

CELANESE CORP

FORM 8-K (Current report filing)

Filed 07/24/12 for the Period Ending 07/23/12

Address	222 W. LAS COLINAS BLVD., SUITE 900N IRVING, TX, 75039-5421
Telephone	972-443-4000
CIK	0001306830
Symbol	CE
SIC Code	2820 - Plastic Material, Synthetic Resin/Rubber, Cellulos (No Glass)
Industry	Commodity Chemicals
Sector	Basic Materials
Fiscal Year	12/31

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report

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

Date of Report (Date of earliest event reported): **July 24, 2012**

CELANESE CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

001-32410

(Commission File
Number)

98-0420726

(IRS Employer
Identification No.)

222 West Las Colinas Blvd. Suite 900N, Irving, TX 75039

(Address of Principal Executive Offices) (Zip Code)

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

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

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

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

Item 2.02 Results of Operations and Financial Condition

On July 23, 2012, Celanese Corporation (the “Company”) issued a press release reporting the financial results for its second quarter 2012. A copy of the press release is attached to this Current Report on Form 8-K (“Current Report”) as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

Item 7.01 Regulation FD Disclosure

On July 24, 2012, Mark C. Rohr, Chairman and Chief Executive Officer of the Company, and Steven M. Sterin, Senior Vice President and Chief Financial Officer of the Company, will make a presentation to investors and analysts via a webcast hosted by the Company at 10:00 a.m. ET (9:00 a.m. CT). The webcast, prepared remarks from Mark Rohr and Steven Sterin and a slide presentation may be accessed on our website at www.celanese.com under Investor Events & Presentations. A copy of the slide presentation and a copy of the prepared remarks posted for the webcast are attached to this Current Report as Exhibit 99.2 and Exhibit 99.3, respectively, and are incorporated herein solely for purposes of this Item 7.01 disclosure.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Descriptions</u>
99.1	Press Release dated July 23, 2012*
99.2	Slide Presentation dated July 23, 2012*
99.3	Prepared Remarks from M. Rohr and S. Sterin dated July 23, 2012*

*In connection with the disclosure set forth in Item 2.02 and Item 7.01, the information in this Current Report, including the exhibits attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section. The information in this Current Report, including the exhibits, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

SIGNATURES

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

CELANESE CORPORATION

By: /s/ James R. Peacock III
Name: James R. Peacock III
Title: Vice President, Deputy General Counsel and Assistant Corporate Secretary

Date: July 24, 2012

Exhibit Index

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Celanese Corporation
 222 West Las Colinas Blvd.
 Suite 900N
 Irving, Texas 75039

Celanese Corporation Reports Second Quarter 2012 Results

*Sequential Operating EBITDA Growth in All Businesses;
 Second Highest Quarterly Adjusted EPS in Company History*

Dallas, July 23, 2012 : Celanese Corporation (NYSE: CE), a global technology and specialty materials company, today reported second quarter 2012 net sales of \$1,675 million , a 4 percent decrease from the same period last year. The company delivered higher overall volumes, but results were impacted by lower pricing, primarily in its Acetyl Intermediates business, and unfavorable currency impacts. Operating profit was \$164 million compared with \$209 million in the prior year period. Margins expanded in the company's Industrial Specialties and Consumer Specialties businesses but did not completely offset lower margins in its Acetyl Intermediates business due to temporarily elevated industry margins in the prior year, as well as the current weakened economic environment in Europe and slower growth in Asia.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
<i>(in \$ millions, except per share data) - Unaudited</i>				
Net sales	1,675	1,753	3,308	3,342
Operating profit (loss)	164	209	262	397
Net earnings (loss) attributable to Celanese Corporation	210	203	393	345
Operating EBITDA ¹	402	441	657	745
Diluted EPS - continuing operations	\$ 1.31	\$ 1.29	\$ 2.47	\$ 2.16
Diluted EPS - total	\$ 1.31	\$ 1.28	\$ 2.47	\$ 2.17
Adjusted EPS ²	\$ 1.47	\$ 1.66	\$ 2.20	\$ 2.62

¹Non-U.S. GAAP measure. See reconciliation in Table 1A.

²Non-U.S. GAAP measure. See reconciliation in Table 6.

"Celanese delivered the second highest quarterly earnings in company history despite a more challenging global economic environment. Sequentially, each of our businesses delivered improved operating results while remaining focused on providing value-added solutions for our customers. Additionally, with the exception of Acetyl Intermediates, our portfolio of businesses expanded margins year-over-year," said Mark Rohr, chairman and chief executive officer. "Celanese's operating cash flow in the quarter resulted in the second lowest net debt level since the company's IPO in 2005 and enabled us to continue to pursue our balanced capital deployment strategy."

Net earnings were \$210 million in the second quarter of 2012 compared with the prior year's results of \$203 million . Diluted

earnings per share from continuing operations was \$1.31 compared with \$1.29 last year.

Adjusted earnings per share in the second quarter of 2012 , which excluded other charges and other adjustments, was \$1.47 compared with \$1.66 in the prior year period. The tax rate and diluted share count for adjusted earnings per share in the second quarter were 17 percent and 159.7 million , respectively.

Recent Highlights

- Announced plans to construct and operate a methanol production facility at its Clear Lake, Texas acetyl complex which is expected to start up after July 1, 2015. As one of the world's largest producers of acetyl products, the company plans to utilize its existing infrastructure to capture the opportunities created by abundant and affordable U.S. natural gas supplies.
- Launched the new SunsationSM platform to help food and beverage manufacturers develop low- and no-calorie products that are better tasting and simplify the formulation process to bring products to market faster.
- Entered into an agreement to advance the development of fuel ethanol projects with Pertamina, the state-owned energy company of Indonesia. In line with its long-term strategy to develop new and renewable energy capabilities, Pertamina will collaborate exclusively with Celanese to jointly develop synthetic fuel ethanol projects in the Republic of Indonesia utilizing Celanese's proprietary TCX[®] ethanol process technology.
- In the process of starting up its technology development unit for ethanol production at its facility in Clear Lake, Texas. The unit will support the company's continuing development of TCX[®] ethanol process technology for customers in both industrial-grade and fuel ethanol.

Second Quarter Business Segment Overview

Advanced Engineered Materials

Advanced Engineered Materials' operating EBITDA results improved year-over-year, despite weaker global economic conditions. Net sales decreased to \$323 million in the second quarter of 2012 from \$346 million in the prior year period. Pricing was up modestly by 2 percent , however, net sales were negatively impacted by lower volumes due to softer demand from industrial goods and electronics as well as currency. Operating EBITDA improved to \$114 million from \$107 million in the prior year period, as higher pricing and increased equity earnings offset the lower volumes and currency impacts. Equity earnings from the company's affiliates were \$55 million compared with \$39 million in the prior year period, driven by higher methanol and methyl tertiary-butyl ether (MTBE) pricing in the company's Ibn Sina affiliate. Operating profit in the second quarter of 2012 was \$21 million compared with \$27 million in the same period last year, primarily due to higher depreciation and amortization in the period mainly related to the company's startup and expansion of its polyacetal (POM) facility in Frankfurt Hoechst Industrial Park.

Consumer Specialties

Consumer Specialties delivered improved year-over-year performance with net sales of \$327 million compared with \$291 million in the same period last year, mainly driven by higher pricing and volumes. Pricing increased by 7 percent over the prior year period while volumes increased by 6 percent as a production interruption in the company's Acetate Products business during the first quarter of 2012 shifted additional volume into the current period. Operating EBITDA was \$168 million compared with \$147 million in the same period last year on improved volumes and expanded margins. This quarter's results

also included increased dividends from the company's acetate China ventures which totaled \$83 million compared with \$78 million in the same period last year. Operating profit increased to \$75 million from \$48 million last year.

Industrial Specialties

Industrial Specialties' net sales in the second quarter of 2012 were \$327 million compared with \$329 million in the prior year period. Volumes increased by 5 percent year-over-year, primarily in North America and Asia, driven by recent strategic actions. However, results were negatively impacted by currency translation, primarily the Euro. Operating EBITDA increased to \$47 million from \$40 million in the prior year period, as expanded margins benefited from the increased volumes and lower raw material costs. Operating profit in the second quarter of 2012 was \$34 million compared with \$28 million in the prior year period.

Acetyl Intermediates

Acetyl Intermediates' net sales in the second quarter of 2012 were \$821 million compared with \$914 million in the same period last year, primarily due to lower acetyl pricing. The lower pricing year-over-year was the result of temporarily elevated utilization in the second quarter of 2011 due to planned and unplanned outages of acetyl producers as well as softer global demand in the current period driven by weaker economic conditions in Europe and Asia. Operating EBITDA in the second quarter of 2012 was \$99 million compared with \$177 million in the same period last year, primarily due to the lower pricing. Sequentially, operating EBITDA improved from \$83 million, driven by expanded margins on higher pricing. Operating profit in the current period was \$77 million compared with \$152 million in the same period last year and \$60 million in the first quarter of 2012.

Taxes

The tax rate for adjusted earnings per share was 17 percent in the second quarter of 2012 and the second quarter of 2011. The effective tax rate for continuing operations for the second quarter of 2012 was 20 percent compared with 27 percent in the second quarter of 2011. The lower effective tax rate in the second quarter of 2012 was primarily due to tax impacts related to joint venture earnings partially offset by increases in certain jurisdictions' losses providing no income tax benefit. Net cash taxes paid were \$23 million in the first six months of 2012 compared with \$30 million in the first six months of 2011. The decrease in net cash taxes paid is primarily due to timing of tax refunds received in certain jurisdictions.

Equity and Cost Investments

Earnings from equity investments and dividends from cost investments, which are reflected in the company's earnings and operating EBITDA, were \$146 million in the second quarter of 2012, a \$21 million increase from the prior year period's results. The cash flow impact of equity and cost investment dividends was \$158 million, a \$34 million increase from the prior year period. During the second quarter of 2012, the company received \$83 million in dividends from its acetate China ventures, a \$5 million increase from last year's results. This quarter's results also reflected the increased earnings from the Ibn Sina strategic affiliate.

Cash Flow

During the first six months of 2012, the company generated \$402 million in cash from operating activities, an \$86 million increase from the same period last year, primarily driven by lower trade working capital usage versus the prior year period. Cash used in investing activities during the first six months of 2012 was \$283 million compared with \$133 million in the same

period last year. The 2012 results included capital expenditures related to the company's acquisition of two product lines from Ashland Inc. and other strategic actions. The 2011 results included \$114 million of capital expenditures and \$158 million of cash received from Fraport, both related to the relocation of the company's operations in Kelsterbach, Germany. Net cash from financing activities during the first six months of 2012 was a cash inflow of \$4 million compared with a cash outflow of \$198 million in the prior year period. During the second quarter of 2011, the company used a net of \$116 million to prepay one of its term loan facilities. Net debt at the end of the second quarter of 2012 was \$2,176 million, the second lowest net debt level since the company's IPO and a \$159 million decrease from the end of 2011.

Outlook

"We anticipate the ongoing challenging economic environment in Europe and the current growth rates in Asia will continue through the remainder of 2012," said Rohr. "As a result, we expect second half adjusted earnings per share will reflect typical seasonal trends and be slightly below the first half of 2012, excluding the dividend from the company's acetate China ventures."

The company's earnings presentation and prepared remarks related to the second quarter results will be posted on its website at www.celanese.com in the investor section after market close on July 23.

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Celanese Corporation is a global technology leader in the production of specialty materials and chemical products that are used in most major industries and consumer applications. Our products, essential to everyday living, are manufactured in North America, Europe and Asia. Known for operational excellence, sustainability and premier safety performance, Celanese delivers value to customers around the globe with best-in-class technologies. Based in Dallas, Texas, the company employs approximately 7,600 employees worldwide and had 2011 net sales of \$6.8 billion, with approximately 73% generated outside of North America. For more information about Celanese Corporation and its global product offerings, visit www.celanese.com or the company's blog at www.celaneseblog.com.

Forward-Looking Statements

This release may contain "forward-looking statements," which include information concerning the company's plans, objectives, goals, strategies, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. When used in this release, the words "outlook," "forecast," "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "may," "can," "could," "might," "will" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the company will realize these expectations or that these beliefs will prove correct.

There are a number of risks and uncertainties that could cause actual results to differ materially from the results expressed or implied in the forward-looking statements contained in this release. These risks and uncertainties 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 and fuel oil and the prices for electricity and other energy sources; the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases; the ability to maintain plant utilization rates and to implement planned capacity additions and expansions; the ability to improve productivity by implementing technological improvements to existing plants; increased price competition and the introduction of competing products by other companies; market acceptance of our technology; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the company; changes in the degree of intellectual property and other legal protection afforded to our products or technology, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, cyber security incidents, terrorism or political unrest or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, including the occurrence of acts of war or terrorist incidents or as a result of weather or natural disasters; potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating 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; our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the

chemicals industry; and various other factors discussed from time to time in the company's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and the company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

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

This release reflects the following performance measures: operating EBITDA, business operating EBITDA, affiliate EBITDA and proportional affiliate EBITDA, adjusted earnings per share and net debt as non-U.S. GAAP measures. These measurements are not recognized in accordance with U.S. GAAP and should not be viewed as an alternative to U.S. GAAP measures of performance. The most directly comparable financial measure presented in accordance with U.S. GAAP in our consolidated financial statements for operating EBITDA and business operating EBITDA is net income; for proportional affiliate EBITDA is equity in net earnings of affiliates; for affiliate EBITDA is operating profit; for adjusted earnings per share is earnings per common share-diluted; and for net debt is total debt.

Use of Non-U.S. GAAP Financial Information

- Operating EBITDA is defined by the company as net earnings less interest income plus loss (earnings) from discontinued operations, interest expense, taxes, and depreciation and amortization, and further adjusted for Other Charges and Adjustments as described in Table 7. We present operating EBITDA because we consider it an important supplemental measure of our operations and financial performance. We believe that operating EBITDA is more reflective of our operations as it provides transparency to investors and enhances period-to-period comparability of our operations and financial performance. Operating EBITDA is one of the measures management uses for its planning and budgeting process to monitor and evaluate financial and operating results and for the company's incentive compensation plan. Operating EBITDA should not be considered as an alternative to net income determined in accordance with U.S. GAAP. We may provide guidance on operating EBITDA and are unable to reconcile forecasted operating EBITDA to a U.S. GAAP financial measure because a forecast of Other Charges and Adjustments is not practical.
- Business operating EBITDA is defined by the company as net earnings less interest income plus loss (earnings) from discontinued operations, interest expense, taxes and depreciation and amortization, and further adjusted for Other Charges and Adjustments as described in Table 7, less equity in net earnings of affiliates, dividend income from cost investments and other (income) expense. This supplemental performance measure reflects the operating results of the company's operations without regard to the financial impact of its equity and cost investments.
- Affiliate EBITDA is defined by the company as operating profit plus the depreciation and amortization of its equity affiliates. Proportional affiliate EBITDA, a measure used by management to measure performance of its equity investments, is defined by the company as the proportional operating profit plus the proportional depreciation and amortization of its equity investments. The company has determined that it does not have sufficient ownership for operating control of these investments to consider their results on a consolidated basis. The company believes that investors should consider proportional affiliate EBITDA as an additional measure of operating results.
- Adjusted earnings per share is a measure used by management to measure performance. It is defined by the company as net earnings (loss) available to common shareholders plus preferred dividends, adjusted for other charges and adjustments, and divided by the number of basic common shares, diluted preferred shares, and options valued using the treasury method. We may provide guidance on an adjusted earnings per share basis and are unable to reconcile forecasted adjusted earnings per share to a U.S. GAAP financial measure without unreasonable effort because a forecast of Other Items is not practical. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding various financial and business trends relating to our financial condition and results of operations, and that when U.S. GAAP information is viewed in conjunction with non-U.S. GAAP information, investors are provided with a more meaningful understanding of our ongoing operating performance. Note: The income tax rate used for adjusted earnings per share approximates the midpoint in a range of forecasted tax rates for the year. This range may include certain partial or full-year forecasted tax opportunities, where applicable, and specifically excludes changes in uncertain tax positions, discrete items and other material items adjusted out of our U.S. GAAP earnings for adjusted earnings per share purposes, and changes in management's assessments regarding the ability to realize deferred tax assets. We analyze this rate quarterly and adjust if there is a material change in the range of forecasted tax rates; an updated forecast would not necessarily result in a change to our tax rate used for adjusted earnings per share. The adjusted tax rate is an estimate and may differ from the tax rate used for U.S. GAAP reporting in any given reporting period. It is not practical to reconcile our prospective adjusted tax rate to the actual U.S. GAAP tax rate in any given future period.
- Net debt is defined by the company as total debt less cash and cash equivalents. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding changes to the company's capital structure. Our management and credit analysts use net debt to evaluate the company's capital structure and assess credit quality. Proportional net debt is defined as our proportionate share of our affiliates' net debt.

Results Unaudited

The results presented in this release, together with the adjustments made to present the results on a comparable basis, have not been audited and are based on internal financial data furnished to management. Quarterly results should not be taken as an indication of the results of operations to be reported for any subsequent period or for the full fiscal year.

Consolidated Statements of Operations - Unaudited

<i>(in \$ millions, except share and per share data)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net sales	1,675	1,753	3,308	3,342
Cost of sales	(1,344)	(1,343)	(2,707)	(2,581)
Gross profit	331	410	601	761
Selling, general and administrative expenses	(124)	(140)	(258)	(268)
Amortization of intangible assets	(13)	(17)	(26)	(33)
Research and development expenses	(26)	(25)	(52)	(48)
Other (charges) gains, net	(3)	(18)	(3)	(15)
Foreign exchange gain (loss), net	(1)	(1)	—	—
Gain (loss) on disposition of businesses and asset, net	—	—	—	—
Operating profit (loss)	164	209	262	397
Equity in net earnings (loss) of affiliates	62	46	113	89
Interest expense	(45)	(57)	(90)	(112)
Refinancing expense	—	(3)	—	(3)
Interest income	—	—	1	1
Dividend income - cost investments	84	79	84	79
Other income (expense), net	(1)	6	1	9
Earnings (loss) from continuing operations before tax	264	280	371	460
Income tax (provision) benefit	(54)	(75)	22	(117)
Earnings (loss) from continuing operations	210	205	393	343
Earnings (loss) from operation of discontinued operations	—	(3)	—	3
Gain (loss) on disposition of discontinued operations	—	—	—	—
Income tax (provision) benefit, discontinued operations	—	1	—	(1)
Earnings (loss) from discontinued operations	—	(2)	—	2
Net earnings (loss)	210	203	393	345
Net earnings (loss) attributable to noncontrolling interests	—	—	—	—
Net earnings (loss) attributable to Celanese Corporation	210	203	393	345
Cumulative preferred stock dividends	—	—	—	—
Net earnings (loss) available to common shareholders	210	203	393	345
Amounts attributable to Celanese Corporation				
Earnings (loss) per common share - basic				
Continuing operations	1.33	1.31	2.50	2.20
Discontinued operations	—	(0.01)	—	0.01
Net earnings (loss) - basic	1.33	1.30	2.50	2.21
Earnings (loss) per common share - diluted				
Continuing operations	1.31	1.29	2.47	2.16
Discontinued operations	—	(0.01)	—	0.01
Net earnings (loss) - diluted	1.31	1.28	2.47	2.17
Weighted average shares (in millions)				
Basic	158.1	156.3	157.3	156.1
Diluted	159.7	159.2	159.4	158.9

Consolidated Balance Sheets - Unaudited

<i>(in \$ millions)</i>	As of June 30, 2012	As of December 31, 2011
ASSETS		
Current assets		
Cash & cash equivalents	800	682
Trade receivables - third party and affiliates, net	957	871
Non-trade receivables, net	177	235
Inventories	726	712
Deferred income taxes	106	104
Marketable securities, at fair value	60	64
Other assets	40	35
Total current assets	2,866	2,703
Investments in affiliates	756	824
Property, plant and equipment, net	3,265	3,269
Deferred income taxes	562	421
Other assets	390	344
Goodwill	756	760
Intangible assets, net	184	197
Total assets	8,779	8,518
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	131	144
Trade payables - third party and affiliates	688	673
Other liabilities	466	539
Deferred income taxes	18	17
Income taxes payable	37	12
Total current liabilities	1,340	1,385
Long-term debt	2,845	2,873
Deferred income taxes	130	92
Uncertain tax positions	172	182
Benefit obligations	1,392	1,492
Other liabilities	1,123	1,153
Commitments and contingencies		
Stockholders' equity		
Preferred stock	—	—
Common stock	—	—
Treasury stock, at cost	(888)	(860)
Additional paid-in capital	725	627
Retained earnings	2,798	2,424
Accumulated other comprehensive income (loss), net	(858)	(850)
Total Celanese Corporation stockholders' equity	1,777	1,341
Noncontrolling interests	—	—
Total equity	1,777	1,341
Total liabilities and equity	8,779	8,518

Table 1**Business Segment Data and Reconciliation of Operating Profit (Loss) to Operating EBITDA - a Non-U.S. GAAP Measure - Unaudited**

(in \$ millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net Sales				
Advanced Engineered Materials	323	346	640	674
Consumer Specialties	327	291	591	557
Industrial Specialties	327	329	636	619
Acetyl Intermediates	821	914	1,673	1,727
Other Activities ¹	—	—	—	1
Intersegment eliminations	(123)	(127)	(232)	(236)
Total	1,675	1,753	3,308	3,342
Operating Profit (Loss)				
Advanced Engineered Materials	21	27	42	65
Consumer Specialties	75	48	114	102
Industrial Specialties	34	28	53	53
Acetyl Intermediates	77	152	137	264
Other Activities ¹	(43)	(46)	(84)	(87)
Total	164	209	262	397
Other Charges and Other Adjustments ²				
Advanced Engineered Materials	10	22	13	34
Consumer Specialties	(1)	10	16	15
Industrial Specialties	—	—	2	—
Acetyl Intermediates	1	(2)	3	(19)
Other Activities ¹	9	3	17	7
Total	19	33	51	37
Depreciation and Amortization Expense ³				
Advanced Engineered Materials	28	19	55	38
Consumer Specialties	10	10	19	18
Industrial Specialties	13	12	26	22
Acetyl Intermediates	19	25	39	50
Other Activities ¹	4	2	7	6
Total	74	68	146	134
Business Operating EBITDA				
Advanced Engineered Materials	59	68	110	137
Consumer Specialties	84	68	149	135
Industrial Specialties	47	40	81	75
Acetyl Intermediates	97	175	179	295
Other Activities ¹	(30)	(41)	(60)	(74)
Total	257	310	459	568
Equity Earnings, Cost - Dividend Income and Other Income (Expense)				
Advanced Engineered Materials	55	39	98	74
Consumer Specialties	84	79	85	80
Industrial Specialties	—	—	—	—
Acetyl Intermediates	2	2	3	4
Other Activities ¹	4	11	12	19
Total	145	131	198	177
Operating EBITDA				
Advanced Engineered Materials	114	107	208	211
Consumer Specialties	168	147	234	215
Industrial Specialties	47	40	81	75
Acetyl Intermediates	99	177	182	299
Other Activities ¹	(26)	(30)	(48)	(55)
Total	402	441	657	745

¹ Other Activities includes corporate selling, general and administrative expenses and the results from captive insurance companies.² See Table 7 for details.³ Excludes accelerated depreciation and amortization expense included in Other Charges and Other Adjustments above. See Table 1A for details.

Table 1A
Reconciliation of Consolidated Net Earnings (Loss) to Operating EBITDA -
a Non-U.S. GAAP Measure - Unaudited

<i>(in \$ millions)</i>	Three Months Ended			Six Months Ended	
	March 31,	June 30,		June 30,	
	2012	2012	2011	2012	2011
Net earnings (loss) attributable to Celanese Corporation	183	210	203	393	345
(Earnings) loss from discontinued operations	—	—	2	—	(2)
Interest income	(1)	—	—	(1)	(1)
Interest expense	45	45	57	90	112
Refinancing expense	—	—	3	—	3
Income tax provision (benefit)	(76)	54	75	(22)	117
Depreciation and amortization expense ²	72	74	68	146	134
Other charges (gains), net ¹	—	3	18	3	15
Other adjustments ¹	32	16	15	48	22
Operating EBITDA	255	402	441	657	745
Detail by Business Segment					
Advanced Engineered Materials	94	114	107	208	211
Consumer Specialties	66	168	147	234	215
Industrial Specialties	34	47	40	81	75
Acetyl Intermediates	83	99	177	182	299
Other Activities ³	(22)	(26)	(30)	(48)	(55)
Operating EBITDA	255	402	441	657	745

¹ See Table 7 for details.

² Excludes accelerated depreciation and amortization expense as detailed in the table below and included in Other adjustments above.

³ Other Activities includes corporate selling, general and administrative expenses and the results from captive insurance companies.

<i>(in \$ millions)</i>	Three Months Ended			Six Months Ended	
	March 31,	June 30,		June 30,	
	2012	2012	2011	2012	2011
Advanced Engineered Materials	—	—	1	—	3
Consumer Specialties	—	1	3	1	7
Industrial Specialties	2	—	—	2	—
Acetyl Intermediates	—	—	—	—	—
Other Activities ³	—	—	—	—	—
Accelerated depreciation and amortization expense	2	1	4	3	10
Depreciation and amortization expense ²	72	74	68	146	134
Total depreciation and amortization expense	74	75	72	149	144

Table 2
Factors Affecting Business Segment Net Sales - Unaudited

Three Months Ended June 30, 2012 Compared to Three Months Ended June 30, 2011

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	(4)	2	(5)	—	(7)
Consumer Specialties	6	7	(1)	—	12
Industrial Specialties	5	(1)	(5)	—	(1)
Acetyl Intermediates	4	(10)	(4)	—	(10)
Total Company	3	(4)	(3)	—	(4)

Six Months Ended June 30, 2012 Compared to Six Months Ended June 30, 2011

	Volume	Price	Currency	Other	Total
	(In percentages)				
Advanced Engineered Materials	(4)	2	(3)	—	(5)
Consumer Specialties	—	7	(1)	—	6
Industrial Specialties	5	1	(3)	—	3
Acetyl Intermediates	6	(7)	(2)	—	(3)
Total Company	3	(1)	(3)	—	(1)

Table 3
Cash Flow Information - Unaudited

<i>(in \$ millions)</i>	Six Months Ended June 30,	
	2012	2011
Net cash provided by operating activities	402	316
Net cash (used in) investing activities ¹	(283)	(133)
Net cash provided by (used in) financing activities	4	(198)
Exchange rate effects on cash and cash equivalents	(5)	16
Cash and cash equivalents at beginning of period	682	740
Cash and cash equivalents at end of period	800	741

¹ 2012 and 2011 include \$35 million and \$114 million, respectively, of capital expenditures related to the Ticona Kelsterbach plant relocation. 2011 includes \$158 million of cash proceeds related to the Ticona Kelsterbach plant relocation.

Table 4
Cash Dividends Received - Unaudited

<i>(in \$ millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Dividends from equity investments	74	45	185	118
Dividends from cost investments	84	79	84	79
Total	158	124	269	197

Table 5
Net Debt - Reconciliation of a Non-U.S. GAAP Measure - Unaudited

<i>(in \$ millions)</i>	As of June 30, 2012	As of December 31, 2011
Short-term borrowings and current installments of long-term debt - third party and affiliates	131	144
Long-term debt	2,845	2,873
Total debt	2,976	3,017
Less: Cash and cash equivalents	800	682
Net debt	2,176	2,335

Table 6
Adjusted Earnings (Loss) Per Share - Reconciliation of a Non-U.S. GAAP Measure - Unaudited

<i>(in \$ millions, except share and per share data)</i>	Three Months Ended June 30,				Six Months Ended June 30,			
	2012		2011		2012		2011	
		per share		per share		per share		per share
Earnings (loss) from continuing operations	210	1.31	205	1.29	393	2.47	343	2.16
Deduct: Income tax (provision) benefit	(54)		(75)		22		(117)	
Earnings (loss) from continuing operations before tax	264		280		371		460	
Other charges and other adjustments ¹	19		33		51		37	
Refinancing - related expenses	—		6		—		6	
Adjusted earnings (loss) from continuing operations before tax	283		319		422		503	
Income tax (provision) benefit on adjusted earnings ²	(48)		(54)		(72)		(86)	
Less: Noncontrolling interests	—		—		—		—	
Adjusted earnings (loss) from continuing operations	235	1.47	265	1.66	350	2.20	417	2.62
<i>Diluted shares (in millions) ³</i>								
Weighted average shares outstanding		158.1		156.3		157.3		156.1
Dilutive stock options		1.0		2.0		1.4		2.0
Dilutive restricted stock units		0.6		0.9		0.7		0.8
Total diluted shares		159.7		159.2		159.4		158.9

¹ See Table 7 for details.

² The adjusted effective tax rate is 17% and 17% for the three and six months ended June 30, 2012 and 2011, respectively.

³ Potentially dilutive shares are included in the adjusted earnings per share calculation when adjusted earnings are positive.

Table 7
Other Charges and Other Adjustments - Reconciliation of a Non-U.S. GAAP Measure - Unaudited

Other Charges (Gains), net:

<i>(in \$ millions)</i>	Three Months Ended			Six Months Ended	
	March 31,	June 30,		June 30,	
	2012	2012	2011	2012	2011
Employee termination benefits	—	1	9	1	13
Ticona Kelsterbach plant relocation	—	2	16	2	29
Plumbing actions	—	—	(4)	—	(4)
Commercial disputes	—	—	(2)	—	(22)
Other	—	—	(1)	—	(1)
Total	—	3	18	3	15

Other Adjustments:¹

<i>(in \$ millions)</i>	Three Months Ended			Six Months Ended		Income Statement Classification
	March 31,	June 30,		June 30,		
	2012	2012	2011	2012	2011	
Business optimization	5	3	2	8	5	Cost of sales / SG&A
Ticona Kelsterbach plant relocation	3	8	5	11	2	Cost of sales
Plant closures	4	2	7	6	13	Cost of sales / SG&A
(Gain) loss on disposition of assets	—	—	(1)	—	—	
Write-off of other productive assets	—	—	(1)	—	(1)	Cost of sales
Acetate production interruption costs	10	—	—	10	—	Cost of sales
Other	10	3	3	13	3	Various
Total	32	16	15	48	22	
Total other charges and other adjustments	32	19	33	51	37	

¹ These items are included in net earnings but not included in other charges (gains), net.

Table 8**Equity Affiliate Results and Reconciliation of Operating Profit to Affiliate EBITDA -
a Non-U.S. GAAP Measure - Total - Unaudited**

<i>(in \$ millions)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net Sales				
Ticona Affiliates - Asia ¹	441	393	864	804
Ticona Affiliates - Middle East ²	380	252	684	517
Infraserv Affiliates ³	478	550	945	1,057
Total	1,299	1,195	2,493	2,378
Operating Profit				
Ticona Affiliates - Asia ¹	57	52	103	95
Ticona Affiliates - Middle East ²	197	104	336	206
Infraserv Affiliates ³	31	34	60	67
Total	285	190	499	368
Depreciation and Amortization				
Ticona Affiliates - Asia ¹	19	15	38	37
Ticona Affiliates - Middle East ²	9	18	23	30
Infraserv Affiliates ³	26	29	53	55
Total	54	62	114	122
Affiliate EBITDA				
Ticona Affiliates - Asia ¹	76	67	141	132
Ticona Affiliates - Middle East ²	206	122	359	236
Infraserv Affiliates ³	57	63	113	122
Total	339	252	613	490
Net Income				
Ticona Affiliates - Asia ¹	36	37	68	64
Ticona Affiliates - Middle East ²	175	93	300	183
Infraserv Affiliates ³	23	23	48	50
Total	234	153	416	297
Net Debt				
Ticona Affiliates - Asia ¹	273	101	273	101
Ticona Affiliates - Middle East ²	(184)	(78)	(184)	(78)
Infraserv Affiliates ³	328	308	328	308
Total	417	331	417	331

¹Ticona Affiliates - Asia accounted for using the equity method includes Polyplastics (45%), Korean Engineering Plastics (50%), Fortron Industries (50%), Una SA (2012 - 0% , 2011 - 50%). Una SA was divested during the Three Months Ended March 31, 2011.

²Ticona Affiliates - Middle East accounted for using the equity method includes National Methanol Company (Ibn Sina) (25%).

³Infraserv Affiliates accounted for using the equity method includes Infraserv Hoechst (32%), Infraserv Gendorf (39%) and Infraserv Knapsack (27%).

Table 8 (continued)

Equity Affiliate Results and Reconciliation of Proportional Operating Profit to Proportional Affiliate EBITDA - a Non-U.S. GAAP Measure - Celanese Proportional Share - Unaudited

<i>(in \$ millions)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Proportional Net Sales				
Ticona Affiliates - Asia ¹	203	182	398	372
Ticona Affiliates - Middle East ²	95	63	171	129
Infraserv Affiliates ³	157	182	310	348
Total	455	427	879	849
Proportional Operating Profit				
Ticona Affiliates - Asia ¹	26	25	48	45
Ticona Affiliates - Middle East ²	49	25	84	51
Infraserv Affiliates ³	10	12	20	22
Total	85	62	152	118
Proportional Depreciation and Amortization				
Ticona Affiliates - Asia ¹	9	7	18	17
Ticona Affiliates - Middle East ²	3	5	6	8
Infraserv Affiliates ³	8	9	17	18
Total	20	21	41	43
Proportional Affiliate EBITDA				
Ticona Affiliates - Asia ¹	35	32	66	62
Ticona Affiliates - Middle East ²	52	30	90	59
Infraserv Affiliates ³	18	21	37	40
Total	105	83	193	161
Equity in Net Earnings of Affiliates (as reported in the Consolidated Statement of Operations)				
Ticona Affiliates - Asia ¹	17	17	32	30
Ticona Affiliates - Middle East ²	38	22	66	43
Infraserv Affiliates ³	7	7	15	16
Total	62	46	113	89
Proportional Affiliate EBITDA in Excess of Equity in Net Earnings of Affiliates				
Ticona Affiliates - Asia ¹	18	15	34	32
Ticona Affiliates - Middle East ²	14	8	24	16
Infraserv Affiliates ³	11	14	22	24
Total	43	37	80	72
Proportional Net Debt				
Ticona Affiliates - Asia ¹	121	45	121	45
Ticona Affiliates - Middle East ²	(46)	(20)	(46)	(20)
Infraserv Affiliates ³	107	100	107	100
Total	182	125	182	125

¹ Ticona Affiliates - Asia accounted for using the equity method includes Polyplastics (45%), Korean Engineering Plastics (50%), Fortron Industries (50%), Una SA (2012 - 0% , 2011 - 50%). Una SA was divested during the Three Months Ended March 31, 2011.

² Ticona Affiliates - Middle East accounted for using the equity method includes National Methanol Company (Ibn Sina) (25%).

³ Infraserv Affiliates accounted for using the equity method includes Infraserv Hoechst (32%), Infraserv Gendorf (39%) and Infraserv Knapsack (27%).

Celanese Q2 2012 Earnings

Monday, July 23, 2012

Mark Rohr, Chairman and Chief Executive Officer
Steven Sterin, Senior Vice President and Chief Financial Officer

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Forward-Looking Statements

This presentation and remarks made as part of this presentation contain "forward-looking statements," which include information concerning the company's plans, objectives, goals, strategies, future revenues or performance, capital expenditures, financing needs and other information that is not historical information. When used in this presentation and related remarks, the words "outlook," "forecast," "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "may," "can," "could," "might," "will" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the company will realize these expectations or that these beliefs will prove correct.

There are a number of risks and uncertainties that could cause actual results to differ materially from the results expressed or implied in the forward-looking statements contained in this presentation and related remarks. These risks and uncertainties include, among other things: changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate; the length and depth of product and industry business cycles, particularly in the automotive, electrical, textiles, electronics and construction industries; changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources; the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases; the ability to maintain plant utilization rates and to implement planned capacity additions and expansions; the ability to improve productivity by implementing technological improvements to existing plants; increased price competition and the introduction of competing products by other companies; market acceptance of our technology; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the company; changes in the degree of intellectual property and other legal protection afforded to our products or technology, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, cyber security incidents, terrorism or political unrest or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, including the occurrence of acts of war or terrorist incidents, or as a result of weather or natural disasters; potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating 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; our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; and various other factors discussed from time to time in the company's filings with the Securities and Exchange Commission.

In addition to the risks and uncertainties identified above, the following risks and uncertainties, among others, could cause the company's actual results regarding its initiatives involving the use of advanced technology for the production of ethanol for chemical applications and other uses to differ materially from the results expressed or implied in these materials: the impact of technological developments and competition; our ability to obtain licenses of, or other access to, alternative ethanol production processes on attractive terms; unanticipated operational or commercialization difficulties, including failure of facilities or processes to operate in accordance with specifications or expectations; the cost and availability of capital necessary to fund plant construction and expansion; the unavailability of required materials and equipment; changes in the price and availability of commodities and supplies; the ability to achieve the anticipated cost structure; the growth in demand for products produced from our technology in certain industries or geographic regions; the adoption of new or different industry or regulatory standards; and the ability of third parties, including our commercial partners or suppliers, to comply with their commitments to us.

Forward-looking statements speak only as of the date on which they are made, and the company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Results Unaudited

The results in this presentation, together with the adjustments made to present the results on a comparable basis, have not been audited and are based on internal financial data furnished to management. Quarterly and full fiscal year results should not be taken as an indication of the results of operations to be reported for any subsequent period or for the full fiscal year.

Non-US GAAP Financial Information

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

This presentation reflects the following performance measures: operating EBITDA, business operating EBITDA, affiliate EBITDA and proportional affiliate EBITDA, adjusted earnings per share, net debt, and adjusted free cash flow as non-U.S. GAAP measures. These measurements are not recognized in accordance with U.S. GAAP and should not be viewed as an alternative to U.S. GAAP measures of performance. The most directly comparable financial measure presented in accordance with U.S. GAAP in our consolidated financial statements for operating EBITDA and business operating EBITDA is net income; for proportional affiliate EBITDA is equity in net earnings of affiliates; for affiliate EBITDA is operating profit; for adjusted earnings per share is earnings per common share-diluted; for net debt is total debt; and for adjusted free cash flow is cash flow from operations.

Use of Non-U.S. GAAP Financial Information

- ▶ Operating EBITDA, a measure used by management to measure performance, is defined by the company as net earnings minus interest income plus loss (earnings) from discontinued operations, interest expense, income taxes and depreciation and amortization, and further adjusted for Other Charges and Adjustments as described in the Appendix. We may provide guidance on operating EBITDA and are unable to reconcile forecasted operating EBITDA to a U.S. GAAP financial measure because a forecast of Other Charges and Adjustments is not practical.
- ▶ Business operating EBITDA, a measure used by management to measure performance of its internal operations, is defined by the company as net earnings minus interest income plus loss (earnings) from discontinued operations, interest expense, income taxes and depreciation and amortization, and further adjusted for Other Charges and Adjustments as described in the Appendix, less equity in net earnings of affiliates, dividend income from cost investments and other (income) expense. This reflects the operating results of the company's operations without regard to its equity and cost investments. The company believes that investors should consider business operating EBITDA when evaluating the company's internal operations.
- ▶ Affiliate EBITDA is defined by the company as operating profit plus the depreciation and amortization of its equity affiliates. Proportional affiliate EBITDA, a measure used by management to measure performance of its equity investments, is defined by the company as the proportional operating profit plus the proportional depreciation and amortization of its equity investments. The company has determined that it does not have sufficient ownership for operating control of these investments to consider their results on a consolidated basis. We believe that investors should consider proportional affiliate EBITDA as an additional measure of operating results.
- ▶ Adjusted earnings per share is a measure used by management to measure performance. It is defined by the company as net earnings (loss) available to common shareholders plus preferred dividends, adjusted for other charges and adjustments, and divided by the number of basic common shares, diluted preferred shares, and options valued using the treasury method. We may provide guidance on an adjusted earnings per share basis and are unable to reconcile forecasted adjusted earnings per share to a U.S. GAAP financial measure without unreasonable effort because a forecast of Other Items is not practical. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding various financial and business trends relating to our financial condition and results of operations, and that when U.S. GAAP information is viewed in conjunction with non-U.S. GAAP information, investors are provided with a more meaningful understanding of our ongoing operating performance. Note: The income tax rate used for adjusted earnings per share approximates the midpoint in a range of forecasted tax rates for the year. This range may include certain partial or full-year forecasted tax opportunities, where applicable, and specifically excludes changes in uncertain tax positions, discrete items and other material items adjusted out of our U.S. GAAP earnings for adjusted earnings per share purposes, and changes in management's assessments regarding the ability to realize deferred tax assets. We analyze this rate quarterly and adjust if there is a material change in the range of forecasted tax rates; an updated forecast would not necessarily result in a change to our tax rate used for adjusted earnings per share. The adjusted tax rate is an estimate and may differ from the tax rate used for U.S. GAAP reporting in any given reporting period. It is not practical to reconcile our prospective adjusted tax rate to the actual U.S. GAAP tax rate in any given future period.
- ▶ Net debt is defined by the company as total debt less cash and cash equivalents. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding changes to the company's capital structure. Our management and credit analysts use net debt to evaluate the company's capital structure and assess credit quality. Proportional net debt is defined as our proportionate share of our affiliates' net debt.
- ▶ Adjusted free cash flow is defined by the company as cash flow from operations less other productive asset purchases, operating cash from discontinued operations and certain other charges and adjustments. We believe that the presentation of this non-U.S. GAAP measure provides useful information to management and investors regarding changes to the company's cash flow. Our management and credit analysts use adjusted free cash flow to evaluate the company's liquidity and assess credit quality. Although we use adjusted free cash flow as a financial measure to assess the performance of our business, the use of adjusted free cash flow has important limitations, including that adjusted free cash flow does not reflect the cash requirements necessary to service our indebtedness, lease obligations, unconditional purchase obligations or pension and postretirement funding obligations.

Mark Rohr
Chairman and Chief Executive Officer

Highlights of recent activities

- ▶ Announced plans to backward integrate into methanol at Clear Lake, Texas
- ▶ Launched SunsationSM sweetener platform
- ▶ Entered into Joint Statement of Cooperation with Pertamina to advance fuel ethanol projects in Indonesia
- ▶ In the process of starting up the technology development unit for ethanol at Clear Lake, Texas

Significant progress on strategic projects to deliver long-term shareholder value

Celanese Corporation Q2'12 highlights

in millions (except EPS)	Q2'11	Q1'12	Q2'12
Net Sales	\$1,753	\$1,633	\$1,675
Proportional Net Sales of Affiliates	\$427	\$424	\$455
Total:	\$2,180	\$2,057	\$2,130
Operating Profit/(Loss)	\$209	\$98	\$164
Adjusted EPS	\$1.66	\$0.72	\$1.47
Operating EBITDA	\$441	\$255	\$402
Proportional Affiliate EBITDA in excess of Equity in net earnings of affiliates*	\$37	\$37	\$43
Total:	\$478	\$292	\$445

- ▶ Second best quarterly adjusted EPS in Celanese history, despite challenging economic conditions in Europe and slower growth in Asia
- ▶ The acetyl industry challenged by soft demand

Steven Sterin
Senior Vice President and Chief Financial Officer

Q2 Performance

in millions	Q2'11	Q1'12	Q2'12
Net Sales	\$346	\$317	\$323
Operating EBITDA	\$107	\$94	\$114
Operating EBITDA Margin	31%	30%	35%

Factors Affecting Net Sales Changes

	Q2'12	
	<u>vs. Q2'11</u>	<u>vs. Q1'12</u>
Volume	(4%)	-
Price	2%	3%
Currency	(5%)	(1%)
Other	-	-
Total Sales	(7%)	2%

Key Business Highlights

Sequential (Q2'12 vs Q1'12)

- ▶ Sales and earnings growth driven by increased pricing
- ▶ Increased equity earnings from strategic affiliates

Year-over-Year (Q2'12 vs Q2'11)

- ▶ Sales: higher pricing; lower volumes due to European economy; unfavorable currency
- ▶ Earnings: higher pricing; increased equity earnings from strategic affiliates more than offset lower volumes and currency impacts

Q3 Business Outlook

- ▶ Slightly lower sequential earnings
 - Expect higher sales and lower raw material costs
 - Lower equity earnings from strategic affiliates

Q2 Performance

in millions	Q2'11	Q1'12	Q2'12
Net Sales	\$291	\$264	\$327
Operating EBITDA	\$147	\$66	\$168
Operating EBITDA Margin	51%	25%	51%

Factors Affecting Net Sales Changes

	Q2'12	
	vs. Q2'11	vs. Q1'12
Volume	6%	23%
Price	7%	1%
Currency	(1%)	-
Other	-	-
Total Sales	12%	24%

Key Business Highlights

Sequential

- ▶ Sales and earnings growth from higher volume due to volume shift from Q1 production interruption
- ▶ Dividends from strategic affiliates

YoY

- ▶ Sales: higher pricing; higher volume due to volume shift from Q1 production interruption
- ▶ Earnings: higher volume and prices more than offset higher raw material and energy costs
- ▶ Increased dividends from strategic affiliates

Q3 Business Outlook

- ▶ Expect YoY earnings growth due to higher pricing in Acetate and higher volume in Nutrinova

Q2 Performance

in millions	Q2'11	Q1'12	Q2'12
Net Sales	\$329	\$309	\$327
Operating EBITDA	\$40	\$34	\$47
Operating EBITDA Margin	12%	11%	14%

Factors Affecting Net Sales Changes

	Q2'12	
	<u>vs. Q2'11</u>	<u>vs. Q1'12</u>
Volume	5%	5%
Price	(1%)	2%
Currency	(5%)	(1%)
Other	-	-
Total Sales	(1%)	6%

Key Business Highlights

Sequential

- ▶ Sales and earnings increased due to:
 - Volume growth in Emulsions in NA and Asia
 - Improved mix in EVA Performance Polymers

YoY

- ▶ Sales: volume growth in North America and Asia offset by unfavorable currency
- ▶ Earnings: margin improvement due to higher volume and lower raw material costs

Q3 Business Outlook

- ▶ Expect sequentially lower earnings due to seasonality and mix

Q2 Performance

in millions	Q2'11	Q1'12	Q2'12
Net Sales	\$914	\$852	\$821
Operating EBITDA	\$177	\$83	\$99
Operating EBITDA Margin	19%	10%	12%

Factors Affecting Net Sales Changes

	Q2'12	
	vs. Q2'11	vs. Q1'12
Volume	4%	(6%)
Price	(10%)	2%
Currency	(4%)	-
Other	-	-
Total Sales	(10%)	(4%)

Key Business Highlights

Sequential

- ▶ Sales: volume decline due to soft demand
- ▶ Earnings: margin expansion driven by higher pricing and lower raw material costs

YoY

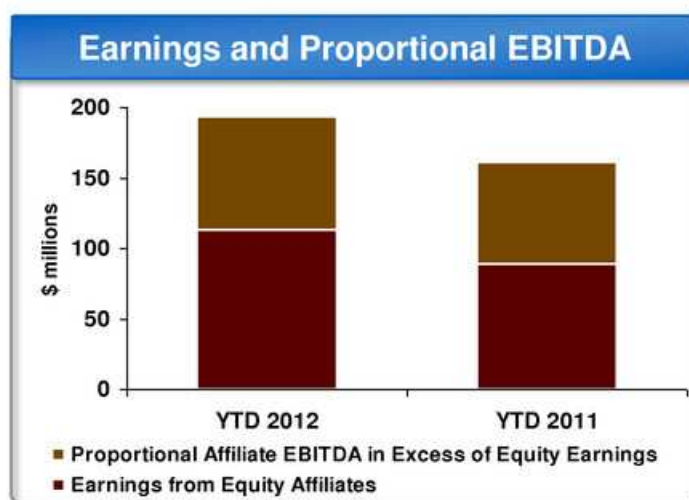
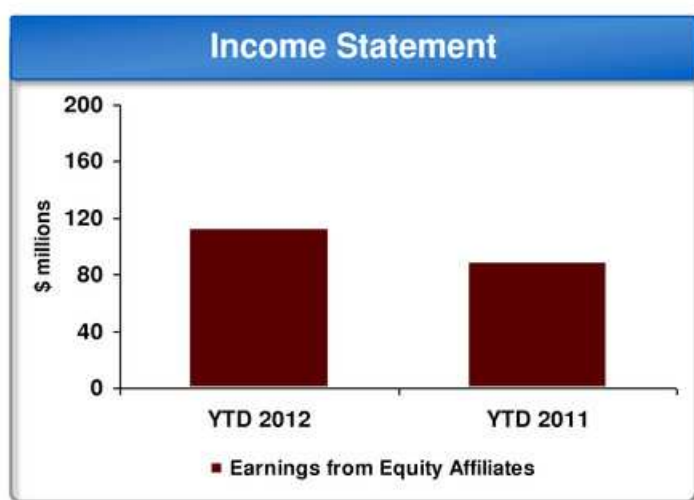
- ▶ Sales: lower pricing due to temporarily elevated utilization in prior year and soft demand in Q2'12
- ▶ Earnings: lower pricing and currency more than offset higher volume and lower raw material costs

Q3 Business Outlook

- ▶ Assuming no improvement in global economic conditions, expect trough-like conditions in the acetyl chain to continue through remainder of 2012

Affiliate performance


- ▶ Q2'12: equity affiliates contributed \$62 million to earnings with an additional \$43 million proportional Affiliate EBITDA not included in Operating EBITDA
- ▶ Equity and cost investment dividends were \$146 million, a \$21 million increase from Q2'11
- ▶ Q3 Outlook: earnings from AEM's strategic affiliates expected to be lower than 2011, primarily driven by a scheduled turnaround and MTBE pricing in Ibn Sina



Free cash flow 2nd Quarter 2012

Adjusted Free Cash Flow

<i>in millions</i>	Q2'11	Q2'12
Net cash provided by operating activities	\$184	\$187
Adjustments to operating cash for discontinued operations	(\$4)	(\$1)
Net cash provided by operating activities from continuing operations	\$180	\$186
Less: Capital expenditures	(\$74)	(\$77)
Add: Other charges and adjustments ¹	(\$1)	(\$17)
Adjusted Free Cash Flow²	\$105	\$92

- 
- ▶ Positive free cash flow continues despite weak market conditions
 - ▶ Continue to invest in high payback strategic growth initiatives

¹Amounts primarily associated with cash outflows for purchases of other productive assets that are classified as 'investing activities' for U.S. GAAP purposes

²Excludes Ticona Kelsterbach expansion cash flows

Strong cash generation continues throughout economic cycle



2012E Adjusted Free Cash Outflows (off EBITDA Base) *in millions*

Cash Taxes	\$120 – \$140
Capital Expenditures	\$325 – \$350
Reserve/Other	\$125 – \$150
Net Interest	\$190 – \$200
Pension	\$100 – \$125
Working Capital	(\$50) – \$0
Adjusted Free Cash Outflows*	\$800 – \$1,000

- ▶ Dividend, debt service, option receipts, and share repurchases of ~\$80-100 million
- ▶ Board authorized 25% increase in dividend effective August 2012

14 * Excludes cash outflows for the Ticona Kelsterbach expansion capital expenditures of approximately \$60 million.

Appendix

Notes:

References on the following slides to tables correspond to the tables included with Celanese press release dated July 23, 2012

Reg G: Business segment data and reconciliation of operating profit (loss) to operating EBITDA - a non-U.S. GAAP measure – unaudited (Table 1)



(in \$ millions)	Three Months Ended		
	June 30, 2012	March 31, 2012	June 30, 2011
Net Sales			
Advanced Engineered Materials	323	317	346
Consumer Specialties	327	264	291
Industrial Specialties	327	309	329
Acetyl Intermediates	821	852	914
Other Activities ¹	-	-	-
Intersegment eliminations	(123)	(109)	(127)
Total	1,675	1,633	1,753
Operating Profit (Loss)			
Advanced Engineered Materials	21	21	27
Consumer Specialties	75	39	48
Industrial Specialties	34	19	28
Acetyl Intermediates	77	60	152
Other Activities ¹	(43)	(41)	(46)
Total	164	98	209
Other Charges and Other Adjustments²			
Advanced Engineered Materials	10	3	22
Consumer Specialties	(1)	17	10
Industrial Specialties	-	2	-
Acetyl Intermediates	1	2	(2)
Other Activities ¹	9	8	3
Total	19	32	33
Depreciation and Amortization Expense³			
Advanced Engineered Materials	28	27	19
Consumer Specialties	10	9	10
Industrial Specialties	13	13	12
Acetyl Intermediates	19	20	25
Other Activities ¹	4	3	2
Total	74	72	68
Business Operating EBITDA			
Advanced Engineered Materials	59	51	68
Consumer Specialties	84	65	68
Industrial Specialties	47	34	40
Acetyl Intermediates	97	82	175
Other Activities ¹	(30)	(30)	(41)
Total	257	202	310
Equity Earnings, Cost - Dividend Income and Other Income (Expense)			
Advanced Engineered Materials	55	43	39
Consumer Specialties	84	1	79
Industrial Specialties	-	-	-
Acetyl Intermediates	2	1	2
Other Activities ¹	4	8	11
Total	145	53	131
Operating EBITDA			
Advanced Engineered Materials	114	94	107
Consumer Specialties	168	66	147
Industrial Specialties	47	34	40
Acetyl Intermediates	99	83	177
Other Activities ¹	(25)	(22)	(30)
Total	402	255	441

¹ Other Activities includes corporate selling, general and administrative expense and the results from captive insurance companies.

² See Table 7 for details.

³ Excludes accelerated depreciation and amortization expense included in Other Charges and Other Adjustments above. See Table 9 for details.

Reg G: Reconciliation of consolidated net earnings (loss) to operating EBITDA - a non-U.S. GAAP measure – unaudited (Table 1A)



<i>(in \$ millions)</i>	Three Months Ended		
	June 30, 2012	March 31, 2012	June 30, 2011
Net earnings (loss) attributable to Celanese Corporation	210	183	203
(Earnings) loss from discontinued operations	-	-	2
Interest income	-	(1)	-
Interest expense	45	45	57
Refinancing expense	-	-	3
Income tax provision (benefit)	54	(76)	75
Depreciation and amortization expense ²	74	72	68
Other charges (gains), net ¹	3	-	18
Other adjustments ¹	16	32	15
Operating EBITDA	402	255	441
Detail by Business Segment			
Advanced Engineered Materials	114	94	107
Consumer Specialties	168	66	147
Industrial Specialties	47	34	40
Acetyl Intermediates	99	83	177
Other Activities ³	(26)	(22)	(30)
Operating EBITDA	402	255	441

¹ See Table 7 for details.

² Excludes accelerated depreciation and amortization expense as detailed in the table below and included in Other adjustments above.

³ Other Activities includes corporate selling, general and administrative expenses and the results from captive insurance companies.

<i>(in \$ millions)</i>	Three Months Ended		
	June 30, 2012	March 31, 2012	June 30, 2011
Advanced Engineered Materials	-	-	1
Consumer Specialties	1	-	3
Industrial Specialties	-	2	-
Acetyl Intermediates	-	-	-
Other Activities ³	-	-	-
Accelerated depreciation and amortization expense	1	2	4
Depreciation and amortization expense ²	74	72	68
Total depreciation and amortization expense	75	74	72

Reg G: Adjusted earnings (loss) per share - reconciliation of a non-U.S. GAAP measure – unaudited (Table 6)



<i>(in \$ millions, except share and per share data)</i>	Three Months Ended					
	June 30,		March 31,		June 30,	
	2012		2012		2011	
		per share		per share		per share
Earnings (loss) from continuing operations	210	1.31	183	1.15	205	1.29
Deduct: Income tax (provision) benefit	(54)		76		(75)	
Earnings (loss) from continuing operations before tax	264		107		280	
Other charges and other adjustments ¹	19		32		33	
Refinancing - related expenses	-		-		6	
Adjusted earnings (loss) from continuing operations before tax	283		139		319	
Income tax (provision) benefit on adjusted earnings ²	(48)		(24)		(54)	
Less: Noncontrolling interests	-		-		-	
Adjusted earnings (loss) from continuing operations	235	1.47	115	0.72	265	1.66
<i>Diluted shares (in millions) ³</i>						
Weighted average shares outstanding		158.1		156.5		156.3
Dilutive stock options		1.0		1.9		2.0
Dilutive restricted stock units		0.6		0.7		0.9
Total diluted shares		159.7		159.1		159.2

¹ See Table 7 for details.

² The adjusted effective tax rate is 17% for the three months ended June 30, 2012, March 31, 2012, and June 30, 2011.

³ Potentially dilutive shares are included in the adjusted earnings per share calculation when adjusted earnings are positive.

Reg G: Other charges and other adjustments - reconciliation of a non-U.S. GAAP measure – unaudited (Table 7)



Other Charges (Gains), net:

<i>(in \$ millions)</i>	Three Months Ended		
	June 30,	March 31,	June 30,
	2012	2012	2011
Employee termination benefits	1	-	9
Ticona Kelsterbach plant relocation	2	-	16
Plumbing actions	-	-	(4)
Commercial disputes	-	-	(2)
Other	-	-	(1)
Total	3	-	18

Other Adjustments: ¹

<i>(in \$ millions)</i>	Three Months Ended			Income Statement Classification
	June 30,	March 31,	June 30,	
	2012	2012	2011	
Business optimization	3	5	2	Cost of sales / SG&A
Ticona Kelsterbach plant relocation	8	3	5	Cost of sales
Plant closures	2	4	7	Cost of sales / SG&A
(Gain) loss on disposition of assets	-	-	(1)	(Gain) loss on disposition
Write-off of other productive assets	-	-	(1)	Cost of sales
Acetate production interruption costs	-	10	-	Cost of sales
Other	3	10	3	Various
Total	16	32	15	
Total other charges and other adjustments	19	32	33	

¹ These items are included in net earnings but not included in Other charges (gains), net.

Q2 2012 Other charges and other adjustments by business segment - reconciliation of a non-U.S. GAAP measure - unaudited



in \$ millions	AEM	CS	IS	AI	Other	Total	Income Statement Classification
Employee termination benefits	-	2	-	(1)	-	1	
Ticona Kelsterbach plant relocation	2	-	-	-	-	2	
Insurance recoveries	-	(6)	-	-	6	-	
Total other charges (gains), net	2	(4)	-	(1)	6	3	
Business optimization	-	-	-	-	3	3	SG&A
Ticona Kelsterbach plant relocation	8	-	-	-	-	8	Cost of Sales
Plant closures	-	1	-	1	-	2	Cost of Sales
Other	-	2	-	1	-	3	Various ¹
Total other adjustments	8	3	-	2	3	16	
Total other charges and other adjustments	10	(1)	-	1	9	19	

¹ The following summarizes the income statement classification of the other adjustments:

Cost of Sales	-	2	-	-	-	2
Other income/expense, net	-	-	-	1	-	1
Total other	-	2	-	1	-	3

Q1 2012 Other charges and other adjustments by business segment - reconciliation of a non-U.S. GAAP measure - unaudited



in \$ millions	AEM	CS	IS	AI	Other	Total	Income Statement Classification
Employee termination benefits	-	1	-	-	(1)	-	
Total other charges (gains), net	-	1	-	-	(1)	-	
Business optimization	-	-	-	-	5	5	SG&A
Ticona Kelsterbach plant relocation	3	-	-	-	-	3	Cost of Sales
Plant closures	-	1	2	1	-	4	Cost of Sales / SG&A
Acetate production interruption costs	-	10	-	-	-	10	Cost of Sales
Other	-	5	-	1	4 ¹	10	Various ²
Total other adjustments	3	16	2	2	9	32	
Total other charges and other adjustments	3	17	2	2	8	32	

¹ Non-cash expense related to CEO retirement

² The following summarizes the income statement classification of the other adjustments:

Cost of Sales	-	5	-	1	-	6
Selling, General & Administrative	-	-	-	-	4	4
Total other	-	5	-	1	4	10

Q2 2011 Other charges and other adjustments by business segment - reconciliation of a non-U.S. GAAP measure - unaudited



in \$ millions						Total	Income Statement Classification
	AEM	CS	IS	AI	Other		
Employee termination benefits	4	3	-	1	1	9	
Ticona Kelsterbach plant relocation	16	-	-	-	-	16	
Plumbing actions	(4)	-	-	-	-	(4)	
Commercial disputes	-	-	-	(2)	-	(2)	
Other	-	-	-	(1)	-	(1)	
Total other charges (gains), net	16	3	-	(2)	1	18	
Business optimization	-	-	-	-	2	2	Cost of Sales / SG&A
Ticona Kelsterbach plant relocation	5	-	-	-	-	5	Cost of Sales
Plant closures	1	4	-	2	-	7	Cost of Sales / SG&A
(Gain)/loss on disposition of assets	-	-	-	(1)	-	(1)	(Gain) loss on disposition
Write-off of other productive assets	-	-	-	(1)	-	(1)	Cost of Sales
Other	-	3	-	-	-	3	Cost of Sales
Total other adjustments	6	7	-	-	2	15	
Total other charges and other adjustments	22	10	-	(2)	3	33	

Reg G: Equity affiliate results and reconciliation of operating profit to affiliate EBITDA - a non-U.S. GAAP measure - total - unaudited (Table 8)

(in \$ millions)	Three Months Ended		
	June 30, 2012	March 31, 2012	June 30, 2011
Net Sales			
Ticona Affiliates - Asia ¹	441	423	393
Ticona Affiliates - Middle East ²	380	304	252
Infraserv Affiliates ³	478	467	550
Total	1,299	1,194	1,195
Operating Profit			
Ticona Affiliates - Asia ¹	57	46	52
Ticona Affiliates - Middle East ²	197	139	104
Infraserv Affiliates ³	31	29	34
Total	285	214	190
Depreciation and Amortization			
Ticona Affiliates - Asia ¹	19	19	15
Ticona Affiliates - Middle East ²	9	14	18
Infraserv Affiliates ³	26	27	29
Total	54	60	62
Affiliate EBITDA			
Ticona Affiliates - Asia ¹	76	65	67
Ticona Affiliates - Middle East ²	206	153	122
Infraserv Affiliates ³	57	56	63
Total	339	274	252
Net Income			
Ticona Affiliates - Asia ¹	36	32	37
Ticona Affiliates - Middle East ²	175	125	93
Infraserv Affiliates ³	23	25	23
Total	234	182	153
Net Debt			
Ticona Affiliates - Asia ¹	273	184	101
Ticona Affiliates - Middle East ²	(184)	(105)	(78)
Infraserv Affiliates ³	328	258	308
Total	417	337	331

¹ Ticona Affiliates - Asia accounted for using the equity method includes Polyplastics (45%), Korean Engineering Plastics (50%), Fortron Industries (50%), Una SA (50%). Una SA was divested during the three months ended March 31, 2011.

² Ticona Affiliates - Middle East accounted for using the equity method includes National Methanol Company (Bn Sina) (25%).

³ Infraserv Affiliates accounted for using the equity method includes Infraserv Hoechst (32%), Infraserv Gendorf (39%) and Infraserv Knapsack (27%).

Reg G: Equity affiliate results and reconciliation of proportional operating profit to proportional affiliate EBITDA - a non-U.S. GAAP measure - Celanese proportional share – unaudited (Table 8 continued)

(in \$ millions)	Three Months Ended		
	June 30, 2012	March 31, 2012	June 30, 2011
Proportional Net Sales			
Ticona Affiliates - Asia ¹	203	195	182
Ticona Affiliates - Middle East ²	95	76	63
Infraserv Affiliates ³	157	153	182
Total	455	424	427
Proportional Operating Profit			
Ticona Affiliates - Asia ¹	26	22	25
Ticona Affiliates - Middle East ²	49	35	25
Infraserv Affiliates ³	10	10	12
Total	85	67	62
Proportional Depreciation and Amortization			
Ticona Affiliates - Asia ¹	9	9	7
Ticona Affiliates - Middle East ²	3	3	5
Infraserv Affiliates ³	8	9	9
Total	20	21	21
Proportional Affiliate EBITDA			
Ticona Affiliates - Asia ¹	35	31	32
Ticona Affiliates - Middle East ²	52	38	30
Infraserv Affiliates ³	18	19	21
Total	105	88	83
Equity in net earnings of affiliates (as reported in the Consolidated Statement of Operations)			
Ticona Affiliates - Asia ¹	17	15	17
Ticona Affiliates - Middle East ²	38	28	22
Infraserv Affiliates ³	7	8	7
Total	62	51	46
Proportional Affiliate EBITDA in excess of Equity in net earnings of affiliates			
Ticona Affiliates - Asia ¹	18	16	15
Ticona Affiliates - Middle East ²	14	10	8
Infraserv Affiliates ³	11	11	14
Total	43	37	37
Proportional Net Debt			
Ticona Affiliates - Asia ¹	121	83	45
Ticona Affiliates - Middle East ²	(46)	(26)	(20)
Infraserv Affiliates ³	107	85	100
Total	182	142	125

¹Ticona Affiliates - Asia accounted for using the equity method includes Polyplastics (45%), Korean Engineering Plastics (50%), Fortron Industries (50%), Uha SA (50%). Uha SA was divested during the three months ended March 31, 2011.

²Ticona Affiliates - Middle East accounted for using the equity method includes National Methanol Company (IBN Sina) (25%).

³Infraserv Affiliates accounted for using the equity method includes Infraserv Hoechst (32%), Infraserv Gendorf (39%) and Infraserv Knapsack (27%).



Q2 2012 Earnings Prepared Comments

July 23, 2012

Jon Puckett, Celanese Corporation, Vice President, Investor Relations

Welcome to the Celanese Corporation second quarter 2012 financial results recording. The date of this recording is July 23, 2012. Please note that no portion of this presentation may be rebroadcast or reproduced in any form without the prior written consent of Celanese.

My name is Jon Puckett, and I am Vice President of Investor Relations. Today you will be hearing from Mark Rohr, Chairman and Chief Executive Officer of Celanese, and Steven Sterin, Senior Vice President and Chief Financial Officer.

The Celanese Corporation second quarter 2012 earnings release was distributed via business wire this afternoon and is posted on our website, www.celanese.com, in the Investor section. The PowerPoint slides referenced during this recording are also posted on our website. Both items were submitted to the SEC today in a current report on Form 8-K. This recording includes forward-looking statements concerning, for example, Celanese Corporation's future objectives and results, which will be made under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. The words "expect," "believe," "anticipate," "intend," "plan," and similar expressions identify forward-looking statements. Any such forward-looking statements are subject to risks and uncertainties, and the Company's future results could differ materially from historical results or current expectations. For more details on these risks and uncertainties, please see our most recent Form 10-K and subsequent periodic filings we make with the SEC. The limitations inherent in such forward-looking statements are also further detailed in the earnings release referenced during this recording which is posted on our website. The forward-looking statements made in this recording are made on and as of the date of this recording, and Celanese undertakes no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Celanese Corporation's second quarter 2012 earnings release also references the performance measures operating EBITDA, business operating EBITDA, Affiliate EBITDA and proportional Affiliate EBITDA, adjusted earnings per share and net debt as non-US GAAP measures. For the most directly comparable financial measures presented in accordance with US GAAP in our financial statements and for a reconciliation of our non-US GAAP measures to US GAAP measures, please see the accompanying

schedules to the second quarter earnings release posted on our website.

Mark Rohr will provide some highlights and review the overall performance of the Company. Steven Sterin will then provide an overview of the business results and outlook for each segment and the financials. I'd like now to turn the call over to Mark.

Mark Rohr, Celanese Corporation, Chairman of the Board of Directors and Chief Executive Officer

Thanks, Jon, and welcome to everyone listening today. Before I get into the quarter I'd like to highlight some recent accomplishments that we are particularly excited about.

In June, we announced plans to construct a methanol production facility at our Clear Lake, Texas acetyl complex. We believe the current and emerging U.S. natural gas supplies provide us a unique opportunity to leverage our existing infrastructure in Clear Lake and capture advantages by implementing the most current state-of-the-art technology to produce methanol. Currently, we are in the process of negotiating with potential partners for a portion of methanol. Once these negotiations are complete we will have more details to share with you.

I expect many of you may also have questions about our contractual relationship with Southern Chemical Corporation for the procurement of methanol in the U.S. Unfortunately, since we are in active litigation with Southern, and our contract contains confidentiality provisions, we will not be able to answer any questions related to this contract, or the litigation at this time.

Also in June, we launched an innovative, new sweetener platform for the food and beverage industry called SunsationSM. We created this platform to fill a need in the industry for better tasting zero-calorie sweetened products. SunsationSM is unique because it simplifies the formulation process with a drop-in solution that allows manufacturers to bring products to market faster. We are very excited about the prospects for this technology.

Last week we announced an agreement to develop fuel ethanol projects with Pertamina, the state-owned energy company in Indonesia. Pertamina will collaborate exclusively with Celanese to jointly develop fuel ethanol projects using Celanese's proprietary ethanol technology. We are thrilled with this opportunity to implement TCX[®] on a grand scale. This technology will allow Indonesia to use its abundant lower-rank coal to reduce imported energy requirements. This development will also help Indonesia meet its growing demand for affordable, high quality transportation fuel and improve air quality through the reduction of harmful tailpipe emissions and particulate matter. We believe the opportunity in Indonesia at a 10 percent fuel ethanol blend could require three to four world-scale TCX[®] units by 2020.

And today, we are in the process of starting up our ethanol Technology Development Unit in Clear Lake, Texas. This unit will support our continuing development of the technology for both industrial-grade and fuel-grade ethanol customers. Investors and analysts will have an opportunity to visit this site at our Technology Day on September 20 this year.

Now for the quarter - We reported the second highest adjusted earnings per share in our history at \$1.47 per share amid a challenging economic environment in Europe, slower growth in Asia and a headwind from currency translation that was in the high single digit range. The only quarter that we have achieved higher adjusted EPS than this quarter was the second quarter of last year which benefited from a number of unscheduled acetic acid production outages across multiple acetyl producers. Our ability to deliver these results, in this environment, demonstrates the strength of our technology and our portfolio.

Sequentially, each business generated earnings growth. In fact, Industrial Specialties set a quarterly earnings record.

On a year-over-year basis, our three specialty segments increased operating EBITDA by approximately 12%. Acetyl Intermediates earnings declined in second quarter primarily due to a difficult year-over-year comparison that was driven by temporarily elevated industry utilization in the prior year. Within this quarter, AI experienced trough-like levels of operating EBITDA due to weak economic conditions in Europe and slower growth in Asia, impacting demand and pricing. At quarter's end, we believe industry utilization rates were approximately in the mid 70% range, with Asian utilization rates closer to 50%. Yet even in this environment, the company generated \$1.04 per share of adjusted earnings, excluding the dividend from the acetate ventures.

As we look forward, we feel good about our ability to manage through these challenging times but I want to remind everyone that there are items beyond our control like the sovereign debt crisis that remain worrying. Notwithstanding these concerns, we expect second half adjusted earnings per share to reflect seasonal earnings trends which are typically below the first half of the year, excluding the dividend from the company's acetate China ventures.

Despite the near term challenges we are well positioned to benefit from a long-term global trends in each of our businesses driven by demand for our innovative applications and process technologies. We continue to be the lowest cost producer in the acetyl space due to the technology advantage we have developed over the last several decades. We also continue to pursue upstream and downstream opportunities within the acetyl chain that will have a moderating effect on acid volumes and earnings over time. In Industrial Specialties, our innovative chemistry is allowing us to provide styrene butadiene customers with more

predictable costs due to our vinyl advantage in paper and carpet. In Advanced Engineered Materials, we will continue to develop new applications for our highly engineered thermoplastics that meet stringent customer requirements. In Consumer Specialties new products like SunsationSM that add value to our customers also add value to Celanese. It is for these reasons I am confident in Celanese's value proposition and our ability to continue to perform well in the future.

With that, I'll now turn the call over to Steven. Steven?

Steven Sterin, Celanese Corporation, Senior Vice President and Chief Financial Officer

Thanks, Mark. Let's now review the second quarter performance and this year's outlook for each of our businesses starting with Advanced Engineered Materials on slide 8 of the earnings presentation. AEM delivered improved revenue sequentially, despite continued weakened economic conditions in Europe. Net sales increased to \$323 million, up \$6 million from Q1 results, primarily due to 3% higher pricing. Operating EBITDA increased to \$114 million, up \$20 million, or 21% from Q1, driven by higher pricing and increased equity earnings in our strategic affiliates. These are excellent results given the economic backdrop and weaker auto builds in Europe.

As we look ahead to the third quarter, we anticipate increased sales and lower raw material costs, but expect earnings to be down sequentially due to lower equity earnings from our strategic affiliates, primarily Ibn Sina, related to a scheduled turnaround and lower pricing on MTBE, consistent with crude pricing.

Let's now turn to Consumer Specialties on slide 9. Net sales were \$327 million, up \$63 million, or 24% from Q1, primarily driven by higher second quarter shipments. As a result of a production interruption in Q1 in Acetate we had to shift some volumes into the second quarter. Operating EBITDA was \$168 million, up \$102 million from Q1, due to the higher volumes and our annual dividend from our acetate China ventures. This quarter, we received a total of \$84 million of dividends, a \$5 million increase from last year's results.

On a year-over-year basis, pricing was 7% higher. As we look ahead to the third quarter of 2012, we expect year-over-year sales and earnings growth will continue to be driven by higher pricing in our Acetate Products business and increased volumes in our Nutrinova business. Nutrinova recently launched its new SunsationSM platform. We are excited about this latest technology advancement and look forward to providing this innovative sweetener solution to meet our customers' needs.

Let's now go to Industrial Specialties on slide 10. Net sales increased to \$327 million, \$18 million or 6%

above Q1 results, driven by Emulsions' volumes growth in North America and Asia, as well as an improved product mix in EVA Performance Polymers. Operating EBITDA was a record for this segment and increased to \$47 million, \$13 million or 38% above Q1.

As we look ahead to the third quarter, we expect lower earnings on a sequential basis due to seasonality and mix.

Let's now turn to Acetyl Intermediates on page 11. Net sales decreased to \$821 million from \$852 million in Q1, primarily due to lower volumes on soft demand. Operating EBITDA increased to \$99 million, up \$16 million from Q1, as this business experienced margin expansion due to increased pricing and lower raw material costs, sequentially.

Looking ahead without a return to more normalized global GDP growth - especially in Europe - we expect the trough-like conditions in acetyls to continue for the remainder of 2012 but once demand trends improve we expect to see a significant benefit in this business because of our low cost position.

Performance for our strategic affiliates is highlighted on slide 12. In the second quarter, we reported \$62 million of earnings from our strategic affiliates - a 35% increase over the prior year period. These results reflected increased earnings from our Ibn Sina affiliate due to higher pricing for MTBE and methanol. Keep in mind that this quarter's results do not include \$43 million of Celanese's proportional equity affiliate EBITDA that does not get consolidated. More details on our affiliate performance and proportional share can be found on Table 8 of our earnings release.

Turning to slide 13, our adjusted free cash flow totaled \$92 million in the second quarter of 2012, amid weak market conditions as we improved working capital relative to the prior year. This quarter's results included our continued investment in our strategic growth initiatives such as our ethanol technology development unit in Clear Lake and our 275,000 ton ethanol plant in China.

Slide 14 highlights our 2012 outlook for adjusted free cash outflows. This forecast includes capital expenditures for our growth projects, including our accelerated industrial ethanol projects. As mentioned earlier we just announced the commissioning of our technology development unit for ethanol production at our Clear Lake facility to support our continued development of our breakthrough TCX[®] Technology. The progress of our other ethanol facility in China also remains on track. We remain committed to these investments, but have lowered the overall company's expected range of our capital expenditures for 2012 by \$25 to \$50 million. Additionally, our cash flow forecast factors in the previously-approved 25% dividend increase, which will go into effect in August 2012.

This concludes our prepared remarks and we look forward to discussing our results with you on our earnings call tomorrow morning.