 30, 2010 and 2009, respectively.

11. Environmental

General

The Company is subject to environmental laws and regulations worldwide that 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.

The Company's environmental remediation reserves are recorded in the unaudited consolidated balance sheets as follows:

| | As of June 30, 2010 | As of December 31, 2009 |
|------------------------------|---------------------------|-------------------------------|
| | (In \$ millions) | |
| Current other liabilities | 15 | 13 |
| Noncurrent other liabilities | 82 | 93 |
| Total | <u>97</u> | <u>106</u> |

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, orphan 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. The Company provides for such obligations when the event of loss is probable and reasonably estimable. 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.

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 40 sites. At most of these sites, numerous companies, including certain companies comprising 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 joins with other PRPs to sign joint defense agreements that 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.

The Company’s environmental remediation reserves are recorded in the unaudited consolidated balance sheets as follows:

| | As of June 30, 2010 | As of December 31, 2009 |
|--|---------------------------|-------------------------------|
| | (In \$ millions) | |
| Demerger obligations (Note 17) | 29 | 32 |
| Divestiture obligations (Note 17) | 30 | 32 |
| US Superfund sites | 11 | 10 |
| Other environmental remediation reserves | 27 | 32 |
| Total | 97 | 106 |

12. 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 (“Common Stock”), 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 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 Common Stock, in accordance with the terms of the Preferred Stock. In addition to the shares of 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 in Additional paid-in capital in the unaudited interim consolidated statements of shareholders’ equity and comprehensive income (loss) for the six months ended June 30, 2010 related to the conversion and redemption of the Preferred Stock.

Treasury Stock

In February 2008, the Company's Board of Directors authorized the repurchase of up to \$400 million of the Company's Common Stock. This authorization was increased by the Board of Directors to \$500 million in October 2008. The authorizations give 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:

| | Six Months Ended June 30, | | Total From Inception Through June 30, 2010 |
|--|------------------------------|------|--|
| | 2010 | 2009 | |
| Shares repurchased | 678,592 | - | 10,441,792 |
| Average purchase price per share | \$ 29.47 | \$ - | \$ 38.09 |
| Amount spent on repurchased shares (in millions) | \$ 20 | \$ - | \$ 398 |

Purchases of treasury stock reduce 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.

Dividends

In April 2010, the Company announced that its Board of Directors approved a 25% increase in the Company's quarterly Common Stock cash dividend. The Board of Directors increased the quarterly dividend rate from \$0.04 to \$0.05 per share of Common Stock on a quarterly basis and \$0.16 to \$0.20 per share of Common Stock on an annual basis. The new dividend rate will be applicable to dividends payable beginning in August 2010.

Other Comprehensive Income (Loss), Net

Adjustments to Net earnings (loss) used to calculate Other comprehensive income (loss) are as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------|------------------------------|------|
| | 2010 | 2009 | 2010 | 2009 |
| | (In \$ millions) | | | |
| Adjustments to net earnings (loss) | (19) | 101 | (44) | (10) |
| Income tax (provision) benefit | (3) | 1 | (5) | 1 |
| Adjustments to net earnings (loss), net | (22) | 102 | (49) | (9) |

13. Other (Charges) Gains, Net

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------|------------------------------|------|
| | 2010 | 2009 | 2010 | 2009 |
| | (In \$ millions) | | | |
| Employee termination benefits | (4) | (5) | (9) | (29) |
| Ticona Kelsterbach plant relocation (Note 20) | (4) | (3) | (10) | (6) |
| Plumbing actions | 2 | 2 | 14 | 3 |
| Insurance recoveries associated with Clear Lake, Texas | - | - | - | 6 |
| Asset impairments | - | - | (72) | (1) |
| Plant/office closures | - | - | (6) | - |
| Total | (6) | (6) | (83) | (27) |

2010

During the first quarter of 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 3). Accordingly, the

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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 for the six months ended June 30, 2010. The Company calculated the fair value using a discounted cash flow model incorporating discount rates commensurate with the risks involved for the reporting unit which is classified as a Level 3 measurement under 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. 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 3), the Company recorded exit costs of \$1 million in employee termination benefits for the three months ended June 30, 2010. The Company recorded exit costs of \$9 million during the six months ended June 30, 2010, which consisted of \$2 million in employee termination benefits, \$1 million of long-lived asset impairment losses, \$3 million of contract termination costs and \$3 million of reindustrialization costs. The Pardies, France facility is included in the Acetyl Intermediates segment.

Other charges for the six months ended June 30, 2010 was partially offset by \$13 million of recoveries and a \$1 million decrease in legal reserves associated with plumbing cases included in the Advanced Engineered Materials 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 six months ended June 30, 2009, Other charges included employee termination benefits of \$28 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 six months ended June 30, 2009. The VAM production unit in Cangrejera, Mexico is included in the Acetyl Intermediates segment.

Other charges for the six months ended June 30, 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 \$2 million decrease in legal reserves for plumbing claims for which the statute of limitations has expired and \$1 million of insurance recoveries associated with plumbing cases.

The changes in the restructuring reserves by business segment are as follows:

| | <u>Advanced Engineered Materials</u> | <u>Consumer Specialties</u> | <u>Industrial Specialties</u> | <u>Acetyl Intermediates</u> | <u>Other</u> | <u>Total</u> |
|--------------------------------------|--|---------------------------------|-----------------------------------|---------------------------------|-----------------|------------------|
| | (In \$ millions) | | | | | |
| Employee Termination Benefits | | | | | | |
| Reserve as of December 31, 2009 | 7 | 4 | 3 | 60 | 7 | 81 |
| Additions | 2 | 2 | - | - | 2 | 6 |
| Cash payments | (3) | (3) | (2) | (19) | (2) | (29) |
| Other changes | - | - | - | - | (1) | (1) |
| Exchange rate changes | (1) | - | - | (7) | (1) | (9) |
| Reserve as of June 30, 2010 | <u>5</u> | <u>3</u> | <u>1</u> | <u>34</u> | <u>5</u> | <u>48</u> |
| Plant/Office Closures | | | | | | |
| Reserve as of December 31, 2009 | - | - | - | 17 | 1 | 18 |
| Additions | - | - | - | 6 | - | 6 |
| Cash payments | - | - | - | (17) | - | (17) |
| Exchange rate changes | - | - | - | (2) | - | (2) |
| Reserve as of June 30, 2010 | <u>-</u> | <u>-</u> | <u>-</u> | <u>4</u> | <u>1</u> | <u>5</u> |
| Total | <u><u>5</u></u> | <u><u>3</u></u> | <u><u>1</u></u> | <u><u>38</u></u> | <u><u>6</u></u> | <u><u>53</u></u> |

14. Income Taxes

The Company’s effective income tax rate for the three months ended June 30, 2010 was 27% compared to 13% for the three months ended June 30, 2009. The increase in the effective rate was primarily due to foreign losses not resulting in tax benefits in the current period and increases in reserves for uncertain tax positions and related interest. The Company’s effective income tax rate for the six months ended June 30, 2010 was 19% compared to 19% for the six months ended June 30, 2009. The 2010 effective rate was favorably impacted by the effect of new tax legislation in Mexico, offset by foreign losses not resulting in tax benefits in the current period and the effect of healthcare reform in the US.

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 enactment of 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 law, 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 charged to deferred tax expense during the three months ended March 31, 2010.

On December 7, 2009, Mexico enacted the 2010 Mexican Tax Reform Bill (“Tax Reform Bill”) effective January 1, 2010. The estimated income tax impact to the Company of the Tax Reform Bill at December 31, 2009 was \$73 million and was charged to tax expense during the three months ended December 31, 2009.

On March 31, 2010, the Mexican tax authorities issued new regulations clarifying various provisions in the 2010 Tax Reform Bill, 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 new regulations resulted in a reduction of \$43 million to the estimated income tax impact of the Tax Reform Bill that was recorded by the Company during the three months ended December 31, 2009. After inflation and exchange rate changes, the Company’s estimated tax liability at June 30, 2010 related to the combined Tax Reform Bill and the new regulations is as follows:

| | (In \$ millions) |
|---------------------|------------------|
| 2010 | - |
| 2011 | 2 |
| 2012 | 3 |
| 2013 | 4 |
| 2014 and thereafter | 23 |
| Total | <u>32</u> |

Liabilities for uncertain tax positions and related interest and penalties are recorded in Uncertain tax positions and current Other liabilities in the unaudited consolidated balance sheets. For the six months ended June 30, 2010, the total unrecognized tax benefits, interest and penalties related to uncertain tax positions increased by \$8 million for interest and changes in unrecognized tax benefits in US and foreign jurisdictions, and decreased \$25 million due to exchange rate changes. Currently, uncertain tax positions are not expected to change significantly over the next 12 months.

15. Derivative Financial Instruments

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 its variable rate debt into 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 in 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

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previously recorded in Accumulated other comprehensive income (loss), net are recognized into earnings immediately.

The Company also 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 815, *Derivatives and Hedging*. 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 unaudited interim 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 unaudited interim consolidated statements of operations.

The notional values of the Company's derivative arrangements are as follows:

| | As of June 30, 2010 | As of December 31, 2009 |
|---|---------------------------|-------------------------------|
| | (In millions) | |
| US dollar interest rate swap agreements | \$ 1,500 | \$ 1,600 |
| Euro interest rate swap agreements | € 150 | € 150 |
| Foreign currency forwards and swaps | \$ 900 | \$ 1,500 |

Information regarding changes in the fair value of the Company's derivative arrangements is as follows:

| | Three Months Ended June 30, 2010 | | Six Months Ended June 30, 2010 | |
|--|---|--|---|--|
| | 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) | | | |
| Derivatives designated as cash flow hedging instruments | | | | |
| Interest rate swaps | (7) ⁽²⁾ | (17) ⁽¹⁾ | (23) ⁽³⁾ | (35) ⁽¹⁾ |
| Derivatives not designated as hedging instruments | | | | |
| Foreign currency forwards and swaps | - | 13 | - | 38 |
| Total | <u>(7)</u> | <u>(4)</u> | <u>(23)</u> | <u>3</u> |

⁽¹⁾Amount represents reclassification from Accumulated other comprehensive income and is classified as Interest expense in the unaudited interim consolidated statements of operations.

⁽²⁾Amount excludes \$3 million of losses associated with the Company's equity method investments' derivative activity and \$1 million of tax expense.

⁽³⁾Amount excludes \$5 million of losses associated with the Company's equity method investments' derivative activity and \$4 million of tax expense.

| | Three Months Ended June 30, 2009 | | Six Months Ended June 30, 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) | | | | |
| Derivatives designated as cash flow hedging instruments | | | | |
| Interest rate swaps | 2 | (15) ⁽¹⁾ | (13) | (27) ⁽¹⁾ |
| Derivatives designated as net investment hedging instruments | | | | |
| Euro-denominated term loan | (1) | - | - | - |
| Derivatives not designated as hedging instruments | | | | |
| Foreign currency forwards and swaps | - | (6) | - | (15) |
| Total | 1 | (21) | (13) | (42) |

⁽¹⁾Amount represents reclassification from Accumulated other comprehensive income and is classified as Interest expense in the unaudited interim consolidated statements of operations.

See Note 16 for additional information regarding the fair value of the Company's derivative arrangements.

16. Fair Value Measurements

On January 1, 2009, the Company adopted the provisions of FASB ASC Topic 820 for nonrecurring 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 adoption did not have a material impact on the Company's financial position, results of operations or cash flows.

FASB Topic ASC 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 securities available for sale and derivative financial instruments. Securities available for sale 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, issuer spreads and recently reported trades. Such assets are classified as Level 2 in the hierarchy and typically include corporate bonds and other US government securities.

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.

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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.

The following fair value hierarchy tables present information about the Company's assets and liabilities measured at fair value on a recurring basis:

| | Fair Value Measurement Using | | Total |
|--|---|---|---------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) (In \$ millions) | |
| Marketable securities, at fair value | | | |
| US government debt securities | - | 30 | 30 |
| US corporate debt securities | - | 1 | 1 |
| Total debt securities | - | 31 | 31 |
| Equity securities | 45 | - | 45 |
| Money market deposits and other securities | - | 1 | 1 |
| Derivatives not designated as hedging instruments | | | |
| Foreign currency forwards and swaps | - | 3 | 3 ⁽¹⁾ |
| Total assets as of June 30, 2010 | 45 | 35 | 80 |
| Derivatives designated as cash flow hedging instruments | | | |
| Interest rate swaps | - | (63) | (63) ⁽²⁾ |
| Interest rate swaps | - | (35) | (35) ⁽³⁾ |
| Derivatives not designated as hedging instruments | | | |
| Foreign currency forwards and swaps | - | (4) | (4) ⁽²⁾ |
| Total liabilities as of June 30, 2010 | - | (102) | (102) |
| 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 |
| Money market deposits and other securities | - | 2 | 2 |
| Derivatives not designated as hedging instruments | | | |
| Foreign currency forwards and swaps | - | 12 | 12 ⁽¹⁾ |
| Total assets as of December 31, 2009 | 52 | 43 | 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 unaudited consolidated balance sheets.

⁽²⁾Included in current Other liabilities in the unaudited consolidated balance sheets.

⁽³⁾Included in noncurrent Other liabilities in the unaudited consolidated balance sheets.

Summarized below are the carrying values and estimated fair values of financial instruments that are not carried at fair value in the Company’s unaudited consolidated balance sheets:

| | As of June 30, 2010 | | As of December 31, 2009 | |
|--|---------------------------|---------------|-------------------------------|---------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| | (In \$ millions) | | | |
| Cost investments (As adjusted, Note 3) | 132 | - | 129 | - |
| Insurance contracts in nonqualified pension trusts | 70 | 70 | 66 | 66 |
| Long-term debt, including current installments of long-term debt | 3,265 | 3,104 | 3,361 | 3,246 |

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 June 30, 2010 and December 31, 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.

17. 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 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 many cases CNA Holdings’ potential future exposure may be limited by invocation of the statute of limitations since CNA Holdings ceased selling the resin for use in the plumbing systems in site-built homes during 1986 and in manufactured homes during 1990.

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 settlement, the three companies had agreed to fund these replacements and reimbursements up to an aggregate amount of \$950 million. As of June 30, 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 this class has now expired. Accordingly, the court has approved dissolution of the class with

termination anticipated by the end of 2010. During the period between 1995 and 2001, CNA Holdings was also named as a defendant in the following putative class actions:

- *Cox, et al. v. Hoechst Celanese Corporation, et al.*, No. 94-0047 (Chancery Ct., Obion County, Tennessee) (class was certified).
- *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).
- *Garipey, et al. v. Shell Oil Company, et al.*, No. 30781/99 (Ontario Court General Division, Canada).
- *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).

In addition, between 1994 and 2008 CNA Holdings was named as a defendant in numerous non-class actions filed in Arizona, Florida, Georgia, Louisiana, Mississippi, New Jersey, Tennessee and Texas, the US Virgin Islands and Canada of which eight are currently 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 cases generally do not involve (either individually or in the aggregate) a large number of homes.

The Company’s remaining plumbing action accruals recorded in the unaudited consolidated balance sheets as of June 30, 2010 and December 31, 2009 are \$54 million and \$55 million, respectively. The Company recorded recoveries and reductions in legal reserves related to plumbing actions (Note 13) to Other (charges) gains, net in the unaudited interim consolidated statements of operations as follows:

| | <u>Three Months Ended</u> <u>June 30,</u> | | <u>Six Months Ended</u> <u>June 30,</u> | |
|--------------------------|--|-------------|--|-------------|
| | <u>2010</u> | <u>2009</u> | <u>2010</u> | <u>2009</u> |
| | (In \$ millions) | | | |
| Recoveries | 2 | 1 | 13 | 2 |
| Legal reserve reductions | - | 1 | 1 | 1 |
| Total | <u>2</u> | <u>2</u> | <u>14</u> | <u>3</u> |

Plumbing Insurance Indemnifications

Celanese GmbH entered into agreements with insurance companies related to product liability settlements associated with Celcon[®] plumbing 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 indemnifications to the insurers for amounts paid in excess of the settlement percentage. These indemnifications do not provide for monetary or time limitations.

Sorbates Antitrust Actions

In 2004 a civil antitrust action styled *Freeman Industries LLC v. Eastman Chemical Co., et al.* (No. C34355), was filed against Hoechst, Nutrinova, Inc. and others in the Law Court for Sullivan County in Kingsport, Tennessee. The

plaintiff sought monetary damages and other relief for alleged violations of Tennessee state antitrust laws involving the sorbates industry. The trial court dismissed the plaintiff's claims and upon appeal the Supreme Court of Tennessee affirmed the dismissal of the plaintiff's claims. In December 2005, the plaintiff lost an attempt to amend its complaint and the entire action was dismissed with prejudice. Plaintiff's counsel subsequently filed a new complaint with new class representatives in the same Tennessee court. The defendant's motion to strike the class allegations was granted in May 2008 and the plaintiff's request to appeal the ruling remains pending.

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. The Company also previously 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-CV-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 Aktiengesellschaft 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. 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 have alleged that they 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. Because of insufficient information, including that contained in the record, we are unable to estimate the amount of the Company's loss for this matter. The court also preserved for trial the plaintiffs' claim for breach of contractual representations and warranties under the APA. No date has been set for trial. The Company is actively defending this 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 on June 4, 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, ended this case was remanded to the Intellectual Property 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 on July 21, 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. All three cases remain pending in 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 June 30, 2010, there were 1,308 claims pending. The Company has reserves for defense costs related to these matters.

Asbestos Claims

As of June 30, 2010, the Company and several of its US subsidiaries are defendants in asbestos cases. During the six months ended June 30, 2010, asbestos case activity is as follows:

| | <u>Asbestos Cases</u> |
|-------------------------|-----------------------|
| As of December 31, 2009 | 526 |
| Case adjustments | 2 |
| New cases filed | 22 |
| Resolved cases | (43) |
| As of June 30, 2010 | <u>507</u> |

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, a Domination Agreement between Celanese GmbH and the Purchaser became operative, pursuant to which the Purchaser 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 (“Squeeze-Out”). The amount of this fair cash compensation was determined to be €41.92 per share, plus interest, in accordance with applicable German law. Until the Squeeze-Out was registered in the commercial register in Germany on December 22, 2006, any minority shareholder who elected not to sell its shares to the Purchaser was entitled to remain a shareholder of Celanese GmbH and to receive from the Purchaser a gross guaranteed annual payment on its shares of €3.27 per Celanese GmbH share less certain corporate taxes in lieu of any dividend.

The amounts of the fair cash compensation and of the guaranteed annual payment offered under the Domination Agreement as well as the Squeeze-Out compensation are under court review in two separate special award proceedings. The amounts of the fair cash compensation and of the guaranteed annual payment offered under the

Domination Agreement may be increased in special award proceedings initiated by minority shareholders, which may further reduce the funds the Purchaser can otherwise make available to the Company. 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 under the Domination Agreement. As a result of these proceedings, the amount of the fair cash consideration and the guaranteed annual payment offered under the Domination Agreement could be increased by the court so that all minority shareholders, including those who have already tendered their shares into the mandatory offer and have received the fair cash compensation could claim the respective higher amounts. The court dismissed all of these proceedings in March 2005 on the grounds of inadmissibility. Thirty-three plaintiffs appealed the dismissal, and in January 2006, twenty-three of these appeals were granted by the court. They were remanded back to the court of first instance, where the valuation will be further reviewed. On December 12, 2006, the court of first instance appointed an expert to help determine the value of Celanese GmbH. In the first quarter of 2007, certain minority shareholders that received €66.99 per share as fair cash compensation also filed award proceedings challenging the amount they received as fair cash compensation. The case remains pending before the court of the first instance.

The Company received applications for the commencement of award proceedings filed by 79 shareholders against the Purchaser with the Frankfurt District Court requesting the court to set a higher amount for the Squeeze-Out compensation. The motions are based on various alleged shortcomings and mistakes in the valuation of Celanese GmbH done for purposes of the Squeeze-Out. On May 11, 2007, the court of first instance appointed a common representative for those shareholders that have not filed an application on their own.

Should the court set a higher value for the Squeeze-Out compensation, former Celanese GmbH shareholders who ceased to be shareholders of Celanese GmbH due to the Squeeze-Out are entitled, pursuant to a settlement agreement between the Purchaser and certain former Celanese GmbH shareholders, to claim for their shares the higher of the compensation amounts determined by the court in these different proceedings. Payments these shareholders already received as compensation for their shares will be offset so that those shareholders 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

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, 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 €750 million 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.

Based on the estimate of the probability of loss under this indemnification, the Company had reserves of \$29 million and \$32 million as of June 30, 2010 and December 31, 2009, respectively, 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 reserves associated with this indemnification as it is not probable or estimable. The Company has not made any payments to Hoechst or its legal successors during the six months ended June 30, 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 June 30, 2010 and December 31, 2009, the Company had reserves in the aggregate of \$30 million and \$32 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 \$1.9 billion as of June 30, 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 and utilities. As of June 30, 2010, there were outstanding future commitments of \$1.7 billion under take-or-pay contracts. The Company recognized \$0 and \$3 million of losses related to take-or-pay contract termination costs for the three and six months ended June 30, 2010, respectively, related to the Company’s Pardies, France Project of Closure (Note 3 and Note 13). The Company does not expect to incur any material losses under take-or-pay contractual arrangements. Additionally, as of June 30, 2010, there were other outstanding commitments of \$659 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 \$0 and \$22 million during the three and six months ended June 30, 2010, respectively. The accelerated amortization was recorded to Cost of sales in the unaudited interim 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.

18. Business Segments

Effective April 1, 2010, the Company moved its Ibn Sina affiliate from its Acetyl Intermediates segment to its Advanced Engineered Materials segment to reflect the change the affiliate’s business dynamics and growth opportunities. The Company has retrospectively adjusted its reportable segments for its Advanced Engineered

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Materials segment and its Acetyl Intermediates segment for the three and six months ended June 30, 2009 to conform to the three and six months ended June 30, 2010 presentation.

| | <u>Advanced Engineered Materials</u> | <u>Consumer Specialties</u> | <u>Industrial Specialties</u> | <u>Acetyl Intermediates</u> (In \$ millions) | <u>Other Activities</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|---|--|---------------------------------|-----------------------------------|---|-----------------------------|---------------------|---------------------|
| Three months ended June 30, 2010 | | | | | | | |
| Net sales | 282 | 291 ⁽¹⁾ | 269 | 782 ⁽¹⁾ | 1 | (108) | 1,517 |
| Other (charges) gains, net | (3) | (1) | - | (1) | (1) | - | (6) |
| Equity in net earnings (loss) of affiliates | 39 | 1 | - | 1 | 4 | - | 45 |
| Earnings (loss) from continuing operations before tax | 79 | 137 | 16 | 70 | (78) | - | 224 |
| Depreciation and amortization | 18 | 9 | 10 | 24 | 3 | - | 64 |
| Capital expenditures ⁽²⁾ | 8 | 9 | 13 | 9 | 1 | - | 40 |
| (As Adjusted, Note 3) | | | | | | | |
| Three months ended June 30, 2009 | | | | | | | |
| Net sales | 184 | 280 | 267 | 622 ⁽¹⁾ | 1 | (110) | 1,244 |
| Other (charges) gains, net | (4) | (3) | (1) | - | 2 | - | (6) |
| Equity in net earnings (loss) of affiliates | 31 | - | - | 1 | 3 | - | 35 |
| Earnings (loss) from continuing operations before tax | 31 | 119 | 19 | 41 | (83) | - | 127 |
| Depreciation and amortization | 19 | 12 | 14 | 32 | 2 | - | 79 |
| Capital expenditures ⁽²⁾ | 6 | 10 | 16 | 9 | 1 | - | 42 |

⁽¹⁾Includes \$108 million and \$110 million of intersegment sales eliminated in consolidation for the three months ended June 30, 2010 and 2009, respectively.

⁽²⁾Excludes expenditures related to the relocation of the Company's Ticona plant in Kelsterbach (Note 20) and includes increase of accrued capital expenditures of \$6 million and \$2 million for the three months ended June 30, 2010 and 2009, respectively.

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| | <u>Advanced Engineered Materials</u> | <u>Consumer Specialties</u> | <u>Industrial Specialties</u> | <u>Acetyl Intermediates</u> (In \$ millions) | <u>Other Activities</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|---|--|---------------------------------|-----------------------------------|---|-----------------------------|---------------------|---------------------|
| Six months ended June 30, 2010 | | | | | | | |
| Net sales | 564 | 529 ⁽¹⁾ | 511 | 1,506 ⁽¹⁾ | 1 | (206) | 2,905 |
| Other (charges) gains, net | 2 | (74) | - | (8) | (3) | - | (83) |
| Equity in net earnings (loss) of affiliates | 83 | 1 | - | 2 | 8 | - | 94 |
| Earnings (loss) from continuing operations before tax | 171 | 107 | 28 | 71 | (160) | - | 217 |
| Depreciation and amortization | 38 ⁽³⁾ | 20 | 20 | 69 ⁽³⁾ | 6 | - | 153 |
| Capital expenditures ⁽²⁾ | 13 | 15 | 18 | 14 | 3 | - | 63 |
| Goodwill and intangible assets | 420 | 275 | 54 | 256 | - | - | 1,005 |
| Total assets | 2,380 | 1,051 | 765 | 1,951 | 1,958 | - | 8,105 |

(As Adjusted, Note 3)

| | | | | | | | |
|--|--------------|--------------|------------|----------------------|--------------|----------|--------------|
| Six months ended June 30, 2009 | | | | | | | |
| Net sales | 349 | 546 | 509 | 1,194 ⁽¹⁾ | 1 | (209) | 2,390 |
| Other (charges) gains, net | (13) | (3) | (3) | (1) | (7) | - | (27) |
| Equity in net earnings (loss) of affiliates | 31 | 1 | - | 3 | 6 | - | 41 |
| Earnings (loss) from continuing operations before tax | 13 | 188 | 29 | 53 | (167) | - | 116 |
| Depreciation and amortization | 36 | 24 | 27 | 59 | 4 | - | 150 |
| Capital expenditures ⁽²⁾ | 10 | 18 | 26 | 17 | 1 | - | 72 |
| Goodwill and intangible assets as of December 31, 2009 | 385 | 299 | 62 | 346 | - | - | 1,092 |
| Total assets as of December 31, 2009 | 2,268 | 1,083 | 740 | 1,984 | 2,337 | - | 8,412 |

⁽¹⁾Includes \$206 million and \$209 million of intersegment sales eliminated in consolidation for the six months ended June 30, 2010 and 2009, respectively.

⁽²⁾Excludes expenditures related to the relocation of the Company's Ticona plant in Kelsterbach (Note 20) and includes decrease of accrued capital expenditures of \$15 million and \$24 million for the six months ended June 30, 2010 and 2009, respectively.

⁽³⁾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 17).

19. Earnings (Loss) Per Share

| | Three Months Ended June 30, | | | |
|--|---|--------------------|-------------|--------------------|
| | 2010 | | 2009 | |
| | Basic | Diluted | Basic | Diluted |
| | As Adjusted (Note 3) | | | |
| | (In \$ millions, except share and per share data) | | | |
| Amounts attributable to Celanese Corporation | | | | |
| Earnings (loss) from continuing operations | 163 | 163 | 110 | 110 |
| Earnings (loss) from discontinued operations | (3) | (3) | (1) | (1) |
| Net earnings (loss) | 160 | 160 | 109 | 109 |
| Less: Cumulative preferred stock dividends | - | - | (2) | - |
| Net earnings (loss) available to common shareholders | <u>160</u> | <u>160</u> | <u>107</u> | <u>109</u> |
| Weighted-average shares — basic | 156,326,226 | 156,326,226 | 143,528,126 | 143,528,126 |
| Dilutive stock options | | 1,787,983 | | 1,020,493 |
| Dilutive restricted stock units | | 290,910 | | 445,014 |
| Assumed conversion of preferred stock | | - | | 12,084,337 |
| Weighted-average shares — diluted | | <u>158,405,119</u> | | <u>157,077,970</u> |
| Per share | | | | |
| Earnings (loss) from continuing operations | 1.04 | 1.03 | 0.75 | 0.70 |
| Earnings (loss) from discontinued operations | (0.02) | (0.02) | (0.01) | (0.01) |
| Net earnings (loss) | <u>1.02</u> | <u>1.01</u> | <u>0.74</u> | <u>0.69</u> |

| | Six Months Ended June 30, | | | |
|--|---|--------------------|-------------|--------------------|
| | 2010 | | 2009 | |
| | Basic | Diluted | Basic | Diluted |
| | As Adjusted (Note 3) | | | |
| | (In \$ millions, except share and per share data) | | | |
| Amounts attributable to Celanese Corporation | | | | |
| Earnings (loss) from continuing operations | 176 | 176 | 94 | 94 |
| Earnings (loss) from discontinued operations | (2) | (2) | - | - |
| Net earnings (loss) | 174 | 174 | 94 | 94 |
| Less: Cumulative preferred stock dividends | (3) | - | (5) | - |
| Net earnings (loss) available to common shareholders | <u>171</u> | <u>174</u> | <u>89</u> | <u>94</u> |
| Weighted-average shares — basic | 153,315,950 | 153,315,950 | 143,517,588 | 143,517,588 |
| Dilutive stock options | | 1,854,552 | | 510,246 |
| Dilutive restricted stock units | | 369,966 | | 242,878 |
| Assumed conversion of preferred stock | | 3,133,605 | | 12,084,337 |
| Weighted-average shares — diluted | | <u>158,674,073</u> | | <u>156,355,049</u> |
| Per share | | | | |
| Earnings (loss) from continuing operations | 1.13 | 1.11 | 0.62 | 0.60 |
| Earnings (loss) from discontinued operations | (0.01) | (0.01) | - | - |
| Net earnings (loss) | <u>1.12</u> | <u>1.10</u> | <u>0.62</u> | <u>0.60</u> |

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Securities that were not included in the computation of diluted net earnings per share as their effect would have been antidilutive are as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------|--------------------------------|------------------|------------------------------|------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Stock options | 582,500 | 1,583,113 | 596,875 | 4,262,531 |
| Restricted stock units | - | 88,250 | - | 358,127 |
| Convertible preferred stock | - | - | - | - |
| Total | <u>582,500</u> | <u>1,671,363</u> | <u>596,875</u> | <u>4,620,658</u> |

20. 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 business, 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 by mid-2011. Under the original agreement, Fraport agreed to pay Ticona a total of €670 million over a five-year period to offset the costs associated with the transition of the business from its current location and the closure of the Kelsterbach plant. 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) under this 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 unaudited consolidated balance sheets.

Below is a summary of the financial statement impact associated with the Ticona Kelsterbach plant relocation:

| | Six Months Ended June 30, | | Total From Inception Through June 30, 2010 |
|----------------------------------|------------------------------|------|--|
| | 2010 | 2009 | |
| | (In \$ millions) | | |
| Proceeds received from Fraport | - | 412 | 749 |
| Costs expensed | 10 | 6 | 43 |
| Costs capitalized ⁽¹⁾ | 131 | 162 | 747 |

⁽¹⁾ Includes decrease in accrued capital expenditures of \$20 million and increase in accrued capital expenditures of \$17 million for the six months ended June 30, 2010 and 2009, respectively.

21. Subsequent Events

On July 1, 2010, the Company declared a cash dividend of \$0.05 per share on its Common Stock amounting to \$8 million. The cash dividends are for the period from May 1, 2010 to July 31, 2010 and will be paid on August 2, 2010 to holders of record as of July 15, 2010.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this Quarterly Report on Form 10-Q ("Quarterly 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.

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 Quarterly 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.

The following discussion should be read in conjunction with the Celanese Corporation and Subsidiaries consolidated financial statements as of and for the year ended December 31, 2009, as filed on February 12, 2010 with the Securities and Exchange Commission ("SEC") as part of the Company's Annual Report on Form 10-K (the "2009 Form 10-K") and the unaudited interim consolidated financial statements and notes thereto included elsewhere in this Quarterly Report. We assume no obligation to revise or update any forward-looking statements for any reason, except as required by law.

See *Part I - Item 1A. Risk Factors* of our 2009 Form 10-K for a description of 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, 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, fuel oil and electricity;
- 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 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;
- compliance 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 relates 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
- various other factors, both referenced and not referenced in this Quarterly Report.

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 Quarterly 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

We are a leading, 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 end-use applications. As an industry leader, we hold geographically balanced global positions and participate in diversified end-use markets. Our operations are primarily located in North America, Europe and Asia. 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.

2010 Significant Events:

- We concluded the formal consultation process with employees and their representatives and are continuing to consider a plan to close our acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom in the latter part of 2011.
- We acquired two product lines, Zenite[®] liquid crystal polymer ("LCP") and Thermx[®] polycyclohexylene-dimethylene terephthalate ("PCT"), from DuPont Performance Polymers.
- We announced five-year Environmental Health and Safety sustainability goals for occupational safety performance, energy intensity, greenhouse gases and waste management for 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 chemical 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 common stock cash dividend beginning August 2010. The annual dividend rate will increase from \$0.16 to \$0.20 per share of common stock and the quarterly rate will increase from \$0.04 to \$0.05 per share of common stock.

Results of Operations

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. 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

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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, we moved our 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.

Financial Highlights

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|-----------------------------|-------------------|-----------------------|-------------------|---------------------------|-------------------|-----------------------|-------------------|
| | 2010 | % of Net Sales | 2009 (As Adjusted) | % of Net Sales | 2010 | % of Net Sales | 2009 (As Adjusted) | % of Net Sales |
| (unaudited) | | | | | | | | |
| (In \$ millions, except percentages) | | | | | | | | |
| Net sales | 1,517 | 100.0 | 1,244 | 100.0 | 2,905 | 100.0 | 2,390 | 100.0 |
| Gross profit | 303 | 20.0 | 248 | 19.9 | 521 | 17.9 | 448 | 18.7 |
| Selling, general and administrative expenses | (123) | (8.1) | (114) | (9.2) | (246) | (8.5) | (228) | (9.5) |
| Other (charges) gains, net | (6) | (0.4) | (6) | (0.5) | (83) | (2.9) | (27) | (1.1) |
| Operating profit (loss) | 156 | 10.3 | 89 | 7.2 | 142 | 4.9 | 116 | 4.9 |
| Equity in net earnings (loss) of affiliates | 45 | 3.0 | 35 | 2.8 | 94 | 3.2 | 41 | 1.7 |
| Interest expense | (49) | (3.2) | (54) | (4.3) | (98) | (3.4) | (105) | (4.4) |
| Dividend income — cost investments | 72 | 4.7 | 53 | 4.3 | 72 | 2.5 | 56 | 2.3 |
| Earnings (loss) from continuing operations before tax | 224 | 14.8 | 127 | 10.2 | 217 | 7.5 | 116 | 4.9 |
| Amounts attributable to Celanese Corporation | | | | | | | | |
| Earnings (loss) from continuing operations | 163 | 10.7 | 110 | 8.9 | 176 | 6.0 | 94 | 3.9 |
| Earnings (loss) from discontinued operations | (3) | (0.2) | (1) | (0.1) | (2) | — | — | — |
| Net earnings (loss) | 160 | 10.5 | 109 | 8.8 | 174 | 6.0 | 94 | 3.9 |
| Depreciation and amortization | 64 | 4.2 | 79 | 6.4 | 153 | 5.3 | 150 | 6.3 |

| | As of June 30, 2010 | As of December 31, 2009 |
|---|---------------------------|-------------------------------|
| (unaudited) | | |
| (In \$ millions) | | |
| Short-term borrowings and current installments of long-term debt — third party and affiliates | 265 | 242 |
| Long-term debt | 3,162 | 3,259 |
| Total debt | <u>3,427</u> | <u>3,501</u> |

Summary of Consolidated Results for the Three and Six Months Ended June 30, 2010 Compared to the Three and Six Months Ended June 30, 2009

Net sales increased 22% during the three and six months ended June 30, 2010 compared to the same periods in 2009 primarily due to increased volumes across most business segments as a result of the gradual recovery of the global economy. Net sales also increased due to increases in 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 within our Advanced Engineered Materials segment 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 during the three and six months ended June 30, 2010 compared to the same periods in 2009 due to higher net sales. Gross profit as a percentage of sales was consistent for three months ended June 30, 2010 as

compared to the three months ended June 30, 2009. Gross profit as a percentage of sales declined during the six months ended June 30, 2010 as compared to June 30, 2009 due to overall increased raw material and energy costs which were only partially offset by increased prices. The write-off of other productive assets of \$17 million related to our Singapore and Nanjing, China facilities and increased depreciation and amortization also contributed to a lower gross profit percentage. The increase in amortization was a result of \$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.

Selling, general and administrative expenses increased for the three and six months ended June 30, 2010 compared to the same period in 2009 primarily due to the increase in operations. As a percentage of sales, selling, general and administrative expenses declined due to our fixed spending reduction efforts and restructuring efficiencies.

The components of Other (charges) gains, net are as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|---------------------------------|------------|------------------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| | (unaudited) (In \$ millions) | | | |
| Employee termination benefits | (4) | (5) | (9) | (29) |
| Ticona Kelsterbach plant relocation | (4) | (3) | (10) | (6) |
| Plumbing actions | 2 | 2 | 14 | 3 |
| Insurance recoveries associated with Clear Lake, Texas | - | - | - | 6 |
| Asset impairments | - | - | (72) | (1) |
| Plant/office closures | - | - | (6) | - |
| Total | (6) | (6) | (83) | (27) |

During the first quarter of 2010, we concluded that certain long-lived assets were partially impaired at our acetate flake and tow manufacturing operations in Spondon, Derby, United Kingdom (see Note 3 to the accompanying unaudited interim consolidated financial statements). 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 for the six months ended June 30, 2010. The Spondon, Derby, United Kingdom facility is included in our Consumer Specialties segment.

As a result of our Pardies, France Project of Closure (see Note 3 to the accompanying unaudited interim consolidated financial statements), we recorded \$1 million in employee termination benefits for the three months ended June 30, 2010. We recorded exit costs of \$9 million during the six months ended June 30, 2010, which consisted of \$2 million in employee termination benefits, \$1 million of long-lived asset impairment losses, \$3 million of contract termination costs and \$3 million of reindustrialization costs. The Pardies, France facility is included in our Acetyl Intermediates segment.

Other charges for the six months ended June 30, 2010 was partially offset by \$13 million of recoveries and a \$1 million decrease in legal reserves associated with plumbing cases which is included in our Advanced Engineered Materials segment.

During the first quarter of 2009, we began efforts to align production capacity and staffing levels given the potential for an economic environment of prolonged lower demand. For the six months ended June 30, 2009, we recorded employee termination benefits of \$28 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 six months ended June 30, 2009. The VAM production unit in Cangrejera, Mexico is included in our Acetyl Intermediates segment.

Other charges for the six months ended June 30, 2009 was partially offset by \$6 million of insurance recoveries in satisfaction of claims we made related to the unplanned outage of our Clear Lake, Texas acetic acid facility during 2007, a \$2 million decrease in legal reserves for plumbing claims for which the statute of limitations has expired and \$1 million of insurance recoveries associated with plumbing cases.

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Operating profit increased for the three and six months ended June 30, 2010 as compared to the same periods in 2009. The increase in operating profit is a result of increased gross profit.

Earnings (loss) from continuing operations before tax increased during the three and six months ended June 30, 2010 compared to the same period in 2009 primarily due to increased equity in net earnings of affiliates and increased dividend income from cost investments in addition to the increase in operating profit.

Our effective income tax rate for the three months ended June 30, 2010 was 27% compared to 13% for the three months ended June 30, 2009. The increase in our effective rate was primarily due to foreign losses not resulting in tax benefits in the current period and increases in reserves for uncertain tax positions and related interest. Our effective income tax rate for the six months ended June 30, 2010 was 19% compared to 19% for the six months ended June 30, 2009. Our 2010 effective rate was favorably impacted by the effect of new tax legislation in Mexico, offset by foreign losses not resulting in tax benefits in the current period and the effect of healthcare reform in the US.

Selected Data by Business Segment

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|---------------------------------|-----------------------|-----------------|------------------------------|-----------------------|-----------------|
| | 2010 | 2009 (As Adjusted) | Change in \$ | 2010 | 2009 (As Adjusted) | Change in \$ |
| | (unaudited) (In \$ millions) | | | | | |
| Net sales | | | | | | |
| Advanced Engineered Materials | 282 | 184 | 98 | 564 | 349 | 215 |
| Consumer Specialties | 291 | 280 | 11 | 529 | 546 | (17) |
| Industrial Specialties | 269 | 267 | 2 | 511 | 509 | 2 |
| Acetyl Intermediates | 782 | 622 | 160 | 1,506 | 1,194 | 312 |
| Other Activities | 1 | 1 | - | 1 | 1 | - |
| Inter-segment eliminations | (108) | (110) | 2 | (206) | (209) | 3 |
| Total | <u>1,517</u> | <u>1,244</u> | <u>273</u> | <u>2,905</u> | <u>2,390</u> | <u>515</u> |
| Other (charges) gains, net | | | | | | |
| Advanced Engineered Materials | (3) | (4) | 1 | 2 | (13) | 15 |
| Consumer Specialties | (1) | (3) | 2 | (74) | (3) | (71) |
| Industrial Specialties | - | (1) | 1 | - | (3) | 3 |
| Acetyl Intermediates | (1) | - | (1) | (8) | (1) | (7) |
| Other Activities | (1) | 2 | (3) | (3) | (7) | 4 |
| Total | <u>(6)</u> | <u>(6)</u> | <u>-</u> | <u>(83)</u> | <u>(27)</u> | <u>(56)</u> |
| Operating profit (loss) | | | | | | |
| Advanced Engineered Materials | 40 | 1 | 39 | 88 | (17) | 105 |
| Consumer Specialties | 64 | 66 | (2) | 34 | 132 | (98) |
| Industrial Specialties | 16 | 19 | (3) | 28 | 29 | (1) |
| Acetyl Intermediates | 68 | 39 | 29 | 68 | 50 | 18 |
| Other Activities | (32) | (36) | 4 | (76) | (78) | 2 |
| Total | <u>156</u> | <u>89</u> | <u>67</u> | <u>142</u> | <u>116</u> | <u>26</u> |
| Earnings (loss) from continuing operations before tax | | | | | | |
| Advanced Engineered Materials | 79 | 31 | 48 | 171 | 13 | 158 |
| Consumer Specialties | 137 | 119 | 18 | 107 | 188 | (81) |
| Industrial Specialties | 16 | 19 | (3) | 28 | 29 | (1) |
| Acetyl Intermediates | 70 | 41 | 29 | 71 | 53 | 18 |
| Other Activities | (78) | (83) | 5 | (160) | (167) | 7 |
| Total | <u>224</u> | <u>127</u> | <u>97</u> | <u>217</u> | <u>116</u> | <u>101</u> |
| Depreciation and amortization | | | | | | |
| Advanced Engineered Materials | 18 | 19 | (1) | 38 | 36 | 2 |
| Consumer Specialties | 9 | 12 | (3) | 20 | 24 | (4) |
| Industrial Specialties | 10 | 14 | (4) | 20 | 27 | (7) |
| Acetyl Intermediates | 24 | 32 | (8) | 69 | 59 | 10 |
| Other Activities | 3 | 2 | 1 | 6 | 4 | 2 |
| Total | <u>64</u> | <u>79</u> | <u>(15)</u> | <u>153</u> | <u>150</u> | <u>3</u> |

Factors Affecting Business Segment Net Sales

The charts below set forth the percentage increase (decrease) in net sales from the period ended June 30, 2009 to the period ended June 30, 2010 attributable to each of the factors indicated for the following business segments.

| | <u>Volume</u> | <u>Price</u> | <u>Currency</u> | <u>Other ⁽¹⁾</u> | <u>Total</u> |
|--|-------------------------|--------------|-----------------|-----------------------------|--------------|
| | <u>(unaudited)</u> | | | | |
| | <u>(In percentages)</u> | | | | |
| Three Months Ended June 30, 2010 Compared to Three Months Ended June 30, 2009 | | | | | |
| Advanced Engineered Materials | 52 | 2 | (5) | 4 ⁽²⁾ | 53 |
| Consumer Specialties | 6 | (1) | (1) | - | 4 |
| Industrial Specialties | 13 | 9 | (3) | (18) ⁽³⁾ | 1 |
| Acetyl Intermediates | 14 | 15 | (3) | - | 26 |
| Total Company | 19 | 9 | (3) | (3) | 22 |
| Six Months Ended June 30, 2010 Compared to Six Months Ended June 30, 2009 | | | | | |
| Advanced Engineered Materials | 61 | (4) | - | 5 ⁽²⁾ | 62 |
| Consumer Specialties | (3) | - | - | - | (3) |
| Industrial Specialties | 14 | 3 | - | (17) ⁽³⁾ | - |
| Acetyl Intermediates | 14 | 12 | - | - | 26 |
| Total Company | 19 | 6 | - | (3) | 22 |

⁽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 acquisition.

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

Summary by Business Segment for the Three and Six Months Ended June 30, 2010 compared to the Three and Six Months Ended June 30, 2009

Advanced Engineered Materials

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|--------------------------------------|-------|-----------------|------------------------------|---------|-----------------|
| | 2010 | 2009 | Change in \$ | 2010 | 2009 | Change in \$ |
| | (As Adjusted) | | | (As Adjusted) | | |
| | (unaudited) | | | | | |
| | (In \$ millions, except percentages) | | | | | |
| Net sales | 282 | 184 | 98 | 564 | 349 | 215 |
| Net sales variance | | | | | | |
| Volume | 52 % | | | 61 % | | |
| Price | 2 % | | | (4) % | | |
| Currency | (5) % | | | - % | | |
| Other | 4 % | | | 5 % | | |
| Other (charges) gains, net | (3) | (4) | 1 | 2 | (13) | 15 |
| Operating profit (loss) | 40 | 1 | 39 | 88 | (17) | 105 |
| Operating margin | 14.2 % | 0.5 % | | 15.6 % | (4.9) % | |
| Earnings (loss) from continuing operations before tax | 79 | 31 | 48 | 171 | 13 | 158 |
| Depreciation and amortization | 18 | 19 | (1) | 38 | 36 | 2 |

Our Advanced Engineered Materials segment develops, produces and supplies a broad portfolio of high performance technical polymers for application in automotive and electronics products, as well as other consumer and industrial applications. Together with our strategic affiliates, we are a leading participant in the global technical polymers industry. The primary products of Advanced Engineered Materials are POM, polyphenylene sulfide (“PPS”), long-fiber reinforced thermoplastics (“LFT”), polybutylene terephthalate (“PBT”), polyethylene terephthalate (“PET”), ultra-high molecular weight polyethylene (“GUR[®]”) and liquid crystal polymers (“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 \$98 million and \$215 million for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. The increase in net sales is primarily related to significant increases in volume which is 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. Advanced Engineered Materials' reported their lowest net sales during the three months ended March 31, 2009. Since then, the business segment has continued to see sequential volume improvement each quarter. The current quarter increase in net sales for the three months ended June 30, 2010 as compared to the same period in 2009 was positively impacted by increases in average pricing as a result of implemented price increases and product mix which was partially offset by unfavorable foreign currency impacts.

Operating profit increased \$39 million and \$105 million for the three and six months ended June 30, 2010, respectively, as compared to the same periods in 2009. The positive impact from higher sales volumes, increased pricing for our high performance polymers and inventory restocking was only partially offset by higher raw material and energy costs. Other charges positively impacted operating profit for the six months ended June 30, 2010 by decreasing from an expense of \$13 million for the six months ended June 30, 2009 to income of \$2 million for the six months ended June 30, 2010. Other charges decreased primarily as a result of plumbing recoveries and lower employee severance. Depreciation and amortization includes \$2 million of accelerated amortization for the six months ended June 30, 2010 to write-off the asset associated with a raw material purchase agreement with a supplier who filed for bankruptcy during 2009.

Our equity affiliates, including Ibn Sina, have experienced similar volume increases due to increased demand during the three and six months ended June 30, 2010. As a result, our proportional share of net earnings of these affiliates increased \$52 million compared to the same period in 2009.

Consumer Specialties

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|--------------------------------------|--------|--------------------------------|------------------------------|--------|-----------------|
| | 2010 | 2009 | Change in \$ (unaudited) | 2010 | 2009 | Change in \$ |
| | (In \$ millions, except percentages) | | | | | |
| Net sales | 291 | 280 | 11 | 529 | 546 | (17) |
| Net sales variance | | | | | | |
| <i>Volume</i> | 6 % | | | (3) % | | |
| <i>Price</i> | (1) % | | | - % | | |
| <i>Currency</i> | (1) % | | | - % | | |
| <i>Other</i> | - % | | | - % | | |
| Other (charges) gains, net | (1) | (3) | 2 | (74) | (3) | (71) |
| Operating profit (loss) | 64 | 66 | (2) | 34 | 132 | (98) |
| Operating margin | 22.0 % | 23.6 % | | 6.4 % | 24.2 % | |
| Earnings (loss) from continuing operations before tax | 137 | 119 | 18 | 107 | 188 | (81) |
| Depreciation and amortization | 9 | 12 | (3) | 20 | 24 | (4) |

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, for the food, beverage and pharmaceuticals industries.

The decrease in net sales for the six months ended June 30, 2010 as compared to the same period in 2009 is due to decreased volumes in our Acetate business and in Sunett[®] which were only partially offset by an increase in demand in sorbates. Decreased volumes were primarily due to softening in consumer demand in Sunett[®] and the timing of sales related to an electrical disruption and subsequent production outage at our manufacturing facility in Narrows,

Virginia in our Acetate business. The facility resumed normal operations during the quarter and we expect to recover the impacted volume throughout the remainder of the year.

Operating profit decreased for the six month period ended June 30, 2010 as compared to the same period in 2009. Our fixed spending reduction efforts were not able to offset the lower volumes, higher energy and raw material costs, and additional expenditures related to the outage at our Narrows, Virginia facility. An increase in other charges for the six months ended June 30, 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 potential closure of our acetate flake and tow production operations in Spondon, Derby, United Kingdom.

During the six month period ended June 30, 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.

Industrial Specialties

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|--------------------------------|-------|-----------------|------------------------------|-------|-----------------|
| | 2010 | 2009 | Change in \$ | 2010 | 2009 | Change in \$ |
| (unaudited) | | | | | | |
| (In \$ millions, except percentages) | | | | | | |
| Net sales | 269 | 267 | 2 | 511 | 509 | 2 |
| Net sales variance | | | | | | |
| <i>Volume</i> | 13 % | | | 14 % | | |
| <i>Price</i> | 9 % | | | 3 % | | |
| <i>Currency</i> | (3) % | | | - % | | |
| <i>Other</i> | (18) % | | | (17) % | | |
| Other (charges) gains, net | - | (1) | 1 | - | (3) | 3 |
| Operating profit (loss) | 16 | 19 | (3) | 28 | 29 | (1) |
| Operating margin | 5.9 % | 7.1 % | | 5.5 % | 5.7 % | |
| Earnings (loss) from continuing operations before tax | 16 | 19 | (3) | 28 | 29 | (1) |
| Depreciation and amortization | 10 | 14 | (4) | 20 | 27 | (7) |

Our Industrial Specialties segment includes our Emulsions and ethylene vinyl acetate (“EVA”) Performance Polymers businesses. Our 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 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 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 devices and tubing, automotive, carpeting and solar cell encapsulation films.

In July 2009, we completed the sale of our polyvinyl alcohol (“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 retained by Celanese. The transaction resulted in a gain on disposition of \$34 million and includes long-term supply agreements between Sekisui and Celanese.

Net sales increased \$2 million for the three months and six months ended June 30, 2010 compared to the same period in 2009. Lower net sales resulting from the sale of our PVOH business were more than offset by increased volumes from our EVA Performance Polymers and Emulsions businesses. EVA Performance Polymers’ volumes were lower for the second quarter of 2009 due to technical issues at our Edmonton, Alberta, Canada plant. Such technical production issues have been 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 a second quarter price increase and favorable product mix were partially offset by lower net sales in Emulsions due to an unfavorable foreign exchange rate. Vinyl acetate/ethylene emulsions production volumes at our Nanjing, China facility remained at full utilization on strong demand in the Asia-Pacific region. As previously announced, we plan to expand our production capacity in 2011 to support our continued success in new product development and application innovation.

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Operating profit decreased \$3 million and \$1 million for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009 primarily due to the divestiture of our PVOH business. Increased sales volumes and prices were largely offset by higher raw material costs in both our EVA Performance Polymers and Emulsions businesses and increased spending and energy costs attributable to the resumption of normal operations at our EVA Performance Polymers Edmonton, Alberta, Canada plant.

Acetyl Intermediates

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|--------------------------------------|-----------------------|-----------------|------------------------------|-----------------------|-----------------|
| | 2010 | 2009 (As Adjusted) | Change in \$ | 2010 | 2009 (As Adjusted) | Change in \$ |
| | (unaudited) | | | | | |
| | (In \$ millions, except percentages) | | | | | |
| Net sales | 782 | 622 | 160 | 1,506 | 1,194 | 312 |
| Net sales variance | | | | | | |
| <i>Volume</i> | 14 % | | | 14 % | | |
| <i>Price</i> | 15 % | | | 12 % | | |
| <i>Currency</i> | (3) % | | | - % | | |
| <i>Other</i> | - % | | | - % | | |
| Other (charges) gains, net | (1) | - | (1) | (8) | (1) | (7) |
| Operating profit (loss) | 68 | 39 | 29 | 68 | 50 | 18 |
| Operating margin | 8.7 % | 6.3 % | | 4.5 % | 4.2 % | |
| Earnings (loss) from continuing operations before tax | 70 | 41 | 29 | 71 | 53 | 18 |
| Depreciation and amortization | 24 | 32 | (8) | 69 | 59 | 10 |

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 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. 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 \$160 million and \$312 million during the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009 due to improvement in the global economy and increased overall demand. Current period 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 three and six months ended June 30, 2010 compared to the same periods 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. The increase in operating profit was only slightly offset by higher variable costs and an increase in other charges. Higher variable costs were a direct result of price increases, primarily in ethylene. Other charges consisted primarily of plant closure costs related to our Pardies, France facility.

Earnings from continuing operations before tax increased during the three and six months ended June 30, 2010 compared to the same period in 2009 due to increased operating profit.

Other Activities

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

Net sales remained flat for the three and six months ended June 30, 2010.

The operating loss for Other Activities decreased \$4 million and \$2 million for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. The decrease was primarily due to a \$14 million gain on sale of assets, offset by \$13 million higher selling, general and administrative costs. Higher selling, general and administrative expenses were primarily due to higher business optimization, finance improvement initiatives, management compensation and legal costs.

The loss from continuing operations before tax decreased \$5 million and \$7 million for the three and six months ended June 30, 2010, respectively, compared to the same period in 2009. The decrease is primarily due to reduced interest expense resulting from lower interest rates on our senior credit facilities in addition to higher returns on our equity investments.

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, we have \$137 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.

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, for the remainder of 2010. 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 or that we will be able to maintain our ability to borrow under our revolving credit facilities.

As a result of the Pardies, France Project of Closure, we recorded exit costs of \$18 million during the six months ended June 30, 2010 in the accompanying unaudited interim consolidated statements of operations. We may incur up to an additional \$10 million in contingent employee termination benefits related to the Pardies, France Project of Closure. We expect that substantially all of the remaining exit costs will result in future cash expenditures through mid-2011. The Pardies, France facility is included in our Acetyl Intermediates segment. See Note 3 and Note 13 in the accompanying unaudited interim consolidated financial statements.

On a stand-alone basis, Celanese Corporation has no material assets other than the stock of its subsidiaries and no independent external operations of its own. As such, Celanese Corporation generally will depend on the cash flow of its subsidiaries to meet its obligations under its Series A common stock and its senior credit agreement.

Cash Flows

Cash and cash equivalents as of June 30, 2010 were \$1,081 million, which was a decrease of \$173 million from December 31, 2009.

Net Cash Provided by Operating Activities

Cash flow from operations decreased \$80 million during the six months ended June 30, 2010 as compared to the same period in 2009. The increase in operating profit was more than offset by the increase in trade working capital.

Net Cash Provided by (Used in) Investing Activities

Net cash from investing activities decreased from a cash inflow of \$183 million for the six months ended June 30, 2009 to a cash outflow of \$275 million for the same period in 2010. The decrease is primarily related to receipt of proceeds of \$412 million related to the Ticona Kelsterbach plant relocation and \$15 million from the sale of marketable securities that were received in 2009. There were no such proceeds in 2010.

Our cash outflow for capital expenditures was \$78 million and \$96 million for the six months ended June 30, 2010 and 2009, respectively. 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.

Additionally, we had cash outflows for the six months ended June 30, 2010 of \$46 million related to our acquisition of two product lines, Zenite[®] liquid crystal polymer (“LCP”) and Thermx[®] polycyclohexylene-dimethylene terephthalate (“PCT”), from DuPont Performance Polymers. In connection with the acquisition, we have committed to purchase certain inventory at a future date valued at a range between \$12 million and \$17 million.

Capital expenditures are expected to be approximately \$243 million for 2010, excluding amounts related to the relocation of our Ticona plant in Kelsterbach. We anticipate cash outflows for capital expenditures for our Ticona plant in Kelsterbach to be €239 million during 2010. In connection with the construction of the POM facility in Saudi Arabia, our pro rata share of invested capital is expected to total approximately \$150 million over a three year period beginning in late 2010.

Net Cash Used in Financing Activities

Net cash used in financing activities increased from a cash outflow of \$59 million for the six months ended June, 2009 to a cash outflow of \$78 million for the same period in 2010. The \$19 million increase primarily relates to the \$20 million repurchase of the Company’s common stock that occurred during the second quarter of 2010.

Debt and Capital

On February 1, 2010, we delivered notice to the holders of our 4.25% Convertible Perpetual Preferred Stock (the “Preferred Stock”), pursuant to which we called 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 our Series A common stock, par value \$0.0001 per share (“Common Stock”), 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 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 Common Stock, in accordance with the terms of the Preferred Stock. In addition to the Common Stock issued in respect of the shares of Preferred Stock converted and redeemed, we paid cash in lieu of fractional shares. In issuing these shares of Common Stock, we relied on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended. We paid cash dividends on our Preferred Stock of \$3 million during the six months ended June 30, 2010. As a result of the redemption of our Preferred Stock, no future dividends on Preferred Stock will be paid.

In April 2010, we announced that our Board of Directors approved a 25% increase in the Celanese quarterly Common Stock cash dividend. The Board of Directors increased the quarterly dividend rate from \$0.04 to \$0.05 per share of Common Stock on a quarterly basis and \$0.16 to \$0.20 per share of Common Stock on an annual basis. The new dividend rate will be applicable to dividends payable beginning in August 2010.

On July 1, 2010, we declared a cash dividend of \$0.05 per share on our Common Stock amounting to \$8 million. The cash dividends are for the period from May 1, 2010 to July 31, 2010 and will be paid on August 2, 2010 to holders of record as of July 15, 2010.

In February 2008, our Board of Directors authorized the repurchase of up to \$400 million of our Common Stock. This authorization was increased by the Board of Directors to \$500 million in October 2008. The authorizations give management discretion in determining the conditions under which shares may be repurchased. This repurchase program does not have an expiration date. The number of shares repurchased and the average purchase price paid per share pursuant to this authorization are as follows:

| | Six Months Ended | | Total From Inception Through June 30, 2010 |
|--|------------------|------------------|--|
| | 2010 | June 30, 2009 | |
| Shares repurchased | 678,592 | - | 10,441,792 |
| Average purchase price per share | \$ 29.47 | - | \$ 38.09 |
| Amount spent on repurchased shares (in millions) | \$ 20 | - | \$ 398 |

As of June 30, 2010, we had total debt of \$3,427 million compared to \$3,501 million as of December 31, 2009. We were in compliance with all of the covenants related to our debt agreements as of June 30, 2010.

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Our senior credit agreement consists of \$2,280 million of US dollar-denominated and €400 million of Euro-denominated term loans due 2014, a \$600 million revolving credit facility terminating in 2013 and a \$228 million credit-linked revolving facility terminating in 2014.

As of June 30, 2010, the balances available for borrowing under the revolving credit facility and the credit-linked revolving facility are as follows:

| | (In \$ millions) (unaudited) |
|----------------------------------|---------------------------------|
| Revolving credit facility | |
| Borrowings outstanding | - |
| Letters of credit issued | - |
| Available for borrowing | 600 |
| Credit-linked revolving facility | |
| Letters of credit issued | 91 |
| Available for borrowing | 137 |

In June 2009, we entered into an amendment to the senior credit agreement. The amendment reduced the amount available under the revolving credit facility from \$650 million to \$600 million and increased the first lien senior secured leverage ratio that is applicable when any amount is outstanding under the revolving credit portion of the senior credit agreement. The first lien senior secured leverage ratio is calculated as the ratio of consolidated first lien senior secured debt to earnings before interest, taxes, depreciation and amortization, subject to adjustments identified in the credit agreement. Prior to giving effect to the amendment, the maximum first lien senior secured leverage ratio was 3.90 to 1.00. 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 June 30, 2010 are as follows:

| | First Lien Senior Secured Leverage Ratios | | | Borrowing Capacity (In \$ millions) |
|----------------------------------|---|-------------------------|-----------------------------|--|
| | Maximum | Estimate (unaudited) | Estimate, If Fully Drawn | |
| June 30, 2010 | 4.25 to 1.00 | 2.7 to 1.00 | 3.34 to 1.00 | 600 |
| September 30, 2010 | 4.25 to 1.00 | | | |
| December 31, 2010 and thereafter | 3.90 to 1.00 | | | |

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 above. 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.

Contractual Obligations

Except as otherwise described in this report, there have been no material revisions to our contractual obligations as described in our 2009 Form 10-K.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Estimates

Our unaudited interim consolidated financial statements are based on the selection and application of significant accounting policies. The preparation of unaudited interim consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 unaudited interim consolidated financial statements and the reported amounts of revenues, expenses and allocated charges during the reporting period. Actual results could differ from those

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estimates. However, we are not currently aware of any reasonably likely events or circumstances that would result in materially different results.

We describe our significant accounting policies in Note 2, Summary of Accounting Policies, of the Notes to Consolidated Financial Statements included in our 2009 Form 10-K. We discuss our critical accounting policies and estimates in MD&A in our 2009 Form 10-K.

There have been no material revisions to the critical accounting policies as filed in our 2009 Form 10-K.

Recent Accounting Pronouncements

See Note 2 to the accompanying unaudited interim consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Market risk for our Company has not changed materially from the foreign exchange, interest rate and commodity risks disclosed in Item 7A. Quantitative and Qualitative Disclosures about Market Risk in our 2009 Form 10-K.

Item 4. *Controls and Procedures*

Disclosure 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 report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

None.

PART II — OTHER INFORMATION

Item 1. 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 the financial position of the Company; however, the ultimate outcome of any given matter may have a material adverse effect on the results of operations or cash flows of the Company in any given reporting period. See also Note 17 to the unaudited interim consolidated financial statements for a discussion of material legal proceedings.

There have been no significant developments in the "Legal Proceedings" described in our 2009 Form 10-K other than those disclosed in Note 17 to the unaudited interim consolidated financial statements.

Item 1A. Risk Factors

There have been no material revisions to the "Risk factors" as described in our 2009 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth information regarding repurchases of our Common Stock during the three months ended June 30, 2010:

| <u>Period</u> | <u>Total Number of Shares Purchased</u> | <u>Average Price Paid per Share (unaudited)</u> | <u>Total Number of Shares Purchased as Part of Publicly Announced Program</u> | <u>Approximate Dollar Value of Shares Remaining that may be Purchased Under the Program</u> |
|------------------|---|---|---|---|
| April 1-30, 2010 | 83,581 ⁽¹⁾ | \$ 32.91 | 79,172 | \$ 119,700,000 |
| May 1-31, 2010 | 599,420 | \$ 29.03 | 599,420 | \$ 102,300,000 |
| June 1-30, 2010 | - | \$ - | - | \$ 102,300,000 |

⁽¹⁾ 4,409 shares relate to shares employees have elected to have withheld to cover their statutory minimum withholding requirements for personal income taxes related to the vesting of restricted stock units.

Item 3. Defaults Upon Senior Securities

None.

Item 4. [Removed and Reserved]**Item 5. Other Information**

None.

Item 6.Exhibits

| Exhibit Number | Description |
|-------------------|--|
| 3.1 | Second Amended and Restated Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on January 28, 2005). |
| 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). |
| 10.1 | 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). |
| 10.2 | 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 | 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). |
| 10.4 | 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). |
| 10.5 | 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). |
| 10.6 | 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).* |
| 10.7 | 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 (filed herewith). |
| 10.8 | Form of Time-Vesting Restricted Stock Unit Award Agreement (for non-employee directors) between Celanese Corporation and award recipient (filed herewith). |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith.). |
| 31.2 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith). |
| 32.1 | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith). |
| 32.2 | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith). |
| 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 |

* Certain portions of these documents have been omitted based on a request for confidential treatment submitted by the Company to the SEC. The omitted information has been separately filed with the SEC. The redacted portions of these documents are indicated by “ **** Confidential Treatment Requested**** ”.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CELANESE CORPORATION

By: /s/ DAVID N. WEIDMAN

David N. Weidman
Chairman of the Board of Directors and
Chief Executive Officer

Date: July 29, 2010

By: /s/ STEVEN M. STERIN

Steven M. Sterin
Senior Vice President and
Chief Financial Officer

Date: July 29, 2010

CHANGE IN CONTROL AGREEMENT

This CHANGE IN CONTROL AGREEMENT (the “*Agreement*”) is entered into on _____, 2010 (the “*Effective Date*”) by and between Celanese Corporation (the “*Company*”) and <<NAME>> (the “*Executive*”).

The Company considers it essential to foster the continued employment of key management personnel. The Board of Directors of the Company (the “*Board*”) believes that it is in the best interests of the Company and its stockholders to assure the Company will have the continued dedication of Executive, notwithstanding the possibility, threat or occurrence of a Change in Control. The Board believes it is imperative to diminish the inevitable distraction of Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control. The Company also requests, and the Executive desires to give the Company, certain assurances with regard to the protection of Confidential Information and Intellectual Property of the Company and its Affiliates. Therefore, the Company and the Executive have entered into this Agreement.

In consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

1. Definitions:

a. “*Affiliate*” shall mean, when used with respect to any person or entity, any other person or entity which controls, is controlled by or is under common control with the specified person or entity. As used in the immediately preceding sentence, the term “control” (with correlative meanings for “controlled by” and “under common control with”) shall mean, with respect to any entity, the ownership, directly or indirectly, of fifty percent (50%) or more of the outstanding equity interests in such entity.

b. “*Beneficial Owner*” shall have the meaning given such term in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”).

c. “*Cause*” shall mean (i) Executive’s willful failure to perform Executive’s duties hereunder (other than as a result of total or partial incapacity due to physical or mental illness) for a period of thirty (30) days following written notice by the Company to Executive of such failure, (ii) conviction of, or a plea of nolo contendere to, (x) a felony 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) Executive’s willful malfeasance or willful misconduct which is demonstrably injurious to the Company or its Affiliates, (iv) any act of fraud by Executive, (v) any material violation of the Company’s code of conduct, (vi) any material violation of the Company’s policies concerning harassment or discrimination, (vii) Executive’s conduct that causes material harm to the business reputation of the Company or its Affiliates, or (viii) Executive’s breach of the provisions of Sections 7 (Confidentiality; Intellectual Property) or 8 (Non-Competition; Non-Solicitation) of this Agreement.

d. A “*Change In Control*” will be deemed to have occurred for purposes hereof, upon any one of the following events: (a) any person (within the meaning of Sections 13(d) and 14(d) of the Exchange Act), other than the Company (including its subsidiaries, directors, and executive officers) has become the Beneficial Owner of thirty percent (30%) or more of the combined voting power of the Company’s then outstanding common stock or equivalent in voting power of any class or classes of the Company’s outstanding securities ordinarily entitled to vote in elections of directors (“*Voting Securities*”) (other than as a result of an issuance of securities by

the Company approved by Incumbent Directors, or open market purchases approved by Incumbent Directors at the time the purchases are made); (b) individuals who constitute the Board as of the Effective Date (the “**Incumbent Directors**”) have ceased for any reason to constitute at least a majority thereof, provided that any person becoming a director after the Effective Date whose election, or nomination for election by the Company’s stockholders, was approved by a majority of the directors comprising the Incumbent Board, either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors (“**Election Contest**”) or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board (“**Proxy Contest**”), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; (c) the stockholders of the Company approve a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction, or the sale or other disposition of all or substantially all of the Company’s assets (a “**Transaction**”), unless immediately following such Transaction, (i) all or substantially all of the Persons who were the Beneficial Owners of the Voting Securities outstanding immediately prior to such Transaction are the Beneficial Owners of more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the entity resulting from such Transaction (including, without limitation, an entity which as a result of such Transaction owns the Company or all or substantially all of the Company’s assets or stock either directly or through one or more subsidiaries, the “**Surviving Entity**”) in substantially the same proportions as their ownership, immediately prior to such Transaction, of the Voting Securities, (ii) no Person is the Beneficial Owner of 30% or more of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the Surviving Entity, and (iii) at least a majority of the members of the board of directors of the Surviving Entity are Incumbent Directors; or (d) approval by the Company’s stockholders of a complete liquidation and dissolution of the Company.

However, if in any circumstance in which the foregoing definition would be operative and with respect to which the income tax under Section 409A of the Code would apply or be imposed, but where such tax would not apply or be imposed if the meaning of the term “Change in Control” met the requirements of Section 409A(a)(2)(A)(v) of the Code, then the term “Change in Control” herein shall mean, but only for the transaction so affected, a “change in control event” within the meaning of Treas. Reg. § 1.409A — 3(i)(5).

e. “**Change In Control Protection Period**” shall mean that period commencing on the date that the Company or a third party publicly announces an event that, if consummated, would constitute a Change In Control and ending (i) on the date that the circumstances giving rise to the announcement of the event are abandoned or withdrawn, or (ii) if such transaction is consummated, two years after the Change In Control.

f. “**COBRA**” shall mean those provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, related to continuation of group health and dental plan coverage as set forth in Code section 4980B.

g. “**Code**” shall mean the Internal Revenue Code of 1986, as amended from time to time.

h. “**Competitive Business**” shall mean businesses that compete with products and services offered by the Company in those countries where the Company or any of its Affiliates manufactures, produces, sells, leases, rents, licenses or otherwise provides its products or services during the two (2) years preceding the Termination Date (including, without limitation, businesses which the Company or its Affiliates have specific plans to conduct in the future that were disclosed or made available to Executive), provided that, if Executive’s duties were limited to particular product lines or businesses during such period, the Competitive Business shall be limited to those product lines or businesses in those countries for which the Executive had such responsibility.

i. **“Confidential Information”** shall mean any non-public, proprietary or confidential information, including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, benefits, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals concerning the past, current or future business, activities and operations of the Company, its Affiliates and/or any third party that has disclosed or provided any of same to the Company or its Affiliates on a confidential basis. “Confidential Information” also includes any information designated as a trade secret or proprietary information by operation of law or otherwise, but shall not be limited by such designation. “Confidential Information” shall not include any information that is (i) generally known to the industry or the public other than as a result of Executive’s breach of this covenant; (ii) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or (iii) required by law to be disclosed; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

j. **“Controlled Group”** shall mean all corporations or business entities that are, along with the Company, members of a controlled group of corporations or businesses, as defined in Code Sections 414(b) and 414(c), except that the language “at least 50 percent” is used instead of “at least 80 percent” in applying the rules of Code Sections 414(b) and 414(c).

k. **“Fiscal Year”** shall mean the fiscal year of the Company.

l. **“Good Reason”** shall mean any of the following conditions which occurs without the consent of the Executive: (i) a material diminution in the Executive’s base salary or annual bonus opportunity; (ii) a material diminution in the Executive’s authority, duties, or responsibilities (including status, offices, titles and reporting requirements); (iii) a material change in the geographic location at which the Executive must perform his duties; (iv) failure of the Company to pay compensation or benefits when due, or (v) any other action or inaction that constitutes a material breach by the Company of this Agreement. The conditions described above will not constitute “Good Reason” unless the Executive provides written notice to the Company of the existence of the condition described above within ninety (90) days after the initial existence of such condition. In addition, the conditions described above will not constitute “Good Reason” unless the Company fails to remedy the condition within a period of thirty (30) days after receipt of the notice described in the preceding sentence. If the Company fails to remedy the condition within the period referred to in the preceding sentence, Executive may terminate his employment with the Company for “Good Reason” within in the next thirty (30) days following the expiration of the cure period.

m. **“Notice of Termination”** shall mean a notice which shall indicate the general reasons for the termination employment and the circumstances claimed to provide a basis for termination of employment or other Separation of Service under the provision so indicated.

n. **“Person”** shall mean any person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever.

o. **“Specified Employee”** shall have the meaning and shall be determined in the manner set forth in the Celanese Americas Supplemental Retirement Pension Plan.

p. **“Restricted Period”** shall be (i) one year from the Termination Date in the event of a Separation from Service that occurs during the Service Term (as defined hereinafter) other than in the case of an

involuntary Separation from Service without Cause, (ii) in the case of an involuntary Separation from Service without Cause during the Service Term, an amount of time in whole months equal to the number of months' salary the Company agrees to provide to Executive in severance, whether paid over time or in a lump sum; and (iii) eighteen (18) months from the Termination Date in the event of a Separation from Service following a Change In Control where Executive receives the Change In Control Payment (as defined hereinafter).

q. "**Separation from Service**" shall mean an event after which the Executive shall no longer provide services to the members of the Controlled Group, whether voluntarily or involuntarily as determined by the Committee (as hereafter defined) in accordance with Treas. Reg. § 1.409A-1(h)(1). A Separation from Service shall occur when Executive has experienced a termination of employment from the members of the Controlled Group. Executive shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Executive and the Company reasonably anticipate that either (i) no further services will be performed for the members of the Controlled Group after a certain date, or (ii) that the level of bona fide services the Executive will perform for the members of the Controlled Group after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed by such Executive (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the members of the Controlled Group if the Executive has been providing services to the members of the Controlled Group less than 36 months). If Executive is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Executive and the members of the Controlled Group shall be treated as continuing intact, provided that the period of such leave does not exceed 6 months, or if longer, so long as the Executive retains a right to reemployment with the members of the Controlled Group under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds 6 months and the Executive does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of this Agreement as of the first day immediately following the end of such 6-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Executive will return to perform services for any members of the Controlled Group.

Notwithstanding the foregoing provisions, if Executive provides services for the Company as both an employee and as a non-employee director, to the extent permitted by Treas. Reg. § 1.409A-1(h)(5) the services provided by such Executive as a non-employee director shall not be taken into account in determining whether the Executive has experienced a Separation from Service.

r. "**Target Bonus**" shall mean the target bonus for Executive under any annual bonus plan in effect from time to time as determined by the Compensation Committee (the "**Committee**") or the Board.

s. "**Termination Date**" shall mean the date upon which a Separation from Service with respect to an Executive occurs.

2. **Term of Change In Control Agreement** .

a. This Agreement shall be for an initial term (the "**Initial Term**") of two years and shall continue to renew for consecutive two year terms thereafter (a "**Renewal Term**"), unless either party shall give written notice to the other (a "**Notice of Non-Renewal**") that such agreement shall not renew at least ninety (90) days prior to the expiration of the Initial Term or Renewal Term then in effect. Notwithstanding the foregoing, the Company may not give a Notice of Non-Renewal during the Change In Control Protection Period.

b. This Agreement, except those provisions which shall survive under Section 11(k), shall terminate upon the termination of Executive's employment for any reason other than the termination of Executive's employment during the Change In Control Protection Period (x) by the Company without Cause or (y) by the

Executive with Good Reason. No payment under this Agreement will be due to Executive upon termination of Executive's employment for any reason other than as specified in (x) or (y) above.

3. **Executive's Incumbent Position** .

a. Unless notified otherwise by the Chief Executive Officer of the Company or the Board, Executive shall serve as <<Position Title>> ("**Executive's Incumbent Position**") . In such position, Executive shall have such duties and authority as shall be determined from time to time by the Chief Executive Officer and the Board. If requested, Executive shall also serve as a member of the Board without additional compensation. The period during which the Executive shall be employed by the Company shall be called the "**Service Term** ."

b. Except as provided in Section 5, (i) either Company or Executive may terminate the employment relationship at any time, with or without Cause or Good Reason, (ii) this Agreement shall not be construed as giving the Executive any right to be retained in the employ of the Company or its Affiliates, (iii) the Company may at any time terminate the Executive free from any liability of any claim under this Agreement, except as expressly provided herein; and (iv) the Company may demote Executive at any time in its absolute and sole discretion without liability to the Executive.

c. During the Service Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; provided that nothing herein shall preclude Executive, (i) subject to the prior approval of the Board, from accepting appointment to or continuing to serve on any board of directors or trustees of any business corporation or any charitable organization or (ii) from participating in charitable activities or managing personal investments; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Sections 7 or 8. Executive shall promote the goodwill of the Company with its employees, customers, stockholders, vendors, and the general public. During the Service Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder and to support the goodwill and business relationships of the Company shall be reimbursed by the Company in accordance with Company policies.

4. **Obligations of the Company upon Change In Control with Respect to Long-Term Incentive Awards and Deferred Compensation.**

The effect of a change in control on any long-term incentive awards (cash or equity) or deferred compensation previously granted to the Executive under the 2008 Deferred Compensation Plan, 2004 Stock Incentive Plan or the 2004 Deferred Compensation Plan, as amended, (the "**Long-Term Incentive Awards** ") shall be governed by the terms and conditions of the applicable individual award agreements or deferral agreements and the Celanese Corporation 2008 Deferred Compensation Plan, the 2004 Stock Incentive Plan or the 2004 Deferred Compensation Plan, as amended (collectively, the "**Long-Term Incentive Award Agreements** "), and shall not be governed by this Agreement.

5. **Termination of Employment Connected with a Change In Control.**

a. Upon Executive's Separation from Service during the Change In Control Protection Period, Executive shall receive the Change In Control Payment if and only if the following conditions occur:

(i) The Change In Control is consummated;

(ii) Executive is employed in the Executive Incumbent Position or some substantially equivalent or higher position for the Company as of the commencement of the Change In Control Protection Period;

(iii) Executive's employment is terminated either by the Company without Cause or by the Executive with Good Reason such that a Separation from Service occurs;

(iv) Within fifty-three (53) days after both conditions in Sections 5(a)(i) and 5(a)(iii), or at the expiration of twenty-one (21) days following the presentation of the release, Executive executes a release of all claims, known or unknown, against the Company, its Affiliates, and their respective agents in a form satisfactory to the Company similar to that attached hereto as Exhibit A and does not timely revoke such release before the expiration of seven days following his or her execution of the release; and

(v) Within fifty-three (53) days after both conditions in Sections 5(a)(i) and 5(a)(iii), Executive reaffirms in writing in a manner satisfactory to the Company his or her obligations under Sections 7 and 8 of this Agreement.

b. The "**Change In Control Payment**" shall be equal to [two (in the case of an SL1 or SL2)/one (in the case of an SL3)] (2) times the sum of (i) Executive's then current annualized base salary; and (ii) the higher of (x) Executive's Target Bonus in effect on the last day of the Fiscal Year that ended immediately prior to the year in which the Termination Date occurs, or (y) the average of the cash bonuses paid by the Company to Executive for the three Fiscal Years preceding the Termination Date.

c. If the Executive is a Specified Employee on the Executive's Termination Date, the Change In Control Payment shall be paid in a single lump sum to Executive six (6) months and one day after the Executive's Termination Date, together with interest at the rate provided in Section 1274(b)(2)(B) of the Code. If the Executive is not a Specified Employee on the Executive's Termination Date, the Severance Payment shall be paid in a single lump sum to the Executive within thirty (30) days of the Executive's Termination Date.

d. Provided that (i) all of the conditions in Section 5(a) are met, (ii) Executive makes a timely COBRA election, and (iii) Executive has complied in all material respects with regard to the obligations of Sections 7 and 8 of this Agreement, if the Executive timely remits to the Company the applicable "COBRA" premiums for such coverage, the Company will continue to provide group health and dental coverage under the Company's medical plan for Executive and his or her dependents during the Restricted Period; and will reimburse Executive for all premiums paid by Executive for such continued coverage. Such reimbursements will be made within thirty (30) days after Executive's payment of such premiums (or submission of a request for reimbursement and satisfactory proof of such payment) but in no event later than on or before the last day of the Executive's tax year following the tax year in which the expense was incurred. The amount of COBRA premiums and health and dental expenses eligible for reimbursement during Executive's tax year may not affect the COBRA premiums and health and dental expenses eligible for reimbursement in any other tax year.

e. Adjustment to Payments.

(i) In the event that any amount or benefit paid or distributed to Executive pursuant to this Agreement and/or any amounts or benefits otherwise paid or distributed to Executive by the Company that are treated as parachute payments under Section 280G of the Code (such payments, collectively, the "**Covered Payments**"), would be subject to the tax imposed under Section 4999 of the Code or any similar tax that may hereafter be imposed (the "**Excise Tax**"), then the Covered Payments shall be reduced or eliminated so that the present value of all Covered Payments (calculated in accordance with Section 280G of the Code and the regulations thereunder), in the aggregate, equals the Safe Harbor Amount. The "**Safe Harbor Amount**" is equal to 2.99 times the Employee's "base amount" (within the meaning of Section 280G(b)(3) of the Code). The Company shall reduce or eliminate the Covered Payments by first reducing or eliminating the portion of the Covered Payments which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the determination.

(ii) All determinations required to be made under subsection (e)(i), including whether and when an adjustment to any Covered Payments is required and, if applicable, which Covered Payments are to be

so adjusted, shall be made by a public accounting firm appointed by the Company or tax counsel selected by such accounting firm (the “ **Accountants** ”). All fees and expenses of the Accountants shall be borne solely by the Company. Any determination by the Accountants shall be binding upon the Company and Executive.

f. Notwithstanding any provision of this Agreement to the contrary, if Executive is a Specified Employee and if any payment under this Agreement provides for a “deferral of compensation” within the meaning of Treasury Regulation § 1.409A-1(b) and if such payment would otherwise occur before the date that is six (6) months after the Executive’s Termination Date, then such payment shall be delayed and shall occur on the date that is six (6) months and one (1) day after the Termination Date (or, if earlier, the date of the Executive’s death), together with interest at the rate provided in Section 1274(b)(2)(B) of the Code.

6. Exclusivity of Benefits. Executive acknowledges that this Agreement supercedes and replaces all prior agreements or understandings Executive may have with the Company with respect to compensation or benefits that may become payable in connection with or as a result of a change in control of the Company, whether or not such change in control constitutes a Change In Control, including any provisions contained in any employment agreement, offer letter or change in control agreement, except with respect to any Long-Term Incentive Awards which shall be governed by the terms of the Long-Term Incentive Award Agreements. This Agreement also describes all payments and benefits that the Company shall be obligated to provide to Executive upon Executive’s Separation from Service during a Change In Control Protection Period and shall constitute Executive’s agreement to waive any rights to payment under the Celanese Americas Separation Pay Plan, any similar or successor plan adopted by the Company, and any other term of employment contained in any employment agreement, offer letter, change in control agreement or otherwise (other than benefits to which he/she may be entitled, if any: (i) under any Celanese plan qualified under Section 401(a) of the Internal Revenue Code, including the Celanese Americas Retirement Pension Plan and Celanese Americas Retirement Savings Plan; and (ii) under the 2008 Celanese Deferred Compensation Plan) to the extent that the circumstances giving right to such right to payment would constitute a Separation of Service during a Change In Control Protection Period.

7. Confidentiality; Intellectual Property.

a. Confidentiality.

(i) Based upon the assurances given by the Executive in this Agreement, the Company will provide Executive with access to its Confidential Information. Executive hereby reaffirms that all Confidential Information received by Executive prior to the termination of this Agreement is the exclusive property of the Company and Executive releases any individual claim to the Confidential Information.

(ii) Executive will not at any time (whether during or after Executive’s employment with the Company) (x) retain or use for the benefit, purposes or account of Executive or any other Person; or (y) disclose, divulge, reveal, communicate, share, make available, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any Confidential Information without the prior written authorization of the Board.

(iii) Upon termination of Executive’s employment with the Company for any reason, Executive shall (x) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company or its Affiliates; (y) immediately destroy, delete, or return to the Company, at the Company’s option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive’s possession or control (including any of the foregoing stored or located in Executive’s office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company or its Affiliates, except that Executive may retain only those portions of any personal notes, notebooks and diaries that

do not contain any Confidential Information; and (z) notify and fully cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

(iv) If Executive has previously entered into any confidentiality or non-disclosure agreements with any former employer, Executive hereby represents and warrants that such confidentiality and/or non-disclosure agreement or agreements have been fully disclosed and provided to the Company prior to commencing employment with the Company.

b. Intellectual Property.

(i) If Executive has created, invented, designed, developed, contributed to or improved any works of authorship, inventions, intellectual property, materials, documents or other work product (including without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content, or audiovisual materials) (“**Works**”), either alone or with third parties, prior to Executive’s employment by the Company, that are relevant to or implicated by such employment (“**Prior Works**”), Executive hereby grants the Company a perpetual, non-exclusive, royalty-free, worldwide, assignable, sublicensable license under all rights and intellectual property rights (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) therein for all purposes in connection with the Company’s current and future business. A list of all such Works as of the date hereof is attached hereto as **Exhibit B**.

(ii) If Executive creates, invents, designs, develops, contributes to or improves any Works, either alone or with third parties, at any time during Executive’s employment by the Company and within the scope of such employment and/or with the use of any of the Company resources (“**Company Works**”), Executive shall promptly and fully disclose same to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(iii) Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

(iv) Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company’s expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company’s rights in the Prior Works and Company Works. If the Company is unable for any other reason to secure Executive’s signature on any document for this purpose, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive’s agent and attorney in fact, to act for and in Executive’s behalf and stead to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

(v) Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third party. Executive hereby indemnifies, holds harmless and agrees to defend the Company and its officers, directors, partners, employees, agents and representatives from any breach of the foregoing covenant. Executive shall comply with all relevant policies and guidelines of the Company, including regarding the protection of confidential information and intellectual property and potential conflicts of interest. Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that Executive remains at all times bound by their most current version.

c. In the event Executive leaves the employ of the Company, Executive hereby grants consent to notification by the Company to any subsequent employer about Executive’s rights and obligations under this Agreement.

8. Non-Competition; Non-Solicitation.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its Affiliates and accordingly agrees as follows:

(i) During the Service Term and for the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly solicit or assist in soliciting in competition with the Company or its Affiliates, the business of any customer, prospective customer, client or prospective client:

(A) with whom Executive had personal contact or dealings on behalf of the Company or its Affiliates during the one year period preceding the termination of Executive's employment;

(B) with whom employees directly or indirectly reporting to Executive have had personal contact or dealings on behalf of the Company or its Affiliates during the one-year immediately preceding the termination of Executive's employment; or

(C) for whom Executive had direct or indirect responsibility during the one year period immediately preceding the termination of Executive's employment.

(ii) During the Restricted Period, Executive will not directly or indirectly:

(A) engage in any Competitive Business;

(B) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(C) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, stockholder, officer, director, principal, agent, trustee or consultant; or

(D) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement) between the Company or any of its Affiliates and customers, clients, suppliers partners, members or investors of the Company or its Affiliates.

(iii) Notwithstanding anything to the contrary in this Agreement, Executive may directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its Affiliates which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Executive (i) is not a controlling Person of, or a member of a group which controls, such Person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(iv) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(A) solicit, interview, encourage, or take any other action that would tend to influence in any manner any employee of the Company or its Affiliates to leave the employment of the Company or

its Affiliates (other than as a result of a general advertisement of employment made by Executive's subsequent employer or business, not directed at any such employee); or

(B) hire any such employee who was employed by the Company or its Affiliates as of the Termination Date or who left the employment of the Company or its Affiliates coincident with, or within one year prior to or after, the Termination Date.

(v) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage any consultant then under contract with the Company or its Affiliates to cease to work with the Company or its Affiliates.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 8 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

c. Prior to the commencement thereof, Executive will provide written notice to the Company of any employment or other activity that would potentially violate the provisions of Sections 7 or 8 and, if Executive wishes to do so, Executive may ask the Board to modify or waive the protections of this Section 8, but nothing in this Agreement shall limit in any manner the Board's absolute discretion not to do so.

9. Enforcement of Promises Concerning the Protection of the Company's Confidential Information and Goodwill. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 7 or Section 8 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach in or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available. In addition, and without limiting the Company's ability to obtain such equitable relief, Executive shall not be entitled to any Change In Control Payment if Executive materially violates the provisions of Sections 7 or 8 and, to the extent that such payments have already been made, Executive shall repay all Change In Control Payments immediately upon demand by the Company.

10. Section 409A Acknowledgement and Release . Executive understands that payments under this Agreement are potentially subject to Section 409A of the Code and that if this Agreement does not satisfy an exception to Code Section 409A or does not comply with the requirements of Section 409A and the applicable guidance thereunder, then Executive may incur adverse tax consequences under Section 409A. Executive acknowledges and agrees that (a) Executive is solely responsible for all obligations arising as a result of the tax consequences associated with payments under this Agreement including, without limitation, any taxes, interest or penalties associated with Section 409A, (b) Executive is not relying upon any written or oral statement or representation by the Company or any Affiliate thereof, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "*Company Parties* ") regarding the tax effects associated with the execution of this Agreement and the payment under this Agreement, and (c) in deciding to enter into this Agreement, Executive is relying on his or her own judgment and the judgment of the professionals of his or her choice with whom Executive has consulted. Executive hereby releases, acquits and forever discharges the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any

nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the execution of this Agreement and any payment hereunder.

11. Miscellaneous .

a. **Governing Law; Jurisdiction; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of laws principles thereof. Any action concerning or relating to this Agreement shall be filed only in the federal and state courts sitting in Dallas County, Texas.

b. **Entire Agreement; Amendments.** This Agreement contains the entire understanding of the parties with respect to any Change In Control or the subject matter of this Agreement, provided however, that the effects of a change in control pursuant to the Long-Term Incentive Award Agreements shall be governed by the terms of such agreements and shall not be affected by this Agreement.

c. **No Waiver.** The failure of a party to insist upon strict adherence to any term of this Agreement, or any term of any agreement with any other employee, on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

d. **Severability.** In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

e. **Assignment.** This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void ab initio and of no force and effect. This Agreement may be assigned, in whole or in part, by the Company to a Person which is an Affiliate or a successor in interest to all or a substantial part of the business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such Affiliate or successor Person.

f. **Successors; Binding Agreement.** This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

g. **Notice.** For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to the Company:

1601 West LBJ Freeway

Dallas, TX 75234-6034

Attention: General Counsel

If to Executive:

Executive's home address as set forth in the personnel records of the Company

h. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment hereunder.

i. Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

j. 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.

k. Survival. The provisions of Sections 1 and 7 through 9 of this Agreement shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

EXECUTIVE:

Celanese Corporation:

By: _____
 <<NAME>>
 Employee ID: <<Personel Number>>

By: _____

Date: _____

Date: _____

EXHIBIT A

FORM OF GENERAL RELEASE AGREEMENT

AGREEMENT AND GENERAL RELEASE

Celanese Corporation and its Affiliates (the “Company”), 1601 West LBJ Freeway, Dallas, Texas 75234 and _____, his or her heirs, executors, administrators, successors, and assigns (“Executive”), enter into this Agreement and General Release (the “Release”) and agree as follows:

1. **Last Day of Employment (Separation Date)**. The last day of employment with the Company is [Insert Date] (the “Separation Date”).

2. **Consideration**. In consideration for signing this Release and compliance with the promises made herein, Company and Executive agree:
 - a. **Change In Control Payment**. The Company will pay the Change In Control Payment, as defined in the Change In Control Agreement between the Company and Executive dated on or about _____, 20____ (the “CIC Agreement”) ¹ and provide the reimbursements set forth in the CIC Agreement. Executive agrees that such payments are the exclusive payments due to Executive arising out of the separation of Executive’s employment.

 - b. **Unused Vacation**. The Company will pay to Executive wages for prorated unused vacation as of the Separation Date.

 - c. **Benefits**. The Executive shall be entitled to elect to continue group health and dental coverage under COBRA and shall be reimbursed for such premiums as provided in the CIC Agreement. Executive’s rights in any other employee benefit plans of the Company will be as provided in the relevant plan documents.

3. **No Consideration Absent Execution of this Agreement**. Executive understands and agrees that he/she would not receive the consideration specified in Paragraph “2” above, unless the Executive signs this Agreement and General Release on the signature page without having revoked this Release pursuant to paragraph 14 below and the fulfillment of the promises contained herein.

4. **General Release of Claims**. Executive knowingly and voluntarily releases and forever discharges the Company and its Affiliates, together with its predecessors, successors and assigns and the current and former employees, officers, directors and agents thereof (collectively, the “Released Parties”), of and from any and all claims, known and unknown, asserted and unasserted, Executive has or may have as of the date of execution of this Release to the full extent permitted by law, in all countries and jurisdictions in which the Released Parties conduct their respective business, including but not limited to the United States of America. Notwithstanding anything to the contrary herein, it is expressly understood and agreed that the terms and conditions of any Long-Term Incentive Awards shall continue to be governed by the applicable Long-Term Incentive Award Agreements and shall not be affected by this Release.

¹ **All capitalized terms shall have the same meaning as set forth in the CIC Agreement, unless otherwise stated.**

5. Executive acknowledges and agrees that he/she has been paid all amounts owed to Executive as compensation, whether in the form of salary, bonus, equity compensation, benefits or otherwise. The release in Section 4 of this Release includes, but is not limited to, any alleged violation of the following, as may be amended or in effect:

(a) any action arising under or relating to any federal or state statute or local ordinance, such as:

- Title VII of the Civil Rights Act of 1964;
- The Civil Rights Act of 1991;
- Sections 1981 through 1988 of Title 42 of the United States Code;
- The Employee Retirement Income Security Act of 1974;
- The Immigration Reform and Control Act;
- The Family and Medical Leave Act;
- The Americans with Disabilities Act of 1990;
- The Age Discrimination in Employment Act of 1967;
- The Workers Adjustment and Retraining Notification Act;
- The Occupational Safety and Health Act;
- The Sarbanes-Oxley Act of 2002;
- The Texas Commission on Human Rights Act;
- The Texas Minimum Wage Law;
- Equal Pay Law for Texas; and
- The Vocational Rehabilitation Act.

(b) any other national, federal, state, province, or local civil or human rights law, or any other local, state, province, national or federal law, regulation or ordinance; or any law, regulation or ordinance of a foreign country, including but not limited to the Federal Republic of Germany and the United Kingdom;

(c) any action under public policy, contract, tort, common law or equity, including, but not limited to, claims based on alleged breach of an obligation or duty arising in contract or tort, such as breach of contract, fraud, quantum meruit, invasion of privacy, wrongful discharge, defamation, infliction of emotional distress, assault, battery, malicious prosecution, false imprisonment, harassment, negligence, gross negligence, and strict liability;

(d) any claim for lost, unpaid, or unequal wages, salary, or benefits, including, without limitation, any claim under the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Equal Pay Act, the Texas Minimum Wage Law, the Texas Equal Pay Law, or any other local, state, or federal statute concerning classifications, wages, salary, or benefits, including calculations and deductions relating to same, as well as the employment, labor and benefits laws and regulations in all countries in addition to the United States of America, including but not limited to the United Kingdom and the Federal Republic of Germany; and

(e) any other claim regardless of the forum in which it might be brought, if any, which Executive has, might have, or might claim to have against any of the Released Parties, for any and all injuries, harm, damages, wages, benefits, salary, reimbursements, penalties, costs, losses, expenses, attorneys' fees, and/or liability or other detriment, if any, whatsoever and whenever incurred, suffered, or claimed by the Executive.

6. **Affirmations** . Executive affirms that he/she has not filed, caused to be filed, or presently is a party to any claim, complaint, or action against the Released Parties in any forum or form, provided that this Release shall not affect the rights or responsibilities of the Equal Employment Opportunity Commission, or any other federal, state, or local authority with similar responsibilities (collectively, the "Commission") to enforce any

employment discrimination law, and that this Release shall not affect the right of Executive to file a charge of discrimination with the Commission or participate in any investigation. However, Executive waives any right to participate in any payment or benefit arising from any such charge, claim, or investigation.

Executive further affirms that he/she has reported all hours worked as of the date of this Release and has been paid and/or has received all leave (paid or unpaid), compensation, wages, bonuses, commissions, and/or benefits to which he/she may be entitled and that no other leave (paid or unpaid), compensation, wages, bonuses, commissions and/or benefits are due to him/her, except as provided specifically in this Release. Executive furthermore affirms that he/she has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the Family and Medical Leave Act.

Executive reaffirms that he or she will comply fully with Sections 7 through 9 of the CIC Agreement and that, if he or she violates such provisions, all consideration paid hereunder will be immediately due and payable back to the Company.

7. **Governing Law and Interpretation**. This Release shall be governed and conformed in accordance with the laws of the State of Texas, without regard to its conflict of laws provision. In the event the Executive or Company breaches any provision of this Release, Executive and Company affirm that either may institute an action to specifically enforce any term or terms of this Release. Should any provision of this Release be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Release in full force and effect.
8. **Non-admission of Wrongdoing**. The parties agree that neither this Release nor the furnishing of the consideration for this Release shall be deemed or construed at anytime for any purpose as an admission by Company of any liability or unlawful conduct of any kind.
9. **Neutral Reference**. If contacted by another organization, the Company will only provide dates of employment and position.
10. **Non - Disparagement**. Executive agrees not to disparage, or make disparaging remarks or send any disparaging communications concerning, the Company, its reputation, its business, and/or its directors, officers and managers. Likewise the Company's senior management agrees not to disparage, or make any disparaging remark or send any disparaging communication concerning Executive, his reputation and/or his business.
11. **Future Cooperation after Separation Date**. After separation, Executive agrees to make reasonable efforts to assist Company including but not limited to: assisting with transition duties, assisting with issues that arise after separation of employment and assisting with the defense or prosecution of any lawsuit or claim. This includes but is not limited to providing deposition testimony, attending hearings and testifying on behalf of the Company. The Company will reimburse Executive for reasonable time and expenses in connection with any future cooperation after the separation date. Time and expenses can include loss of pay or using vacation time at a future employer. The Company shall reimburse the Executive within thirty (30) days of remittance by Executive to the Company of such time and expenses incurred, but in no event later than the end of the Executive's tax year following the tax year in which the Executive incurs such time and expenses and such reimbursement obligation shall remain in effect for five years and the amount of expenses eligible for reimbursement hereunder during Executive's tax year will not affect the expenses eligible for reimbursement in any other tax year. Notwithstanding the preceding sentence, if Executive is a Specified Employee on the Executive's Termination Date, the reimbursement shall not be made until after six (6) months and one day following Executive's Termination Date.

12. Injunctive Relief. Executive agrees and acknowledges that the Company will be irreparably harmed by any breach, or threatened breach by him/her of this Agreement and that monetary damages would be grossly inadequate. Accordingly, he/she agrees that in the event of a breach, or threatened breach by him/her of this Agreement the Company shall be entitled to apply for immediate injunctive or other preliminary or equitable relief, as appropriate, in addition to all other remedies at law or equity.

13. Review Period . Executive is hereby advised he/she has until [Insert Date], twenty-one (21) calendar days, to review this Release and to consult with an attorney prior to execution of this Release. Executive agrees that any modifications, material or otherwise, made to this Release do not restart or affect in any manner the original twenty-one (21) calendar day consideration period.

14. Revocation Period and Effective Date . In the event that Executive elects to sign and return to the Company a copy of this Agreement, he/she has a period of seven (7) days (the "Revocation Period") following the date of such execution to revoke this Release, after which time this agreement will become effective (the "Effective Date") if not previously revoked. In order for the revocation to be effective, written notice must be received by the Company no later than close of business on the seventh day after the Executive signs this Release at which time the Revocation Period shall expire.

15. Amendment . This Release may not be modified, altered or changed except upon express written consent of both parties wherein specific reference is made to this Release.

16. Entire Agreement . This Release sets forth the entire agreement between the parties hereto, and fully supersedes any prior obligation of the Company to the Executive. Executive acknowledges that he/she has not relied on any representations, promises, or agreements of any kind made to him/her in connection with his/her decision to accept this Release, except for those set forth in this Release.

17. HAVING ELECTED TO EXECUTE THIS AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES AND TO RECEIVE THE SUMS AND BENEFITS IN SECTION 2 ABOVE, EXECUTIVE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS RELEASE INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS HE/SHE HAS OR MIGHT HAVE AGAINST COMPANY.

IN WITNESS WHEREOF, the parties hereto knowingly and voluntarily executed this Release as of the date set forth below.

EXECUTIVE:

Celanese Corporation:

By: _____

By: _____

Date: _____

Date: _____

EXHIBIT B

[List of Works]

Schedule I

Gjon N. Nivica, Jr.
Jacquelyn H. Wolf



**CELANESE CORPORATION
2009 GLOBAL INCENTIVE PLAN**

**TIME-VESTING RESTRICTED STOCK UNIT AWARD AGREEMENT
DATED <<GRANT DATE>>**

<<NAME>>

<<# Units>> Units

Pursuant to the terms and conditions of the Celanese Corporation 2009 Global Incentive Plan, you have been awarded Time-Vesting Restricted Stock Units, subject to the restrictions described in this agreement:

This grant is made pursuant to the Time-Vesting Restricted Stock Unit Award Agreement dated as of <Grant Date>> between Celanese and you, which Agreement is attached hereto and made a part hereof.

**CELANESE CORPORATION
2009 GLOBAL INCENTIVE PLAN**

**TIME-VESTING RESTRICTED STOCK UNIT AWARD AGREEMENT
(Non-Employee Director)**

THIS AWARD AGREEMENT (the "Agreement"), is made effective as of <<Grant Date>> (the "Grant Date"), between Celanese Corporation, a Delaware corporation (the "Company") and <<NAME>> (the "Participant"). Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Celanese Corporation 2009 Global Incentive Plan (as amended from time to time, the "2009 Plan").

1. **RSU Award** : The Company hereby grants to the Participant, pursuant to the terms of the 2009 Plan and this Agreement, an award (the "Award") of <<# Units>> Restricted Stock Units (the "RSUs") representing the right to receive an equal number of Common Shares upon vesting. The Participant hereby acknowledges and accepts such Award upon the terms and subject to the conditions, restrictions and limitations contained in this Agreement and the 2009 Plan.

2. **Vesting of Restricted Stock Units** :

(a) Subject to Sections 2(b) and 2(c) below, the RSUs shall vest on the first anniversary of the Grant Date (the "Vesting Date").

(b) **Change in Control**. Notwithstanding any other provision of this Agreement to the contrary, upon the occurrence of a Change in Control, the RSUs, to the extent not previously forfeited or canceled, shall immediately vest and a number of Common Shares equal to such RSUs shall be delivered to the Participant within thirty (30) days of the occurrence of such Change in Control.

(c) **Termination of Service**.

(i) Upon the termination of the Participant's service with the Company due to the Participant's death or Disability, a prorated portion of RSUs will vest in an amount equal to (i) the number of unvested RSUs multiplied by (ii) a fraction, the numerator of which is the number of complete calendar months from the Grant Date to the date of termination, and the denominator of which is twelve (12), the number of full calendar months in the Vesting Period, such product to be rounded up to the nearest whole number. The prorated number of RSUs shall vest and a number of Common Shares equal to such prorated number of RSUs shall be delivered to the Participant within thirty (30) days following the applicable Vesting Date. The remaining portion of the Award shall be forfeited and cancelled without consideration.

(ii) Upon the termination of the Participant's service with the Company for any other reason, the Award shall be forfeited and cancelled without consideration.

3. **Settlement of RSUs** : Subject to Section 2 of this Agreement, and except to the extent the Participant has elected that delivery be deferred in accordance with the rules and procedures prescribed by the Committee (which rules and procedures, among other things, shall be consistent with the requirements of Section 409A of the Code), the Company shall deliver to the Participant (or to a Company-designated

brokerage) as soon as practicable following the Vesting Date (but in no event later than 2 ¹ / 2 months after the Vesting Date), in complete settlement of all vested RSUs, a number of Common Shares equal to the number of vested RSUs that have not previously been settled.

4. **Rights as a Stockholder** : The Participant shall have no voting, dividend or other rights as a stockholder with respect to the Award until the RSUs have vested and Common Shares have been delivered pursuant to this Agreement.

5. **Non-Transferability of Award** : The RSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other 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; provided, that the Participant may designate a beneficiary, on a form provided by the Company, to receive any portion of the Award payable hereunder following the Participant's death.

6. **Securities Laws** : The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Common Shares issued as a result of the vesting of the RSUs, including without limitation (a) restrictions under an insider trading policy, and (b) restrictions as to the use of a specified brokerage firm for such resales or other transfers. Upon the acquisition of any Common Shares pursuant to the vesting of the RSUs, the Participant will make or enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws or with this Agreement and the 2009 Plan. All accounts in which such Common Shares are held or any certificates for Common Shares shall be subject to such stop transfer orders and other restrictions as the Company may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange or quotation system upon which the Common Shares are then listed or quoted, and any applicable federal or state securities law, and the Company may cause a legend or legends to be put on any such certificates (or other appropriate restrictions and/or notations to be associated with any accounts in which such Common Shares are held) to make appropriate reference to such restrictions.

7. **Severability** : In the event that any provision of this Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of this Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

8. **Further Assurances** : Each party shall cooperate and take such action as may be reasonably requested by either party hereto in order to carry out the provisions and purposes of this Agreement.

9. **Binding Effect** : The Award and this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

10. **Electronic Delivery** : By executing this Agreement, the Participant hereby consents to the delivery of any and all information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws), in whole or in part, regarding the Company and its subsidiaries, the 2009 Plan, and the Award via the Company's or plan administrator's web site or other means of electronic delivery.

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. **Restricted Stock Units Subject to Plan** : By entering into this Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the 2009 Plan and the 2009 Plan's prospectus. The RSUs and the Common Shares issued upon vesting of such RSUs are subject to the 2009 Plan, which is hereby incorporated by reference. In the event of any conflict between any term or provision of this Agreement and a term or provision of the 2009 Plan, the applicable terms and provisions of the 2009 Plan shall govern and prevail.

13. **Validity of Agreement** : This Agreement shall be valid, binding and effective upon the Company on the Grant Date. However, the RSUs granted pursuant to this Agreement shall be forfeited by the Participant and this Agreement shall have no force and effect if it is not duly executed by the Participant and delivered to the Company on or before <<Validity Date>>.

14. **Definitions** : The following terms shall have the following meanings for purposes of this Agreement, notwithstanding any contrary definition in the 2009 Plan:

(a) “ *Change in Control* ” shall mean, in accordance with Treasury Regulation Section 1.409A-3(i)(5), any of the following:

(i) any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total voting power of the stock of the Company; or

(ii) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or

(iii) any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to 50% or more of all of the assets of the Company immediately prior to such acquisition or acquisitions.

(b) “ *Disability* ” has the same meaning as “Disability” in the Celanese Corporation 2008 Deferred Compensation Plan or such other meaning as determined by the Committee in its sole discretion.

IN WITNESS WHEREOF, this Agreement has been accepted and agreed to by the undersigned.

<<NAME>>, Director

**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 quarterly report on Form 10-Q 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 annual 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 the 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: July 29, 2010

**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 quarterly report on Form 10-Q 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 annual 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 the 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: July 29, 2010

**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 Quarterly Report of Celanese Corporation (the “Company”) on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David N. Weidman, Chairman of the Board of Directors and 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: July 29, 2010

**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 Quarterly Report of Celanese Corporation (the "Company") on Form 10-Q for the period ending June 30, 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: July 29, 2010