

Celanese Corp  
Form 10-Q  
October 21, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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Form 10-Q

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

For the quarterly period ended September 30, 2013

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)

98-0420726

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

222 W. Las Colinas Blvd., Suite 900N

Irving, TX

(Address of Principal Executive Offices)

(972) 443-4000

(Registrant's telephone number, including area code)

75039-5421

(Zip 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

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

The number of outstanding shares of the registrant's Series A common stock, \$0.0001 par value, as of October 15, 2013 was 157,672,305.



## CELANESE CORPORATION AND SUBSIDIARIES

Form 10-Q

For the Quarterly Period Ended September 30, 2013

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## Item 1. Financial Statements

## CELANESE CORPORATION AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30, 2013		Nine Months Ended September 30, 2012	
		2012 As Adjusted (Note 1)	2013	2012 As Adjusted (Note 1)
	(In \$ millions, except share and per share data)			
Net sales	1,636	1,609	4,894	4,917
Cost of sales	(1,290)	(1,281)	(3,896)	(3,980)
Gross profit	346	328	998	937
Selling, general and administrative expenses	(97)	(113)	(316)	(354)
Amortization of intangible assets	(6)	(12)	(26)	(38)
Research and development expenses	(24)	(23)	(73)	(73)
Other (charges) gains, net	(4)	2	(11)	(1)
Foreign exchange gain (loss), net	(2)	(4)	(5)	(4)
Gain (loss) on disposition of businesses and assets, net	(2)	(2)	(3)	(2)
Operating profit (loss)	211	176	564	465
Equity in net earnings (loss) of affiliates	41	50	150	163
Interest expense	(43)	(44)	(130)	(134)
Refinancing expense	(1)	—	(1)	—
Interest income	—	—	1	1
Dividend income - cost investments	22	1	69	85
Other income (expense), net	(2)	3	1	4
Earnings (loss) from continuing operations before tax	228	186	654	584
Income tax (provision) benefit	(57)	(57)	(209)	(41)
Earnings (loss) from continuing operations	171	129	445	543
Earnings (loss) from operation of discontinued operations 1	—	(3)	3	(3)
Gain (loss) on disposition of discontinued operations	—	—	—	—
Income tax (provision) benefit from discontinued operations	—	1	(1)	1
Earnings (loss) from discontinued operations	1	(2)	2	(2)
Net earnings (loss)	172	127	447	541
Net (earnings) loss attributable to noncontrolling interests	—	—	—	—
Net earnings (loss) attributable to Celanese Corporation	172	127	447	541
Amounts attributable to Celanese Corporation				
Earnings (loss) from continuing operations	171	129	445	543
Earnings (loss) from discontinued operations	1	(2)	2	(2)
Net earnings (loss)	172	127	447	541
Earnings (loss) per common share - basic				
Continuing operations	1.08	0.81	2.80	3.43
Discontinued operations	0.01	(0.01)	0.01	(0.01)
Net earnings (loss) - basic	1.09	0.80	2.81	3.42
Earnings (loss) per common share - diluted				
Continuing operations	1.07	0.80	2.79	3.40
Discontinued operations	0.01	(0.01)	0.01	(0.01)
Net earnings (loss) - diluted	1.08	0.79	2.80	3.39

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Weighted average shares - basic	158,501,075	159,158,280	159,282,314	157,970,535
Weighted average shares - diluted	159,095,531	160,129,376	159,846,593	159,678,638

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2013	2012 As Adjusted ( <u>Note 1</u> )	2013	2012 As Adjusted ( <u>Note 1</u> )	
	(In \$ millions)				
Net earnings (loss)	172	127	447	541	
Other comprehensive income (loss), net of tax					
Unrealized gain (loss) on marketable securities	1	—	1	—	
Foreign currency translation	42	28	37	4	
Gain (loss) on interest rate swaps	1	(2	) 4	(1	)
Pension and postretirement benefits	—	—	—	(6	)
Total other comprehensive income (loss), net of tax	44	26	42	(3	)
Total comprehensive income (loss), net of tax	216	153	489	538	
Comprehensive (income) loss attributable to noncontrolling interests	—	—	—	—	
Comprehensive income (loss) attributable to Celanese Corporation	216	153	489	538	

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

CELANESE CORPORATION AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED BALANCE SHEETS

	As of September 30, 2013	As of December 31, 2012
		As Adjusted ( <u>Note 1</u> )
	(In \$ millions, except share data)	
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	1,100	959
Trade receivables - third party and affiliates (net of allowance for doubtful accounts - 2013: \$11; 2012: \$9)	949	827
Non-trade receivables, net	293	209
Inventories	753	711
Deferred income taxes	50	49
Marketable securities, at fair value	44	53
Other assets	39	31
Total current assets	3,228	2,839
Investments in affiliates	857	800
Property, plant and equipment (net of accumulated depreciation - 2013: \$1,665; 2012: \$1,506)	3,391	3,350
Deferred income taxes	604	606
Other assets	498	463
Goodwill	787	777
Intangible assets, net	147	165
Total assets	9,512	9,000
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	224	168
Trade payables - third party and affiliates	739	649
Other liabilities	457	475
Deferred income taxes	25	25
Income taxes payable	152	38
Total current liabilities	1,597	1,355
Long-term debt	2,870	2,930
Deferred income taxes	61	50
Uncertain tax positions	203	181
Benefit obligations	1,546	1,602
Other liabilities	1,151	1,152
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized (2013 and 2012: 0 issued and outstanding)	—	—
Series A common stock, \$0.0001 par value, 400,000,000 shares authorized (2013: 183,781,497 issued and 157,692,320 outstanding; 2012: 183,629,237 issued and	—	—

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159,642,401 outstanding)			
Series B common stock, \$0.0001 par value, 100,000,000 shares authorized (2013 and 2012: 0 issued and outstanding)	—	—	
Treasury stock, at cost (2013: 26,089,177 shares; 2012: 23,986,836 shares)	(1,007	) (905	)
Additional paid-in capital	753	731	
Retained earnings	2,385	1,993	
Accumulated other comprehensive income (loss), net	(47	) (89	)
Total Celanese Corporation stockholders' equity	2,084	1,730	
Noncontrolling interests	—	—	
Total equity	2,084	1,730	
Total liabilities and equity	9,512	9,000	

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

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CELANESE CORPORATION AND SUBSIDIARIES  
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF EQUITY

	Nine Months Ended September 30, 2013	
	Shares	Amount As Adjusted ( <u>Note 1</u> )
Series A Common Stock		
Balance as of the beginning of the period	159,642,401	—