2009 Annual Report

Value Creation for Long-Term Success

To Celanese Shareholders:

For a decade, Celanese has consistently executed its business strategy of portfolio optimization, productivity, innovation and growth. Year after year, we have demonstrated a strong track record of delivering improved earnings power and pursuing Celanese-specific operational and strategic initiatives that have placed us on the leading edge of the industry. As we've delivered on our objectives in recent years, we've had an enhanced focus on operational excellence, growth in Asia and strategic uses of cash to leverage shareholder value.

2009 Performance Highlights

During 2009, we continued to make strides forward in building on the strength of our integrated portfolio and achieving excellence in our sustainability efforts, even in challenging economic conditions, accomplishing the following:

- Received the American Chemistry Council's (ACC) Responsible Care® Sustained Excellence Award, the most prestigious award given under ACC's Responsible Care initiative in recognition of our outstanding leadership in Environmental Health and Safety performance
- Made structural changes to our manufacturing footprint to further enhance our cost position
- Doubled the capacity of our acetic acid unit in Nanjing, China and announced plans to double vinyl acetate/ethylene (VAE) capacity at our Nanjing unit, supporting growth in China
- Made breakthroughs in our proprietary AOPlus® acetic acid technology which enables us to increase acetic acid production at a fraction of the cost of a new facility
- Completed the sale of our polyvinyl alcohol (PVOH) business as we continued to sharpen our portfolio
- Launched new, innovative polyacetal technology that increases our competitive space and is expected to provide significant additional growth opportunities for our Advanced Engineered Materials business
- Signed a memo of understanding with our current acetate joint venture partner in China to expand flake and tow capacities at our joint venture facility in Nantong, China, which will provide increased earnings through joint venture dividends
- Reached a long-term agreement with Jiangxi Jiangwei to supply vinyl acetate monomer, reaffirming our commitment as a key industry partner in China and strengthening our position in acetyl derivatives
- Acquired the long-fiber reinforced thermoplastics (LFT) business of FACT GmbH which will support our Advanced Engineered Materials business and build on our process technology and product offerings

Even with all of the progress that we've made, we believe that there is still more earnings power to achieve. We will continue to pursue long-term sustainable efforts to further improve our cost structure and enhance productivity. We will also continue to drive innovation that will fuel future earnings growth as the economy recovers.

Celanese employees around the globe continued to deliver strong performance and enabled us to take the necessary actions to quickly adapt to the difficult, unforeseen economic downturn that we have experienced. The operational and strategic initiatives that we are delivering today, and plan to deliver in the future, will create value for our shareholders and position Celanese for success today and in the years to come.

Best regards,

David N. Weidman
Chairman and Chief Executive Officer

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

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

OR

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

001-32410
(Commission File Number)

CELANESE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

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

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

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

Title of Each Class	Name of Each Exchange on Which Registered
Series A Common Stock, par value $0.0001 per share	New York Stock Exchange
4.25% Convertible Perpetual Preferred Stock, par value $0.01 per share (liquidation preference $25.00 per share)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act
None

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

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

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b2 of the Act). Yes ☐ No ☑

The aggregate market value of the registrant's Series A Common Stock held by non-affiliates as of June 30, 2009 (the last business day of the registrants' most recently completed second fiscal quarter) was $3,393,984,918.

The number of outstanding shares of the registrant's Series A Common Stock, $0.0001 par value, as of February 5, 2010 was 145,861,703.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's Definitive Proxy Statement relating to the 2010 annual meeting of shareholders, to be filed with the Securities and Exchange Commission, are incorporated by reference into Part III.

CELANESE CORPORATION

Form 10-K
For the Fiscal Year Ended December 31, 2009

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Special Note Regarding Forward-Looking Statements

Certain statements in this Annual Report or in other materials we have filed or will file with the Securities and Exchange Commission ("SEC"), as well as information included in oral statements or other written statements made or to be made by us, are forward-looking in nature as defined in Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "may," "can," "could," "might," "will" and similar expressions identify forward-looking statements, including statements that relate to, such matters as planned and expected capacity increases and utilization; anticipated capital spending; environmental matters; legal proceedings; exposure to, and effects of hedging of, raw material and energy costs and foreign currencies; global and regional economic, political, and business conditions; expectations, strategies, and plans for individual assets and products, business segments, as well as for the whole Company; cash requirements and uses of available cash; financing plans; pension expenses and funding; anticipated restructuring, divestiture, and consolidation activities; cost reduction and control efforts and targets and integration of acquired businesses. From time to time, forward-looking statements also are included in our other periodic reports on Forms 10-Q and 8-K, in our press releases and presentations, on our web site and in other material released to the public.

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

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

Item 1. *Business*

Basis of Presentation

In this Annual Report on Form 10-K, the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The terms the "Company," "we," "our" and "us" refer to Celanese and its subsidiaries on a consolidated basis. The term "Celanese US" refers to our subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, formerly known as BCP Crystal US Holdings Corp., a Delaware corporation, and not its subsidiaries. The term "Purchaser" refers to our subsidiary, Celanese Europe Holding GmbH & Co. KG, formerly known as BCP Crystal Acquisition GmbH & Co. KG, a German limited partnership, and not its subsidiaries, except where otherwise indicated.

Overview

Celanese Corporation was formed in 2004 when affiliates of The Blackstone Group purchased 84% of the ordinary shares of Celanese GmbH, formerly known as Celanese AG, a diversified German chemical company. Celanese Corporation was incorporated in 2005 under the laws of the state of Delaware and its shares are traded on the New York Stock Exchange under the symbol "CE". During the period from 2005 through 2007, Celanese Corporation purchased the remaining 16% interest in Celanese GmbH.

We are a leading, global integrated producer of chemicals and advanced materials. We are one of the world's largest producers of acetyl products, which are intermediate chemicals for nearly all major industries, as well as a leading global producer of high performance engineered polymers that are used in a variety of high-value, end-use applications. As an industry leader, we hold geographically balanced global positions and participate in diversified, end-use markets. Our operations are primarily located in North America, Europe and Asia. We combine a demonstrated track record of execution, strong performance built on our principles and objectives, and a clear focus on growth, productivity and value creation.

Our large and diverse global customer base primarily consists of major companies in a broad array of industries. For the year ended December 31, 2009, approximately 27% of our net sales were to customers located in North America, 42% to customers in Europe and Africa, 28% to customers in Asia-Pacific and 3% to customers in South America. We have property, plant and equipment in the United States of $634 million and outside the United States of $2,163 million.

Industry

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

Business Segment Overview

We operate principally through four business segments: Advanced Engineered Materials, Consumer Specialties, Industrial Specialties and Acetyl Intermediates. For further details on our business segments, see Note 26 to the consolidated financial statements. The table below illustrates each business segment's net sales to external customers for the year ended December 31, 2009, as well as each business segment's major products and end-use markets.

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates
2009 Net Sales[1]	$808 million	$1,078 million	$974 million	$2,220 million
Key Products	• Polyacetal products ("POM") • Ultra-high molecular weight polyethylene ("GUR®") • Liquid crystal polymers ("LCP") • Polyphenylene sulfide ("PPS") • Polybutylene terephthalate ("PBT") • Polyethylene terephthalate ("PET") • Long fiber reinforced thermoplastics ("LFRT")	• Acetate tow • Acetate flake • Sunett® sweetener • Sorbates	• Polyvinyl alcohol ("PVOH")[2] • Conventional emulsions • Vinyl acetate ethylene emulsions ("VAE") • Low-density polyethylene resins ("LDPE") • Ethylene vinyl acetate ("EVA") resins and compounds	• Acetic acid • Vinyl acetate monomer ("VAM") • Acetic anhydride • Acetaldehyde • Ethyl acetate • Butyl acetate • Formaldehyde
Major End-Use Markets	• Fuel system components • Conveyor belts • Battery separators • Electronics • Seat belt mechanisms • Other automotive • Appliances • Electronics • Filtrations • Coatings • Medical Devices • Telecommunications	• Filter products • Beverages • Confections • Baked goods • Pharmaceuticals	• Paints • Coatings • Adhesives • Building products • Glass fibers • Textiles • Paper • Flexible packaging • Lamination products • Medical tubing • Automotive parts	• Paints • Coatings • Adhesives • Lubricants • Detergents • Pharmaceuticals • Films • Textiles • Inks • Plasticizers • Esters • Solvents

(1) Consolidated net sales of $5,082 million for the year ended December 31, 2009 also includes $2 million in net sales from Other Activities, which is attributable to our captive insurance companies. Net sales for Acetyl Intermediates and Consumer Specialties exclude inter-segment sales of $389 million combined for the year ended December 31, 2009.

(2) The PVOH business was sold July 1, 2009.

Competitive Strengths

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

- ***Leading Positions***

We believe that we are a leading global integrated producer of acetyl, acetate and vinyl emulsion products. Advanced Engineered Materials and our strategic affiliates, Polyplastics Co., Ltd. ("Polyplastics") and Korea Engineering Plastics Co., Ltd. ("KEPCO"), are leading producers and suppliers of engineered polymers in North America, Europe and the Asia-Pacific region. Our leadership positions are based on our large share of global production capacity, operating efficiencies, proprietary production technology and competitive cost structures in our major product lines.

- ***Proprietary Production Technology and Operating Expertise***

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

- ***Low Cost Producer***

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

- ***Global Reach***

We own or lease thirty-two production facilities throughout the world, of which five sites are no longer operating as of December 31, 2009. We participate in strategic ventures which operate thirteen additional facilities. Our infrastructure of manufacturing plants, terminals, warehouses and sales offices provides us with a competitive advantage in anticipating and meeting the needs of our global and local customers in well-established and growing markets, while our geographic diversity reduces the potential impact of volatility in any individual country or region. We have a strong, growing presence in Asia, particularly in China, and we have a defined strategy to continue this growth. For more information regarding our financial information with respect to our geographic areas, see Note 26 to the consolidated financial statements.

- ***Strategic Investments***

Our strategic investments have enabled us to gain access, minimize costs and accelerate growth in new markets, while also generating significant cash flow and earnings. Our equity investments and cost investments represent an important component of our growth strategy. See Note 8 to the consolidated financial statements and *Item 1. Business — Investments* for additional information on our equity and cost investments.

- ***Diversified Products and End-Use Markets***

We offer our customers a broad range of products in a wide variety of end-use markets. Our diversified end-use markets include paints and coatings, textiles, automotive applications, consumer and medical applications, performance industrial applications, filter media, paper and packaging, chemical additives, construction, consumer and industrial adhesives, and food and beverage applications. This product and market diversity reduces the potential impact of volatility in any individual segment.

Business Strategies

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

- ***Focus***

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

- ***Investment***

We build on advantaged positions that optimize our portfolio of products. In order to improve our competitive advantage, we have invested in: our core group of businesses through acquisitions; growth in Asia bolstered by our integrated chemical complex in Nanjing, China; and new applications of our advanced engineered polymers products.

- ***Growth***

We aggressively align with our customers and their end-use markets to capture growth. We are quickly expanding in Asia, the fastest-growing region in the world, in order to meet increasing demand for our products. As part of our strategy, we also continue to develop new products and industry-leading production technologies that deliver value-added solutions for our customers.

- ***Redeployment***

We divest non-core assets and revitalize underperforming businesses. We have divested or exited businesses where we no longer maintain a competitive advantage. We also continue to make key strategic decisions to revitalize businesses that have significant potential for improved performance and enhanced efficiency.

Underlying all of these strategies is a culture of execution and productivity. We continually seek ways to reduce costs, increase productivity and improve process technology. Our commitment to operational excellence is an integral part of our strategy to maintain our cost advantage and productivity leadership.

Business Segments

Advanced Engineered Materials

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

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

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

Advanced Engineered Materials' customer base consists primarily of a large number of plastic molders and component suppliers, which typically supply original equipment manufacturers ("OEMs"). Advanced Engineered Materials works with these molders and component suppliers as well as directly with the OEMs to develop and improve specialized applications and systems.

Prices for most of these products, particularly specialized product grades for targeted applications, generally reflect the value added in complex polymer chemistry, precision formulation and compounding, and the extensive

application development services provided. These specialized products are not typically susceptible to cyclical swings in pricing.

- ***Key Products***

POM is sold under the trademark Hostaform® in all regions but North America, where it is sold under the trademark Celcon®. Polyplastics and KEPCO are leading suppliers of POM and other engineering resins in the Asia-Pacific region. POM is used for mechanical parts, including door locks and seat belt mechanisms, in automotive applications and in electrical, consumer and medical applications such as drug delivery systems and gears for large appliances.

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

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

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

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

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

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

- ***Facilities***

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

- ***Geographic Regions***

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

Net Sales to External Customers by Destination — Advanced Engineered Materials

	Year Ended December 31,					
	2009		2008		2007	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	285	35%	365	34%	388	38%
Europe and Africa	403	50%	553	52%	517	50%
Asia-Pacific	82	10%	106	10%	88	8%
South America	38	5%	37	4%	37	4%
Total	808		1,061		1,030	

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

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

- ***Competition***

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

CONSUMER SPECIALTIES

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

- ***Key Products***

Acetate tow is used primarily in cigarette filters. We produce acetate flake by processing wood pulp with acetic anhydride. We purchase wood pulp that is made from reforested trees from major suppliers and produce acetic anhydride internally. The acetate flake is then further processed into acetate fiber in the form of a tow band.

According to the 2009 Stanford Research Institute International Chemical Economics Handbook, as of 2008 we are the world's leading producer of acetate tow, including production of our China ventures.

Sales of acetate tow amounted to approximately 16%, 12% and 11% of our consolidated net sales for the years ended December 31, 2009, 2008 and 2007, respectively.

We have an approximate 30% interest in three manufacturing China ventures, which are accounted for as cost method investments (see Note 8 to the consolidated financial statements) that produce acetate flake and tow. Our partner in each of the ventures is the Chinese state-owned tobacco entity, China National Tobacco Corporation. In addition, approximately 12% of our 2009 acetate tow sales were sold directly to China, the largest consuming country for acetate tow.

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

Nutrinova's food ingredients business consists of the production and sale of food protection ingredients, such as sorbic acid and sorbates, and high intensity sweeteners worldwide. Nutrinova's food protection ingredients are mainly used in foods, beverages and personal care products. The primary raw materials for these products are ketene and crotonaldehyde. Sorbates pricing is extremely sensitive to demand and industry capacity and is not necessarily dependent on the prices of raw materials.

- ***Facilities***

Acetate Products has production sites in the United States, Mexico, the United Kingdom and Belgium, and participates in three manufacturing ventures in China.

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

- ***Geographic Regions***

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

Net Sales to External Customers by Destination — Consumer Specialties

	Year Ended December 31,					
	2009		2008		2007	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	176	16%	194	17%	201	18%
Europe and Africa	452	42%	497	43%	427	39%
Asia-Pacific	402	37%	413	36%	437	39%
South America	48	5%	51	4%	46	4%
Total	1,078 [(1)]		1,155		1,111	

(1) Excludes inter-segment sales of $6 million for the year ended December 31, 2009.

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

Nutrinova primarily markets Sunett® to a limited number of large multinational and regional customers in the beverage and food industry under long-term and annual contracts. Nutrinova markets food protection ingredients

primarily through regional distributors to small and medium sized customers and directly through regional sales offices to large multinational customers in the food industry.

- ***Competition***

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

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

Industrial Specialties

Our Industrial Specialties segment includes our Emulsions, PVOH and EVA Performance Polymers businesses. Our Emulsions business is a global leader which produces a broad product portfolio, specializing in vinyl acetate ethylene emulsions, and is a recognized authority on low VOC (volatile organic compounds), an environmentally-friendly technology. Our PVOH business was sold in July 2009 to Sekisui Chemical Co., Ltd. ("Sekisui") for a net cash purchase price of $168 million. The PVOH business produced a broad portfolio of performance PVOH chemicals engineered to meet specific customer requirements. Our emulsions products are used in a wide array of applications including paints and coatings, adhesives, building and construction, glass fiber, textiles and paper. EVA Performance Polymers offers a complete line of low-density polyethylene and specialty ethylene vinyl acetate resins and compounds. EVA Performance Polymers' products are used in many applications including flexible packaging films, lamination film products, hot melt adhesives, medical tubing and devices, automotive carpet and solar cell encapsulation films.

- ***Key Products***

The products in our Emulsions business include conventional vinyl and acrylate based emulsions and high-pressure vinyl acetate ethylene emulsions. Emulsions are made from VAM, acrylate esters and styrene. Our Emulsions business is a leading producer of vinyl acetate ethylene emulsions in Europe. These products are a key component of water-based architectural coatings, adhesives, non-wovens, textiles, glass fiber and other applications.

Sales from the Emulsions business amounted to approximately 15%, 13% and 14% of our consolidated net sales for the years ended December 31, 2009, 2008 and 2007, respectively.

PVOH is used in adhesives, building products, paper coatings, films and textiles. The primary raw material to produce PVOH is VAM, while acetic acid is produced as a by-product. Our PVOH business was sold to Sekisui in July 2009.

EVA Performance Polymers produces low-density polyethylene and EVA resins and compounds that are used in the manufacture of hot melt adhesives, automotive carpet, lamination film products, flexible packaging films, medical tubing and solar cell encapsulation films. EVA resins and compounds are produced in high-pressure reactors from ethylene and VAM.

- ***Facilities***

The Emulsions business has production sites in the United States, Canada, China, Spain, Sweden, the Netherlands and Germany. EVA Performance Polymers has a production facility in Edmonton, Alberta, Canada. Our PVOH production sites in the United States and Spain were sold to Sekisui in July 2009.

- ***Geographic Regions***

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

Net Sales to External Customers by Destination — Industrial Specialties

	Year Ended December 31,					
	2009		2008		2007	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	382	39%	617	44%	583	43%
Europe and Africa	504	52%	684	48%	674	50%
Asia-Pacific	78	8%	81	6%	69	5%
South America	10	1%	24	2%	20	2%
Total	974		1,406		1,346	

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

- ***Competition***

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

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

Acetyl Intermediates

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

- ***Key Products***

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

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

Our production of acetyl products employs leading proprietary and licensed technologies, including our proprietary AOPlus®2 and AOPlus™ technologies for the production of acetic acid and VAntage™ and VAntage Plus™ VAM technology.

Solvents and Derivatives. Solvents and derivatives products include a variety of solvents, formaldehyde and other chemicals, which in turn are used in the manufacture of paints, coatings, adhesives and other products.

Many solvents and derivatives products are derived from our production of acetic acid. Primary products are:

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

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

- Formaldehyde, paraformaldehyde and formcels are primarily used to produce adhesive resins for plywood, particle board, coatings, POM engineering resins and a compound used in making polyurethane;
- Amines such as methyl amines, monisopropynol amines and butyl amines are used in agrochemicals, herbicides and the treatment of rubber and water; and
- Special solvents, such as crotonaldehyde, which are used by the Nutrinova line for the production of sorbates, as well as raw materials for the fragrance and food ingredients industry.

Solvents and derivatives are commodity products characterized by cyclicality in pricing. The principal raw materials used in solvents and derivatives products are acetic acid, various alcohols, methanol, ethylene and ammonia. We manufacture many of these raw materials for our own use as well as for sales to third parties, including our competitors in the solvents and derivatives business. We purchase ethylene from a variety of sources. We manufacture acetaldehyde in Europe for our own use, as well as for sale to third parties.

Sales from acetyl products amounted to approximately 34%, 35% and 34% of our consolidated net sales for the years ended December 31, 2009, 2008 and 2007, respectively. Sales from solvents and derivatives products amounted to approximately 10%, 12% and 12% of our consolidated net sales for the years ended December 31, 2009, 2008 and 2007, respectively.

- ***Facilities***

Acetyl Intermediates has production sites in the United States, China, Mexico, Singapore, Spain, France and Germany. As of December 31, 2009, acetic acid and VAM production at our Pardies, France location had ceased. In addition, our Cangrejera, Mexico site no longer produced VAM as of December 31, 2009. We also participate in a strategic venture in Saudi Arabia that produces methanol and methyl tertiary-butyl ether (“MTBE”). Over the last few years, we have continued to shift our production capacity to lower cost production facilities while expanding in growth markets, such as China.

- ***Geographic Regions***

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

Net Sales to External Customers by Destination — Acetyl Intermediates

	Year Ended December 31,					
	2009		2008		2007	
	$	% of Segment	$	% of Segment	$	% of Segment
	(In millions, except percentages)					
North America	501	22%	743	23%	685	23%
Europe and Africa	771	35%	1,198	37%	1,183	40%
Asia-Pacific	884	40%	1,142	36%	968	33%
South America	64	3%	116	4%	119	4%
Total	2,220 [1]		3,199 [1]		2,955 [1]	

[1] Excludes inter-segment sales of $383 million, $676 million and $660 million for the years ended December 31, 2009, 2008 and 2007, respectively.

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

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

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

- ***Competition***

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

Other Activities

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

Investments

We have a significant portfolio of strategic investments, including a number of ventures in Asia-Pacific, North America and Europe. In aggregate, these strategic investments enjoy significant sales, earnings and cash flow. We have entered into these strategic investments in order to gain access to local demand, minimize costs and accelerate growth in areas we believe have significant future business potential. See Note 8 to the consolidated financial statements for additional information.

The table below represents our significant strategic ventures as of December 31, 2009:

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

- ***Major Equity Method Investments***

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

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

Fortron Industries LLC. We believe Fortron Industries LLC ("Fortron") is a leading global producer of PPS. Fortron's facility is located in Wilmington, North Carolina. We believe Fortron has the leading technology in linear polymer applications.

- ***Major Cost Method Investments***

National Methanol Co. ("Ibn Sina"). With production facilities in Saudi Arabia, Ibn Sina represents approximately 2% of the world's methanol production capacity and is the world's eighth largest producer of MTBE. Methanol and MTBE are key global commodity chemical products. We indirectly own a 25% interest in Ibn Sina through CTE Petrochemicals Co., a joint venture with Texas Eastern Arabian Corporation Ltd. (which also indirectly owns 25%), with the remainder held by SABIC (50%). SABIC has responsibility for all product marketing.

China Acetate Products ventures. We hold approximately 30% ownership interests (50% board representation) in three separate Acetate Products production entities in China: the Nantong, Kunming and Zhuhai Cellulose Fiber Companies. In each instance, the Chinese state-owned tobacco entity, China National Tobacco Corporation, controls the remainder. The China ventures fund operations using operating cash flows.

These cost investments where we own greater than a 20% ownership interest are accounted for under the cost method of accounting because we cannot exercise significant influence over these entities. We determined that we cannot exercise significant influence over these entities due to local government investment in and influence over these entities, limitations on our involvement in the day-to-day operations and the present inability of the entities to provide timely financial information prepared in accordance with generally accepted accounting principles in the United States ("US GAAP").

- ***Other Equity Investments***

InfraServs. We hold ownership interests in several InfraServ entities located in Germany. InfraServs own and develop industrial parks and provide on-site general and administrative support to tenants. The table below represents our equity investments in InfraServ ventures as of December 31, 2009:

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

Raw Materials and Energy

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

A substantial portion of our products and raw materials are commodities whose prices fluctuate as market supply/demand fundamentals change. Our production facilities rely largely on fuel oil, natural gas and electricity for energy. Most of the raw materials for our European operations are centrally purchased by one of our subsidiaries, which also buys raw materials on behalf of third parties. We manage our exposure through forward purchase contracts, long-term supply agreements and multi-year purchasing and sales agreements. During 2009, we did not enter into any commodity financial derivative contracts. See Note 2 and Note 22 to the consolidated financial statements for additional information.

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

Research and Development

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

Intellectual Property

We attach great importance to patents, trademarks, copyrights and product designs in order to protect our investment in research and development, manufacturing and marketing. Our policy is to seek the widest possible protection for significant product and process developments in our major markets. Patents may cover processes, products, intermediate products and product uses. We also seek to register trademarks extensively as a

means of protecting the brand names of our products, which brand names become more important once the corresponding products or process patents have expired. We protect our trademarks vigorously against infringement and also seek to register design protection where appropriate.

In most industrial countries, patent protection exists for new substances and formulations, as well as for unique applications and production processes. However, we do business in regions of the world where intellectual property protection may be limited and difficult to enforce. We maintain strict information security policies and procedures wherever we do business. Such information security policies and procedures include data encryption, controls over the disclosure and safekeeping of confidential information, as well as employee awareness training. Moreover, we monitor our competitors and vigorously defend and enforce infringements on our intellectual property rights.

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

- ***Trademarks***

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

Environmental and Other Regulation

Matters pertaining to environmental and other regulations are discussed in *Item 1A. Risk Factors*, *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates – Accounting for Commitments and Contingencies*, and Note 16 and Note 24 to the consolidated financial statements.

Employees

As of December 31, 2009, we had 7,400 employees worldwide. The following table sets forth the approximate number of employees on a continuing basis.

	Employees as of December 31, 2009
North America	
US	2,500
Canada	250
Mexico	700
Total	**3,450**
Europe	
Germany	1,600
Other Europe	1,600
Total	**3,200**
Asia	**700**
Rest of World	**50**
Total	**7,400**

Many of our employees are unionized, particularly in Germany, Canada, Mexico, Brazil, Belgium and France. However, in the United States, less than one quarter of our employees are unionized. Moreover, in Germany and France, wages and general working conditions are often the subject of centrally negotiated collective bargaining agreements. Within the limits established by these agreements, our various subsidiaries negotiate directly with the

unions and other labor organizations, such as workers' councils, representing the employees. Collective bargaining agreements between the German chemical employers associations and unions relating to remuneration generally have a term of one year, while in the United States a three year term for collective bargaining agreements is typical. We offer comprehensive benefit plans for employees and their families and believe our relations with employees are satisfactory.

Backlog

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

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

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

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

Item 1A. *Risk Factors*

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

Risks Related to Our Business

The worldwide economic downturn and difficult conditions in the global capital and credit markets have affected and may continue to adversely affect our business, as well as the industries of many of our customers and suppliers, which are cyclical in nature.

Some of the markets in which our end-use customers participate, such as the automotive, electrical, construction and textile industries, are cyclical in nature, thus posing a risk to us which is beyond our control. These markets are highly competitive, to a large extent driven by end-use markets, and may experience overcapacity, all of which may affect demand for and pricing of our products.

Recent declines in consumer and business confidence and spending, together with severe reductions in the availability and cost of credit and volatility in the capital and credit markets, have adversely affected the business and economic environment in which we operate and the profitability of our business. Our business is exposed to risks associated with the creditworthiness of our key suppliers, customers and business partners. In particular, we are exposed to risks associated with reduced levels of automotive and textile production and declines in the housing market. These conditions have resulted in financial instability or other adverse effects at many of our suppliers, customers or business partners. The consequences of such adverse effects could include the interruption of production at the facilities of our customers, the reduction, delay or cancellation of customer orders, delays in or the inability of customers to obtain financing to purchase our products, delays or interruptions of the supply of raw

materials we purchase and bankruptcy of customers, suppliers or other creditors. The continuation of any of these events may adversely affect our cash flow, profitability and financial condition.

During 2008 and 2009, as a result of the economic downturn, lenders and institutional investors reduced and, in some cases, ceased to provide funding to borrowers reducing the availability of liquidity and credit to fund or support the continuation and expansion of business operations worldwide. Although the markets have stabilized since 2008, future disruption of the credit markets could adversely affect our customer's access to credit which supports the continuation and expansion of their businesses worldwide and could result in contract cancellations or suspensions, payment delays or defaults by our customers.

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

We operate in the global market and have customers in many countries. We have major facilities primarily located in North America, Europe and Asia, and hold interests in ventures that operate in the US, Germany, China, Japan, South Korea, Taiwan and Saudi Arabia. Our principal customers are similarly global in scope, and the prices of our most significant products are typically world market prices. Consequently, our business and financial results are affected, directly and indirectly, by world economic, political and regulatory conditions.

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

Moreover, changes in laws or regulations, such as unexpected changes in regulatory requirements (including import or export licensing requirements), or changes in the reporting requirements of the United States, German or European Union ("EU") governmental agencies, could increase the cost of doing business in these regions. Any of these conditions may have an effect on our business and financial results as a whole and may result in volatile current and future prices for our securities, including our stock.

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

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

We purchase significant amounts of natural gas, ethylene and methanol from third parties for use in our production of basic chemicals in the Acetyl Intermediates segment, principally formaldehyde, acetic acid and VAM. We use a portion of our output of these chemicals, in turn, as inputs in the production of further products in all our business segments. We also purchase significant amounts of wood pulp for use in our production of cellulose acetate in the Consumer Specialties segment. The price of many of these items is dependent on the available supply of such item and may increase significantly as a result of production disruptions or strikes. For example, the unplanned shutdown of our Clear Lake, Texas facility during 2007 together with other tight supply conditions caused a shortage of acetic acid and increased the price for such product.

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

- Shortages of raw materials due to increasing demand, e.g., from growing uses or new uses;
- Capacity constraints, e.g., due to construction delays, labor disruption or involuntary shutdowns;

- The general level of business and economic activity; and
- The direct or indirect effect of governmental regulation.

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

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

Our operating results, especially in our Consumer Specialties and Advanced Engineered Materials segments, depend significantly on the development of commercially viable new products, product grades and applications, as well as production technologies. If we are unsuccessful in developing new products, applications and production processes in the future, our competitive position and operating results may be negatively affected. Likewise, we have undertaken and are continuing to undertake initiatives in all business segments to improve productivity and performance and to generate cost savings. These initiatives may not be completed or beneficial or the estimated cost savings from such activities may not be realized.

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

Regulations have recently been issued by the US Department of Homeland Security ("DHS") aimed at decreasing the risk, and effects, of potential terrorist attacks on chemical plants located within the United States. Pursuant to these regulations, these goals would be accomplished in part through the requirement that certain high-priority facilities develop a prevention, preparedness, and response plan after conducting a vulnerability assessment. In addition, companies may be required to evaluate the possibility of using less dangerous chemicals and technologies as part of their vulnerability assessments and prevention plans and implementing feasible safer technologies in order to minimize potential damage to their facilities from a terrorist attack. We have registered certain of our sites with DHS in accordance with these regulations, and are conducting vulnerability assessments for our sites and until that is done we cannot state with certainty the costs associated with any security plans that DHS may require. These regulations may be revised further, and additional legislation may be proposed in the future on this topic. It is possible that such future legislation could contain terms that are more restrictive than what has recently been passed and which would be more costly to us. We cannot predict the final form of currently pending legislation, or other related legislation that may be passed and can provide no assurance that such legislation will not have an adverse effect on our results of operations in a future reporting period.

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

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

Our operations are subject to extensive international, national, state, local and other supranational laws and regulations that govern environmental and health and safety matters, including CERCLA and RCRA. We incur substantial capital and other costs to comply with these requirements. If we violate them, we can be held liable for substantial fines and other sanctions, including limitations on our operations as a result of changes to or revocations of environmental permits involved. Stricter environmental, safety and health laws, regulations and enforcement

policies could result in substantial costs and liabilities to us or limitations on our operations and could subject our handling, manufacture, use, reuse or disposal of substances or pollutants to more rigorous scrutiny than at present. Consequently, compliance with these laws and regulations could result in significant capital expenditures as well as other costs and liabilities, which could cause our business and operating results to be less favorable than expected. An adverse outcome in these claim procedures may negatively affect our earnings and cash flows in a particular reporting period.

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

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

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

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

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

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

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

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

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

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

A step toward potential federal restriction on greenhouse gas emissions was taken on December 7, 2009 when the Environmental Protection Agency ("EPA") issued its Endangerment Finding in response to a decision of the Supreme Court of the United States. The EPA found that the emission of six greenhouse gases, including carbon dioxide (which is emitted from the combustion of fossil fuels), may reasonably be anticipated to endanger public health and welfare. Based on this finding, the EPA defined the mix of these six greenhouse gases to be "air pollution" subject to regulation under the Clean Air Act. Although the EPA has stated a preference that greenhouse gas regulation be based on new federal legislation rather than the existing Clean Air Act, many sources of greenhouse gas emissions may be regulated without the need for further legislation.

The US Congress is considering legislation that would create an economy-wide "cap-and-trade" system that would establish a limit (or cap) on overall greenhouse gas emissions and create a market for the purchase and sale of emissions permits or "allowances." Under the leading cap-and-trade proposals before Congress, the chemical industry likely would be affected due to anticipated increases in energy costs as fuel providers pass on the cost of the emissions allowances, which they would be required to obtain, to cover the emissions from fuel production and the eventual use of fuel by the Company or its energy suppliers. In addition, cap-and-trade proposals would likely increase the cost of energy, including purchases of steam and electricity, and certain raw materials used by the Company. Other countries are also considering or have implemented "cap-and-trade" systems. Future environmental regulatory developments related to climate change are possible, which could materially increase operating costs in the chemical industry and thereby increase our manufacturing and delivery costs.

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

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

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

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

A disruption in production at our manufacturing facilities could have a material adverse effect on our business. Disruptions could occur for many reasons, including fire, natural disasters, weather, unplanned maintenance or other manufacturing problems, disease, strikes, transportation interruption, government regulation or terrorism. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, each of which could negatively affect our business and financial performance. If one of our key manufacturing facilities is unable to produce our products for an extended period of time, our sales may be reduced by the shortfall caused by the disruption and we may not be able to meet our customers' needs, which could cause them to seek other suppliers. For example, during 2007, production was disrupted for an extended period of time at our Clear Lake, Texas facility that produces primarily acetic acid and VAM. The disruption was caused by an unplanned outage of our acetic acid unit. Because of this disruption, the volumes of our Acetyl Intermediates segment were lower than we had expected for 2007 as we were unable to fully offset the lost production. Similar outages could occur in the future from unexpected disruptions at any of our other manufacturing facilities of key products. Such outages could have an adverse effect on our results of operations in future reporting periods.

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

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

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

We have agreed with Frankfurt, Germany Airport ("Fraport") to relocate our Kelsterbach, Germany business, resolving several years of legal disputes related to the planned Frankfurt airport expansion. As a result of the settlement, we will transition Ticona's operations from Kelsterbach to another location in Germany by mid-2011. In July 2007, we announced that we would relocate the Kelsterbach, Germany business to the Hoechst Industrial Park in the Rhine Main area. Over a five-year period, Fraport agreed to pay Ticona a total of €670 million to offset the costs associated with the transition of the business from its current location and the closure of the Kelsterbach plant. While the settlement and related payment amount was meant to be cost-neutral and represent the amount required to select a site, build new production facilities, demolish old production facilities and transition business activities according to schedule and without any disruptions to customer supply, we may encounter unexpected costs or other difficulties during the relocation process that bring the total costs of the relocation to an amount greater than the compensation provided by Fraport. The relocation of these facilities represents a major logistical undertaking, and we may have underestimated the amount that will be required to carry out every aspect of the relocation. We may lose the services of valuable experienced employees during the transition if they decide not to work at the new location. The construction of the new facilities may not be complete on time or may face cost overruns. If our costs relating to the relocation exceed the amount of payments from Fraport or if the relocation causes other unexpected difficulties, our expenses may increase or supplies to our customers may be disrupted.

If supply to our customers is disrupted for an extended period, this could negatively impact the reputation of this business and result in the loss of customers. Such effects could have an adverse impact on our results of operations in future periods.

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

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

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

In addition to currency translation risks, we incur a currency transaction risk whenever one of our operating subsidiaries enters into either a purchase or a sales transaction using a currency different from the operating subsidiary's functional currency. Given the volatility of exchange rates, we may not be able to manage our currency transaction and translation risks effectively, and volatility in currency exchange rates may expose our financial

condition or results of operations to a significant additional risk. Since a portion of our indebtedness is and will be denominated in currencies other than US dollars, a weakening of the US dollar could make it more difficult for us to repay our indebtedness.

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

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

The cost of our pension plans is incurred over long periods of time and involves many uncertainties during those periods of time. Our funding policy for pension plans is to accumulate plan assets that, over the long run, will approximate the present value of projected benefit obligations. Our pension cost is materially affected by the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets can result in corresponding increases and decreases in the valuation of plan assets, particularly equity securities, or in a change of the expected rate of return on plan assets. During 2008, the value of our plan assets declined significantly due to the decline in the overall equity markets. A change in the discount rate would result in a significant increase or decrease in the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years. In recent years, an extended duration strategy in the asset portfolio has been implemented to minimize the influence of liability volatility due to interest rate movements. Similarly, changes in the expected return on plan assets can result in significant changes in the net periodic pension cost for subsequent fiscal years. If the value of our pension fund's portfolio declines or does not perform as expected or if our experience with the fund leads us to change our assumptions regarding the fund, we may be required to contribute additional capital to the fund.

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

We attach great importance to our patents, trademarks, copyrights and product designs in order to protect our investment in research and development, manufacturing and marketing. We also license patents and other technology from third parties. Our policy is to seek the widest possible protection for significant product and process developments in our major markets. Patents may cover processes, products, intermediate products and product uses. Protection for individual products extends for varying periods in accordance with the date of patent application filing and the legal life of patents in the various countries. The protection afforded, which may also vary from country to country, depends upon the type of patent and its scope of coverage. As patents expire, the products and processes described and claimed in those patents become generally available for use by the public. We also seek to register trademarks extensively as a means of protecting the brand names of our products, which brand names become more important once the corresponding product or process patents have expired. Our continued growth strategy may bring us to regions of the world where intellectual property protection may be limited and difficult to enforce. If we are not successful in protecting or maintaining our patent, license, trademark or other intellectual property rights, our revenues, results of operations and cash flows may be adversely affected.

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

Provisions contained in our certificate of incorporation and bylaws could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Provisions of our certificate of incorporation and bylaws impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. For example, our certificate of incorporation authorizes our Board of Directors to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock, without any vote or action by our shareholders. Thus, our Board of Directors can authorize and issue shares of preferred stock with

voting or conversion rights that could adversely affect the voting or other rights of holders of our Series A common stock. These rights may have the effect of delaying or deterring a change of control of our Company. In addition, a change of control of our company may be delayed or deterred as a result of our having three classes of directors (each class elected for a three year term) or as a result of any shareholders' rights plan that our Board of Directors may adopt. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our Series A common stock.

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

The amounts of the fair cash compensation and of the guaranteed annual payment offered under the domination and profit and loss transfer agreement ("Domination Agreement") and/or the compensation paid in connection with the squeeze-out may be increased, which may further reduce the funds the Purchaser can otherwise make available to us.

Several minority shareholders of Celanese GmbH have initiated special award proceedings seeking the court's review of the amounts of the fair cash compensation and of the guaranteed annual payment offered under the Domination Agreement. On December 12, 2006, the Frankfurt District Court appointed an expert to help determine the value of Celanese AG as of July 31, 2004, on which date an extraordinary shareholder meeting of Celanese AG was held to resolve the Domination Agreement. As a result of these proceedings, the amounts of the fair cash compensation and of the guaranteed annual payment could be increased by the court, and the Purchaser would be required to make such payments within two months after the publication of the court's ruling. Any such increase may be substantial. All minority shareholders would be entitled to claim the respective higher amounts. This may reduce the funds the Purchaser can make available to us and, accordingly, diminish our ability to make payments on our indebtedness. See Note 24 to the consolidated financial statements for further information.

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

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

Under the Domination Agreement, the Purchaser is required, among other things, to compensate Celanese GmbH for any annual loss incurred, determined in accordance with German accounting requirements, by Celanese GmbH at the end of the fiscal year in which the loss was incurred. This obligation to compensate Celanese GmbH for annual losses will apply during the entire term of the Domination Agreement. If Celanese GmbH incurs losses during any period of the operative term of the Domination Agreement and if such losses lead to an annual loss of Celanese GmbH at the end of any given fiscal year during the term of the Domination Agreement, the Purchaser will be obligated to make a corresponding cash payment to Celanese GmbH to the extent that the respective annual loss is not fully compensated for by the dissolution of profit reserves accrued at the level of Celanese GmbH during the term of the Domination Agreement. The Purchaser may be able to reduce or avoid cash payments to Celanese GmbH by off-setting against such loss compensation claims by Celanese GmbH any valuable counterclaims against Celanese GmbH that the Purchaser may have. If the Purchaser is obligated to make cash payments to Celanese GmbH to cover an annual loss, we may not have sufficient funds to make payments on our indebtedness when due and, unless the Purchaser is able to obtain funds from a source other than annual profits of Celanese GmbH, the Purchaser may not be able to satisfy its obligation to fund such shortfall. See Note 24 to the consolidated financial statements. Since the Domination Agreement has been terminated effective as of December 31, 2009, there will be no obligation by the Purchaser to compensate Celanese GmbH for any losses incurred after December 31, 2009.

We and two of our subsidiaries have taken on certain obligations with respect to the Purchaser's obligation under the Domination Agreement and intercompany indebtedness to Celanese GmbH, which may diminish our ability to make payments on our indebtedness.

Our subsidiaries, Celanese International Holdings Luxembourg S.à r.l. ("CIH"), formerly Celanese Caylux Holdings Luxembourg S.C.A., and Celanese US, have each agreed to provide the Purchaser with financing so that the Purchaser is at all times in a position to completely meet its obligations under, or in connection with, the Domination Agreement. In addition, Celanese has guaranteed (i) that the Purchaser will meet its obligation under the Domination Agreement to compensate Celanese GmbH for any annual loss incurred by Celanese GmbH during the term of the Domination Agreement; and (ii) the repayment of all existing intercompany indebtedness of Celanese's subsidiaries to Celanese GmbH. Further, under the terms of Celanese's guarantee, in certain limited circumstances Celanese GmbH may be entitled to require the immediate repayment of some or all of the intercompany indebtedness owed by Celanese's subsidiaries to Celanese GmbH. If CIH and/or Celanese US are obligated to make payments under their obligations to the Purchaser or Celanese GmbH, as the case may be, or if the intercompany indebtedness owed to Celanese GmbH is accelerated, we may not have sufficient funds for payments on our indebtedness when due. Since the Domination Agreement has been terminated effective as of December 31, 2009, there will be no obligation by the Purchaser to compensate Celanese GmbH for any losses incurred after December 31, 2009 and our subsidiaries will be released from their obligations.

Risks Related to Our Indebtedness

See also *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt and Other Obligations.*

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

Our total indebtedness is approximately $3.5 billion as of December 31, 2009.

Our debt could have important consequences, including:

- increasing vulnerability to general economic and industry conditions including exacerbating any adverse business effects that are determined to be material adverse effects under our senior credit facility;

- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on indebtedness, therefore reducing our ability to use our cash flow to fund operations, capital expenditures and future business opportunities;

- exposing us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest;

- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and

- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

A breach of a covenant or other provision in any debt instrument governing our current or future indebtedness could result in a default under that instrument and, due to cross-default provisions, could result in a default under our senior credit facility. Upon the occurrence of an event of default under the senior credit facility, the lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders could proceed against the collateral, if any, granted to them to secure the indebtedness. If the lenders under the senior credit facility were to accelerate the payment of the indebtedness, there is no guarantee that our assets or cash flow would be sufficient to repay in full our outstanding indebtedness.

Moreover, the terms of our existing debt do not fully prohibit us or our subsidiaries from incurring substantial additional indebtedness in the future. If new debt, including amounts available under our senior credit agreement, is added to our current debt levels, the related risks that we now face could intensify. See also *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt and Other Obligations.*

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

Certain of our borrowings are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on our variable rate indebtedness would increase, net of the impacts of hedges in place. As of December 31, 2009, we had $2.2 billion, €440 million and CNY 1.4 billion of variable rate debt, of which $1.6 billion and €150 million is hedged with interest rate swaps, which leaves $643 million, €290 million and CNY 1.4 billion of variable rate debt subject to interest rate exposure. Accordingly, a 1% increase in interest rates would increase annual interest expense by approximately $13 million.

Our senior credit agreement consists of $2,280 million of US dollar denominated and €400 million of Euro denominated term loans due 2014, a $600 million revolving credit facility terminating in 2013 and a $228 million credit-linked revolving facility terminating in 2014. Borrowings under the senior credit agreement bear interest at a variable interest rate based on LIBOR (for US dollars) or EURIBOR (for Euros), as applicable, or, for US dollar denominated loans under certain circumstances, a base rate, in each case plus an applicable margin. The applicable margin for the term loans and any loans under the credit-linked revolving facility is 1.75%, subject to potential reductions as defined in the new senior credit agreement. The term loans under the senior credit agreement are subject to amortization at 1% of the initial principal amount per annum, payable quarterly, commencing in July 2007. The remaining principal amount of the term loans will be due on April 2, 2014.

An increase in interest rates could have an adverse impact on our future results of operations and cash flows. See also *Item 7A. Quantitative and Qualitative Disclosures About Market Risk — Interest Rate Risk Management.*

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

Our ability to satisfy our cash needs depends on cash on hand, receipt of additional capital, including possible additional borrowings, and receipt of cash from our subsidiaries by way of distributions, advances or cash payments.

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

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

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

The senior credit agreement governing our indebtedness contains various covenants that limit our ability to engage in specified types of transactions. The covenants contained in the senior credit agreement limit our ability to, among other things, incur additional indebtedness, pay dividends on or make other distributions on or repurchase capital

stock or make other restricted payments, make investments and sell certain assets. Such restrictions in our debt instruments could result in us having to obtain the consent of our lenders in order to take certain actions. Recent disruptions in credit markets may prevent us from or make it more difficult or more costly for us to obtain such consents from our lenders. Our ability to expand our business or to address declines in our business may be limited if we are unable to obtain such consents.

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

A breach of any of these covenants could result in a default under the senior credit agreement. Upon the occurrence of an event of default under the senior credit agreement, the lenders could elect to declare all amounts outstanding under the senior credit agreement to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders under the senior credit agreement could proceed against the collateral granted to them to secure that indebtedness. Our subsidiaries have pledged a significant portion of our assets as collateral under the senior credit agreement. If the lenders under the senior credit agreement accelerate the repayment of borrowings, we may not have sufficient assets to repay amounts borrowed under the senior credit agreement as well as their other indebtedness, which could have a material adverse effect on the value of our stock.

The terms of our senior credit agreement limit the ability of Celanese Holdings LLC and its subsidiaries to pay dividends or otherwise transfer their assets to us.

Our operations are conducted through our subsidiaries and our ability to pay dividends is dependent on the earnings and the distribution of funds from our subsidiaries. However, the terms of our senior credit agreement limit the ability of Celanese Holdings LLC and its subsidiaries to pay dividends or otherwise transfer their assets to us. Accordingly, our ability to pay dividends on our stock is similarly limited.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Description of Property

We own or lease numerous production and manufacturing facilities throughout the world. We also own or lease other properties, including office buildings, warehouses, pipelines, research and development facilities and sales offices. We continuously review and evaluate our facilities as a part of our strategy to optimize our business portfolio. The following table sets forth a list of our principal production and other facilities throughout the world as of December 31, 2009.

Site	Leased/Owned	Products/Functions
Corporate Offices		
Budapest, Hungary	Leased	Administrative offices
Dallas, Texas, US	Leased	Corporate headquarters
Kronberg/Taunus, Germany	Leased	Administrative offices
Mexico City, Mexico	Leased	Administrative offices
Mexico City, Mexico(1)	Owned	Administrative offices
Advanced Engineered Materials		
Auburn Hills, Michigan, US	Leased	Automotive Development Center
Bishop, Texas, US	Owned	POM, GUR®, Compounding
Florence, Kentucky, US	Owned	Compounding
Kelsterbach, Germany	Owned	LFRT, POM, Compounding
Oberhausen, Germany(5)	Leased	GUR®
Fuji City, Japan	Owned by Polyplastics Co., Ltd.(7)	POM, PBT, LCP, Compounding
Kuantan, Malaysia	Owned by Polyplastics Co., Ltd.(7)	POM, Compounding
Shelby, North Carolina, US	Owned	LCP, PBT, PET, Compounding
Suzano, Brazil	Owned	Compounding
Ulsan, South Korea	Owned by Korea Engineering Plastics Co., Ltd.(7)	POM
Wilmington, North Carolina, US	Owned by Fortron Industries LLC(7)	PPS
Winona, Minnesota, US	Owned	LFRT
Nanjing, China(3)	Leased	LFRT, GUR®
Consumer Specialties		
Kunming, China	Owned by Kunming Cellulose Fibers Co. Ltd.(6)	Acetate tow, Acetate flake
Lanaken, Belgium	Owned	Acetate tow
Nantong, China	Owned by Nantong Cellulose Fibers Co. Ltd.(6)	Acetate tow, Acetate flake
Narrows, Virginia, US	Owned	Acetate tow, Acetate flake
Ocotlán, Jalisco, Mexico	Owned	Acetate tow, Acetate flake
Spondon, Derby, UK	Owned	Acetate tow, Acetate flake
Frankfurt am Main, Germany(4)	Owned by InfraServ GmbH & Co. Hoechst KG(7)	Sorbates, Sunett® sweetener
Zhuhai, China	Owned by Zhuhai Cellulose Fibers Co. Ltd.(6)	Acetate tow, Acetate flake
Industrial Specialties		
Boucherville, Quebec, Canada	Owned	Conventional emulsions
Enoree, South Carolina, US	Owned	Conventional emulsions, Vinyl acetate ethylene emulsions
Edmonton, Alberta, Canada	Owned	LDPE, EVA
Frankfurt am Main, Germany(4)	Owned by InfraServ GmbH & Co. Hoechst KG(7)	Conventional emulsions, Vinyl acetate ethylene emulsions
Geleen, Netherlands	Owned	Vinyl acetate ethylene emulsions
Guardo, Spain	Owned	Site is no longer operating as of December 31, 2009.
Meredosia, Illinois, US	Owned	Conventional emulsions, Vinyl acetate ethylene emulsions

Site	Leased/Owned	Products/Functions
Nanjing, China[3]	Leased	Conventional emulsions, Vinyl acetate ethylene emulsions
Koper, Slovenia	Owned	Site is no longer operating as of December 31, 2009.
Tarragona, Spain[2]	Owned by Complejo Industrial Taqsa AIE[6]	Conventional emulsions, Vinyl acetate ethylene emulsions
Perstorp, Sweden	Owned	Conventional emulsions, Vinyl acetate ethylene emulsions
Warrington, UK	Owned	Site is no longer operating as of December 31, 2009.
Acetyl Intermediates		
Bay City, Texas, US	Leased	VAM
Bishop, Texas, US	Owned	Formaldehyde
Cangrejera, Veracruz, Mexico	Owned	Acetic anhydride, Ethyl acetate
Clear Lake, Texas, US	Owned	Acetic acid, VAM
Frankfurt am Main, Germany[4]	Owned by InfraServ GmbH & Co. Hoechst KG[7]	Acetaldehyde, VAM, Butyl acetate
Nanjing, China[3]	Leased	Acetic acid, Acetic anhydride, VAM
Pampa, Texas, US	Owned	Site is no longer operating as of December 31, 2009.
Pardies, France	Owned	Site is no longer operating as of December 31, 2009.
Roussillon, France[5]	Leased	Acetic anhydride
Jubail, Saudi Arabia	Owned by National Methanol Company[6]	Methyl tertiary-butyl ether, Methanol
Jurong Island, Singapore[5]	Leased	Acetic acid, Butyl acetate, Ethyl acetate, VAM
Tarragona, Spain[2]	Owned by Complejo Industrial Taqsa AIE[6]	VAM

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

(2) Multiple Celanese business segments conduct operations at the Tarragona site. Celanese owns its assets at the facility but shares ownership in the land. Celanese's ownership percentage in the land is 15%.

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

(4) Multiple Celanese business segments conduct operations at the Frankfurt facility.

(5) Celanese owns the assets on this site, but utilizes the land through the terms of a long-term land lease.

(6) A Celanese cost method investment.

(7) A Celanese equity method investment.

We believe that our current facilities are adequate to meet the requirements of our present and foreseeable future operations. We continue to review our capacity requirements as part of our strategy to maximize our global manufacturing efficiency.

See Note 8 to the consolidated financial statements for more information on our cost and equity method investments.

For information on environmental issues associated with our properties, see *Item 1A. Risk Factors* and *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates – Accounting for Commitments and Contingencies*. Additional information with respect to our property, plant and equipment, and leases is contained in Note 9 and Note 21 to the consolidated financial statements.

Item 3. ***Legal Proceedings***

We are involved in a number of legal and regulatory proceedings, lawsuits and claims incidental to the normal conduct of our business, relating to such matters as product liability, antitrust, intellectual property, workers' compensation, prior acquisitions, past waste disposal practices and release of chemicals into the environment. While it is impossible at this time to determine with certainty the ultimate outcome of these proceedings, lawsuits and claims, we are actively defending those matters where the Company is named as a defendant. Additionally, we believe, based on the advice of legal counsel, that adequate reserves have been made and that the ultimate outcomes of all such litigation claims will not have a material adverse effect on our financial position, but may have a material adverse effect on our results of operations or cash flows in any given accounting period. See Note 24 to the consolidated financial statements for a discussion of material legal proceedings.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matters were submitted to a vote of security holders during the fourth quarter of 2009.

PART II

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

Market Information

Our Series A common stock has traded on the New York Stock Exchange under the symbol "CE" since January 21, 2005. The closing sale price of our Series A common stock, as reported by the New York Stock Exchange, on February 5, 2010 was $29.89. The following table sets forth the high and low intraday sales prices per share of our common stock, as reported by the New York Stock Exchange, for the periods indicated.

	Price Range	
	High	Low
2009		
Quarter ended March 31, 2009	$ 15.27	$ 7.44
Quarter ended June 30, 2009	$ 24.30	$ 12.67
Quarter ended September 30, 2009	$ 27.93	$ 19.72
Quarter ended December 31, 2009	$ 33.41	$ 23.65
2008		
Quarter ended March 31, 2008	$ 43.72	$ 31.76
Quarter ended June 30, 2008	$ 50.99	$ 39.50
Quarter ended September 30, 2008	$ 47.02	$ 24.68
Quarter ended December 31, 2008	$ 27.76	$ 5.71

Holders

No shares of Celanese's Series B common stock are issued and outstanding. As of February 5, 2010, there were 64 holders of record of our Series A common stock, and one holder of record of our 4.25% convertible perpetual preferred stock ("Preferred Stock"). By including persons holding shares in broker accounts under street names, however, we estimate our shareholder base to be approximately 28,000 as of February 5, 2010.

On February 1, 2010, we announced we would elect to redeem all of our 9,600,000 outstanding shares of our Preferred Stock on February 22, 2010 ("Redemption Date"). On that date, each share of our Preferred Stock will be redeemed for a number of shares of our Series A common stock equal to the redemption price ($25.06) divided by 97.5% of the average closing price of our Series A common stock for the 10 trading days ending on the fifth trading day prior to February 22, 2010.

Holders of the Preferred Stock also have the right to convert their shares at any time prior to 5:00 p.m., New York City time, on February 19, 2010, the business day immediately preceding the Redemption Date. Holders who want to convert their shares of our Preferred Stock must satisfy all of the requirements as defined in the Certificate of Designations prior to 5:00 p.m., New York City time, in order to effect conversion of their shares of Preferred Stock. Each share of Preferred Stock is convertible into 1.2600 shares of our Series A common stock, subject to adjustment under certain circumstances as set forth in the Certificates of Designations.

Dividend Policy

Our Board of Directors adopted a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of our Series A common stock at an annual rate of $0.16 per share unless our Board of Directors, in its sole discretion, determines otherwise. Pursuant to this policy, we paid quarterly dividends of $0.04 per share on February 1, 2009, May 1, 2009, August 3, 2009 and November 2, 2009 and similar quarterly dividends during each quarter of 2008. The annual cash dividend declared and paid during the years ended December 31, 2009 and 2008 were $23 million and $24 million, respectively. Dividends payable to holders of our Series A common stock cannot be declared or paid nor can any funds be set aside for the payment thereof, unless we have paid or set aside funds for the payment of all accumulated and unpaid dividends with respect to the shares of our Preferred Stock, as described below. Our Board of Directors may, at any time, modify or revoke our dividend policy on our Series A common stock.

We are required under the terms of our Preferred Stock to pay scheduled quarterly dividends, subject to legally available funds. For so long as the Preferred Stock remains outstanding, (1) we will not declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any junior stock or parity stock and (2) neither we, nor any of our subsidiaries, will, subject to certain exceptions, redeem, purchase or otherwise acquire for consideration junior stock or parity stock through a sinking fund or otherwise, in each case unless we have paid or set apart funds for the payment of all accumulated and unpaid dividends with respect to the shares of Preferred Stock and any parity stock for all preceding dividend periods. Pursuant to this policy, we paid quarterly dividends of $0.265625 per share on our Preferred Stock on February 1, 2009, May 1, 2009, August 3, 2009 and November 2, 2009 and similar quarterly dividends during each quarter of 2008. The annual cash dividend declared and paid during the years ended December 31, 2009 and 2008 were $10 million and $10 million, respectively.

On January 5, 2010, we declared a cash dividend of $0.265625 per share on our Preferred Stock amounting to $3 million and a cash dividend of $0.04 per share on our Series A common stock amounting to $6 million. Both cash dividends are for the period from November 2, 2009 to January 31, 2010 and were paid on February 1, 2010 to holders of record as of January 15, 2010.

On February 1, 2010, we announced we would elect to redeem all of our outstanding Preferred Stock on February 22, 2010. Holders of the Preferred Stock also have the right to convert their shares at any time prior to 5:00 p.m., New York City time, on February 19, 2010, the business day immediately preceding the February 22, 2010 redemption date.

Based on the number of outstanding shares as of December 31, 2009 and considering the redemption of our Preferred Stock, cash dividends to be paid in 2010 are expected to result in annual dividend payments less than those paid in 2009.

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

Celanese Purchases of its Equity Securities

The table below sets forth information regarding repurchases of our Series A common stock during the three months ended December 31, 2009:

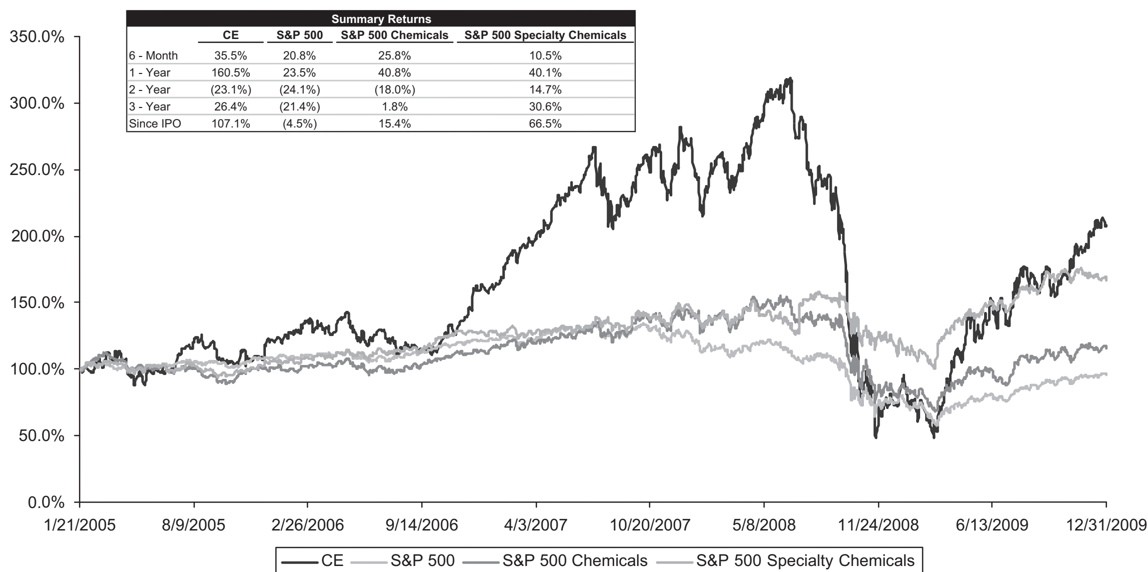
Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares Remaining that may be Purchased Under the Program
October 1-31, 2009	24,980	$ 24.54	-	$ 122,300,000.00
November 1-30, 2009	-	$ -	-	$ 122,300,000.00
December 1-31, 2009	334	$ 32.03	-	$ 122,300,000.00

(1) Relates to shares employees have elected to have withheld to cover their statutory minimum withholding requirements for personal income taxes related to the vesting of restricted stock units. No shares were purchased during the three months ended December 31, 2009 under our previously announced stock repurchase plan.

Performance Graph

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

Comparison of Cumulative Total Return



Summary Returns	CE	S&P 500	S&P 500 Chemicals	S&P 500 Specialty Chemicals
6 - Month	35.5%	20.8%	25.8%	10.5%
1 - Year	160.5%	23.5%	40.8%	40.1%
2 - Year	(23.1%)	(24.1%)	(18.0%)	14.7%
3 - Year	26.4%	(21.4%)	1.8%	30.6%
Since IPO	107.1%	(4.5%)	15.4%	66.5%

This comparison is based on a return assuming $100 invested January 21, 2005 in Celanese Corporation Common Stock and the S&P 500 Composite Index, the S&P 500 Chemicals Index and the S&P Specialty Chemicals Index, assuming the reinvestment of all dividends. January 21, 2005 is the date the Company's Common Stock commenced trading on the New York Stock Exchange

Equity Compensation Plans

Securities Authorized for Issuance Under Equity Compensation Plans

The following information is provided as of December 31, 2009 with respect to equity compensation plans:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders:			
Stock options	100,000	$17.17	3,812,359
Restricted stock units	1,381,886	-	3,812,359
Equity compensation plans not approved by security holders:			
Stock options	5,902,938	$19.05	-
Restricted stock units	1,283,021	-	-
Total	8,667,845		3,812,359

Recent Sales of Unregistered Securities

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

Item 6. *Selected Financial Data*

The balance sheet data shown below as of December 31, 2009 and 2008, and the statements of operations and cash flow data for the years ended December 31, 2009, 2008 and 2007, all of which are set forth below, are derived from the consolidated financial statements included elsewhere in this document and should be read in conjunction with those financial statements and the notes thereto. The balance sheet data as of December 31, 2007, 2006 and 2005 and the statements of operations and cash flow data for the years ended December 31, 2006 and 2005 shown below were derived from previously issued financial statements, adjusted for applicable discontinued operations.

	Year Ended December 31,				
	2009	2008	2007	2006	2005
	(In $ millions, except per share data)				
Statement of Operations Data					
Net sales	5,082	6,823	6,444	5,778	5,270
Other (charges) gains, net	(136)	(108)	(58)	(10)	(61)
Operating profit	290	440	748	620	486
Earnings (loss) from continuing operations before tax	241	434	447	526	276
Earnings (loss) from continuing operations	484	371	337	319	214
Earnings (loss) from discontinued operations	4	(90)	90	87	63
Net earnings (loss) attributable to Celanese Corporation	488	282	426	406	277
Earnings (loss) per common share					
Continuing operations — basic	3.30	2.44	2.11	1.95	1.32
Continuing operations — diluted	3.08	2.28	1.96	1.86	1.29
Statement of Cash Flows Data					
Net cash provided by (used in):					
Operating activities	596	586	566	751	701
Investing activities	31	(201)	143	(268)	(907)
Financing activities	(112)	(499)	(714)	(108)	(144)
Balance Sheet Data (at the end of period)					
Trade working capital [1]	594	685	827	824	758
Total assets	8,410	7,166	8,058	7,895	7,445
Total debt	3,501	3,533	3,556	3,498	3,437
Total Celanese Corporation shareholders' equity (deficit)	584	182	1,062	787	235
Other Financial Data					
Depreciation and amortization	308	350	291	269	267
Capital expenditures [2]	167	267	306	244	203
Cash basis dividends paid per common share	0.16	0.16	0.16	0.16	0.08

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

	As of December 31,				
	2009	2008	2007	2006	2005
	(In $ millions)				
Trade receivables, net	721	631	1,009	1,001	919
Inventories	522	577	636	653	650
Trade payables	(649)	(523)	(818)	(830)	(811)
Trade working capital	594	685	827	824	758

[2] Amounts include accrued capital expenditures. Amounts do not include capital expenditures related to capital lease obligations or capital expenditures related to the relocation of our Ticona plant in Kelsterbach. See Note 25 and Note 29 to the consolidated financial statements.

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

In this Annual Report on Form 10-K, the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The terms the "Company," "we," "our" and "us" refer to Celanese and its subsidiaries on a consolidated basis. The term "Celanese US" refers to our subsidiary Celanese US Holdings LLC, a Delaware limited liability company, formerly known as BCP Crystal US Holdings Corp., a Delaware corporation, and not its subsidiaries. The term "Purchaser" refers to our subsidiary, Celanese Europe Holding GmbH & Co. KG, formerly known as BCP Crystal Acquisition GmbH & Co. KG, a German limited partnership, and not its subsidiaries, except where otherwise indicated.

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

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

Reconciliation of Non-US GAAP Measures: We believe that using non-US GAAP financial measures to supplement US GAAP results is useful to investors because such use provides a more complete understanding of the factors and trends affecting the business other than disclosing US GAAP results alone. In this regard, we disclose net debt, which is a non-US GAAP financial measure. Net debt is defined as total debt less cash and cash equivalents. We use net debt to evaluate the capital structure. Net debt is not a substitute for any US GAAP financial measure. In addition, calculations of net debt contained in this report may not be consistent with that of other companies. The most directly comparable financial measure presented in accordance with US GAAP in our financial statements for net debt is total debt. For a reconciliation of net debt to total debt, see "Financial Highlights" below.

Forward-Looking Statements May Prove Inaccurate

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and other parts of this Annual Report contain certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, us. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "plan" and "project" and similar expressions, as they relate to us are intended to identify forward-looking statements. These statements reflect our current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. We assume no obligation to revise or update any forward-looking statements for any reason, except as required by law.

See *Item 1A. Risk Factors* for a description of risk factors that could significantly affect our financial results. In addition, the following factors could cause our actual results to differ materially from those results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, among other things:

- changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate;
- the length and depth of product and industry business cycles particularly in the automotive, electrical, electronics and construction industries;
- changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp, fuel oil and electricity;
- the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases;

- the ability to maintain plant utilization rates and to implement planned capacity additions and expansions;
- the ability to reduce production costs and improve productivity by implementing technological improvements to existing plants;
- increased price competition and the introduction of competing products by other companies;
- changes in the degree of intellectual property and other legal protection afforded to our products;
- compliance costs and potential disruption or interruption of production due to accidents or other unforeseen events or delays in construction of facilities;
- potential liability for remedial actions and increased costs under existing or future environmental regulations, including those related to climate change;
- potential liability resulting from pending or future litigation, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate;
- changes in currency exchange rates and interest rates; and
- various other factors, both referenced and not referenced in this document.

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

Overview

During 2009, we made significant progress in executing our strategic objectives. As detailed below, we optimized our portfolio, realigned our manufacturing footprint, continued our expansion efforts in Asia, made technological advancements, and took other strategic actions to deliver value for our shareholders.

2009 Highlights:

- We announced the Frankfurt, Germany Airport ("Fraport") supervisory board approved the acceleration of the 2009 and 2010 payments of €200 million and €140 million, respectively, required by the settlement agreement signed in June 2007. On February 5, 2009, we received a discounted amount of approximately €322 million ($412 million), excluding value-added tax of €59 million ($75 million).
- We shut down our vinyl acetate monomer ("VAM") production unit in Cangrejera, Mexico, and ceased VAM production at the site during the first quarter of 2009.
- Standard and Poor's affirmed our ratings and revised our outlook from positive to stable in February 2009.
- We received the American Chemistry Council's ("ACC") Responsible Care® Sustained Excellence Award for mid-size companies. The annual award, the most prestigious award given under ACC's Responsible Care® initiative, recognizes companies for outstanding leadership under ACC's Environmental Health and Safety performance criteria.
- We completed the sale of our polyvinyl alcohol ("PVOH") business to Sekisui Chemical Co., Ltd. for the net cash purchase price of $168 million.
- We agreed to a "Project of Closure" for our acetic acid and VAM production operations at our Pardies, France facility. We ceased the production of acetic acid and VAM at our facility in Pardies, France on December 1, 2009. As a result of the Pardies, France Project of Closure, we have incurred $89 million of exit costs in 2009. We may incur an additional $17 million in contingent employee termination benefits relates to the Pardies, France Project of Closure.

- We announced that Celanese US had amended its $650 million revolving credit facility. The amendment lowered the total revolver commitment to $600 million and increased the first lien senior secured leverage ratio for a period of six quarters, beginning June 30, 2009 and ending December 31, 2010.

- We announced the creation of our new and proprietary AOPlus®2 acetic acid technology, which allows for expansion up to 1.5 million tons per reactor annually.

- We successfully started up our expansion of our acetic acid unit in Nanjing, China which doubled the unit's capacity from 600,000 tons to 1.2 million tons annually.

- We announced the expansion of our vinyl acetate ethylene emulsions ("VAE") manufacturing facility at our Nanjing, China integrated chemical complex to support continued growth plans throughout Asia. The expanded facility will double our VAE capacity in the region and is expected to be operational in the first half of 2011.

- We launched a new, innovative polyacetal ("POM") technology that is expected to create significant additional growth opportunities for our Advanced Engineered Materials segment.

- We signed a memorandum of understanding with our acetate joint venture partner, the China National Tobacco Corporation, to expand the flake and tow capacities at our joint venture facility in Nantong, China.

- We reached a long-term agreement to supply VAM to Jiangxi Jiangwei High-Tech Stock Co., Ltd ("Jiangwei"). Jiangwei will cease production of its calcium carbide-based alternative for economic and environmental reasons and source our VAM.

- We acquired the long fiber reinforced thermoplastics ("LFT") business of FACT GmbH (Future Advanced Composites Technology) of Germany, supporting our Advanced Engineered Materials segment.

- We announced the redemption of our Convertible Perpetual Preferred Stock for our Series A Common Stock to be completed February 22, 2010.

2010 Outlook

In 2010 we expect to see an increase in overall demand versus 2009 as the global economy begins a gradual recovery. We would also expect growth in Asia to outpace growth in other regions of the world. Raw materials and energy costs are expected to be modestly higher in 2010 than in the prior year. Additionally, we expect to realize an incremental $100 million of fixed spending reductions, driven by structural streamlining of our manufacturing and administrative functions.

Financial Highlights

	Year Ended December 31,		
	2009	2008	2007
	(In $ millions, except percentages)		
Statement of Operations Data			
Net sales	5,082	6,823	6,444
Gross profit	1,003	1,256	1,445
Selling, general and administrative expenses	(469)	(540)	(516)
Other (charges) gains, net	(136)	(108)	(58)
Operating profit	290	440	748
Equity in net earnings of affiliates	48	54	82
Interest expense	(207)	(261)	(262)
Refinancing expenses	-	-	(256)
Dividend income — cost investments	98	167	116
Earnings (loss) from continuing operations before tax	241	434	447
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	484	372	336
Earnings (loss) from discontinued operations	4	(90)	90
Net earnings (loss)	488	282	426
Other Data			
Depreciation and amortization	308	350	291
Operating margin [1]	5.7%	6.4%	11.6%
Earnings from continuing operations before tax as a percentage of net sales	4.7%	6.4%	6.9%

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

	As of December 31,	
	2009	2008
	(In $ millions)	
Balance Sheet Data		
Short-term borrowings and current installments of long-term debt — third party and affiliates	242	233
Plus: Long-term debt	3,259	3,300
Total debt	3,501	3,533
Less: Cash and cash equivalents	1,254	676
Net debt	2,247	2,857

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

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

Gross profit declined due to lower net sales. As a percentage of sales, gross profit increased as lower raw material and energy costs more than offset decreases in net sales during the period. In 2010 we expect raw material and energy costs to increase which will partially be offset by increases in selling prices.

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

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

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

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

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

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

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

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

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

Our effective tax rate for continuing operations for the year ended December 31, 2009 was (101)% compared to 15% for the year ended December 31, 2008. Our effective tax rate for 2009 was favorably impacted by the release of the US valuation allowance, partially offset by lower earnings in jurisdictions participating in tax holidays, increases in valuation allowances on certain foreign net deferred tax assets and the effect of new tax legislation in Mexico.

Summary of Consolidated Results — Year Ended December 31, 2008 compared with Year Ended December 31, 2007

The challenging economic environment in the United States and Europe during the first half of 2008 resulted in higher raw material and energy costs which enabled price increase initiatives across all business segments. During the second half of 2008, the US credit crisis accelerated the economic slowdown and its spread to other regions of the world. Despite the halt in demand, we were able to maintain the majority of our enacted price increases through the remainder of 2008. As a result, increased prices improved net sales by 8%. Favorable foreign currency impacts also had a positive impact on net sales of 3%.

Net sales declined 5% due to decreased volumes. Lower volumes were primarily a result of decreased demand stemming from the global economic downturn. As demand declined, particularly during the fourth quarter of 2008, our customers began destocking to reduce their inventory levels. In response, we aggressively managed our global production capacity to align with the current environment. Decreased volumes in our acetate flake and tow businesses were not significantly impacted by the economic downturn. Rather, decreased flake volumes were the result of our strategic decision to shift our flake production to our China ventures, which we account for as cost investments.

Gross profit declined as higher raw material, energy and freight costs more than offset increases in net sales during the period. The uncertain economic environment resulted in higher natural gas, ethylene, methanol and other commodity prices during the first nine months of the year. Our freight costs also increased, primarily due to increased rates driven by higher energy prices. Late in 2008, raw material and energy prices declined.

Other (charges) gains, net increased $50 million during 2008 as compared to 2007:

	Year Ended December 31,	
	2008	2007
	(In $ millions)	
Employee termination benefits	(21)	(32)
Plant/office closures	(7)	(11)
Deferred compensation triggered by Exit Event	-	(74)
Plumbing actions	-	4
Insurance recoveries associated with Clear Lake, Texas	38	40
Resolution of commercial disputes with a vendor	-	31
Asset impairments	(115)	(9)
Ticona Kelsterbach plant relocation	(12)	(5)
Sorbates antitrust actions	8	-
Other	1	(2)
Total Other (charges) gains, net	(108)	(58)

Other charges increased in 2008 compared to 2007 and includes a long-lived asset impairment loss of $92 million in connection with the 2009 closure of our acetic acid and VAM production facility in Pardies, France, our VAM production unit in Cangrejera, Mexico and the potential closure of certain other facilities. This capacity reduction was necessitated by the significant change in the global economic environment and anticipated lower customer demand. Following the initial assessment of this capacity reduction, we shut down the Cangrejera VAM production unit in February 2009.

In addition, we recognized $23 million of long-lived asset impairment losses and $13 million of employee termination benefits in 2008 related to the shutdown of our Pampa, Texas facility.

During 2007, we fully impaired $6 million of goodwill related to our PVOH business.

Selling, general and administrative expenses increased $24 million during 2008 primarily due to business optimization and finance improvement initiatives.

Operating profit decreased due to lower gross profit and higher other charges and selling, general and administrative costs. The absence of a $34 million gain on the sale of our Edmonton, Alberta, Canada facility during 2007 also contributed to lower operating profit in 2008 as compared to 2007.

Equity in net earnings of affiliates decreased $28 million during 2008, primarily due to reduced earnings from our Advanced Engineered Materials' affiliates resulting from higher raw material and energy costs and decreased demand. Our effective income tax rate for 2008 was 15% compared to 25% in 2007. The effective income tax rate decreased in 2008 due to: 1) a decrease in the valuation allowance, 2) tax credits generated on foreign jurisdictions and 3) the US tax impact of foreign operations.

The loss from discontinued operations of $90 million during 2008 primarily relates to a legal settlement agreement we entered into during 2008. Under the settlement agreement, we agreed to pay $107 million to resolve certain legacy items. Because the legal proceeding related to sales by the polyester staple fibers business which Hoechst AG sold to KoSa, Inc. in 1998, the impact of the settlement is reflected within discontinued operations in the current period. See the "Polyester Staple Antitrust Litigation" section in Note 24 of the consolidated financial statements.

Selected Data by Business Segment — 2009 Compared with 2008 and 2008 Compared with 2007

	Year Ended December 31,			Year Ended December 31,		
	2009	2008	Change in $	2008	2007	Change in $
	(In $ millions)					
Net sales						
Advanced Engineered Materials	808	1,061	(253)	1,061	1,030	31
Consumer Specialties	1,084	1,155	(71)	1,155	1,111	44
Industrial Specialties	974	1,406	(432)	1,406	1,346	60
Acetyl Intermediates	2,603	3,875	(1,272)	3,875	3,615	260
Other Activities	2	2	-	2	2	-
Inter-segment Eliminations	(389)	(676)	287	(676)	(660)	(16)
Total	5,082	6,823	(1,741)	6,823	6,444	379
Other (charges) gains, net						
Advanced Engineered Materials	(18)	(29)	11	(29)	(4)	(25)
Consumer Specialties	(9)	(2)	(7)	(2)	(4)	2
Industrial Specialties	4	(3)	7	(3)	(23)	20
Acetyl Intermediates	(91)	(78)	(13)	(78)	72	(150)
Other Activities	(22)	4	(26)	4	(99)	103
Total	(136)	(108)	(28)	(108)	(58)	(50)
Operating profit (loss)						
Advanced Engineered Materials	35	32	3	32	133	(101)
Consumer Specialties	231	190	41	190	199	(9)
Industrial Specialties	89	47	42	47	28	19
Acetyl Intermediates	95	309	(214)	309	616	(307)
Other Activities	(160)	(138)	(22)	(138)	(228)	90
Total	290	440	(150)	440	748	(308)
Earnings (loss) from continuing operations before tax						
Advanced Engineered Materials	62	69	(7)	69	189	(120)
Consumer Specialties	288	237	51	237	235	2
Industrial Specialties	89	47	42	47	28	19
Acetyl Intermediates	144	434	(290)	434	694	(260)
Other Activities	(342)	(353)	11	(353)	(699)	346
Total	241	434	(193)	434	447	(13)
Depreciation and amortization						
Advanced Engineered Materials	73	76	(3)	76	69	7
Consumer Specialties	50	53	(3)	53	51	2
Industrial Specialties	51	62	(11)	62	59	3
Acetyl Intermediates	123	150	(27)	150	106	44
Other Activities	11	9	2	9	6	3
Total	308	350	(42)	350	291	59

Factors Affecting Business Segment Net Sales

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

	Volume	Price	Currency	Other	Total
			(In percentages)		
2009 Compared to 2008					
Advanced Engineered Materials	(21)	(1)	(2)	-	(24)
Consumer Specialties	(12)	7	(1)	-	(6)
Industrial Specialties	(10)	(10)	(2)	(9)[(2)]	(31)
Acetyl Intermediates	(6)	(26)	(1)	-	(33)
Total Company	(10)	(16)	(2)	2	(26)[(1)]
2008 Compared to 2007					
Advanced Engineered Materials	(4)	3	4	-	3
Consumer Specialties	(6)	7	1	2 [(3)]	4
Industrial Specialties	(10)	11	4	(1)[(4)]	4
Acetyl Intermediates	(3)	7	2	-	7
Total Company	(5)	8	3	-	6 [(1)]

(1) Includes the effects of the captive insurance companies.

(2) Includes loss of sales related to the sale of the PVOH business on July 1, 2009.

(3) Includes net sales from the Acetate Products Limited ("APL") acquisition.

(4) Includes loss of sales related to the sale of the EVA Performance Polymers' (f/k/a AT Plastics) Films business.

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

Advanced Engineered Materials

	Year Ended December 31, 2009	Year Ended December 31, 2008	Change in $
	(In $ millions, except percentages)		
Net sales	808	1,061	(253)
Net sales variance			
Volume	(21) %		
Price	(1) %		
Currency	(2) %		
Other	0 %		
Operating profit	35	32	3
Operating margin	4.3 %	3.0 %	
Other (charges) gains, net	(18)	(29)	11
Earnings (loss) from continuing operations before tax	62	69	(7)
Depreciation and amortization	73	76	(3)

Our Advanced Engineered Materials segment develops, produces and supplies a broad portfolio of high performance technical polymers for application in automotive and electronics products, as well as other consumer and industrial applications. Together with our strategic affiliates, we are a leading participant in the global technical polymers industry. The primary products of Advanced Engineered Materials are polyacetal products ("POM"), polyphenylene sulfide ("PPS"), long fiber reinforced thermoplastics ("LFRT"), polybutylene terephthalate ("PBT"), polyethylene terephthalate ("PET"), GUR® and liquid crystal polymers ("LCP"). POM, PPS, LFRT, PBT and PET are used in a broad range of products including automotive components, electronics, appliances and industrial applications. GUR® is used in battery separators, conveyor belts, filtration equipment, coatings and medical devices. Primary end markets for LCP are electrical and electronics.

Net sales decreased during 2009 compared to 2008 primarily as a result of lower sales volumes. Significant weakness in the global economy experienced during the first half of the year resulted in a dramatic decline in demand for

automotive, electrical and electronic products as well as for other industrial products. As a result, sales volumes dropped significantly across all product lines. During the second half of 2009, we experienced a continued increase in demand compared with the first half of the year as a result of programs like "Cash for Clunkers" in the United States during the third quarter of 2009 and a gradual recovery in the global economy during the fourth quarter of 2009. Demand for the first quarter of 2010 is expected to see continued improvement due to seasonality, with production being reduced in many areas in December due to the holidays, and continued improvement in the global economy.

Operating profit increased in 2009 as compared to 2008. Lower raw material and energy costs and decreased overall spending more than offset the decline in net sales. Decreased overall spending was the result of our fixed spending reduction efforts. Non-capital spending incurred on the relocation of our Ticona Kelsterbach plant was flat compared to 2008. For more information regarding the Ticona Kelsterbach plant relocation, see Note 29 to the consolidated financial statements.

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

Consumer Specialties

	Year Ended December 31,		Change
	2009	**2008**	**in $**
	(In $ millions, except percentages)		
Net sales	1,084	1,155	(71)
Net sales variance			
Volume	(12) %		
Price	7 %		
Currency	(1) %		
Other	0 %		
Operating profit	231	190	41
Operating margin	21.3 %	16.4 %	
Other (charges) gains, net	(9)	(2)	(7)
Earnings (loss) from continuing operations before tax	288	237	51
Depreciation and amortization	50	53	(3)

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

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

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

Earnings from continuing operations before tax of $288 million increased from 2008 primarily due to the increase in operating profit and an increase in dividends from our China ventures of $9 million. Increased dividends are the result of increased volumes and higher prices, as well as efficiency improvements.

Industrial Specialties

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

Our Industrial Specialties segment includes our Emulsions, PVOH and EVA Performance Polymers businesses. Our Emulsions business is a global leader which produces a broad range of products, specializing in vinyl acetate ethylene emulsions, and is a recognized authority on low volatile organic compounds ("VOC"), an environmentally-friendly technology. As a global leader, our PVOH business produced a broad portfolio of performance PVOH chemicals engineered to meet specific customer requirements. Our emulsions and PVOH products are used in a wide array of applications including paints and coatings, adhesives, construction, glass fiber, textiles and paper. EVA Performance Polymers offers a complete line of low-density polyethylene and specialty ethylene vinyl acetate resins and compounds. EVA Performance Polymers' products are used in many applications including flexible packaging films, lamination film products, hot melt adhesives, medical tubing, automotive carpeting and solar cell encapsulation films.

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

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

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

Acetyl Intermediates

	Year Ended December 31, 2009	2008	Change in $
	(In $ millions, except percentages)		
Net sales	2,603	3,875	(1,272)
Net sales variance			
Volume	(6) %		
Price	(26) %		
Currency	(1) %		
Other	0 %		
Operating profit	95	309	(214)
Operating margin	3.6 %	8.0 %	
Other (charges) gains, net	(91)	(78)	(13)
Earnings (loss) from continuing operations before tax	144	434	(290)
Depreciation and amortization	123	150	(27)

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

Net sales decreased 33% during 2009 as compared to 2008 primarily due to lower selling prices across all regions and major product lines, lower volumes and unfavorable foreign currency impacts. Lower volumes were driven by a reduction in underlying demand in Europe and in the Americas, which was only partially offset by significant increases in demand in Asia. Lower pricing was driven by lower raw material and energy prices, which also negatively impacted our formula-based pricing arrangements for VAM in the US. There were a number of production issues in Asia among the major acetic acid producers (other than Celanese), which coupled with planned outages, caused periodic and short-term market tightness. In 2010, sales are expected to see increases as compared to the corresponding periods in the prior year as the global economy begins to slowly recover. Sales volumes for the first quarter of 2010 are expected to be in line with the fourth quarter of 2009 as expected improvements in demand in the US are partially offset by expected reductions in Asia due to seasonal demand reductions for the Chinese New Year.

Operating profit declined $214 million primarily as a result of lower prices across all regions and major product lines. Significantly lower realized pricing was partially offset by favorable raw material and energy prices, reduced spending due to the shutdown of our Pampa, Texas facility and other reductions in fixed spending. Depreciation and amortization expense declined primarily as a result of the long-lived asset impairment losses recognized in the fourth quarter of 2008 related to our acetic acid and VAM production facility in Pardies, France, the closure of our VAM production unit in Cangrejera, Mexico in February 2009, together with lower depreciation expense resulting from the shutdown of our Pampa, Texas facility. Other charges negatively impacted our operating profit by increasing $13 million from prior year which relates primarily to the planned shutdown of our Pardies, France facility. Margins are expected to be lower in the first quarter of 2010 as compared to the fourth quarter of 2009 due to increasing competition and expected increases in raw material costs.

Earnings from continuing operations before tax differs from operating profit primarily as a result of dividend income from our cost investment, National Methanol Co. ("Ibn Sina"). Dividend income from Ibn Sina declined to $41 million in 2009 as a result of lower earnings from declining margins for methanol and methyl tertiary-butyl ether ("MTBE").

Other Activities

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

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

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

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

Summary by Business Segment — Year Ended December 31, 2008 Compared with Year Ended December 31, 2007

Advanced Engineered Materials

	Year Ended December 31,		Change
	2008	2007	in $
	(In $ millions, except percentages)		
Net sales	1,061	1,030	31
Net sales variance			
Volume	(4) %		
Price	3 %		
Currency	4 %		
Other	0 %		
Operating profit	32	133	(101)
Operating margin	3.0 %	12.9 %	
Other (charges) gains, net	(29)	(4)	(25)
Earnings (loss) from continuing operations before tax	69	189	(120)
Depreciation and amortization	76	69	7

Advanced Engineered Materials' net sales increased 3% during 2008 as compared to 2007 primarily as a result of implemented pricing increases combined with favorable foreign currency impacts. Increases in net sales were partially offset by lower volumes due to significant weakness in the US and European automotive and housing industries. Extended plant shutdowns enacted by major car manufacturers during the fourth quarter of 2008 contributed significantly to the volume decline.

Operating profit declined $101 million primarily due to higher raw material, freight and energy costs. Raw material costs increased on higher prices while freight costs increased as a result of increased freight rates and larger shipments to Asia. Raw material costs declined late in 2008 though at year end we held higher-cost inventories while inventory destocking continued. Higher depreciation and amortization expense and increased other charges also contributed to lower operating profit. Depreciation and amortization expense are higher in 2008 due to the start-up of the GUR® and LFRT units in Asia. Other charges consist primarily of a $16 million long-lived asset impairment loss related to certain Advanced Engineered Materials' facilities and $12 million related to the relocation of our Ticona plant in Kelsterbach. See Note 29 to the consolidated financial statements for more information on the Ticona Kelsterbach plant relocation.

Earnings from continuing operations before tax decreased due to decreased operating profit and decreased equity in net earnings of affiliates. Equity in net earnings of affiliates decreased $18 million during 2008, primarily due to reduced earnings from our Advanced Engineered Materials' affiliates resulting from higher raw material and energy costs and decreased demand.

Consumer Specialties

	Year Ended December 31,		Change
	2008	2007	in $
	(In $ millions, except percentages)		
Net sales	1,155	1,111	44
Net sales variance			
Volume	(6) %		
Price	7 %		
Currency	1 %		
Other	2 %		
Operating profit	190	199	(9)
Operating margin	16.4 %	17.9 %	
Other (charges) gains, net	(2)	(4)	2
Earnings (loss) from continuing operations before tax	237	235	2
Depreciation and amortization	53	51	2

Consumer Specialties' net sales increased 4% to $1,155 million during the year ended December 31, 2008 driven primarily by pricing actions in our Acetate Products business and an additional month of sales from our APL acquisition, which was acquired on January 31, 2007, offset by lower volumes. Lower volumes are a direct result of our strategic decision to shift acetate flake production to our China ventures, which are accounted for as cost method investments. The full impact of this shift has been realized during 2008 and thus the resulting trend of diminishing volumes is not expected to continue. Lower flake volumes were partially offset by a 5% increase in tow volumes as we were able to capture a portion of the growth in global tow demand.

The increase in net sales due to higher sales prices during 2008 was offset most significantly by higher energy costs, and to a lesser extent, higher raw material and freight costs. Operating profit, as compared to 2007, declined primarily due to the absence of a $22 million gain on the sale of our Edmonton, Alberta, Canada facility in 2007. Other charges during 2007 includes $3 million of deferred compensation plan expenses and $5 million of other restructuring charges, offset by insurance recoveries of $5 million in partial satisfaction of the business interruption losses resulting from the temporary unplanned outage of the acetic acid unit at our Clear Lake, Texas facility.

Earnings from continuing operations before tax of $237 million increased from 2007 as increased dividends from our China ventures more than offset the decline in operating profit. Increased dividends are the result of increased volumes and higher prices, as well as efficiency improvements.

Industrial Specialties

	Year Ended December 31,		Change
	2008	2007	in $
	(In $ millions, except percentages)		
Net sales	1,406	1,346	60
Net sales variance			
Volume	(10) %		
Price	11 %		
Currency	4 %		
Other	(1) %		
Operating profit	47	28	19
Operating margin	3.3 %	2.1 %	
Other (charges) gains, net	(3)	(23)	20
Earnings (loss) from continuing operations before tax	47	28	19
Depreciation and amortization	62	59	3

Industrial Specialties' net sales increased by 4% during 2008 as increased prices and favorable foreign currency impacts more than offset volume reductions. Pricing actions implemented by all business lines late in 2007 and during 2008 contributed to the increase in net sales. Volumes declined primarily on decreased demand across all regions due to the global economic downturn combined with the temporary shutdown of our EVA Performance Polymers plant late in 2008. The overall volume decline was partially offset by increased emulsions volumes at our Nanjing, China facility, which began operating late in 2008.

Increased net sales were more than offset by higher raw material and energy costs during 2008. The $19 million increase in operating profit was primarily due to lower other charges and the absence of the $7 million loss on the divestiture of our EVA Performance Polymers' Films business in 2007. During 2007, we initiated a plan to simplify and optimize our Emulsions and PVOH businesses to focus on technology and innovation. Other charges during 2008 includes a charge of $3 million for employee termination benefits and accelerated depreciation related to this plan. Other charges during 2007 includes a charge of $14 million for employee termination benefits, $3 million for an impairment of long-lived assets and $5 million of accelerated depreciation expense for our shuttered United Kingdom plant related to this plan. Other charges in 2007 also include $6 million of goodwill impairment and receipt of $7 million in insurance recoveries in partial satisfaction of the business interruption losses resulting from the temporary unplanned outage of the acetic acid unit at our Clear Lake, Texas facility.

Acetyl Intermediates

	Year Ended December 31,		Change
	2008	2007	in $
	(In $ millions, except percentages)		
Net sales	3,875	3,615	260
Net sales variance			
Volume	(3) %		
Price	7 %		
Currency	3 %		
Other	0 %		
Operating profit	309	616	(307)
Operating margin	8.0 %	17.0%	
Other (charges) gains, net	(78)	72	(150)
Earnings (loss) from continuing operations before tax	434	694	(260)
Depreciation and amortization	150	106	44

Acetyl Intermediates' net sales increased by 7% during 2008 primarily due to increased prices and favorable foreign currency impacts, partially offset by lower volumes. Our formula-based pricing arrangements benefited from higher ethylene and methanol costs during the first nine months of 2008. Market tightness in the Americas and favorable foreign currency impacts in Europe also contributed to the increase in net sales. Reduced volumes offset the increase in net sales as the slowdown of the global economy caused customers to slow production and diminish current inventory levels, particularly in Asia during the fourth quarter. Ethylene and methanol prices decreased during the fourth quarter of 2008 on slowed global demand.

Operating profit declined $307 million primarily as a result of higher ethylene, methanol and energy prices, increased other charges, increased depreciation and amortization and the absence of a $12 million gain on the sale of our Edmonton, Alberta, Canada facility in 2007. Other charges increased during 2008 partially due to $76 million of long-lived asset impairment losses recognized in 2008 related to the closure of our acetic acid and VAM production facility in Pardies, France, our VAM production unit in Cangrejera, Mexico (which we shut down effective February 2009) and the potential shutdown of certain other facilities. Other charges in 2008 also includes $23 million of long-lived asset impairment losses and $13 million of severance and retention charges related to the shutdown of our Pampa, Texas facility. Also contributing to the increase was the absence of a one-time payment of $31 million received in 2007 in resolution of commercial disputes with a vendor and a $25 million decrease in insurance recoveries received in partial satisfaction of the losses resulting from the temporary unplanned outage of the acetic acid unit at our Clear Lake, Texas facility. Increased depreciation and amortization expense during 2008 is the result of accelerated depreciation associated with the shutdown of our Pampa, Texas facility and a full year of depreciation for our acetic acid plant in Nanjing, China, which started up in mid-2007.

Earnings from continuing operations before tax differs from operating profit primarily as a result of dividend income from our cost investment, National Methanol Co. ("Ibn Sina"). Increased dividend income of $41 million during 2008 had a positive impact on earnings from continuing operations before tax. Ibn Sina increased their dividends as a result of higher earnings from expanding margins for methanol and MTBE.

Other Activities

Net sales for Other Activities remained flat in 2008 as compared to 2007. We do not expect third-party revenues from our captive insurance companies to increase significantly in the near future.

The operating loss for Other Activities improved $90 million during 2008 as compared to 2007 due to lower other charges, partially offset by higher selling, general and administrative expenses. Other charges decreased principally due to the release of reserves related to the Sorbates antitrust actions settlement of $8 million and the absence of $59 million of deferred compensation plan costs which were incurred during 2007. Selling, general and administrative expenses increased due to additional spending on business optimization and finance improvement initiatives during 2008.

The loss from continuing operations before tax decreased $346 million during 2008. The significant decrease was primarily due to the absence of $256 million of refinancing costs incurred in 2007 and the decrease in the operating loss discussed above.

Liquidity and Capital Resources

Our primary source of liquidity is cash generated from operations, available cash and cash equivalents and dividends from our portfolio of strategic investments. In addition, we have a $600 million revolving credit facility and $140 million available for borrowing under our credit-linked revolving facility to assist, if required, in meeting our working capital needs and other contractual obligations. In excess of 20 lenders participate in our revolving credit facility, each with a commitment of not more than 10% of the $600 million commitment.

While our contractual obligations, commitments and debt service requirements over the next several years are significant, we continue to believe we will have available resources to meet our liquidity requirements, including debt service, in 2010. If our cash flow from operations is insufficient to fund our debt service and other obligations, we may be required to use other means available to us such as increasing our borrowings, reducing or delaying capital expenditures, seeking additional capital or seeking to restructure or refinance our indebtedness. There can be

no assurance, however, that we will continue to generate cash flows at or above current levels or that we will be able to maintain our ability to borrow under our revolving credit facilities.

As a result of the Pardies, France Project of Closure, we recorded exit costs of $89 million during the year ended December 31, 2009, which included $60 million in employee termination benefits, $17 million of contract termination costs, and $12 million of long-lived asset impairment losses to Other charges (gains), net. See Note 18 to the consolidated financial statements for additional information regarding Other Charges. In addition, we recorded $9 million of accelerated depreciation expense and $8 million of environmental remediation reserves for the year ended December 31, 2009 related to the shutdown of the Pardies, France facility. We may incur up to an additional $17 million in contingent employee termination benefits related to the Pardies, France Project of Closure. We expect that substantially all of the exit costs (except for accelerated depreciation of fixed assets) will result in future cash expenditures over a two-year period. The Pardies, France facility is included in the Acetyl Intermediates segment. Refer to the Acetyl Intermediates section of the MD&A for more detail.

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

Cash Flows

Cash and cash equivalents as of December 31, 2009 were $1,254 million, which was an increase of $578 million from December 31, 2008. Cash and cash equivalents as of December 31, 2008 were $676 million, which was a decrease of $149 million from December 31, 2007. See below for details on the change in cash and cash equivalents from December 31, 2008 to December 31, 2009 and the change in cash and cash equivalents from December 31, 2007 to December 31, 2008.

Net Cash Provided by Operating Activities

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

Cash flow provided by operating activities increased $20 million to a cash inflow of $586 million in 2008 from a cash inflow of $566 million for the same period in 2007. Operating cash flows were favorably impacted by positive trade working capital changes ($202 million), lower cash taxes paid ($83 million) and the absence of adjustments to cash for discontinued operations. Adjustments to cash for discontinued operations of $84 million during 2007 related primarily to working capital changes of the oxo products and derivatives businesses and the shutdown of our Edmonton, Alberta, Canada methanol facility. Offsetting the increase in cash flows were an increase in net cash interest paid ($78 million), cash spent on legal settlements ($134 million) and decreased operating profit during the period.

Net Cash Provided by/Used in Investing Activities

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

Net cash from investing activities decreased from a cash inflow of $143 million in 2007 to a cash outflow of $201 million in 2008. Net cash from investing activities decreased primarily due to cash spent in settlement of our cross currency swaps of $93 million (see Note 22 to the consolidated financial statements) and the absence of proceeds from the sale of our oxo products and derivatives businesses during 2007. These amounts were offset by net cash received on the sale of marketable securities ($111 million) and the excess of cash received from Fraport over amounts spent in connection with the Ticona Kelsterbach plant relocation.

Our cash outflows for capital expenditures were $176 million, $274 million and $288 million for the years ended December 31, 2009, 2008 and 2007, respectively, excluding amounts related to the relocation of our Ticona plant in Kelsterbach. Capital expenditures were primarily related to major replacements of equipment, capacity expansions, major investments to reduce future operating costs and environmental, health and safety initiatives. Cash outflows for capital expenditures are expected to be approximately $265 million in 2010, excluding amounts related to the relocation of our Ticona plant in Kelsterbach.

As of December 31, 2009, we have received €542 million of cash from Fraport in connection with the Ticona Kelsterbach plant relocation. Per the terms of the Fraport agreement, we expect to receive an additional €110 million in 2011 subject to downward adjustments based on our readiness to close our operations at our Kelsterbach, Germany facility. We anticipate related cash outflows for capital expenditures in 2010 will be €200 million.

Net Cash Used in Financing Activities

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

Net cash for financing activities increased to a cash outflow of $499 million in 2008 compared to a cash outflow of $714 million during 2007. The increase primarily relates to the absence of cash outflows attributable to the debt refinancing in 2007. Also contributing to the increase, cash spent to repurchase shares was $25 million less during 2008 than during 2007. Decreased cash received for stock option exercises of $51 million partially offset the increase.

In addition, exchange rate effects on cash and cash equivalents increased to a favorable currency effect of $63 million in 2009 compared to an unfavorable impact of $35 million in 2008 and a favorable impact of $39 million in 2007.

Debt and Other Obligations

As of December 31, 2009, we had total debt of $3,501 million and cash and cash equivalents of $1,254 million, resulting in net debt of $2,247 million, a $610 million decrease from December 31, 2008. Increased cash of $578 million and net cash paydowns on debt of $89 million were partially offset by new capital lease obligations of $38 million and unfavorable foreign currency impacts of $24 million.

Senior Credit Facilities

Our senior credit agreement consists of $2,280 million of US dollar-denominated and €400 million of Euro-denominated term loans due 2014, a $600 million revolving credit facility terminating in 2013 and a $228 million credit-linked revolving facility terminating in 2014. As of December 31, 2009, there were no outstanding borrowings or letters of credit issued under the revolving credit facility; accordingly, $600 million remained available for borrowing. As of December 31, 2009, there were $88 million of letters of credit issued under the credit-linked revolving facility and $140 million remained available for borrowing. Our senior credit agreement requires us to not exceed a maximum first lien senior secured leverage ratio if there are outstanding borrowings under the revolving credit facility. The first lien senior secured leverage ratio is calculated as the ratio of consolidated first lien senior secured debt to earnings before interest, taxes, depreciation and amortization, subject to adjustments identified in the credit agreement. See Note 14 to the consolidated financial statements for additional information regarding our senior credit facilities.

On June 30, 2009, we entered into an amendment to the senior credit agreement. The amendment reduced the amount available under the revolving credit facility from $650 million to $600 million and increased the first lien senior secured leverage ratio covenant that is applicable when any amount is outstanding under the revolving credit portion of the senior credit agreement. Prior to giving effect to the amendment, the maximum first lien senior

secured leverage ratio was 3.90 to 1.00. As amended, the maximum senior secured leverage ratio for the following trailing four-quarter periods is as follows:

	First Lien Senior Secured Leverage Ratio
December 31, 2009	5.25 to 1.00
March 31, 2010	4.75 to 1.00
June 30, 2010	4.25 to 1.00
September 30, 2010	4.25 to 1.00
December 31, 2010 and thereafter	3.90 to 1.00

As a condition to borrowing funds or requesting that letters of credit be issued under the revolving credit facility, our first lien senior secured leverage ratio (as calculated as of the last day of the most recent fiscal quarter for which financial statements have been delivered under the revolving facility) cannot exceed a certain threshold as specified above. Further, our first lien senior secured leverage ratio must be maintained at or below that threshold while any amounts are outstanding under the revolving credit facility. The first lien senior secured leverage ratio is calculated as the ratio of consolidated first lien senior secured debt to earnings before interest, taxes, depreciation and amortization, subject to adjustment identified in the credit agreement.

Based on the estimated first lien senior secured leverage ratio for the trailing four quarters at December 31, 2009, our borrowing capacity under the revolving credit facility is $600 million. As of the quarter ended December 31, 2009, we estimate our first lien senior secured leverage ratio to be 3.39 to 1.00 (which would be 4.11 to 1.00 were the revolving credit facility fully drawn). The maximum first lien senior secured leverage ratio under the revolving credit facility for such quarter is 5.25 to 1.00. Our availability in future periods will be based on the first lien senior secured leverage ratio applicable to the future periods.

Our senior credit agreement also contains a number of restrictions on certain of our subsidiaries, including, but not limited to, restrictions on their ability to incur indebtedness; grant liens on assets; merge, consolidate, or sell assets; pay dividends or make other restricted payments; make investments; prepay or modify certain indebtedness; engage in transactions with affiliates; enter into sale-leaseback transactions or certain hedge transactions; or engage in other businesses. The senior credit agreement also contains a number of affirmative covenants and events of default, including a cross default to other debt of certain of our subsidiaries in an aggregate amount equal to more than $40 million and the occurrence of a change of control. Failure to comply with these covenants, or the occurrence of any other event of default, could result in acceleration of the loans and other financial obligations under our senior credit agreement.

Commitments Relating to Share Capital

Our Board of Directors adopted a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of our Series A common stock at an annual rate of $0.16 per share unless our Board of Directors in its sole discretion determines otherwise. For the years ended December 31, 2009, 2008 and 2007, we paid $23 million, $24 million and $25 million, respectively, in cash dividends on our Series A common stock. On January 5, 2010, we declared a $6 million cash dividend which was paid on February 1, 2010.

Holders of our 4.25% convertible perpetual preferred stock ("Preferred Stock") are entitled to receive, when, as and if declared by our Board of Directors, out of funds legally available, quarterly cash dividends at the rate of 4.25% per annum, or $0.265625 per share of liquidation preference. Dividends on the Preferred Stock are cumulative from the date of initial issuance. The Preferred Stock is convertible, at the option of the holder, at any time into 1.2600 shares of our Series A common stock, subject to adjustments, per $25.00 liquidation preference of the Preferred Stock. For the years ended December 31, 2009, 2008 and 2007, we paid $10 million annually of cash dividends on our Preferred Stock. On January 5, 2010, we declared a $3 million cash dividend on our Preferred Stock, which was paid on February 1, 2010.

On February 1, 2010, we announced we would elect to redeem all of our outstanding Preferred Stock on February 22, 2010. Holders of the Preferred Stock also have the right to convert their shares at any time prior to 5:00 p.m., New York City time, on February 19, 2010, the business day immediately preceding the February 22,

2010 redemption date. Considering the redemption of our Preferred Stock, we will pay cash dividends on our Preferred Stock of $3 million in 2010.

Contractual Debt and Cash Obligations

The following table sets forth our fixed contractual debt and cash obligations as of December 31, 2009.

	Payments due by period				
	Total	Less Than 1 Year	Years 2 & 3	Years 4 & 5	After 5 Years
			(In $ millions)		
Fixed contractual debt obligations					
Term loans facility	2,785	29	57	2,699	-
Interest payments on debt and other obligations	921 [1]	193	286	165	277
Capital lease obligations	242	34	28	28	152
Other debt	474 [5]	179	69	45	181
Total	4,422	435	440	2,937	610
Operating leases	203	50	67	40	46
Uncertain tax obligations, including interest and penalties	234 [2]	5	-	-	229
Unconditional purchase obligations	1,626 [3]	228	437	316	645
Other commitments	713 [4]	187	274	141	111
Environmental and asset retirement obligations	180	35	68	21	56
Total	7,378	940	1,286	3,455	1,697

(1) Future interest expense is calculated using the rate in effect on January 2, 2010.

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

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

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

(5) Other debt of $474 million is primarily made up of fixed rate pollution control and industrial revenue bonds, short-term borrowings from affiliated companies and other bank obligations.

Contractual Guarantees and Commitments

As of December 31, 2009, we have current standby letters of credit of $88 million and bank guarantees of $12 million outstanding which are irrevocable obligations of an issuing bank that ensure payment to third parties in the event that certain subsidiaries fail to perform in accordance with specified contractual obligations. The likelihood is remote that material payments will be required under these agreements.

Other Obligations

Deferred Compensation. In April 2007, certain participants in our 2004 deferred compensation plan elected to participate in a revised program, which includes both cash awards and restricted stock units. Under the revised cash program, participants relinquished their cash awards of up to $30 million that would have contingently accrued from

2007-2009 under the original plan. Based on current participation in the revised cash program, we expensed $10 million during the year ended December 31, 2009. The revised cash awards vest December 31, 2010.

In December 2008, we granted time-vesting cash awards of $22 million with Celanese's executive officers and certain other key employees. Each award of cash vests 30% on October 14, 2009, 30% on October 14, 2010 and 40% on October 14, 2011. In its sole discretion, the compensation committee of the Board of Directors may at any time convert all or a portion of the cash award to an award of time-vesting restricted stock units. The liability cash awards are being accrued and expensed over the term of the agreements. During the year ended December 31, 2009, less than $1 million was paid to participants who left the Company and $6 million was paid in October 2009 to active employees representing 30% of the remaining outstanding award.

Pension and Other Postretirement Obligations. Our contributions for pension and postretirement benefits are preliminarily estimated to be $46 million and $27 million, respectively, in 2010.

Domination Agreement. The domination and profit and loss transfer agreement (the "Domination Agreement") was approved at the Celanese GmbH, formerly known as Celanese AG, extraordinary shareholders' meeting on July 31, 2004. The Domination Agreement between Celanese GmbH and the Purchaser became effective on October 1, 2004 and was terminated effective December 31, 2009 by the Purchaser in the ordinary course of business. Our subsidiaries, Celanese International Holdings Luxembourg S.à r.l. ("CIH"), formerly Celanese Caylux Holdings Luxembourg S.C.A., and Celanese US, have each agreed to provide the Purchaser with financing to strengthen the Purchaser's ability to fulfill its obligations under, or in connection with, the Domination Agreement and to ensure that the Purchaser will perform all of its obligations under, or in connection with, the Domination Agreement when such obligations become due, including, without limitation, the obligation to compensate Celanese GmbH for any statutory annual loss incurred by Celanese GmbH during the term of the Domination Agreement. If CIH and/or Celanese US are obligated to make payments under such guarantees or other security to the Purchaser, we may not have sufficient funds for payments on our indebtedness when due. We have not had to compensate Celanese GmbH for an annual loss for any period during which the Domination Agreement has been in effect. Due to the termination of the Domination Agreement there will be no obligation to compensate for any losses incurred after December 31, 2009.

Purchases of Treasury Stock

In February 2008, our Board of Directors authorized the repurchase of up to $400 million of our Series A common stock. This authorization was increased to $500 million in October 2008. The authorization gives management discretion in determining the conditions under which shares may be repurchased. This repurchase program does not have an expiration date. During the year ended December 31, 2009, we did not repurchase any shares of our Series A common stock in connection with this authorization. We have the ability to repurchase an additional $122 million of Series A common stock based on the Board of Director's authorization of $500 million.

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

Plumbing Actions

We are involved in a number of legal proceedings and claims incidental to the normal conduct of our business. As of December 31, 2009 there were reserves of $55 million related to plumbing action litigation. Although it is impossible at this time to determine with certainty the ultimate outcome of these matters, we believe, based on the advice of legal counsel, that adequate provisions have been made and that the ultimate outcome will not have a material adverse effect on our financial position, but could have a material adverse effect on our results of operations or cash flows in any given accounting period.

Off-Balance Sheet Arrangements

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

Market Risks

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

Critical Accounting Policies and Estimates

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

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

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

Recoverability of Goodwill and Indefinite-Lived Assets

We test for impairment of goodwill at the reporting unit level. Our reporting units are either our operating business segments or one level below our operating business segments where discrete financial information is available for our reporting units and operating results are regularly reviewed by business segment management. Our business units have been designated as our reporting units based on business segment management's review of and reliance on the business unit financial information and include Advanced Engineered Materials, Acetate Products, Nutrinova, Emulsions, Celanese EVA Performance Polymers (formerly AT Plastics) and Acetyl Intermediates businesses. We assess the recoverability of the carrying value of our goodwill and other indefinite-lived intangible assets annually during the third quarter of our fiscal year using June 30 balances or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be fully recoverable. Recoverability of goodwill and other indefinite-lived intangible assets is measured using a discounted cash flow model incorporating discount rates commensurate with the risks involved for each reporting unit. Use of a discounted cash flow model is common practice in impairment testing in the absence of available transactional market evidence to determine the fair value.

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

long-lived and amortizable intangible assets associated with the reporting unit may require additional impairment testing.

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

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

Recoverability of Long-Lived and Amortizable Intangible Assets

We assess the recoverability of long-lived and amortizable intangible assets whenever events or circumstances indicate that the carrying value of the asset may not be recoverable. Examples of a change in events or circumstances include, but are not limited to, a decrease in the market price of the asset, a history of cash flow losses related to the use of the asset or a significant adverse change in the extent or manner in which an asset is being used. To assess the recoverability of long-lived and amortizable intangible assets we compare the carrying amount of the asset or group of assets to the future net undiscounted cash flows expected to be generated by the asset or asset group. Long-lived and amortizable intangible assets are tested for recognition and measurement of an impairment loss at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If such assets are considered impaired, the impairment recognized is measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset.

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

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

- ***Income Taxes***

We regularly review our deferred tax assets for recoverability and establish a valuation allowance based on historical taxable income, projected future taxable income, applicable tax strategies, and the expected timing of the reversals of existing temporary differences. A valuation allowance is provided when it is more likely than not that some

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

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

The recoverability of deferred tax assets and the recognition and measurement of uncertain tax positions are subject to various assumptions and management judgment. If actual results differ from the estimates made by management in establishing or maintaining valuation allowances against deferred tax assets, the resulting change in the valuation allowance would generally impact earnings or Other comprehensive income depending on the nature of the respective deferred tax asset. Additionally, the positions taken with regard to tax contingencies may be subject to audit and review by tax authorities which may result in future taxes, interest and penalties.

In December 2009, Mexico enacted the 2010 Mexican Tax Reform Bill ("Tax Reform Bill") to be effective January 1, 2010. Under this new legislation, the corporate income tax rate will be temporarily increased from 28% to 30% for 2010 through 2012, then reduced to 29% in 2013, and finally reduced back to 28% in 2014 and future years. The Tax Reform Bill as enacted accelerates this recapture period from 10 years to 5 years and effectively requires payment of taxes even if no benefit was obtained through the tax consolidation regime. Finally, significant modifications were also made to the rules for income taxes previously deferred on intercompany dividends, as well as to income taxes related to differences between consolidated and individual Mexican tax earnings and profits. The estimated income tax impact to the Company of this new legislation at December 31, 2009 is $73 million, payable $12 million in 2010, $14 million in 2012, $12 million in 2013 and $35 million in 2014 and thereafter. There is an expectation that Mexico may publish technical corrections to certain aspects of the Tax Reform Bill in 2010 that could significantly reduce the amounts due from the Company as described above. However, there is no assurance that Mexico will in fact publish such corrections, nor is it clear what impact any corrections published will have on the Company's actual liability under the new law. Although any ultimate outcome is uncertain, we strongly contend the new legislation is unconstitutional and we will contest its validity and effective date through proper channels.

- ***Benefit Obligations***

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

withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of pension expense recorded in future periods.

The amounts recognized in the consolidated financial statements related to pension and other postretirement benefits are determined on an actuarial basis. A significant assumption used in determining our pension expense is the expected long-term rate of return on plan assets. As of December 31, 2009, we assumed an expected long-term rate of return on plan assets of 8.5% for the US defined benefit pension plans, which represent approximately 83% and 85% of our pension plan assets and liabilities, respectively. On average, the actual return on the US qualified defined pension plans' assets over the long-term (15 to 20 years) has exceeded 8.5%.

We estimate a 25 basis point decline in the expected long-term rate of return for the US qualified defined benefit pension plan to increase pension expense by an estimated $5 million in 2009. Another estimate that affects our pension and other postretirement benefit expense is the discount rate used in the annual actuarial valuations of pension and other postretirement benefit plan obligations. At the end of each year, we determine the appropriate discount rate, used to determine the present value of future cash flows currently expected to be required to settle the pension and other postretirement benefit obligations. The discount rate is generally based on the yield on high-quality corporate fixed-income securities. As of December 31, 2009, we decreased the discount rate to 5.90% from 6.50% as of December 31, 2008 for the US plans. We estimate that a 50 basis point decline in our discount rate will increase our annual pension expenses by an estimated $12 million, and increase our benefit obligations by approximately $151 million for our US pension plans. In addition, the same basis point decline in our discount rate will also increase our annual expenses and benefit obligations by less than $1 million and $9 million respectively, for our US postretirement medical plans. We estimate that a 50 basis point decline in the discount rate for the non-US pension and postretirement medical plans will increase pension and other postretirement benefit annual expenses by approximately $1 million and less than $1 million, respectively, and will increase our benefit obligations by approximately $32 million and $2 million, respectively.

Other postretirement benefit plans provide medical and life insurance benefits to retirees who meet minimum age and service requirements. The key determinants of the accumulated postretirement benefit obligation ("APBO") are the discount rate and the healthcare cost trend rate. The healthcare cost trend rate has a significant effect on the reported amounts of APBO and related expense. For example, increasing or decreasing the healthcare cost trend rate by one percentage point in each year would result in the APBO as of December 31, 2009 changing by approximately $4 million and $(3) million, respectively. Additionally, increasing or decreasing the healthcare cost trend rate by one percentage point in each year would result in the 2009 postretirement benefit cost changing by less than $1 million.

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

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

- ***Accounting for Commitments and Contingencies***

We are subject to a number of legal proceedings, lawsuits, claims, and investigations, incidental to the normal conduct of our business, relating to and including product liability, patent and intellectual property, commercial, contract, antitrust, past waste disposal practices, release of chemicals into the environment and employment matters, which are handled and defended in the ordinary course of business. We routinely assess the likelihood of any adverse judgments or outcomes to these matters as well as ranges of probable and reasonably estimable losses. Reasonable estimates involve judgments made by us after considering a broad range of information including:

notifications, demands, settlements which have been received from a regulatory authority or private party, estimates performed by independent consultants and outside counsel, available facts, identification of other potentially responsible parties and their ability to contribute, as well as prior experience. With respect to environmental liabilities, it is our policy to accrue through fifteen years, unless we have government orders or other agreements that extend beyond fifteen years. A determination of the amount of loss contingency required, if any, is assessed in accordance with FASB Accounting Standards Codification ("FASB ASC") Topic 450, *Contingencies,* and recorded if probable and estimable after careful analysis of each individual matter. The required reserves may change in the future due to new developments in each matter and as additional information becomes available.

Financial Reporting Changes

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

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

Market Risks

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

Interest Rate Risk Management

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

In March 2007, in anticipation of the April 2007 debt refinancing, we entered into various US dollar and Euro interest rate swap agreements, which became effective on April 2, 2007, with notional amounts of $1.6 billion and €150 million, respectively. The notional amount of the $1.6 billion US dollar interest rate swaps decreased by $400 million effective January 2, 2008 and decreased by another $200 million effective January 2, 2009. To offset the declines, we entered into US dollar interest rate swaps with a combined notional amount of $400 million which became effective on January 2, 2008 and an additional US dollar interest rate swap with a notional amount of $200 million which became effective April 2, 2009.

As of December 31, 2009, we had $2.2 billion, €440 million and CNY 1.4 billion of variable rate debt, of which $1.6 billion and €150 million is hedged with interest rate swaps, which leaves $643 million, €290 million and CNY 1.4 billion of variable rate debt subject to interest rate exposure. Accordingly, a 1% increase in interest rates would increase annual interest expense by approximately $13 million.

See Note 22 to the consolidated financial statements for further discussion of our interest rate risk management and the related impact on our financial position and results of operations.

Foreign Exchange Risk Management

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

The following table indicates the total US dollar equivalents of net foreign exchange exposure related to (short) long foreign exchange forward contracts outstanding by currency. All of the contracts included in the table below will

have approximately offsetting effects from actual underlying payables, receivables, intercompany loans or other assets or liabilities subject to foreign exchange remeasurement.

Currency	2010 Maturity
	(In $ millions)
Euro	(372)
British pound sterling	(90)
Chinese renminbi	(200)
Mexican peso	(5)
Singapore dollar	27
Canadian dollar	(48)
Japanese yen	8
Brazilian real	(11)
Swedish krona	15
Other	(1)
Total	(677)

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

To protect the foreign currency exposure of a net investment in a foreign operation, we entered into cross currency swaps with certain financial institutions in 2004. The cross currency swaps and the Euro-denominated portion of the senior term loan were designated as a hedge of a net investment of a foreign operation. We dedesignated the net investment hedge due to the debt refinancing in April 2007 and redesignated the cross currency swaps and new senior Euro term loan in July 2007. As a result, we recorded $26 million of mark-to-market losses related to the cross currency swaps and the new senior Euro term loan during this period.

Under the terms of the cross currency swap arrangements, we paid approximately €13 million in interest and received approximately $16 million in interest on June 15 and December 15 of each year. The fair value of the net obligation under the cross currency swaps was included in current Other liabilities in the consolidated balance sheets as of December 31, 2007. Upon maturity of the cross currency swap arrangements in June 2008, we owed €276 million ($426 million) and were owed $333 million. In settlement of the obligation, we paid $93 million (net of interest of $3 million) in June 2008.

During the year ended December 31, 2008, we dedesignated €385 million of the €400 million euro-denominated portion of the term loan, previously designated as a hedge of a net investment of a foreign operation. The remaining €15 million Euro-denominated portion of the term loan was dedesignated as a hedge of a net investment of a foreign operation in June 2009. Prior to these dedesignations, we had been using external derivative contracts to offset foreign currency exposures on certain intercompany loans. As a result of the dedesignations, the foreign currency exposure created by the Euro-denominated term loan is expected to offset the foreign currency exposure on certain intercompany loans, decreasing the need for external derivative contracts and reducing our exposure to external counterparties.

See Note 22 to the consolidated financial statements for further discussion of our foreign exchange risk management and the related impact on our financial position and results of operations.

Commodity Risk Management

We have exposure to the prices of commodities in our procurement of certain raw materials. We manage our exposure primarily through the use of long-term supply agreements and derivative instruments. We regularly assess

our practice of purchasing a portion of our commodity requirements forward and utilization of other raw material hedging instruments, in addition to forward purchase contracts, in accordance with changes in market conditions. Forward purchases and swap contracts for raw materials are principally settled through actual delivery of the physical commodity. For qualifying contracts, we have elected to apply the normal purchases and normal sales exception of FASB ASC Topic 815, as it was probable at the inception and throughout the term of the contract that they would not settle net and would result in physical delivery. As such, realized gains and losses on these contracts are included in the cost of the commodity upon the settlement of the contract.

In addition, we occasionally enter into financial derivatives to hedge a component of a raw material or energy source. Typically, these types of transactions do not qualify for hedge accounting. These instruments are marked to market at each reporting period and gains (losses) are included in Cost of sales in the consolidated statements of operations. We recognized no gain or loss from these types of contracts during the years ended December 31, 2009 and 2008 and less than $1 million during the year ended December 31, 2007. As of December 31, 2009, we did not have any open financial derivative contracts for commodities.

Item 8. Financial Statements and Supplementary Data

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

Quarterly Financial Information

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended			
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009
	(Unaudited) (In $ millions, except per share data)			
Net sales	1,146	1,244	1,304	1,388
Gross profit	200	248	266	289
Other (charges) gains, net	(21) [1]	(6)	(96) [2]	(13)
Operating profit (loss)	27	89	65	109
Earnings (loss) from continuing operations before tax	(16)	122	49	86
Amounts attributable to Celanese Corporation				
Earnings (loss) from continuing operations	(21)	105	399	1
Earnings (loss) from discontinued operations	1	(1)	-	4
Net earnings (loss)	(20)	104	399	5
Earnings (loss) per share — basic	(0.16)	0.71	2.76	0.02
Earnings (loss) per share — diluted	(0.16)	0.66	2.53	0.02

	Three Months Ended			
	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008
	(Unaudited) (In $ millions, except per share data)			
Net sales	1,846	1,868	1,823	1,286
Gross profit	418	396	333	109
Other (charges) gains, net	(16)	(7)	(1) [3]	(84) [4]
Operating profit (loss)	234	207	151	(152)
Earnings (loss) from continuing operations before tax	218	247	152	(183)
Amounts attributable to Celanese Corporation				
Earnings (loss) from continuing operations	145	203	164	(140)
Earnings (loss) from discontinued operations	-	(69)	(6)	(15)
Net earnings (loss)	145	134	158	(155)
Earnings (loss) per share — basic	0.93	0.87	1.05	(1.09)
Earnings (loss) per share — diluted	0.87	0.80	0.97	(1.09)

[1] Consists principally of $24 million in employee termination benefits, due to our efforts to align production capacity and staffing levels with our current view of an economic environment of prolonged lower demand.

[2] Consists principally of $65 million in employee termination benefits, $20 million of contract termination costs and $7 million of long-lived impairment losses related to the Project of Closure at our Pardies, France plant location.

[3] Consists principally of $21 million in long-lived asset impairment losses, $23 million in insurance recoveries and $8 million in employee termination benefits. The long-lived asset impairment losses are associated with the sale of our Pampa, Texas plant. The insurance recoveries were received from our reinsurers in partial satisfaction of loss claims resulting from the previously announced outage at our Clear Lake, Texas acetic acid facility.

[4] Consists principally of $94 million in long-lived impairment losses and $15 million in insurance recoveries. The long-lived asset impairment losses are associated with the 2009 closure of our acetic acid and VAM production

facility in Pardies, France, the 2009 VAM production unit in Cangrejera, Mexico and certain other facilities. The insurance recoveries reflect amounts received from our reinsurers in partial satisfaction of loss claims resulting from the previously announced outage at our Clear Lake, Texas acetic acid facility.

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

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

None.

Item 9A. ***Controls and Procedures***

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, as of December 31, 2009, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

None.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2009. KPMG LLP has audited this assessment of our internal control over financial reporting; their report is included below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Celanese Corporation:

We have audited Celanese Corporation and subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying report of management on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, Celanese Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Celanese Corporation and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2009, and our report dated February 12, 2010 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Dallas, Texas
February 12, 2010

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

None.

PART III

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

The information required by this Item 10 is incorporated herein by reference from the sections captioned "Corporate Governance," "Our Management Team," and "Section 16(a) Beneficial Ownership Reporting Compliance" of the Company's definitive proxy statement for the 2010 annual meeting of stockholders to be filed not later than March 12, 2010 with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "2010 Proxy Statement").

Item 11. ***Executive Compensation***

The information required by this Item 11 is incorporated by reference from the sections captioned "Executive Compensation Discussion and Analysis," "Potential Payments upon Termination and Change in Control," and "Corporate Governance – Compensation Committee Interlocks and Insider Participation" of the 2010 Proxy Statement.

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

The information required by this Item 12 is incorporated by reference from the section captioned "Stock Ownership Information" of the 2010 Proxy Statement. The information required by Item 201(d) of Regulation S-K is submitted in a separate section of this Form 10-K. See *Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*, above.

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

The information required by this Item 13 is incorporated by reference from the section captioned "Certain Relationships and Related Person Transactions" of the 2010 Proxy Statement.

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

The information required by this Item 14 is incorporated by reference from the sections captioned "Ratification of Independent Registered Public Accounting Firm" and "Corporate Governance and Director Independence" of the 2010 Proxy Statement.

PART IV

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

1. *Financial Statements*. The reports of our independent registered public accounting firm and our consolidated financial statements are listed below and begin on page 73 of this Annual Report on Form 10-K.

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2. *Financial Statement Schedule.*

The financial statement schedule required by this item is included as an Exhibit to this Annual Report on Form 10-K.

3. *Exhibit List.*

See Index to Exhibits following our consolidated financial statements contained in this Annual Report on Form 10-K.

PLEASE NOTE: It is inappropriate for readers to assume the accuracy of, or rely upon any covenants, representations or warranties that may be contained in agreements or other documents filed as Exhibits to, or incorporated by reference in, this Annual Report. Any such covenants, representations or warranties may have been qualified or superseded by disclosures contained in separate schedules or exhibits not filed with or incorporated by reference in this Annual Report, may reflect the parties' negotiated risk allocation in the particular transaction, may be qualified by materiality standards that differ from those applicable for securities law purposes, and may not be true as of the date of this Annual Report or any other date and may be subject to waivers by any or all of the parties. Where exhibits and schedules to agreements filed or incorporated by reference as Exhibits hereto are not included in these exhibits, such exhibits and schedules to agreements are not included or incorporated by reference herein.

SIGNATURES

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

CELANESE CORPORATION

By: /s/ David N. Weidman

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

Date: February 12, 2010

POWER OF ATTORNEY

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

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

Signature	Title	Date
/s/ David N. Weidman David N. Weidman	Chairman of the Board of Directors, Chief Executive Officer (Principal Executive Officer)	February 12, 2010
/s/ Steven M. Sterin Steven M. Sterin	Senior Vice President, Chief Financial Officer (Principal Financial Officer)	February 12, 2010
/s/ Christopher W. Jensen Christopher W. Jensen	Vice President and Corporate Controller (Principal Accounting Officer)	February 12, 2010
/s/ James E. Barlett James E. Barlett	Director	February 12, 2010
/s/ David F. Hoffmeister David F. Hoffmeister	Director	February 12, 2010
/s/ Martin G. McGuinn Martin G. McGuinn	Director	February 12, 2010
/s/ Paul H. O’Neill Paul H. O’Neill	Director	February 12, 2010

Signature	Title	Date
/s/ Mark C. Rohr Mark C. Rohr	Director	February 12, 2010
/s/ Daniel S. Sanders Daniel S. Sanders	Director	February 12, 2010
/s/ Farah M. Walters Farah M. Walters	Director	February 12, 2010
/s/ John K. Wulff John K. Wulff	Director	February 12, 2010

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Celanese Corporation:

We have audited the accompanying consolidated balance sheets of Celanese Corporation and subsidiaries (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Celanese Corporation and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 12, 2010 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

As discussed in Note 15 to the consolidated financial statements, the Company adopted Financial Accounting Standards Board ("FASB") Staff Position No. 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* (included in FASB Accounting Standards Codification ("ASC") Subtopic 715-20, *Defined Benefit Plans*), during the year ended December 31, 2009.

As discussed in Note 23 to the consolidated financial statements, the Company adopted FASB Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (included in FASB ASC Subtopic 820-10, *Fair Value Measurements and Disclosures*), during the year ended December 31, 2008.

As discussed in Note 19 to the consolidated financial statements, the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (included in FASB ASC Subtopic 740-10, *Income Taxes*), during the year ended December 31, 2007.

/s/ KPMG LLP

Dallas, Texas
February 12, 2010

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2009	2008	2007
	(In $ millions, except for share and per share data)		
Net sales	5,082	6,823	6,444
Cost of sales	(4,079)	(5,567)	(4,999)
Gross profit	1,003	1,256	1,445
Selling, general and administrative expenses	(469)	(540)	(516)
Amortization of intangible assets (primarily customer relationships)	(77)	(76)	(72)
Research and development expenses	(75)	(80)	(73)
Other (charges) gains, net	(136)	(108)	(58)
Foreign exchange gain (loss), net	2	(4)	2
Gain (loss) on disposition of businesses and assets, net	42	(8)	20
Operating profit	290	440	748
Equity in net earnings (loss) of affiliates	48	54	82
Interest expense	(207)	(261)	(262)
Refinancing expense	-	-	(256)
Interest income	8	31	44
Dividend income — cost investments	98	167	116
Other income (expense), net	4	3	(25)
Earnings (loss) from continuing operations before tax	241	434	447
Income tax (provision) benefit	243	(63)	(110)
Earnings (loss) from continuing operations	484	371	337
Earnings (loss) from operation of discontinued operations	6	(120)	40
Gain (loss) on disposal of discontinued operations	-	6	52
Income tax (provision) benefit from discontinued operations	(2)	24	(2)
Earnings (loss) from discontinued operations	4	(90)	90
Net earnings (loss)	488	281	427
Net (earnings) loss attributable to noncontrolling interests	-	1	(1)
Net earnings (loss) attributable to Celanese Corporation	488	282	426
Cumulative preferred stock dividends	(10)	(10)	(10)
Net earnings (loss) available to common shareholders	478	272	416
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	484	372	336
Earnings (loss) from discontinued operations	4	(90)	90
Net earnings (loss)	488	282	426
Earnings (loss) per common share – basic			
Continuing operations	3.30	2.44	2.11
Discontinued operations	0.03	(0.61)	0.58
Net earnings (loss) – basic	3.33	1.83	2.69
Earnings (loss) per common share – diluted			
Continuing operations	3.08	2.28	1.96
Discontinued operations	0.03	(0.55)	0.53
Net earnings (loss) – diluted	3.11	1.73	2.49
Weighted average shares – basic	143,688,749	148,350,273	154,475,020
Weighted average shares – diluted	157,115,521	163,471,873	171,227,997

See the accompanying notes to the consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2009	**2008**
	(In $ millions, except share amounts)	
ASSETS		
Current assets		
Cash and cash equivalents	1,254	676
Trade receivables – third party and affiliates (net of allowance for doubtful accounts – 2009: $18; 2008: $25)	721	631
Non-trade receivables (net of allowance for doubtful accounts – 2009: $0; 2008: $1)	255	274
Inventories	522	577
Deferred income taxes	42	24
Marketable securities, at fair value	3	6
Assets held for sale	2	2
Other assets	57	96
Total current assets	2,856	2,286
Investments in affiliates	790	789
Property, plant and equipment (net of accumulated depreciation – 2009: $1,130; 2008: $1,051)	2,797	2,470
Deferred income taxes	484	27
Marketable securities, at fair value	80	94
Other assets	311	357
Goodwill	798	779
Intangible assets, net	294	364
Total assets	8,410	7,166
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings and current installments of long-term debt – third party and affiliates	242	233
Trade payables – third party and affiliates	649	523
Other liabilities	611	574
Deferred income taxes	33	15
Income taxes payable	72	24
Total current liabilities	1,607	1,369
Long-term debt	3,259	3,300
Deferred income taxes	137	122
Uncertain tax positions	229	218
Benefit obligations	1,288	1,167
Other liabilities	1,306	806
Commitments and contingencies		
Shareholders' equity		
Preferred stock, $0.01 par value, 100,000,000 shares authorized (2009 and 2008: 9,600,000 shares issued and outstanding)	-	-
Series A common stock, $0.0001 par value, 400,000,000 shares authorized (2009: 164,995,755 shares issued and 144,394,069 outstanding; 2008: 164,107,394 shares issued and 143,505,708 outstanding)	-	-
Series B common stock, $0.0001 par value, 100,000,000 shares authorized (2009 and 2008: 0 shares issued and outstanding)	-	-
Treasury stock, at cost – (2009 and 2008: 20,601,686 shares)	(781)	(781)
Additional paid-in capital	522	495
Retained earnings	1,502	1,047
Accumulated other comprehensive income (loss), net	(659)	(579)
Total Celanese Corporation shareholders' equity	584	182
Noncontrolling interests	-	2
Total shareholders' equity	584	184
Total liabilities and shareholders' equity	8,410	7,166

See the accompanying notes to the consolidated financial statements.

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

	2009		2008		2007	
	Shares Outstanding	Amount	Shares Outstanding	Amount	Shares Outstanding	Amount
	(In $ millions, except share data)					
Preferred stock						
Balance as of the beginning of the period	9,600,000	-	9,600,000	-	9,600,000	-
Issuance of preferred stock	-	-	-	-	-	-
Balance as of the end of the period	9,600,000	-	9,600,000	-	9,600,000	-
Series A common stock						
Balance as of the beginning of the period	143,505,708	-	152,102,801	-	158,668,666	-
Issuance of Series A common stock	-	-	-	-	7,400	-
Stock option exercises	806,580	-	1,056,368	-	4,265,221	-
Purchases of treasury stock	-	-	(9,763,200)	-	(10,838,486)	-
Stock awards	81,781	-	109,739	-	-	-
Balance as of the end of the period	144,394,069	-	143,505,708	-	152,102,801	-
Treasury stock						
Balance as of the beginning of the period	20,601,686	(781)	10,838,486	(403)	-	-
Purchases of treasury stock, including related fees	-	-	9,763,200	(378)	10,838,486	(403)
Balance as of the end of the period	20,601,686	(781)	20,601,686	(781)	10,838,486	(403)
Additional paid-in capital						
Balance as of the beginning of the period		495		469		362
Indemnification of demerger liability		-		2		4
Stock-based compensation, net of tax		13		15		15
Stock option exercises, net of tax		14		9		88
Balance as of the end of the period		522		495		469
Retained earnings						
Balance as of the beginning of the period		1,047		799		394
Net earnings (loss) attributable to Celanese Corporation		488		282		426
Series A common stock dividends		(23)		(24)		(25)
Preferred stock dividends		(10)		(10)		(10)
Adoption of ASC 740[1]		-		-		14
Balance as of the end of the period		1,502		1,047		799
Accumulated other comprehensive income (loss), net						
Balance as of the beginning of the period		(579)		197		31
Unrealized gain (loss) on securities		(3)		(23)		17
Foreign currency translation		5		(130)		70
Unrealized gain (loss) on interest rate swaps		15		(79)		(41)
Pension and postretirement benefits		(97)		(544)		120
Balance as of the end of the period		(659)		(579)		197
Total Celanese Corporation shareholders' equity		584		182		1,062
Noncontrolling interests						
Balance as of the beginning of the period		2		5		74
Purchase of remaining noncontrolling interests		-		-		(70)
Divestiture of noncontrolling interests		(2)		(2)		-
Net earnings (loss) attributable to noncontrolling interests		-		(1)		1
Balance as of the end of the period		-		2		5
Total shareholders' equity		584		184		1,067

[1] Adoption of ASC 740, *Income Taxes* related to uncertain tax positions (Note 19).

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

	2009		2008		2007	
	Shares Outstanding	Amount	Shares Outstanding	Amount	Shares Outstanding	Amount
			(In $ millions, except share data)			
Comprehensive income (loss)						
Net earnings (loss)		488		281		427
Other comprehensive income (loss), net of tax:						
Unrealized gain (loss) on securities		(3)		(23)		17
Foreign currency translation		5		(130)		70
Unrealized gain (loss) on interest rate swaps		15		(79)		(41)
Pension and postretirement benefits		(97)		(544)		120
Total comprehensive income (loss), net of tax		408		(495)		593
Comprehensive (income) loss attributable to noncontrolling interests		-		1		(1)
Comprehensive income (loss) attributable to Celanese Corporation		408		(494)		592

See the accompanying notes to the consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2009	2008	2007
		(In $ millions)	
Operating activities			
Net earnings (loss)	488	281	427
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Other charges (gains), net of amounts used	73	111	30
Depreciation, amortization and accretion	319	360	311
Deferred income taxes, net	(402)	(69)	23
(Gain) loss on disposition of businesses and assets, net	(40)	1	(74)
Refinancing expense	-	-	256
Other, net	22	36	(2)
Operating cash provided by (used in) discontinued operations	(2)	3	(84)
Changes in operating assets and liabilities:			
Trade receivables — third party and affiliates, net	(79)	339	(69)
Inventories	30	21	(27)
Other assets	9	53	66
Trade payables — third party and affiliates	104	(265)	(11)
Other liabilities	74	(285)	(280)
Net cash provided by operating activities	596	586	566
Investing activities			
Capital expenditures on property, plant and equipment	(176)	(274)	(288)
Acquisitions, net of cash acquired	(9)	-	(269)
Proceeds from sale of businesses and assets, net	171	9	715
Deferred proceeds on Ticona Kelsterbach plant relocation	412	311	-
Capital expenditures related to Ticona Kelsterbach plant relocation	(351)	(185)	(21)
Proceeds from sale of marketable securities	15	202	69
Purchases of marketable securities	-	(91)	(59)
Changes in restricted cash	-	-	46
Settlement of cross currency swap agreements	-	(93)	-
Other, net	(31)	(80)	(50)
Net cash provided by (used in) investing activities	31	(201)	143
Financing activities			
Short-term borrowings (repayments), net	(9)	(64)	30
Proceeds from long-term debt	-	13	2,904
Repayments of long-term debt	(80)	(47)	(3,053)
Refinancing costs	(3)	-	(240)
Purchases of treasury stock, including related fees	-	(378)	(403)
Stock option exercises	14	18	69
Series A common stock dividends	(23)	(24)	(25)
Preferred stock dividends	(10)	(10)	(10)
Other, net	(1)	(7)	14
Net cash used in financing activities	(112)	(499)	(714)
Exchange rate effects on cash and cash equivalents	63	(35)	39
Net increase (decrease) in cash and cash equivalents	578	(149)	34
Cash and cash equivalents at beginning of period	676	825	791
Cash and cash equivalents at end of period	1,254	676	825

See the accompanying notes to the consolidated financial statements.

CELANESE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company and Basis of Presentation

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

Definitions

In this Annual Report on Form 10-K, the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The term "Celanese US" refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, formerly known as BCP Crystal US Holdings Corp., a Delaware corporation, and not its subsidiaries. The term "Purchaser" refers to the Company's subsidiary, Celanese Europe Holding GmbH & Co. KG, formerly known as BCP Crystal Acquisition GmbH & Co. KG, a German limited partnership, and not its subsidiaries, except where otherwise indicated. The term "Original Shareholders" refers, collectively, to Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and BA Capital Investors Sidecar Fund, L.P. The term "Advisor" refers to Blackstone Management Partners, an affiliate of The Blackstone Group.

Basis of Presentation

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

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

2. Summary of Accounting Policies

• *Consolidation principles*

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

• *Estimates and assumptions*

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

• *Cash and cash equivalents*

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

• *Inventories*

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

• *Investments in marketable securities*

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

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

• *Investments in affiliates*

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("FASB ASC") Topic 323, *Investments – Equity Method and Joint Ventures*, stipulates that the equity method should be used to account for investments whereby an investor has "the ability to exercise significant influence over operating and financial policies of an investee", but does not exercise control. FASB ASC Topic 323 generally considers an investor to have the ability to exercise significant influence when it owns 20% or more of the voting stock of an investee. FASB ASC Topic 323 lists circumstances under which, despite 20% ownership, an investor may not be able to exercise significant influence. Certain investments where the Company owns greater than a 20% ownership and cannot exercise significant influence or control are accounted for under the cost method (Note 8).

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

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

• *Property, plant and equipment, net*

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

Land Improvements	20 years
Buildings and improvements	30 years
Machinery and Equipment	20 years

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

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

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

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

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

• Goodwill and other intangible assets

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

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

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

The Company assesses the recoverability of finite-lived intangible assets in the same manner as for property, plant and equipment as described above. Impairment losses are recorded in amortization expense or Other (charges) gains, net depending on the facts and circumstances.

• *Financial instruments*

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

The Company manages its exposures to currency exchange rates, interest rates and commodity prices through a risk management program that includes the use of derivative financial instruments (Note 22). The Company does not use derivative financial instruments for speculative trading purposes. The fair value of all derivative instruments is recorded as assets or liabilities at the balance sheet date. Changes in the fair value of these instruments are reported in income or Accumulated other comprehensive income (loss), net, depending on the use of the derivative and whether it qualifies for hedge accounting treatment under the provisions of FASB ASC Topic 815, *Derivatives and Hedging* ("FASB ASC Topic 815").

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

• *Concentrations of credit risk*

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

• *Deferred financing costs*

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

• *Environmental liabilities*

The Company manufactures and sells a diverse line of chemical products throughout the world. Accordingly, the Company's operations are subject to various hazards incidental to the production of industrial chemicals including the use, handling, processing, storage and transportation of hazardous materials. The Company recognizes losses and accrues liabilities relating to environmental matters if available information indicates that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Depending on the nature of the site, the Company accrues through fifteen years, unless the Company has government orders or other agreements that extend beyond fifteen years. If the event of loss is neither probable nor reasonably estimable, but is reasonably possible, the Company provides appropriate disclosure in the notes to the consolidated financial statements if the contingency is considered material. The Company estimates environmental liabilities on a case-by-case basis using

the most current status of available facts, existing technology, presently enacted laws and regulations and prior experience in remediation of contaminated sites. Recoveries of environmental costs from other parties are recorded as assets when their receipt is deemed probable.

An environmental reserve related to cleanup of a contaminated site might include, for example, a provision for one or more of the following types of costs: site investigation and testing costs, cleanup costs, costs related to soil and water contamination resulting from tank ruptures and post-remediation monitoring costs. These reserves do not take into account any claims or recoveries from insurance. There are no pending insurance claims for any environmental liability that are expected to be material. The measurement of environmental liabilities is based on the Company's periodic estimate of what it will cost to perform each of the elements of the remediation effort. The Company utilizes third parties to assist in the management and development of cost estimates for its sites. Changes to environmental regulations or other factors affecting environmental liabilities are reflected in the consolidated financial statements in the period in which they occur (Note 16).

• Legal fees

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

• Revenue recognition

The Company recognizes revenue when title and risk of loss have been transferred to the customer, generally at the time of shipment of products, and provided that four basic criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the fee is fixed or determinable; and (4) collectibility is reasonably assured. Should changes in conditions cause the Company to determine revenue recognition criteria are not met for certain transactions, revenue recognition would be delayed until such time that the transactions become realizable and fully earned. Payments received in advance of meeting the above revenue recognition criteria are recorded as deferred revenue.

• Research and development

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

• Insurance loss reserves

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

• Reinsurance receivables

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

• ***Income taxes***

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

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

The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes. Tax positions are recognized only when it is more likely than not (likelihood of greater than 50%), based on technical merits, that the positions will be sustained upon examination. Tax positions that meet the more-likely-than-not threshold are measured using a probability weighted approach as the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement. Whether the more-likely-than-not recognition threshold is met for a tax position is a matter of judgment based on the individual facts and circumstances of that position evaluated in light of all available evidence.

• ***Noncontrolling interests***

Noncontrolling interests in the equity and results of operations of the entities consolidated by the Company are shown as a separate line item in the consolidated financial statements. The entities included in the consolidated financial statements that have noncontrolling interests are as follows:

	Ownership Percentage as of December 31,	
	2009	2008
Celanese Polisinteza d.o.o.	76%	76%
Synthesegasanlage Ruhr GmbH	50%	50%

In December 2009, the Company paid a liquidating dividend related to its ownership in Synthesegasanlage Ruhr GmbH in the amount of €1 million. The Company is currently liquidating its ownership in Synthesegasanlage Ruhr GmbH.

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

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

• ***Functional and reporting currencies***

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

• ***Reclassifications***

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

3. Recent Accounting Pronouncements

In January 2010, the FASB issued FASB Accounting Standards Update 2010-02, *Accounting and Reporting for Decreases in Ownership of a Subsidiary — A Scope Clarification* ("ASU 2010-02"), which amends FASB ASC Topic 820-10 ("FASB ASC Topic 820-10"). The update addresses implementation issues related to changes in ownership provisions in the FASB ASC 820-10. The Company adopted ASU 2010-02 on December 31, 2009. This update had no impact on the Company's financial position, results of operations or cash flows.

In August 2009, the FASB issued FASB Accounting Standards Update 2009-05, *Fair Value Measurements and Disclosures* ("ASU 2009-05"), which amends FASB ASC Topic 820-10 ("FASB ASC Topic 820-10"). The update provides clarification on the techniques for measurement of fair value required of a reporting entity when a quoted price in an active market for an identical liability is not available. The Company adopted ASU 2009-05 beginning September 30, 2009. This update had no impact on the Company's financial position, results of operations or cash flows.

In June 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") 168, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FAS 162* ("SFAS 168"), which created FASB ASC Topic 105-10 ("FASB ASC Topic 105-10"). FASB ASC Topic 105-10 identifies the sources of accounting principles and the framework for selecting principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with US GAAP (the GAAP hierarchy). The Company adopted FASB ASC Topic 105-10 beginning September 30, 2009. This standard had no impact on the Company's financial position, results of operations or cash flows.

In May 2009, the FASB issued SFAS 165, *Subsequent Events* ("SFAS 165"), codified in FASB ASC Topic 855-10, which establishes accounting and disclosure standards for events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It defines financial statements as available to be issued, requiring the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date, whether it be the date the financial statements were issued or the date they were available to be issued. The Company adopted SFAS 165 upon issuance. This standard had no impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FASB Staff Position ("FSP") SFAS 115-2 and SFAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* ("FSP SFAS 115-2 and SFAS 124-2"), which is codified in FASB ASC Topic 320-10. FSP SFAS 115-2 and SFAS 124-2 provides guidance to determine whether the holder of an investment in a debt security for which changes in fair value are not regularly recognized in earnings should recognize a loss in earnings when the investment is impaired. This FSP also improves the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the consolidated financial statements. The Company adopted FSP SFAS 115-2 and SFAS 124-2 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP SFAS 107-1 and Accounting Principles Board ("APB") Opinion APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* ("FSP SFAS 107-1 and APB 28-1"). FSP SFAS 107-1 and APB 28-1, which is codified in FASB ASC Topic 825-10-50, require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. The Company adopted FSP SFAS 107-1 and APB 28-1 beginning April 1, 2009. This FSP had no impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP SFAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP SFAS 157-4"). FSP SFAS 157-4, which is codified in FASB ASC Topics 820-10-35-51 and 820-10-50-2, provides additional guidance for estimating fair value and emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective

of a fair value measurement remains the same. The Company adopted FSP SFAS 157-4 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP SFAS 141(R)-1, *Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies* ("FSP SFAS 141(R)-1"). FSP SFAS 141(R)-1, which is codified in FASB ASC Topic 805, *Business Combinations*, addresses application issues related to the measurement, accounting and disclosure of assets and liabilities arising from contingencies in a business combination. The Company adopted FSP SFAS 141(R)-1 upon issuance. This FSP had no impact on the Company's financial position, results of operations or cash flows.

In December 2008, the FASB issued FSP SFAS 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* ("FSP SFAS 132(R)-1"), which is codified in FASB ASC Topic 715-20-50. FSP SFAS 132(R)-1 requires enhanced disclosures about the plan assets of a Company's defined benefit pension and other postretirement plans intended to provide financial statement users with a greater understanding of: 1) how investment allocation decisions are made; 2) the major categories of plan assets; 3) the inputs and valuation techniques used to measure the fair value of plan assets; 4) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and 5) significant concentrations of risk within plan assets. The Company adopted FSP SFAS 132(R)-1 on January 1, 2009. This FSP had no impact on the Company's financial position, results of operations or cash flows.

4. Acquisitions, Ventures, Divestitures, Asset Sales and Plant Closures

Acquisitions

In December 2009, the Company acquired the business and assets of FACT GmbH (Future Advanced Composites Technology) ("FACT"), a German company, for a purchase price of €5 million ($7 million). FACT is in the business of developing, producing and marketing long fiber reinforced thermoplastics. As part of the acquisition, the Company has entered into a ten year lease agreement with the seller for the property and buildings on which the FACT business is located with the option to purchase the property at various times throughout the lease. The acquired business is included in the Advanced Engineered Materials segment.

In January 2007, the Company acquired the cellulose acetate flake, tow and film business of Acetate Products Limited ("APL"), a subsidiary of Corsadi B.V. The purchase price for the transaction was approximately £57 million ($112 million), in addition to direct acquisition costs of approximately £4 million ($7 million). As contemplated prior to the closing of the acquisition, the Company closed the acquired tow production plant at Little Heath, United Kingdom in September 2007. In accordance with the Company's sponsor services agreement dated January 26, 2005, as amended, the Company paid the Advisor $1 million in connection with the acquisition. The acquired business is included in the Company's Consumer Specialties segment.

Ventures

In March 2007, the Company entered into a strategic partnership with Accsys Technologies PLC ("Accsys"), and its subsidiary, Titan Wood, to become the exclusive supplier of acetyl products to Titan Wood's technology licensees for use in wood acetylation. In connection with this partnership, in May 2007, the Company acquired 8,115,883 shares of Accsys' common stock representing approximately 5.45% of the total voting shares of Accsys for €22 million ($30 million). The investment was treated as an available-for-sale security and was included in Marketable securities, at fair value, on the Company's consolidated balance sheets. On November 20, 2007, the Company and Accsys announced that they agreed to amend their business arrangements so that each company would have a nonexclusive "at-will" trading and supply relationship to give both companies greater flexibility. As part of this amendment, the Company subsequently sold all of its shares of Accsys stock for approximately €20 million ($30 million), which resulted in a cumulative loss of $3 million.

Divestitures

In July 2009, the Company completed the sale of its polyvinyl alcohol ("PVOH") business to Sekisui Chemical Co., Ltd. ("Sekisui") for a net cash purchase price of $168 million, resulting in a gain on disposition of $34 million. The

net cash purchase price excludes the accounts receivable and payable retained by the Company. The transaction includes long-term supply agreements between Sekisui and the Company and therefore, does not qualify for treatment as a discontinued operation. The PVOH business is included in the Industrial Specialties segment.

In July 2008, the Company sold its 55.46% interest in Derivados Macroquimicos S.A. de C.V. ("DEMACSA") for proceeds of $3 million. DEMACSA produces cellulose ethers at an industrial complex in Zacapu, Michoacan, Mexico and is included in the Company's Acetyl Intermediates segment. In June 2008, the Company recorded a long-lived asset impairment loss of $1 million to Cost of sales in the consolidated statements of operations. As a result, the proceeds from the sale approximated the carrying value of DEMACSA on the date of the sale. The Company concluded the sale of DEMACSA is not a discontinued operation due to certain forms of continuing involvement between the Company and DEMACSA subsequent to the sale.

In August 2007, the Company sold its Films business of EVA Performance Polymers (f/k/a AT Plastics), located in Edmonton and Westlock, Alberta, Canada, to British Polythene Industries PLC ("BPI") for $12 million. The Films business manufactures products for the agricultural, horticultural and construction industries. The Company recorded a loss on the sale of $7 million during the year ended December 31, 2007. The Company maintained ownership of the Polymers business of the business formerly known as AT Plastics, which concentrates on the development and supply of specialty resins and compounds. EVA Performance Polymers is included in the Company's Industrial Specialties segment. The Company concluded that the sale of the Films business is not a discontinued operation due to the level of continuing cash flows between the Films business and EVA Performance Polymers' Polymers business subsequent to the sale.

In connection with the Company's strategy to optimize its portfolio and divest non-core operations, the Company announced in December 2006 its agreement to sell its Acetyl Intermediates segment's oxo products and derivatives businesses, including European Oxo GmbH ("EOXO"), a 50/50 venture between Celanese GmbH and Degussa AG ("Degussa"), to Advent International, for a purchase price of €480 million ($636 million) subject to final agreement adjustments and the successful exercise of the Company's option to purchase Degussa's 50% interest in EOXO. On February 23, 2007, the option was exercised and the Company acquired Degussa's interest in the venture for a purchase price of €30 million ($39 million), in addition to €22 million ($29 million) paid to extinguish EOXO's debt upon closing of the transaction. The Company completed the sale of its oxo products and derivatives businesses, including the acquired 50% interest in EOXO, on February 28, 2007. The sale included the oxo and derivatives businesses at the Oberhausen, Germany, and Bay City, Texas facilities as well as portions of its Bishop, Texas facility. Also included were EOXO's facilities within the Oberhausen and Marl, Germany plants. The former oxo products and derivatives businesses acquired by Advent International was renamed Oxea. Taking into account agreed deductions by the buyer for pension and other employee benefits and various costs for separation activities, the Company received proceeds of approximately €443 million ($585 million) at closing. The transaction resulted in the recognition of a $47 million pre-tax gain, recorded to Gain (loss) on disposal of discontinued operations, which includes certain working capital and other adjustments, in 2007. Due to certain lease-back arrangements between the Company and the buyer and related environmental obligations of the Company, approximately $51 million of the transaction proceeds attributable to the fair value of the underlying land at Bay City ($1 million) and Oberhausen (€36 million) is included in deferred proceeds in noncurrent Other liabilities, and divested land with a book value of $14 million (€10 million at Oberhausen and $1 million at Bay City) remains in Property, plant and equipment, net in the Company's consolidated balance sheets.

Subsequent to closing, the Company and Oxea have certain site service and product supply arrangements. The site services include, but are not limited to, administrative, utilities, health and safety, waste water treatment and maintenance activities for terms which range up to fifteen years. Product supply agreements contain initial terms of up to fifteen years. The Company has no contractual ability through these agreements or any other arrangements to significantly influence the operating or financial policies of Oxea. The Company concluded, based on the nature and limited projected magnitude of the continuing business relationship between the Company and Oxea, the divestiture of the oxo products and derivatives businesses should be accounted for as a discontinued operation.

Third-party net sales include $5 million to the divested oxo products and derivative businesses for the year ended December 31, 2007 that were eliminated upon consolidation.

In accordance with the Company's sponsor services agreement dated January 26, 2005, as amended, the Company paid the Advisor $6 million in connection with the sale of the oxo products and derivatives businesses.

During the second quarter of 2007, the Company discontinued its Edmonton, Alberta, Canada methanol operations, which were included in the Acetyl Intermediates segment. As a result, the earnings (loss) from operations related to Edmonton methanol are accounted for as discontinued operations.

Asset Sales

In May 2008, shareholders of the Company's Koper, Slovenia legal entity voted to approve the April 2008 decision by the Company to permanently shut down this emulsions production site. The decision to shut down the site resulted in employee severance of less than $1 million, which is included in Other (charges) gains, net, in the consolidated statements of operations during the year ended December 31, 2008. Currently, the facility is idle and the existing fixed assets, including machinery and equipment, buildings and land are being marketed for sale. The Koper, Slovenia legal entity is included in the Company's Industrial Specialties segment.

In December 2007, the Company sold the assets at its Edmonton, Alberta, Canada facility to a real estate developer for approximately $35 million. As part of the agreement, the Company will retain certain environmental liabilities associated with the site. The Company derecognized $16 million of asset retirement obligations which were transferred to the buyer. As a result of the sale, the Company recorded a gain of $37 million for the year ended December 31, 2007, of which a gain of $34 million was recorded to Gain (loss) on disposition of businesses and assets, net in the consolidated statements of operations.

In July 2007, the Company reached an agreement with Babcock & Brown, a worldwide investment firm which specializes in real estate and utilities development, to sell the Company's Pampa, Texas facility. The Company ceased operations at the site in December 2008. Proceeds received upon certain milestone events are treated as deferred proceeds and included in noncurrent Other liabilities in the Company's consolidated balance sheets until the transaction is complete (expected to be in 2010), as defined in the sales agreement. These operations are included in the Company's Acetyl Intermediates segment. During the second half of 2008, the Company determined that two of the milestone events, which are outside of the Company's control, were unlikely to be achieved. The Company performed a discounted cash flow analysis which resulted in a $23 million long-lived asset impairment loss recorded to Other (charges) gains, net, in the consolidated statements of operations during the year ended December 31, 2008 (Note 18).

Plant Closures

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

As a result of the Project of Closure, the Company recorded exit costs of $89 million during the year ended December 31, 2009, which included $60 million in employee termination benefits, $17 million of contract termination costs and $12 million of long-lived asset impairment losses (see Note 18) to Other charges (gains), net, in the consolidated statements of operations. The fair value of the related held and used long-lived assets is $4 million as of December 31, 2009. In addition, the Company recorded $9 million of accelerated depreciation expense for the year ended December 31, 2009 and $8 million of environmental remediation reserves for the year ended December 31, 2009 related to the shutdown of the Company's Pardies, France facility. The Pardies, France facility is included in the Acetyl Intermediates segment.

5. Marketable Securities, at Fair Value

The Company's captive insurance companies and pension-related trusts hold available-for-sale securities for capitalization and funding requirements, respectively. The Company recorded realized gains (losses) to Other income (expense), net in the consolidated statements of operations as follows:

	Years ended December 31,		
	2009	2008	2007
		(In $ millions)	
Realized gain on sale of securities	5	10	1
Realized loss on sale of securities	-	(10)	-
Net realized gain (loss) on sale of securities	5	-	1

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

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
		(In $ millions)		
US government debt securities	26	2	-	28
US corporate debt securities	1	-	-	1
Total debt securities	27	2	-	29
Equity securities	55	-	(3)	52
Money market deposits and other securities	2	-	-	2
As of December 31, 2009	84	2	(3)	83
US government debt securities	35	17	-	52
US corporate debt securities	3	-	-	3
Total debt securities	38	17	-	55
Equity securities	55	-	(13)	42
Money market deposits and other securities	3	-	-	3
As of December 31, 2008	96	17	(13)	100

Fixed maturities as of December 31, 2009 by contractual maturity are shown below. Actual maturities could differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties.

	Amortized Cost	Fair Value
	(In $ millions)	
Within one year	3	3
From one to five years	-	-
From six to ten years	-	-
Greater than ten years	26	28
Total	29	31

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

6. Receivables, Net

	As of December 31,	
	2009	2008
	(In $ millions)	
Trade receivables — third party and affiliates	739	656
Allowance for doubtful accounts — third party and affiliates	(18)	(25)
Trade receivables — third party and affiliates, net	721	631
Non-trade receivables		
Reinsurance receivables	42	33
Income taxes receivable	64	88
Other	149	154
Allowance for doubtful accounts — other	-	(1)
Total	255	274

As of December 31, 2009 and 2008, the Company had no significant concentrations of credit risk since the Company's customer base is dispersed across many different industries and geographies.

7. Inventories

	As of December 31,	
	2009	2008
	(In $ millions)	
Finished goods	367	434
Work-in-process	28	24
Raw materials and supplies	127	119
Total	522	577

The Company recorded charges of $0 million and $14 million to reduce its inventories to the lower-of-cost or market for the years ended December 31, 2009 and 2008, respectively.

8. Investments in Affiliates

Equity Method

The Company's equity investments and ownership interests are as follows:

	Segment	Ownership Percentage as of December 31,		Carrying Value as of December 31,		Share of Earnings (Loss) Year Ended December 31,		
		2009	2008	2009	2008	2009	2008	2007
		(In percentages)		(In $ millions)				
European Oxo GmbH[1]	Acetyl Intermediates	-	-	-	-	-	-	2
Erfei, A.I.E.[3]	Acetyl Intermediates	-	45	-	1	-	-	(1)
Fortron Industries LLC	Advanced Engineered Materials	50	50	74	77	(3)	4	16
Korea Engineering Plastics Co., Ltd.	Advanced Engineered Materials	50	50	159	145	14	12	14
Polyplastics Co., Ltd.	Advanced Engineered Materials	45	45	175	189	15	19	25
Una SA	Advanced Engineered Materials	50	50	2	2	-	2	-
InfraServ GmbH & Co. Gendorf KG	Other Activities	39	39	27	28	3	4	5
InfraServ GmbH & Co. Hoechst KG	Other Activities	32	31	142	137	15	10	18
InfraServ GmbH & Co. Knapsack KG	Other Activities	27	27	24	22	5	4	4
Sherbrooke Capital Health and Wellness, L.P.[2]	Consumer Specialties	10	10	4	4	(1)	(1)	-
Total				607	605	48	54	83

(1) The Company divested this investment in February 2007 (Note 4). The share of earnings (loss) for this investment is included in Earnings (loss) from operation of discontinued operations in the consolidated statements of operations.

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

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

	Year Ended December 31,		
	2009	2008	2007
	(In $ millions)		
Affiliate net earnings	121	121	204
Company's share:			
Net earnings	48	54	82 [1]
Dividends and other distributions	37	64	57

(1) Amount does not include a $1 million liquidating dividend from Clear Lake Methanol Partners for the year ended December 31, 2007.

Cost Method

The Company's investments accounted for under the cost method of accounting are as follows:

	Segment	Ownership Percentage as of December 31, 2009	2008	Carrying Value as of December 31, 2009	2008	Dividend Income for the years ended December 31, 2009	2008	2007
		(In percentages)				(In $ millions)		
National Methanol Company ("Ibn Sina")	Acetyl Intermediates	25	25	54	54	41	119	78
Kunming Cellulose Fibers Co. Ltd.	Consumer Specialties	30	30	14	14	10	8	7
Nantong Cellulose Fibers Co. Ltd.	Consumer Specialties	31	31	77	77	38	32	24
Zhuhai Cellulose Fibers Co. Ltd.	Consumer Specialties	30	30	14	14	8	6	6
InfraServ GmbH & Co. Wiesbaden KG	Other Activities	8	8	6	6	1	2	1
Other				18	19	-	-	-
Total				183	184	98	167	116

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

During 2007, the Company wrote-off its remaining €1 million ($1 million) cost investment in European Pipeline Development Company B.V. ("EPDC") and expensed €7 million ($9 million), included in Other income (expense), net, associated with contingent liabilities that became payable due to the Company's decision to exit the pipeline development project. In June 2008, the outstanding contingent liabilities were resolved and the Company recognized a gain of €2 million ($2 million), included in Other income (expense), net, in the consolidated statements of operations to remove the remaining accrual.

During 2007, the Company fully impaired its $5 million cost investment in Elemica Corporation ("Elemica"). Elemica is a network for the global chemical industry developed by 22 of the leading chemical companies in the world for the benefit of the entire industry. The impairment was included in Other income (expense), net in the consolidated statements of operations.

9. Property, Plant and Equipment, Net

	As of December 31, 2009	2008
	(In $ millions)	
Land	62	61
Land improvements	44	44
Buildings and building improvements	360	358
Machinery and equipment	2,669	2,615
Construction in progress	792	443
Gross asset value	3,927	3,521
Less: accumulated depreciation	(1,130)	(1,051)
Net book value	2,797	2,470

Assets under capital leases amounted to $272 million and $233 million, less accumulated amortization of $55 million and $38 million, as of December 31, 2009 and 2008, respectively. Interest costs capitalized were $2 million, $6 million and $9 million during the years ended December 31, 2009, 2008 and 2007, respectively. Depreciation expense was $213 million, $255 million and $209 million during the years ended December 31, 2009, 2008 and 2007, respectively.

During 2008 and 2009, certain long-lived assets were impaired (Note 18).

10. Goodwill

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Total
			(In $ millions)		
As of December 31, 2007					
Goodwill	277	264	53	278	872
Accumulated impairment losses	-	-	(6)	-	(6)
	277	264	47	278	866
Adjustments to preacquisition tax uncertainties	(9)	2	(12)	(30)	(49)
Exchange rate changes	(10)	(14)	(1)	(13)	(38)
As of December 31, 2008					
Goodwill	258	252	40	235	785
Accumulated impairment losses	-	-	(6)	-	(6)
	258	252	34	235	779
Sale of PVOH[1]	-	-	-	-	-
Exchange rate changes	5	5	1	8	19
As of December 31, 2009					
Goodwill	263	257	35	243	798
Accumulated impairment losses	-	-	-	-	-
Total	263	257	35	243	798

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

Recoverability of goodwill is measured using a discounted cash flow model incorporating discount rates commensurate with the risks involved for each reporting unit which is classified as a Level 3 measurement under FASB ASC Topic 820. The key assumptions used in the discounted cash flow valuation model include discount rates, growth rates, cash flow projections and terminal value rates. Discount rates, growth rates and cash flow projections are the most sensitive and susceptible to change as they require significant management judgment. If the calculated fair value is less than the current carrying value, impairment of the reporting unit may exist. When the recoverability test indicates potential impairment, the Company, or in certain circumstances, a third-party valuation consultant, will calculate an implied fair value of goodwill for the reporting unit. The implied fair value of goodwill is determined in a manner similar to how goodwill is calculated in a business combination. If the implied fair value of goodwill exceeds the carrying value of goodwill assigned to the reporting unit, there is no impairment. If the carrying value of goodwill assigned to a reporting unit exceeds the implied fair value of the goodwill, an impairment charge is recorded to write down the carrying value. An impairment loss cannot exceed the carrying value of goodwill assigned to a reporting unit but may indicate certain long-lived and amortizable intangible assets associated with the reporting unit may require additional impairment testing.

In connection with the Company's annual goodwill impairment test performed during the three months ended September 30, 2009 using June 30 balances, the Company did not record an impairment loss related to goodwill as the estimated fair value for each of the Company's reporting units exceeded the carrying value of the underlying assets by a substantial margin. No events or changes in circumstances occurred during the three months ended December 31, 2009 that would indicate that the carrying amount of the assets may not be fully recoverable, as such, no additional impairment analysis was performed during that period.

11. Intangible Assets, Net

	Trademarks and Trade names	Licenses	Customer-Related Intangible Assets	Developed Technology	Covenants not to Compete and Other	Total
	(In $ millions)					
Gross Asset Value						
As of December 31, 2007	85	-	562	12	12	671
Acquisitions	-	28 [(1)]	-	-	-	28
Exchange rate changes	(3)	1	(25)	-	-	(27)
As of December 31, 2008	82	29	537	12	12	672
Acquisitions	-	-	-	1	-	1
Exchange rate changes	1	-	15	-	-	16
As of December 31, 2009	83	29	552	13	12	689
Accumulated Amortization						
As of December 31, 2007	-	-	(228)	(9)	(9)	(246)
Amortization	-	(3)	(71)	(1)	(1)	(76)
Exchange rate changes	-	-	14	-	-	14
As of December 31, 2008	-	(3)	(285)	(10)	(10)	(308)
Amortization	(5)	(3)	(67)	(1)	(1)	(77)
Exchange rate changes	-	-	(10)	-	-	(10)
As of December 31, 2009	(5)	(6)	(362)	(11)	(11)	(395)
Net book value	78	23	190	2	1	294

(1) Acquisition of a sole and exclusive license to patents and patent applications related to acetic acid. The license is being amortized over 10 years.

Aggregate amortization expense for intangible assets with finite lives during the years ended December 31, 2009, 2008 and 2007 was $72 million, $76 million, and $72 million, respectively. In addition, during the year ended December 31, 2009 the Company recorded accelerated amortization expense of $5 million related to the AT Plastics trade name which was discontinued August 1, 2009. The trade name is now fully amortized.

Estimated amortization expense for the succeeding five fiscal years is approximately $62 million in 2010, $57 million in 2011, $43 million in 2012, $26 million in 2013, and $15 million in 2014. The Company's trademarks and trade names have an indefinite life. Accordingly, no amortization is recorded on these intangible assets.

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

In connection with the Company's annual indefinite-lived intangible assets impairment test performed during the three months ended September 30, 2009 using June 30 balances, the Company recorded an impairment loss of less

than $1 million to certain indefinite-lived intangible assets. The fair value of such indefinite-lived intangible assets is $2 million as of December 31, 2009. No events or changes in circumstances occurred during the three months ended December 31, 2009 that would indicate that the carrying amount of the assets may not be fully recoverable, as such, no additional impairment analysis was performed during that period.

For the year ended December 31, 2009, the Company did not renew or extend any intangible assets.

12. Current Other Liabilities

	As of December 31,	
	2009	2008
	(In $ millions)	
Salaries and benefits	100	107
Environmental (Note 16)	13	19
Restructuring (Note 18)	99	32
Insurance	37	34
Asset retirement obligations	22	9
Derivatives	75	67
Current portion of benefit obligations (Note 15)	49	57
Sales and use tax/foreign withholding tax payable	15	16
Interest	20	54
Uncertain tax positions (Note 19)	5	-
Other	176	179
Total	611	574

13. Noncurrent Other Liabilities

	As of December 31,	
	2009	2008
	(In $ millions)	
Environmental (Note 16)	93	79
Insurance	85	85
Deferred revenue	49	55
Deferred proceeds (Note 4, Note 29)	846	371
Asset retirement obligations	45	40
Derivatives	44	76
Income taxes payable	61	-
Other	83	100
Total	1,306	806

Changes in asset retirement obligations are as follows:

	Year Ended December 31,		
	2009	2008	2007
		(In $ millions)	
Balance at beginning of year	49	47	59
Additions	14 [1]	6 [2]	-
Accretion	2	3	5
Payments	(14)	(6)	(6)
Divestitures	-	-	(16) [3]
Purchase accounting adjustments	-	-	3
Revisions to cash flow estimates	15 [4]	1	(2)
Exchange rate changes	1	(2)	4
Balance at end of year	67	49	47

(1) Relates to a site for which management no longer considers to have an indeterminate life.

(2) Relates to long-lived assets impaired (Note 18) for which management no longer considers to have an indeterminate life.

(3) Relates to the sale of the Edmonton, Alberta, Canada plant (Note 4).

(4) Primarily relates to long-lived assets impaired (Note 18) based on triggering events assessed by the Company in 2008 and decisions made by the Company in 2009.

Included in the asset retirement obligations for each of the years ended December 31, 2009 and 2008 is $10 million related to a business acquired in 2005. The Company has a corresponding receivable of $3 million and $7 million included in current Other assets and noncurrent Other assets in the consolidated balance sheets, respectively, as of December 31, 2009.

Based on long-lived asset impairment triggering events assessed by the Company in December 2008 and decisions made by the Company in 2009, the Company concluded several sites no longer have an indeterminate life. Accordingly, the Company recorded asset retirement obligations associated with these sites. The Company uses the expected present value technique to measure the fair value of the asset retirement obligations which is classified as a Level 3 measurement under FASB ASC Topic 820. The expected present value technique uses a set of cash flows that represent the probability-weighted average of all possible cash flows based on the Company's judgment. The Company uses the following inputs to determine the fair value of the asset retirement obligations based on the Company's experience with fulfilling obligations of this type and the Company's knowledge of market conditions: a) labor costs; b) allocation of overhead costs; c) profit on labor and overhead costs; d) effect of inflation on estimated costs and profits; e) risk premium for bearing the uncertainty inherent in cash flows, other than inflation; f) time value of money represented by the risk-free interest rate commensurate with the timing of the associated cash flows; and g) nonperformance risk relating to the liability which includes the Company's own credit risk.

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

14. Debt

	As of December 31,	
	2009	2008
	(In $ millions)	
Short-term borrowings and current installments of long-term debt — third party and affiliates		
Current installments of long-term debt	102	81
Short-term borrowings, principally comprised of amounts due to affiliates	140	152
Total	242	233
Long-term debt		
Senior credit facilities: Term loan facility due 2014	2,785	2,794
Term notes 7.125%, due 2009	-	14
Pollution control and industrial revenue bonds, interest rates ranging from 5.7% to 6.7%, due at various dates through 2030	181	181
Obligations under capital leases and other secured borrowings due at various dates through 2054	242	211
Other bank obligations, interest rates ranging from 2.3% to 5.3%, due at various dates through 2014	153	181
Subtotal	3,361	3,381
Less: Current installments of long-term debt	102	81
Total	3,259	3,300

Senior Credit Facilities

The Company's senior credit agreement consists of $2,280 million of US dollar-denominated and €400 million of Euro-denominated term loans due 2014, a $600 million revolving credit facility terminating in 2013 and a $228 million credit-linked revolving facility terminating in 2014. Borrowings under the senior credit agreement bear interest at a variable interest rate based on LIBOR (for US dollars) or EURIBOR (for Euros), as applicable, or, for US dollar-denominated loans under certain circumstances, a base rate, in each case plus an applicable margin. The applicable margin for the term loans and any loans under the credit-linked revolving facility is 1.75%, subject to potential reductions as defined in the senior credit agreement. As of December 31, 2009, the applicable margin was 1.75%. The term loans under the senior credit agreement are subject to amortization at 1% of the initial principal amount per annum, payable quarterly. The remaining principal amount of the term loans is due on April 2, 2014.

As of December 31, 2009, there were no outstanding borrowings or letters of credit issued under the revolving credit facility. As of December 31, 2009, there were $88 million of letters of credit issued under the credit-linked revolving facility and $140 million remained available for borrowing.

On June 30, 2009, the Company entered into an amendment to the senior credit agreement. The amendment reduced the amount available under the revolving credit facility from $650 million to $600 million and increased the first lien senior secured leverage ratio covenant that is applicable when any amount is outstanding under the revolving credit portion of the senior credit agreement at set forth below. Prior to giving effect to the amendment, the maximum first lien senior secured leverage ratio was 3.90 to 1.00. As amended, the maximum senior secured leverage ratio for the following trailing four-quarter periods is as follows:

	First Lien Senior Secured Leverage Ratio
December 31, 2009	5.25 to 1.00
March 31, 2010	4.75 to 1.00
June 30, 2010	4.25 to 1.00
September 30, 2010	4.25 to 1.00
December 31, 2010 and thereafter	3.90 to 1.00

As a condition to borrowing funds or requesting that letters of credit be issued under that facility, the Company's first lien senior secured leverage ratio (as calculated as of the last day of the most recent fiscal quarter for which financial statements have been delivered under the revolving facility) cannot exceed a certain threshold as specified above. Further, the Company's first lien senior secured leverage ratio must be maintained at or below that threshold while any amounts are outstanding under the revolving credit facility. The first lien senior secured leverage ratio is calculated as the ratio of consolidated first lien senior secured debt to earnings before interest, taxes, depreciation and amortization, subject to adjustment identified in the credit agreement.

Based on the estimated first lien senior secured leverage ratio for the trailing four quarters at December 31, 2009, the Company's borrowing capacity under the revolving credit facility is currently $600 million. As of December 31, 2009, the Company estimates its first lien senior secured leverage ratio to be 3.39 to 1.00 (which would be 4.11 to 1.00 were the revolving credit facility fully drawn). The maximum first lien senior secured leverage ratio under the revolving credit facility for such period is 5.25 to 1.00.

The Company's senior credit agreement also contains a number of restrictions on certain of its subsidiaries, including, but not limited to, restrictions on their ability to incur indebtedness; grant liens on assets; merge, consolidate, or sell assets; pay dividends or make other restricted payments; make investments; prepay or modify certain indebtedness; engage in transactions with affiliates; enter into sale-leaseback transactions or certain hedge transactions; or engage in other businesses. The senior credit agreement also contains a number of affirmative covenants and events of default, including a cross default to other debt of certain of the Company's subsidiaries in an aggregate amount equal to more than $40 million and the occurrence of a change of control. Failure to comply with these covenants, or the occurrence of any other event of default, could result in acceleration of the loans and other financial obligations under the Company's senior credit agreement.

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

The Company is in compliance with all of the covenants related to its debt agreements as of December 31, 2009.

Debt Refinancing

In April 2007, the Company, through certain of its subsidiaries, entered into a new senior credit agreement. Proceeds from the new senior credit agreement, together with available cash, were used to retire the Company's $2,454 million amended and restated (January 2005) senior credit facilities, which consisted of $1,626 million in term loans due 2011, a $600 million revolving credit facility terminating in 2009 and a $228 million credit-linked revolving facility terminating in 2009, and to retire all of the Company's 9.625% senior subordinated notes due 2014 and 10.375% senior subordinated notes due 2014 (the "Senior Subordinated Notes") and 10% senior discount notes due 2014 and 10.5% senior discount notes due 2014 (the "Senior Discount Notes") as discussed below.

Substantially all of the Senior Discount Notes and Senior Subordinated Notes were tendered in the first quarter of 2007. The remaining outstanding Senior Discount Notes and Senior Subordinated Notes not tendered in conjunction with the Tender Offers were redeemed by the Company in May 2007 through optional redemption allowed in the indentures.

As a result of the refinancing, the Company incurred premiums paid on early redemption of debt of $207 million, accelerated amortization of premiums and deferred financing costs of $33 million and other refinancing expenses of $16 million.

In connection with the refinancing, the Company recorded deferred financing costs of $39 million related to the senior credit agreement, which are included in noncurrent Other assets on the consolidated balance sheets and are being amortized over the term of the new senior credit agreement. The deferred financing costs consist of $23 million of costs incurred to acquire the new senior credit agreement and $16 million of debt issue costs existing prior to the refinancing.

For the years ended December 31, 2009, 2008 and 2007, the Company recorded amortization of deferred financing costs, which is classified in Interest expense, of $7 million, $7 million, and $8 million, respectively. As of December 31, 2009 and 2008, respectively, the Company had $27 million and $32 million of net deferred financing costs.

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

	(In $ millions)
2010	242
2011	89
2012	65
2013	73
2014	2,699
Thereafter	333
Total	3,501

15. Benefit Obligations

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

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

The Company sponsors various defined contribution plans in North America, Europe and Asia covering certain employees. Employees may contribute to these plans and the Company will match these contributions in varying amounts. The Company's matching contribution to the defined contribution plans are based on specified percentages of employee contributions and aggregated $11 million, $13 million and $12 million for the years ended December 31, 2009, 2008 and 2007, respectively.

The Company participates in multiemployer defined benefit pension plans in Europe covering certain employees. The Company's contributions to the multiemployer defined benefit pension plans are based on specified percentages of employee contributions and aggregated $6 million, $7 million and $7 million, for the years ended December 31, 2009, 2008 and 2007, respectively.

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

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

	Pension Benefits as of December 31,		Postretirement Benefits as of December 31,	
	2009	2008	2009	2008
	(In $ millions)			
Change in projected benefit obligation				
Projected benefit obligation at beginning of period	3,073	3,264	275	306
Service cost	29	31	1	2
Interest cost	193	195	17	17
Participant contributions	-	-	25	22
Plan amendments	5	-	-	2
Actuarial (gain) loss[1]	230	(107)	12	(14)
Special termination benefits	-	-	-	-
Divestitures	(3)	-	-	-
Settlements	(1)	(19)	-	-
Benefits paid	(222)	(222)	(59)	(58)
Federal subsidy on Medicare Part D	-	-	6	6
Curtailments	(2)	(1)	-	(2)
Foreign currency exchange rate changes	40	(68)	4	(6)
Other	-	-	-	-
Projected benefit obligation at end of period	3,342	3,073	281	275
Change in plan assets				
Fair value of plan assets at beginning of period	2,170	2,875	-	-
Actual return on plan assets	306	(448)	-	-
Employer contributions	44	48	34	35
Participant contributions	-	-	25	23
Divestitures	(2)	-	-	-
Settlements	(3)	(22)	-	-
Benefits paid	(222)	(222)	(59)	(58)
Foreign currency exchange rate changes	36	(61)	-	-
Other	-	-	-	-
Fair value of plan assets at end of period	2,329	2,170	-	-
Funded status and net amounts recognized				
Plan assets less than benefit obligation	(1,013)	(903)	(281)	(275)
Unrecognized prior service cost	6	1	1	1
Unrecognized actuarial (gain) loss	630	502	(63)	(80)
Net amount recognized in the consolidated balance sheets	(377)	(400)	(343)	(354)
Amounts recognized in the consolidated balance sheets consist of:				
Noncurrent Other assets	5	8	-	-
Current Other liabilities	(22)	(22)	(27)	(35)
Pension obligations	(996)	(889)	(254)	(240)
Accrued benefit liability	(1,013)	(903)	(281)	(275)
Net actuarial (gain) loss	630	502	(63)	(80)
Prior service (benefit) cost	6	1	1	1
Other comprehensive (income) loss[2]	636	503	(62)	(79)
Net amount recognized in the consolidated balance sheets	(377)	(400)	(343)	(354)

(1) Primarily relates to change in discount rates.

(2) Amount shown net of tax of $54 million and $1 million as of December 31, 2009 and 2008, respectively, in the consolidated statements of shareholders' equity and comprehensive income (loss). See Note 17 for the related tax associated with the pension and postretirement benefit obligations.

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

	Pension Benefits as of December 31,		Postretirement Benefits as of December 31,	
	2009	2008	2009	2008
	(In percentages)			
US plans	85%	86%	90%	91%
International plans	15%	14%	10%	9%
Total	100%	100%	100%	100%

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

	Pension Benefits as of December 31,	
	2009	2008
	(In percentages)	
US plans	83%	84%
International plans	17%	16%
Total	100%	100%

A summary of pension plans with projected benefit obligations in excess of plan assets is shown below:

	As of December 31,	
	2009	2008
	(In $ millions)	
Projected benefit obligation	3,280	2,924
Fair value of plan assets	2,262	2,014

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

	As of December 31,	
	2009	2008
	(In $ millions)	
Accumulated benefit obligation	3,169	2,797
Fair value of plan assets	2,249	1,985

The accumulated benefit obligation for all defined benefit pension plans was $3,218 million and $2,967 million as of December 31, 2009 and 2008, respectively.

The following table sets forth the Company's net periodic pension cost:

	Pension Benefits Year Ended December 31,			Postretirement Benefits Year Ended December 31,		
	2009	2008	2007	2009	2008	2007
	(In $ millions)					
Service cost	29	31	38	1	1	2
Interest cost	193	195	187	17	17	19
Expected return on plan assets	(207)	(218)	(216)	-	-	-
Amortization of prior service cost	-	-	-	-	-	-
Recognized actuarial (gain) loss	1	1	1	(5)	(4)	(2)
Curtailment (gain) loss	(1)	(2)	(1)	-	-	(1)
Settlement (gain) loss	-	3	(12)	-	-	-
Special termination benefits	2	-	-	-	-	-
Net periodic benefit cost	17	10	(3)	13	14	18

Amortization of the actuarial (gain) loss into net periodic cost in 2010 is expected to be $8 million and $(4) million for pension benefits and postretirement benefits, respectively.

Included in the pension obligations above are accrued liabilities relating to supplemental retirement plans for certain US employees amounting to $235 million and $224 million as of December 31, 2009 and 2008, respectively. Pension expense relating to these plans included in net periodic benefit cost totaled $15 million, $15 million and $14 million for the years ended December 31, 2009, 2008 and 2007, respectively. To fund these obligations, nonqualified trusts were established which hold marketable securities valued at $82 million and $97 million as of December 31, 2009 and 2008, respectively. In addition to holding marketable securities, the nonqualified trusts hold investments in insurance contracts of $66 million and $67 million as of December 31, 2009 and 2008, respectively, which are included in noncurrent Other assets in the consolidated balance sheets.

Valuation

The Company uses the corridor approach in the valuation of its defined benefit plans and other postretirement benefits. The corridor approach defers all actuarial gains and losses resulting from variances between actual results and economic estimates or actuarial assumptions. For defined benefit pension plans, these unrecognized gains and losses are amortized when the net gains and losses exceed 10% of the greater of the market-related value of plan assets or the projected benefit obligation at the beginning of the year. For other postretirement benefits, amortization occurs when the net gains and losses exceed 10% of the accumulated postretirement benefit obligation at the beginning of the year. The amount in excess of the corridor is amortized over the average remaining service period to retirement date for active plan participants or, for retired participants, the average remaining life expectancy.

The following table set forth the principal weighted-average assumptions used to determine benefit obligation:

	Pension Benefits as of December 31,		Postretirement Benefits as of December 31,	
	2009	2008	2009	2008
	(In percentages)			
Discount rate obligations:				
US plans	5.90	6.50	5.50	6.40
International plans	5.41	5.84	5.49	6.11
Combined	5.83	6.41	5.50	6.37
Rate of compensation increase:				
US plans	4.00	4.00	N/A	N/A
International plans	2.94	3.24	N/A	N/A
Combined	3.84	3.90	N/A	N/A

The following table set forth the principal weighted-average assumptions used to determine benefit cost:

	Pension Benefits Year Ended December 31,			Postretirement Benefits Year Ended December 31,		
	2009	2008	2007	2009	2008	2007
	(In percentages)					
Discount rate obligations:						
US plans	6.50	6.30	5.88	6.40	6.00	5.88
International plans	5.84	5.42	4.70	6.11	5.31	4.80
Combined	6.41	6.16	5.86	6.37	5.93	5.79
Expected return on plan assets:						
US plans	8.50	8.50	8.50	N/A	N/A	N/A
International plans	5.29	5.68	6.59	N/A	N/A	N/A
Combined	7.94	8.05	8.20	N/A	N/A	N/A
Rate of compensation increase:						
US plans	4.00	4.00	4.00	N/A	N/A	N/A
International plans	3.24	3.15	3.18	N/A	N/A	N/A
Combined	3.90	3.66	3.73	N/A	N/A	N/A

The expected rate of return is assessed annually and is based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful implementation of different active investment management strategies. Equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash and equity risk premium. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads. The US qualified defined benefit plans' actual return on assets for the year ended December 31, 2009 was 18% versus an expected long-term rate of asset return assumption of 8.5%.

In the US, the rate used to discount pension and other postretirement benefit plan liabilities was based on a yield curve developed from market data of over 300 Aa-grade non-callable bonds at December 31, 2009. This yield curve has discount rates that vary based on the duration of the obligations. The estimated future cash flows for the pension and other benefit obligations were matched to the corresponding rates on the yield curve to derive a weighted average discount rate.

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

On January 1, 2009, the Company's health care cost trend assumption for US postretirement medical plan's net periodic benefit cost was 9% for the first year declining 0.5% per year to an ultimate rate of 5%. On January 1, 2008, the Company's health care cost trend assumption for US postretirement medical plan's net periodic benefit cost was 9% for the first two years declining 0.5% per year to an ultimate rate of 5%. On January 1, 2007, the health care cost trend rate was 8.5% per year declining 1% per year to an ultimate rate of 5%.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point increase or decrease in the assumed health care cost trend rate would impact postretirement obligations by $4 million and $(3) million, respectively. The effect of a one percent increase or decrease in the assumed health care cost trend rate would have a less than $1 million impact on service and interest cost.

Plan Assets

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

The following tables set forth the weighted average target asset allocations for the Company's pension plans:

Asset Category — US	2010
US equity securities	26%
Global equity	20%
High yield fixed income/other	4%
Liability hedging bonds	50%
Total	100%

Asset Category — International	2010
Equity securities	21%
Debt securities	73%
Real estate and other	6%
Total	100%

The equity and debt securities objectives are to provide diversified exposure across the US and Global equity markets and to manage the plan's risks and returns through the use of multiple managers and strategies. The fixed income portfolio objectives are to hedge a portion of the interest rate risks associated with the plan's funding target liabilities. The goal of the liability hedging bond is to reduce surplus volatility and provide a liquidity reserve for paying off benefits. The strategy is designed to reduce liability-related interest rate risk by investing in bonds that match the duration and credit quality of the projected plan liabilities. Derivatives based strategies may be used to improve the effectiveness of the hedges. Other types of investments include investments in real estate and insurance contracts that follow several different strategies.

As discussed in Note 3, the Company adopted certain provisions of FASB ASC Topic 715-20-50 on January 1, 2009. FASB ASC Topic 715-20-50 requires enhanced disclosures about the plan assets of a company's defined benefit pension and other postretirement plans intended to provide financial statement users with a greater understanding of the inputs and valuation techniques used to measure the fair value of plan assets and the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period using the framework established under FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of the hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to the fair value calculation. The three levels of inputs used to measure fair value are as follows:

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

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

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

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

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

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

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

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

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

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

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

The following table sets forth the fair values of the Company's pension plans assets as of December 31, 2009:

	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
		(In $ millions)		
Assets				
Cash & cash equivalents	2	-	-	2
Collateralized mortgage obligations	-	16	-	16
Common/collective trusts	-	210	19	229
Corporate debt	-	831	-	831
Corporate stock-common & preferred	522	-	-	522
Derivatives	14	244	-	258
Government debt				
Treasuries, other debt	88	212	-	300
Mortgage backed securities	-	53	-	53
Real estate	-	7	-	7
Registered investment companies	-	298	-	298
Short-term investments	-	65	-	65
Other	3	-	-	3
Insurance contracts	-	28	-	28
Total assets	629	1,964	19	2,612
Liabilities				
Derivatives	(15)	(268)	-	(283)
Total liabilities	(15)	(268)	-	(283)
Total net assets	614	1,696	19	2,329

The Company's Level 3 investment in common/collective trusts was valued using significant unobservable inputs. Inputs to this valuation include characteristics and quantitative data relating to the asset, investment cost, position

size, liquidity, current financial condition of the company and other relevant market data. The following table sets forth fair value measurements using significant unobservable inputs:

	Common/Collective Trust
	(In $ millions)
Balance, beginning of period	7
Unrealized gains (losses)	10
Purchases, sales, issuances and settlements, net	2
Balance, end of period	19

The financial objectives of the qualified pension plans are established in conjunction with a comprehensive review of each plan's liability structure. The Company's asset allocation policy is based on detailed asset/liability analyses. In developing investment policy and financial goals, consideration is given to each plan's demographics, the returns and risks associated with alternative investment strategies and the current and projected cash, expense and funding ratios of each plan. Investment policies must also comply with local statutory requirements as determined by each country. A formal asset/liability study of each plan is undertaken every 3 to 5 years or whenever there has been a material change in plan demographics, benefit structure or funding status and investment market. The Company has adopted a long-term investment horizon such that the risk and duration of investment losses are weighed against the long-term potential for appreciation of assets. Although there cannot be complete assurance that these objectives will be realized, it is believed that the likelihood for their realization is reasonably high, based upon the asset allocation chosen and the historical and expected performance of the asset classes utilized by the plans. The intent is for investments to be broadly diversified across asset classes, investment styles, market sectors, investment managers, developed and emerging markets and securities in order to moderate portfolio volatility and risk. Investments may be in separate accounts, commingled trusts, mutual funds and other pooled asset portfolios provided they all conform to fiduciary standards.

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

Employer contributions for pension benefits and postretirement benefits are preliminarily estimated to be $46 million and $27 million, respectively, in 2010. The table below reflects pension benefits expected to be paid from the plan or from the Company's assets. The postretirement benefits represent the Company's share of the benefit cost.

	Pension Benefit Payments[1]	Postretirement Benefit	
		Payments	Expected Federal Subsidy
		(In $ millions)	
2010	224	61	7
2011	222	63	7
2012	221	64	7
2013	223	65	8
2014	224	66	3
2015-2019	1,187	332	13

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

Other Obligations

The following table represents additional benefit liabilities and other similar obligations:

	As of December 31,	
	2009	2008
	(In $ millions)	
Long-term disability	30	33
Other	8	5
Total	38	38

16. Environmental

General

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

For the years ended December 31, 2009, 2008 and 2007, the Company's expenditures, including expenditures for legal compliance, internal environmental initiatives and remediation of active, orphan, divested and US Superfund sites (as defined below) were $78 million, $78 million, and $83 million, respectively. The Company's capital project-related environmental expenditures for the years ended December 31, 2009, 2008 and 2007 were $22 million, $13 million, and $14 million, respectively. Environmental reserves for remediation matters were $106 million and $98 million as of December 31, 2009 and 2008, respectively, which represents the Company's best estimate of its liability.

Remediation

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

For the years ended December 31, 2009, 2008 and 2007, the total remediation efforts charged to Cost of sales in the consolidated statements of operations were $9 million, $3 million and $4 million, respectively. The Company believes that environmental remediation costs will not have a material adverse effect on the financial position of the Company, but may have a material adverse effect on the results of operations or cash flows in any given accounting period.

The Company did not record any insurance recoveries related to these matters for the reported periods and there are no receivables for insurance recoveries as of December 31, 2009. As of December 31, 2009 and 2008, there were receivables of $9 million and $9 million, respectively, from the former owner APL, which was acquired in 2007 (see Note 4).

German InfraServs

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

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

The InfraServ partnership agreements provide that, as between the partners, each partner is responsible for any contamination caused predominantly by such partner. Any liability, which cannot be attributed to an InfraServ partner and for which no third party is responsible, is required to be borne by the InfraServ partnership. In view of this potential obligation to eliminate residual contamination, the InfraServs, primarily relating to equity and cost affiliates which are not consolidated by the Company, have reserves of $94 million and $84 million as of December 31, 2009 and 2008, respectively.

If an InfraServ partner defaults on its respective indemnification obligations to eliminate residual contamination, the owners of the remaining participation in the InfraServ companies have agreed to fund such liabilities, subject to a number of limitations. To the extent that any liabilities are not satisfied by either the InfraServs or their owners, these liabilities are to be borne by the Company in accordance with the demerger agreement. However, Hoechst, and its legal successors, will reimburse the Company for two-thirds of any such costs. Likewise, in certain circumstances the Company could be responsible for the elimination of residual contamination on several sites that were not transferred to InfraServ companies, in which case Hoechst, and its legal successors, must also reimburse the Company for two-thirds of any costs so incurred. The German InfraServs are owned partially by the Company, as noted below, and the remaining ownership is held by various other companies. The Company's ownership interest and environmental liability participation percentages for such liabilities which cannot be attributed to an InfraServ partner were as follows as of December 31, 2009:

Company	Ownership %	Liability %
InfraServ GmbH & Co. Gendorf KG	39%	10%
InfraServ GmbH & Co. Knapsack KG	27%	22%
InfraServ GmbH & Co. Hoechst KG	32%	40%
InfraServ GmbH & Co. Wiesbaden KG	8%	0%
InfraServ Verwaltungs GmbH	100%	0%

US Superfund Sites

In the US, the Company may be subject to substantial claims brought by US federal or state regulatory agencies or private individuals pursuant to statutory authority or common law. In particular, the Company has a potential liability under the US Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and related state laws (collectively referred to as "Superfund") for investigation and cleanup costs at approximately 50 sites. At most of these sites, numerous companies, including certain companies comprising the Company, or one of its predecessor companies, have been notified that the Environmental Protection Agency, state governing bodies or private individuals consider such companies to be potentially responsible parties ("PRP") under Superfund or related laws. The proceedings relating to these sites are in various stages. The cleanup process has not been completed at most sites and the status of the insurance coverage for most of these proceedings is uncertain. Consequently, the Company cannot accurately determine its ultimate liability for investigation or cleanup costs at these sites.

As events progress at each site for which it has been named a PRP, the Company accrues, as appropriate, a liability for site cleanup. Such liabilities include all costs that are probable and can be reasonably estimated. In establishing these liabilities, the Company considers its shipment of waste to a site, its percentage of total waste shipped to the

site, the types of wastes involved, the conclusions of any studies, the magnitude of any remedial actions that may be necessary and the number and viability of other PRPs. Often the Company will join with other PRPs to sign joint defense agreements that will settle, among PRPs, each party's percentage allocation of costs at the site. Although the ultimate liability may differ from the estimate, the Company routinely reviews the liabilities and revises the estimate, as appropriate, based on the most current information available. As of December 31, 2009 and 2008, the Company had provisions totaling $10 million and $11 million, respectively, for US Superfund sites and utilized $1 million, $2 million and $1 million of these reserves during the years ended December 31, 2009, 2008 and 2007, respectively. Additional provisions and adjustments recorded during the years ended December 31, 2009, 2008 and 2007 approximately offset these expenditures.

Hoechst Liabilities

In connection with the Hoechst demerger, the Company agreed to indemnify Hoechst, and its legal successors, for the first €250 million of future remediation liabilities for environmental damages arising from 19 specified divested Hoechst entities. As of December 31, 2009 and 2008, reserves of $32 million and $27 million, respectively, for these matters are included as a component of the total environmental reserves. As of December 31, 2009 and 2008, the Company, has made total cumulative payments of $51 million and $48 million, respectively. If such future liabilities exceed €250 million, Hoechst, and its legal successors, will bear such excess up to an additional €500 million. Thereafter, the Company will bear one-third and Hoechst, and its legal successors, will bear two-thirds of any further environmental remediation liabilities. Where the Company is unable to reasonably determine the probability of loss or estimate such loss under this indemnification, the Company has not recognized any liabilities relative to this indemnification.

17. Shareholders' Equity

Preferred Stock

The Company has $240 million aggregate liquidation preference of outstanding 4.25% convertible perpetual preferred stock ("Preferred Stock"). Holders of the Preferred Stock are entitled to receive, when, as and if, declared by the Company's Board of Directors, out of funds legally available, cash dividends at the rate of 4.25% per annum of liquidation preference, payable quarterly in arrears, commencing on May 1, 2005. Dividends on the Preferred Stock are cumulative from the date of initial issuance. Accumulated but unpaid dividends accumulate at an annual rate of 4.25%. The Preferred Stock is convertible, at the option of the holder, at any time into approximately 1.26 shares of Series A common stock, subject to adjustments, per $25.00 liquidation preference of Preferred Stock and upon conversion will be recorded in the consolidated statements of shareholders' equity and comprehensive income (loss). On February 1, 2010, the Company announced its intention to redeem its Preferred Stock (Note 31).

During 2009, 2008 and 2007, the Company declared and paid $10 million of cash dividends in each period on its Preferred Stock.

Dividends

The Company's Board of Directors follows a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of the Company's Series A common stock at an annual rate of $0.16 per share unless the Company's Board of Directors, in its sole discretion, determines otherwise. Further, such dividends payable to holders of the Company's Series A common stock cannot be declared or paid nor can any funds be set aside for the payment thereof, unless the Company has paid or set aside funds for the payment of all accumulated and unpaid dividends with respect to the shares of the Company's Preferred Stock, as described above. Additionally, the amount available to pay cash dividends is restricted by the Company's senior credit agreement.

During 2009, 2008 and 2007, the Company declared and paid cash dividends of $23 million, $24 million and $25 million, respectively, to holders of its Series A common stock.

Treasury Stock

In conjunction with the April 2007 debt refinancing (Note 14), the Company, through its wholly-owned subsidiary Celanese International Holdings Luxembourg S.à.r.l. ("CIH"), formerly Celanese Caylux Holdings Luxembourg S.C.A., repurchased 2,021,775 shares of its outstanding Series A common stock in a modified "Dutch Auction" tender offer from public shareholders, which expired on April 3, 2007, at a purchase price of $30.50 per share. The total price paid for these shares was $62 million. The Company also separately purchased, through its wholly-owned subsidiary CIH, 329,011 shares of the Company's Series A common stock at $30.50 per share from the investment funds associated with The Blackstone Group L.P. The total price paid for these shares was $10 million.

In June 2007, the Company's Board of Directors authorized the repurchase of up to $330 million of its Series A common stock. During 2007, the Company repurchased 8,487,700 shares of its Series A common stock at an average purchase price of $38.88 per share for a total of $330 million pursuant to this authorization. The Company completed repurchasing shares related to this authorization during July 2007.

In February 2008, the Company's Board of Directors authorized the repurchase of up to $400 million of the Company's Series A common stock. This authorization was increased to $500 million in October 2008. The authorization gives management discretion in determining the conditions under which shares may be repurchased.

During the year ended December 31, 2008, the Company repurchased 9,763,200 shares of its Series A common stock at an average purchase price of $38.68 per share for a total of $378 million pursuant to this authorization.

These purchases reduced the number of shares outstanding and the repurchased shares may be used by the Company for compensation programs utilizing the Company's stock and other corporate purposes. The Company accounts for treasury stock using the cost method.

Accumulated Other Comprehensive Income (Loss), Net

Accumulated other comprehensive income (loss), net, which is displayed in the consolidated statements of shareholders' equity, represents net earnings (loss) plus the results of certain shareholders' equity changes not reflected in the consolidated statements of operations. Such items include unrealized gain (loss) on marketable securities, foreign currency translation, certain pension and postretirement benefit obligations and unrealized gain (loss) on interest rate swaps.

The components of Accumulated other comprehensive income (loss), net are as follows:

	Unrealized Gain (Loss) on Marketable Securities	Foreign Currency Translation	Unrealized Gain (Loss) on Interest Rate Swaps	Pension and Postretire-ment Benefits	Accumulated Other Comprehensive Income (Loss), Net
			(In $ millions)		
Balance as of December 31, 2006	9	17	4	1	31
Current-period change	17	70	(41)	124	170
Tax benefit (expense)	-	-	-	(4)	(4)
Balance as of December 31, 2007	26	87	(37)	121	197
Current-period change	(23) [1]	(130)	(79)	(549)	(781)
Tax benefit (expense)	-	-	-	5	5
Balance as of December 31, 2008	3	(43)	(116)	(423)	(579)
Current-period change	(5)	10	23	(150)	(122)
Tax benefit (expense)	2	(5)	(8)	53	42
Balance as of December 31, 2009	-	(38)	(101)	(520)	(659)

[1] Includes a net reclassification adjustment of ($2) million to the consolidated statements of operations.

18. Other (Charges) Gains, Net

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

	Year Ended December 31,		
	2009	2008	2007
		(In $ millions)	
Employee termination benefits	(105)	(21)	(32)
Plant/office closures	(17)	(7)	(11)
Deferred compensation triggered by Exit Event (Note 20)	-	-	(74)
Plumbing actions	10	-	4
Insurance recoveries associated with Clear Lake, Texas (Note 30)	6	38	40
Resolution of commercial disputes with a vendor	-	-	31
Asset impairments	(14)	(115)	(9)
Ticona Kelsterbach plant relocation (Note 29)	(16)	(12)	(5)
Sorbates antitrust actions (Note 24)	-	8	-
Other	-	1	(2)
Total	(136)	(108)	(58)

2009

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

As a result of the Project of Closure (Note 4), Other charges for the Company included exit costs of $89 million during the year ended December 31, 2009, which consisted of $60 million in employee termination benefits, $17 million of contract termination costs and $12 million of long-lived asset impairment losses related to capitalized costs associated with asset retirement obligations (Note 13). The Pardies, France facility is included in the Acetyl Intermediates segment.

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

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

2008

Other (charges) gains, net for asset impairments includes long-lived asset impairment losses of $92 million related to the potential closure of the Company's acetic acid and VAM production facility in Pardies, France, the VAM production unit in Cangrejera, Mexico (which the Company subsequently decided to shut down effective at the end of February 2009) and certain other facilities. Of the $92 million recorded in December 2008, $76 million relates to the Acetyl Intermediates segment and $16 million relates to the Advanced Engineered Materials segment. Consideration of this potential capacity reduction was necessitated by the significant change in the global economic environment and anticipated lower customer demand.

Additionally, the Company recognized $23 million of long-lived asset impairment losses related to the shutdown of the Company's Pampa, Texas facility (Acetyl Intermediates segment).

Other (charges) gains, net for employee termination benefits includes severance and retention charges of $13 million related to the sale of the Company's Pampa, Texas facility and $8 million of severance and retention charges related to other business optimization plans undertaken by the Company.

2007

Other (charges) gains, net for employee termination benefits and plant/office closures include charges related to the Company's plan to simplify and optimize its Emulsions and PVOH businesses (Industrial Specialties segment) to become a leader in technology and innovation and grow in both new and existing markets. Other (charges) gains, net for employee termination benefits and plant/office closures also includes charges related to the sale of the Company's Pampa, Texas facility. In addition, the Company recorded an impairment of long-lived assets of $3 million during the year ended December 31, 2007.

In December 2007, the Company received a one-time payment in resolution of commercial disputes with a vendor.

For the year ended December 31, 2007, asset impairments included $6 million of goodwill impairment related to the PVOH business.

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

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other	Total
			(In $ millions)			
Employee Termination Benefits						
Reserve as of December 31, 2007	2	5	12	16	2	37
Additions	1	2	1	13	4	21
Cash payments	(1)	(5)	(6)	(12)	(3)	(27)
Currency translation adjustment	-	-	(1)	-	(1)	(2)
Reserve as of December 31, 2008	2	2	6	17	2	29
Additions	12	9	6	66	12	105
Cash payments	(8)	(7)	(9)	(23)	(7)	(54)
Currency translation adjustment	1	-	-	-	-	1
Reserve as of December 31, 2009	7	4	3	60	7	81
Plant/Office Closures						
Reserve as of December 31, 2007	1	3	1	2	1	8
Additions	-	-	-	-	-	-
Cash payments	(1)	-	(1)	(2)	-	(4)
Currency translation adjustment	-	(1)	-	-	-	(1)
Reserve as of December 31, 2008	-	2	-	-	1	3
Additions	-	-	-	17	-	17
Transfers	-	(2)	-	-	-	(2)
Cash payments	-	-	-	-	-	-
Reserve as of December 31, 2009	-	-	-	17	1	18
Total	7	4	3	77	8	99

19. Income Taxes

Earnings (loss) from continuing operations before tax by jurisdiction are as follows:

	Year Ended December 31,		
	2009	2008	2007
	(In $ millions)		
US	294	135	(111)
International	(53)	299	558
Total	241	434	447

The income tax provision (benefit) consists of the following:

	Year Ended December 31,		
	2009	2008	2007
	(In $ millions)		
Current			
US	11	62	(9)
International	148	92	163
Total	159	154	154
Deferred			
US	(404)	(37)	17
International	2	(54)	(61)
Total	(402)	(91)	(44)
Income tax provision (benefit)	(243)	63	110

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the consolidated deferred tax assets and liabilities were as follows:

	As of December 31,	
	2009	2008
	(In $ millions)	
Deferred tax assets		
Pension and postretirement obligations	361	304
Accrued expenses	195	195
Inventory	10	8
Net operating loss and tax credit carryforwards	375	279
Other	220	192
Subtotal	1,161	978
Valuation allowance	(334)	(652) [1]
Total	827	326
Deferred tax liabilities		
Depreciation and amortization	336	322
Investments	45	41
Other	90	49
Total	471	412
Net deferred tax assets (liabilities)	356	(86)

(1) Includes deferred tax asset valuation allowances primarily for the Company's deferred tax assets in the US, Luxembourg, France and Germany, as well as other foreign jurisdictions. These valuation allowances relate primarily to net operating loss carryforward benefits and other net deferred tax assets, all of which may not be realizable.

Since 2004, the Company has maintained a valuation allowance against its US net deferred tax assets. FASB ASC Topic 740, *Income Taxes*, requires the Company to continually assess all available positive and negative evidence to determine whether it is more likely than not that the net deferred tax assets will be realized. During 2009, the Company concluded that due to cumulative profitability, it is more likely than not that it will realize its net US deferred tax assets with the exception of certain state net operating loss carryforwards. Accordingly, during the year ended December 31, 2009, the Company recorded a deferred tax benefit of $492 million for the release of the beginning-of-the-year US valuation allowance associated with those US net deferred tax assets expected to be realized in 2009 and subsequent years.

For the year ended December 31, 2009, the valuation allowance decreased by $318 million consisting of: (1) income tax benefits, net, of $314 million, (2) an increase of $1 million allocated to Accumulated other comprehensive income, (3) an increase of $11 million related to foreign currency translation adjustments and (4) $16 million of other decreases related to unrecognized tax benefits and other adjustments to deferred taxes. The charge to Accumulated other comprehensive income relates to deferred tax assets associated with the Company's pension and postretirement obligations. The change in valuation allowance associated with foreign currency translation adjustments is related to changes in deferred tax assets for unrealized foreign exchange gains and losses on effective hedges and on foreign income previously taxed but not yet received in the US. The charge also relates to foreign currency translation adjustments for deferred tax assets recorded in various foreign jurisdictions. The decrease related to unrecognized tax benefits and other adjustments to deferred taxes includes adjustments to temporary differences and net operating loss carryforwards due to changes in uncertain tax positions.

A reconciliation of the significant differences between the US federal statutory tax rate of 35% and the effective income tax rate on income from continuing operations is as follows:

	Year Ended December 31,		
	2009	**2008**	**2007**
		(In $ millions)	
Income tax provision computed at US federal statutory tax rate	84	152	156
Increase (decrease) in taxes resulting from:			
Change in valuation allowance	(314)	(5)	9
Equity income and dividends	(20)	(17)	8
Expenses not resulting in tax benefits	4	18	38
US tax effect of foreign earnings and dividends	10	(5)	27
Other foreign tax rate differentials [1]	(11)	(84)	(98)
Legislative changes	71	3	(21)
Tax-deductible interest on foreign equity instruments & other related items	(76)	-	(19)
State income taxes and other	9	1	10
Income tax provision (benefit)	(243)	63	110

(1) Includes impact of earnings from China and Singapore subject to tax holidays which expire between 2008 and 2013 and favorable tax rates in other jurisdictions.

Federal and state income taxes have not been provided on accumulated but undistributed earnings of $2.8 billion as of December 31, 2009 as such earnings have been permanently reinvested in the business. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable.

The effective tax rate for continuing operations for the year ended December 31, 2009 was (101)% compared to 15% for the year ended December 31, 2008. The effective tax rate for 2009 was favorably impacted by the release of

US valuation allowance, partially offset by lower earnings in jurisdictions participating in tax holidays, increases in valuation allowances on certain foreign net deferred tax assets and the effect of new tax legislation in Mexico.

The Company operates under tax holidays in various countries which are effective through December 2013. In China, one of the Company's entities has a tax holiday that provided for a zero percent tax rate in 2007 and 2008. For 2009 through 2011, the Company's tax rate is 50% of the statutory rate, or 12.5% based on the 2009 statutory rate of 25%. In Singapore, one of the Company's entities has a tax holiday that provides for a zero percent tax rate through 2010. For 2011 through 2013, the Company's tax rate will be 10% based on the current statutory rate of 17%. The impact of these tax holidays decreased foreign taxes $2 million for the year ended December 31, 2009.

The Corporate Tax Reform Act of 2008 was signed by the German Federal President in August 2007. The Act reduced the Company's combined corporate statutory tax rate from 40% to 30% while imposing limitations on the deductibility of certain expenses, including interest expense. The Company recognized a tax benefit of $39 million in 2007 related to the statutory rate reduction on its German net deferred tax liabilities.

Mexico enacted the 2008 Fiscal Reform Bill on October 1, 2007. Effective January 1, 2008, the bill repealed the existing asset-based tax and established a dual income tax system consisting of a new minimum flat tax (the "IETU") and the existing regular income tax system. The IETU system taxes companies on cash basis net income, consisting only of certain specified items of revenue and expense, at a rate of 16.5%, 17% and 17.5% for 2008, 2009 and 2010 forward, respectively. In general, companies must pay the higher of the income tax or the IETU, although unlike the previous asset tax, the IETU is not creditable against future income tax liabilities. The Company has determined that it will primarily be subject to the IETU in future periods, and as such it has recorded tax expense (benefit) of $(5) million, $7 million and $20 million in 2009, 2008 and 2007, respectively, for the tax effects of the IETU system.

On December 7, 2009, Mexico enacted the 2010 Mexican Tax Reform Bill ("Tax Reform Bill") to be effective January 1, 2010. Under this new legislation, the corporate income tax rate will be temporarily increased from 28% to 30% for 2010 through 2012, then reduced to 29% in 2013, and finally reduced back to 28% in 2014 and future years. These rate changes would impact the Company in the event that it reverts to paying taxes on a regular income tax basis versus an IETU basis. Further, under current law, income tax loss carryforwards reported in the tax consolidation that were not utilized on an individual company basis within 10 years were subject to recapture. The Tax Reform Bill as enacted accelerates this recapture period from 10 years to 5 years and effectively requires payment of taxes even if no benefit was obtained through the tax consolidation regime. Finally, significant modifications were also made to the rules for income taxes previously deferred on intercompany dividends, as well as to income taxes related to differences between consolidated and individual Mexican tax earnings and profits. The estimated income tax impact to the Company of this new legislation at December 31, 2009 is $73 million, payable $12 million in 2010, $14 million in 2012, $12 million in 2013 and $35 million in 2014 and thereafter.

As of December 31, 2009, the Company had US federal net operating loss carryforwards of $41 million that are subject to limitation. These net operating loss carryforwards begin to expire in 2021.

The Company also had foreign net operating loss carryforwards as of December 31, 2009 of $1 billion for Luxembourg, Canada, China, Germany, Mexico and other foreign jurisdictions with various expiration dates. Net operating losses in China have various carryforward periods and begin expiring in 2011. Net operating losses in Luxembourg, Canada and Germany have no expiration date. Net operating losses in Mexico have a ten year carryforward period and began to expire in 2009. However, these losses are not available for use under the new IETU tax regulations in Mexico. As the IETU is the primary system upon which the Company will be subject to tax in future periods, no deferred tax asset has been reflected in the consolidated balance sheets as of December 31, 2009 for these income tax loss carryforwards.

The Company adopted the provisions of FASB ASC Topic 740-10 effective January 1, 2007. FASB ASC Topic 740-10 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax benefit is required to meet before being recognized in the financial statements. FASB ASC Topic 740-10 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. As a result of the implementation of FASB ASC Topic 740-10, the Company increased Retained earnings by $14 million and decreased Goodwill by $2 million as included in the consolidated balance

sheets. In addition, certain tax liabilities for unrecognized tax benefits, as well as related potential penalties and interest, were reclassified from current liabilities to noncurrent liabilities. Liabilities for unrecognized tax benefits as of December 31, 2009 relate to various US and foreign jurisdictions.

A reconciliation of the amount of unrecognized tax benefits is as follows:

	Year Ended December 31,	
	2009	2008
	(In $ millions)	
As of the beginning of the year	195	200
Increases in tax positions for the current year	19	-
Increases in tax positions for prior years	39	7
Decreases in tax positions of prior years	(38)	(10)
Settlements	(7)	(2)
As of the end of the year	208	195

Included in the unrecognized tax benefits as of December 31, 2009 are $208 million of tax benefits that, if recognized, would reduce the Company's effective tax rate.

The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes. As of December 31, 2009 and 2008, the Company has recorded a liability of $45 million and $38 million, respectively, for interest and penalties. This amount includes an increase of $7 million and $2 million for the years ended December 31, 2009 and 2008, respectively. As of December 31, 2009, $5 million of unrecognized tax benefits are included in current Other liabilities (Note 12).

The Company operates in the US (including multiple state jurisdictions), Germany and approximately 40 other foreign jurisdictions including Canada, China, France, Mexico and Singapore. Examinations are ongoing in a number of those jurisdictions including, most significantly, in Germany for the years 2001 to 2004 and 2005 to 2007. The Company's US federal income tax returns for 2003 and beyond are open for examination under statute. The US tax years 2006 to 2008 were selected for audit in 2010. Currently, unrecognized tax benefits are not expected to change significantly over the next 12 months.

20. Stock-Based and Other Management Compensation Plans

In December 2004, the Company approved a stock incentive plan for executive officers, key employees and directors, a deferred compensation plan for executive officers and key employees as well as other management incentive programs.

The stock incentive plan allows for the issuance or delivery of up to 16,250,000 shares of the Company's Series A common stock through the award of stock options, restricted stock units ("RSUs") and other stock-based awards as may be approved by the Company's Compensation Committee of the Board of Directors. At the Company's discretion under the 2004 incentive plan, the Company has the right to award dividend equivalents on RSU grants which are earned in accordance with the Company's common stock dividend policy and are reinvested in additional RSUs. Dividend equivalents on these RSUs are forfeited if vesting conditions are not met.

In April 2009, the Company approved a global incentive plan which replaces the Company's 2004 stock incentive plan. The 2009 global incentive plan enables the Compensation Committee of the Board of Directors to award incentive and nonqualified stock options, stock appreciation rights, shares of common stock, restricted stock, restricted stock units and incentive bonuses (which may be paid in cash or stock or a combination thereof), any of which may be performance-based, with vesting and other award provisions that provide effective incentive to Company employees (including officers), non-management directors and other service providers. Under the 2009 global incentive plan, the company no longer has the option to grant RSUs with the right to participate in dividends or dividend equivalents.

The maximum number of shares that may be issued under the 2009 global incentive plan is equal to 5,350,000 shares plus (a) any shares of Common Stock that remain available for issuance under the 2004 stock

incentive plan (not including any shares of Common Stock that are subject to outstanding awards under the 2004 stock incentive plan or any shares of Common Stock that were issued pursuant to awards under the 2004 stock incentive plan) and (b) any awards under the 2004 stock incentive plan that remain outstanding that cease for any reason to be subject to such awards (other than by reason of exercise or settlement of the award to the extent that such award is exercised for or settled in vested and non-forfeitable shares). As of December 31, 2009, a total of 3,812,359 shares remained available for awards under the 2009 stock incentive plan. A total of 7,185,959 and 1,481,886 shares were subject to outstanding awards under the 2004 stock incentive plan and 2009 global incentive plan, respectively.

Deferred Compensation

The 2004 deferred compensation plan provides an aggregate maximum amount payable of $196 million. The initial component of the deferred compensation plan vested in 2004 and was paid in the first quarter of 2005. In May 2007, the Original Shareholders sold their remaining equity interest in the Company triggering an Exit Event, as defined by the plan. Cash compensation of $74 million, representing the participants' 2005 and 2006 contingent benefits, was paid to the participants during the year ended December 31, 2007. Participants continuing in the 2004 deferred compensation plan (see below for discussion regarding certain participant's decision to participate in a revised program) continue to vest in their 2008 and 2009 time-based and performance-based entitlements as defined in the deferred compensation plan. During the years ended December 31, 2009, 2008 and 2007, the Company recorded compensation expense of $1 million, $3 million and $84 million, respectively, associated with this plan. As of December 31, 2009, there was no deferred compensation payable remaining associated with this plan.

On April 2, 2007, certain participants in the Company's deferred compensation plan elected to participate in a revised program, which includes both cash awards and restricted stock units (see Restricted Stock Units below). Under the revised program, participants relinquished their cash awards of up to $30 million that would have contingently accrued from 2007-2009 under the original plan. In lieu of these awards, the revised deferred compensation program provides for a future cash award in an amount equal to 90% of the maximum potential payout under the original plan, plus growth pursuant to one of three participant-selected notional investment vehicles, as defined in the associated agreements. Participants must remain employed through 2010 to vest in the new award. The Company will recognize expense through December 31, 2010 and make award payments under the revised program in the first quarter of 2011, unless participants elect to further defer the payment of their individual awards. Based on participation in the revised program, the Company expensed $10 million, $8 million and $6 million during the years ended December 31, 2009, 2008 and 2007, respectively, related to the revised program.

In December 2007, the Company adopted a deferred compensation plan whereby certain of the Company's senior employees and directors were offered the opportunity to defer a portion of their compensation in exchange for a future payment amount equal to their deferments plus or minus certain amounts based upon the market performance of specified measurement funds selected by the participant. Participants are required to make deferral elections under the plan prior to January 1 of the year such deferrals will be withheld from their compensation. The Company expensed less than $1 million and $1 million during the years ended December 31, 2009 and 2008, respectively, related to this plan.

Long-Term Incentive Plan

Effective January 1, 2004, the Company adopted a long-term incentive plan (the "LTIP Plan") which covers certain members of management and other key employees of the Company. The LTIP Plan is a three-year cash based plan in which awards are based on annual and three-year cumulative targets (as defined in the LTIP Plan). In February 2007, $26 million was paid to the LTIP plan participants. There are no additional amounts due under the LTIP Plan.

In December 2008, the Company granted time-vesting cash awards of $22 million to the Company's executive officers and certain other key employees. Each award of cash vests 30% on October 14, 2009, 30% on October 14, 2010 and 40% on October 14, 2011. In its sole discretion, the compensation committee of the Board of Directors may at any time convert all or a portion of the cash award to an award of time-vesting restricted stock units. The liability cash awards are being accrued and expensed over the term of the agreements outlined above. During the year ended December 31, 2009, less than $1 million was paid to participants who left the Company. In October

2009, the Company paid cash awards totaling $6 million to active employees, representing 30% of the remaining outstanding cash awards. During the years ended December 31, 2009 and 2008, the Company expensed $7 million and less than $1 million, respectively, related to the cash awards.

Stock Options

The Company has a stock-based compensation plan that makes awards of stock options to the Company's executives and certain employees. It is the Company's policy to grant options with an exercise price equal to the average of the high and low price of the Company's Series A common stock on the grant date. The options issued have a ten-year term and vest on a graded basis over periods ranging from one to five years. The estimated value of the Company's stock-based awards less expected forfeitures is recognized over the awards' respective vesting period on a straight-line basis.

The fair value of each option granted is estimated on the grant date using the Black-Scholes option pricing method. The weighted average assumptions used in the model are outlined in the following table:

	Year Ended December 31,		
	2009	2008	2007
Risk-free interest rate	1.90 %	3.30 %	4.60 %
Estimated life in years	5.20	7.70	6.80
Dividend yield	0.96 %	0.38 %	0.42 %
Volatility	54.30 %	31.40 %	27.50 %

The computation of the expected volatility assumption used in the Black-Scholes calculations for new grants is based on the Company's historical volatilities. When establishing the expected life assumptions, the Company reviews annual historical employee exercise behavior of option grants with similar vesting periods.

A summary of changes in stock options outstanding is as follows:

	Year Ended December 31, 2009			
	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(In millions)	(In $)	(In years)	(In $ millions)
As of December 31, 2008	7.0	19.35		
Granted	0.1	17.17		
Exercised	(0.8)	17.79		
Forfeited	(0.3)	34.06		
As of December 31, 2009	6.0	19.01	5.6	79
Options exercisable at end of year	5.0	17.09	5.3	75

The weighted-average grant-date fair value of stock options granted during the years ended December 31, 2009, 2008, and 2007 was $7.46, $16.78, and $14.42, respectively, per option. The total intrinsic value of options exercised during the years ended December 31, 2009, 2008, and 2007 was $9 million, $27 million, and $84 million, respectively. As of December 31, 2009, the Company had approximately $7 million of total unrecognized compensation expense related to stock options, excluding estimated forfeitures, to be recognized over the remaining vesting periods of the options. Cash received from stock option exercises was $14 million, $18 million, and $69 million during the years ended December 31, 2009, 2008, and 2007, respectively. There was no tax benefit realized from stock option exercises during the year ended December 31, 2009. During the year ended December 31, 2008 the Company reversed $8 million of the $19 million tax benefit that was realized during the year ended December 31, 2007.

During 2009, the Company extended the contractual life of 4 million fully vested share options held by 6 employees. As a result of that modification, the Company recognized additional compensation expense of $1 million for the year ended December 31, 2009.

Restricted Stock Units ("RSUs")

Performance-based RSUs. The Company grants performance-based RSUs to the Company's executive officers and certain employees once per year. The Company may also grant performance-based RSUs to certain new employees or to employees who assume positions of increasing responsibility at the time those events occur. The number of performance-based RSUs that ultimately vest is dependent on one or both of the following as per the terms of the specific award agreement: The achievement of 1) internal profitability targets (performance condition) and 2) market performance targets measured by the comparison of the Company's stock performance versus a defined peer group (market condition).

The performance-based RSUs generally cliff-vest during the Company's quarter-end September 30 black-out period three years from the date of grant. The ultimate number of shares of the Company's Series A common stock issued will range from zero to stretch, with stretch defined individually under each award, net of personal income taxes withheld. The market condition is factored into the estimated fair value per unit and compensation expense for each award will be based on the probability of achieving internal profitability targets, as applicable, and recognized on a straight-line basis over the term of the respective grant, less estimated forfeitures. For performance-based RSUs granted without a performance condition, compensation expense is based on the fair value per unit recognized on a straight-line basis over the term of the grant, less estimated forfeitures.

In April 2007, the Company granted performance-based RSUs to certain employees that vest annually in equal tranches beginning October 1, 2008 through October 1, 2011 and include a market condition. The performance-based RSUs awarded include a catch-up provision that provides for an additional year of vesting of previously unvested amounts, subject to certain maximums. Compensation expense is based on the fair value per unit recognized on a straight-line basis over the term of the grant, less estimated forfeitures.

A summary of changes in performance-based RSUs outstanding is as follows:

	Number of Units	Weighted Average Fair Value
	(In thousands)	(In $)
Nonvested at December 31, 2008	1,188	19.65
Granted	420	38.16
Vested	(79)	21.30
Forfeited	(114)	17.28
Nonvested at December 31, 2009	1,415	25.24

The fair value of shares vested for performance-based RSUs during the years ended December 31, 2009 and 2008 was $2 million and $3 million, respectively. There were no vestings that occurred during the year ended December 31, 2007.

Fair value for the Company's performance-based RSUs was estimated at the grant date using a Monte Carlo simulation approach. Monte Carlo simulation was utilized to randomly generate future stock returns for the Company and each company in the defined peer group for each grant based on company-specific dividend yields, volatilities and stock return correlations. These returns were used to calculate future performance-based RSU vesting percentages and the simulated values of the vested performance-based RSUs were then discounted to present value using a risk-free rate, yielding the expected value of these performance-based RSUs.

The range of assumptions used in the Monte Carlo simulation approach is outlined in the following table:

	Year Ended December 31,		
	2009	2008	2007
Risk-free interest rate	1.11%	1.05%	4.53 - 4.55%
Dividend yield	0.00 - 4.64%	0.00 - 12.71%	0.00 - 2.76%
Volatility	25 - 75%	20 - 70%	20 - 45%

In December 2008, the Company granted 200,000 performance units to be settled in cash to the Company's Chief Executive Officer. The terms of the performance units are substantially similar to the performance-based RSUs granted in December 2008 and include a performance condition and a market condition. The value of the performance units is equivalent to the value of one share of the Company's Series A common stock and any amounts that may vest under the performance unit award agreement are to be settled in cash rather than shares of the Company's Series A common stock. The compensation committee of the Board of Directors may elect to convert all or any portion of the performance units award to an award of an equivalent value of performance-based RSUs.

Time-based RSUs. The Company grants non-employee Directors time-based RSUs annually that generally vest one year after grant. The fair value of the time-based RSUs is equal to the closing price of the Company's Series A common stock on the grant date.

The Company also grants time-based RSUs to the Company's executives and certain employees that vest ratably over time intervals ranging from two to four years. The fair value of the time-based RSUs is equal to the average of the high and low price of the Company's Series A common stock on the grant date.

A summary of changes in time-based RSUs outstanding is as follows:

	Employee Time-based RSUs		Director Time-Based RSUs	
	Number of Units	Weighted Average Fair Value	Number of Units	Weighted Average Fair Value
	(In thousands)	(In $)	(In thousands)	(In $)
Nonvested at December 31, 2008	105	39.34	15	44.02
Granted	421	23.13	41	16.58
Vested	(23)	37.60	(15)	44.02
Forfeited	(1)	39.53	-	-
Nonvested at December 31, 2009	502	25.57	41	16.58

As of December 31, 2009, there was approximately $35 million of unrecognized compensation cost related to RSUs, excluding estimated forfeitures, which will be amortized on a straight-line basis over the remaining vesting periods. The fair value of shares vested for time-based RSUs during the years ended December 31, 2009 and 2008 was $2 million and $1 million, respectively. No RSUs vested during the year ended December 31, 2007.

21. Leases

Total rent expense charged to operations under all operating leases was $148 million, $141 million and $122 million for the years ended December 31, 2009, 2008 and 2007, respectively. Future minimum lease payments under non-

cancelable rental and lease agreements which have initial or remaining terms in excess of one year as of December 31, 2009 are as follows:

	Capital	Operating
	(In $ millions)	
2010	63	50
2011	39	36
2012	38	31
2013	35	24
2014	35	16
Later years	276	46
Sublease income	-	(29)
Minimum lease commitments	486	174
Less amounts representing interest	244	
Present value of net minimum lease obligations	242	

The Company expects that, in the normal course of business, leases that expire will be renewed or replaced by other leases.

22. Derivative Financial Instruments

Interest Rate Risk Management

To reduce the interest rate risk inherent in the Company's variable rate debt, the Company utilizes interest rate swap agreements to convert a portion of the variable rate debt to a fixed rate obligation. These interest rate swap agreements are designated as cash flow hedges. If an interest rate swap agreement is terminated prior to its maturity, the amount previously recorded in Accumulated other comprehensive income (loss), net is recognized into earnings over the period that the hedged transaction impacts earnings. If the hedging relationship is discontinued because it is probable that the forecasted transaction will not occur according to the original strategy, any related amounts previously recorded in Accumulated other comprehensive income (loss), net are recognized into earnings immediately.

As of December 31, 2006, the Company had an interest rate swap agreement in place with a notional value of $300 million. On March 29, 2007, in connection with the April 2007 debt refinancing, the Company terminated this interest rate swap agreement and recognized a gain of $2 million related to amounts previously recorded in Accumulated other comprehensive income (loss), net.

In March 2007, in anticipation of the April 2007 debt refinancing, the Company entered into various US dollar and Euro interest rate swap agreements, which became effective on April 2, 2007, with notional amounts of $1.6 billion and €150 million, respectively. The notional amount of the $1.6 billion US dollar interest rate swaps decreased by $400 million effective January 2, 2008 and decreased by another $200 million effective January 2, 2009. To offset the declines, the Company entered into US dollar interest rate swaps with a combined notional amount of $400 million which became effective on January 2, 2008 and an additional US dollar interest rate swap with a notional amount of $200 million which became effective April 2, 2009. The notional amount of the interest rate swaps decreased by $100 million effective January 4, 2010. No new swaps were entered into to offset the declines.

The Company recognized interest (expense) income from hedging activities relating to interest rate swaps of ($63) million, ($18) million and $6 million for the years ended December 31, 2009, 2008 and 2007, respectively. The Company recorded a net loss of $0 million for the year ended December 31, 2009 and less than $1 million for each of the years ended December 31, 2008 and 2007, to Other income (expense), net in the consolidated statements of operations for the ineffective portion of the interest rate swap agreements. The Company recorded an unrealized gain (loss) on interest rate swaps of $15 million and ($79) million during the years ended December 31, 2009 and 2008, respectively.

Foreign Exchange Risk Management

Certain entities have receivables and payables denominated in currencies other than their respective functional currencies, which creates foreign exchange risk. The Company enters into foreign currency forwards and swaps to minimize its exposure to foreign currency fluctuations. Through these instruments, the Company mitigates its foreign currency exposure on transactions with third party entities as well as intercompany transactions. The currently outstanding foreign currency contracts are hedging booked exposure, however the Company may from time to time hedge its currency exposure related to forecasted transactions. Forward contracts are not designated as hedges under FASB ASC Topic 815.

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

	2010 Maturity
	(In $ millions)
Currency	
Euro	(372)
British pound sterling	(90)
Chinese renminbi	(200)
Mexican peso	(5)
Singapore dollar	27
Canadian dollar	(48)
Japanese yen	8
Brazilian real	(11)
Swedish krona	15
Other	(1)
Total	(677)

To protect the foreign currency exposure of a net investment in a foreign operation, the Company entered into cross currency swaps with certain financial institutions in 2004. The cross currency swaps and the Euro-denominated portion of the senior term loan were designated as a hedge of a net investment of a foreign operation. The Company dedesignated the net investment hedge due to the debt refinancing in April 2007 and redesignated the cross currency swaps and new senior Euro term loan in July 2007. As a result, the Company recorded $26 million of mark-to-market losses related to the cross currency swaps and the new senior Euro term loan during this period.

Under the terms of the cross currency swap arrangements, the Company paid approximately €13 million in interest and received approximately $16 million in interest on June 15 and December 15 of each year. The fair value of the net obligation under the cross currency swaps was included in current Other liabilities in the consolidated balance sheets as of December 31, 2007. Upon maturity of the cross currency swap agreements in June 2008, the Company owed €276 million ($426 million) and was owed $333 million. In settlement of the obligation, the Company paid $93 million (net of interest of $3 million) in June 2008.

During the year ended December 31, 2008, the Company dedesignated €385 million of the €400 Euro-denominated portion of the term loan, previously designated as a hedge of a net investment of a foreign operation. The remaining €15 million Euro-denominated portion of the term loan was dedesignated as a hedge of a net investment of a foreign operation in June 2009. Prior to the dedesignations, the Company had been using external derivative contracts to offset foreign currency exposures on certain intercompany loans. As a result of the dedesignations, the foreign currency exposure created by the Euro-denominated term loan is expected to offset the foreign currency exposure on certain intercompany loans, decreasing the need for external derivative contracts and reducing the Company's exposure to external counterparties.

The effective portion of the gain (loss) on the derivative (cross currency swaps) is recorded in Accumulated other comprehensive income (loss), net. For the years ended December 31, 2009, 2008 and 2007, the amount charged to

Accumulated other comprehensive income (loss), net was $0 million, $(19) million and $(19) million, respectively. The gain (loss) related to items excluded from the assessment of hedge effectiveness of the cross currency swaps are recorded to Other income (expense), net in the consolidated statements of operations. For the years ended December 31, 2009, 2008 and 2007, the amount charged to Other income (expense), net in the consolidated statements of operations was $0 million, $1 million and $(6) million, respectively.

Commodity Risk Management

The Company has exposure to the prices of commodities in its procurement of certain raw materials. The Company manages its exposure primarily through the use of long-term supply agreements and derivative instruments. The Company regularly assesses its practice of purchasing a portion of its commodity requirements forward and utilization of other raw material hedging instruments, in addition to forward purchase contracts, in accordance with changes in market conditions. Forward purchases and swap contracts for raw materials are principally settled through actual delivery of the physical commodity. For qualifying contracts, the Company has elected to apply the normal purchases and normal sales exception of FASB ASC Topic 815, as it was probable at the inception and throughout the term of the contract that they would not settle net and would result in physical delivery. As such, realized gains and losses on these contracts are included in the cost of the commodity upon the settlement of the contract.

In addition, the Company occasionally enters into financial derivatives to hedge a component of a raw material or energy source. Typically, these types of transactions do not qualify for hedge accounting. These instruments are marked to market at each reporting period and gains (losses) are included in Cost of sales in the consolidated statements of operations. The Company recognized no gain or loss from these types of contracts during the years ended December 31, 2009 and 2008 and less than $1 million during the year ended December 31, 2007. As of December 31, 2009, the Company did not have any open financial derivative contracts for commodities.

The following table presents information regarding changes in the fair value of the Company's derivative arrangements:

	Year ended December 31, 2009	
	Gain (Loss) Recognized in Other Comprehensive Income	Gain (Loss) Recognized in Income
	(In $ millions)	
Derivatives designated as cash flow hedging instruments		
Interest rate swaps	(40)	(63) [1]
Derivatives designated as net investment hedging instruments		
Euro-denominated term loan	—	—
Derivatives not designated as hedging instruments		
Foreign currency forwards and swaps	—	(20)
Total	(40)	(83)

[1] Amount represents reclassification from Accumulated other comprehensive income and is classified as interest expense in the consolidated statement of operations.

See Note 23, Fair Value Measurements, for additional information regarding the fair value of the Company's derivative arrangements.

23. Fair Value Measurements

As discussed in Note 2, the Company adopted certain provisions of FASB ASC Topic 820 on January 1, 2008 and 2009. FASB ASC Topic 820 establishes a three-tiered fair value hierarchy that prioritizes inputs to valuation techniques used in fair value calculations. The three levels of inputs are defined as follows:

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

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

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

FASB ASC Topic 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of the hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to the fair value calculation.

The Company's financial assets and liabilities are measured at fair value on a recurring basis and include marketable securities and derivative financial instruments. Marketable securities include US government and corporate bonds, mortgage-backed securities and equity securities. Derivative financial instruments include interest rate swaps and foreign currency forwards and swaps.

Marketable Securities. Where possible, the Company utilizes quoted prices in active markets to measure debt and equity securities; such items are classified as Level 1 in the hierarchy and include equity securities and US government bonds. When quoted market prices for identical assets are unavailable, varying valuation techniques are used. Common inputs in valuing these assets include, among others, benchmark yields, issuer spreads, forward mortgage-backed securities trade prices and recently reported trades. Such assets are classified as Level 2 in the hierarchy and typically include mortgage-backed securities, corporate bonds and other US government securities.

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

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

	Fair Value Measurement Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
	(In $ millions)		
Marketable securities, at fair value			
US government debt securities	—	28	28
US corporate debt securities	—	1	1
Equity securities	52	—	52
Money market deposits and other securities	—	2	2
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	—	12	12 [1]
Total assets as of December 31, 2009	52	43	95
Derivatives designated as cash flow hedging instruments			
Interest rate swaps	—	(68)	(68) [2]
Interest rate swaps	—	(44)	(44) [3]
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	—	(7)	(7) [2]
Total liabilities as of December 31, 2009	—	(119)	(119)
Marketable securities			
US government debt securities	—	52	52
US corporate debt securities	—	3	3
Equity securities	42	—	42
Money market deposits and other securities	—	3	3
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	—	54	54 [1]
Total assets as of December 31, 2008	42	112	154
Derivatives designated as cash flow hedging instruments			
Interest rate swaps	—	(42)	(42) [2]
Interest rate swaps	—	(76)	(76) [3]
Derivatives not designated as hedging instruments			
Foreign currency forwards and swaps	—	(25)	(25) [2]
Total liabilities as of December 31, 2008	—	(143)	(143)

[1] Included in current Other assets in the consolidated balance sheets.

[2] Included in current Other liabilities in the consolidated balance sheets.

[3] Included in noncurrent Other liabilities in the consolidated balance sheets.

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

	As of December 31, 2009		As of December 31, 2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In $ millions)			
Cost investments	183	—	184	—
Insurance contracts in nonqualified pension trusts	66	66	67	67
Long-term debt, including current installments of long-term debt	3,361	3,246	3,381	2,404

In general, the cost investments included in the table above are not publicly traded and their fair values are not readily determinable; however, the Company believes the carrying values approximate or are less than the fair values.

As of December 31, 2009 and 2008, the fair values of cash and cash equivalents, receivables, trade payables, short-term debt and the current installments of long-term debt approximate carrying values due to the short-term nature of these instruments. These items have been excluded from the table with the exception of the current installments of long-term debt. Additionally, certain noncurrent receivables, principally insurance recoverables, are carried at net realizable value.

The fair value of long-term debt is based on valuations from third-party banks and market quotations.

24. Commitments and Contingencies

The Company is involved in a number of legal and regulatory proceedings, lawsuits and claims incidental to the normal conduct of business, relating to such matters as product liability, antitrust, intellectual property, workers' compensation, prior acquisitions and divestitures, past waste disposal practices and release of chemicals into the environment. While it is impossible at this time to determine with certainty the ultimate outcome of these proceedings, lawsuits and claims, the Company is actively defending those matters where the Company is named as a defendant. Additionally, the Company believes, based on the advice of legal counsel, that adequate reserves have been made and that the ultimate outcomes of all such litigation and claims will not have a material adverse effect on the financial position of the Company; however, the ultimate outcome of any given matter may have a material impact on the results of operations or cash flows of the Company in any given reporting period.

Plumbing Actions

CNA Holdings LLC. ("CNA Holdings"), a US subsidiary of the Company, which included the US business now conducted by the Ticona business which is included in the Advanced Engineered Materials segment, along with Shell Oil Company ("Shell"), E.I. DuPont de Nemours and Company ("DuPont") and others, has been a defendant in a series of lawsuits, including a number of class actions, alleging that plastics manufactured by these companies that were utilized in the production of plumbing systems for residential property were defective or caused such plumbing systems to fail. Based on, among other things, the findings of outside experts and the successful use of Ticona's acetal copolymer in similar applications, CNA Holdings does not believe Ticona's acetal copolymer was defective or caused the plumbing systems to fail. In many cases CNA Holdings' potential future exposure may be limited by invocation of the statute of limitations since CNA Holdings ceased selling the resin for use in the plumbing systems in site-built homes during 1986 and in manufactured homes during 1990.

In November 1995, CNA Holdings, DuPont and Shell entered into national class action settlements that called for the replacement of plumbing systems of claimants who have had qualifying leaks, as well as reimbursements for certain leak damage. In connection with such settlement, the three companies had agreed to fund these replacements and reimbursements up to an aggregate amount of $950 million. As of December 31, 2009, the aggregate funding is $1,109 million, due to additional contributions and funding commitments made primarily by other parties.

During the period between 1995 and 2001, CNA Holdings was also named as a defendant in the following putative class actions:

- *Cox, et al. v. Hoechst Celanese Corporation, et al.*, No. 94-0047 (Chancery Ct., Obion County, Tennessee) (class was certified).
- *Couture, et al. v. Shell Oil Company, et al.*, No. 200-06-000001-985 (Quebec Superior Court, Canada).
- *Dilday, et al. v. Hoechst Celanese Corporation, et al.*, No. 15187 (Chancery Ct., Weakley County, Tennessee).
- *Furlan v. Shell Oil Company, et al.*, No. C967239 (British Columbia Supreme Court, Vancouver Registry, Canada).
- *Gariepy, et al. v. Shell Oil Company, et al.*, No. 30781/99 (Ontario Court General Division, Canada).

- *Shelter General Insurance Co., et al. v. Shell Oil Company, et al.*, No. 16809 (Chancery Ct., Weakley County, Tennessee).
- *St. Croix Ltd., et al. v. Shell Oil Company, et al.*, No. 1997/467 (Territorial Ct., St. Croix Division, the US Virgin Islands).
- *Tranter v. Shell Oil Company, et al.*, No. 46565/97 (Ontario Court General Division, Canada).

In addition, between 1994 and 2008 CNA Holdings was named as a defendant in numerous non-class actions filed in Arizona, Florida, Georgia, Louisiana, Mississippi, New Jersey, Tennessee and Texas, the US Virgin Islands and Canada of which ten are currently pending. In all of these actions, the plaintiffs have sought recovery for alleged damages caused by leaking polybutylene plumbing. Damage amounts have generally not been specified but these cases generally do not involve (either individually or in the aggregate) a large number of homes.

As of December 31, 2009, the Company had remaining accruals of $55 million, of which $1 million is included in current Other liabilities in the consolidated balance sheets. As of December 31, 2008, the Company had remaining accruals of $64 million, of which $2 million was included in current Other liabilities in the consolidated balance sheets.

The Company reached settlements with CNA Holdings' insurers specifying their responsibility for these claims. During the year ended December 31, 2007, the Company received $23 million of insurance proceeds from various CNA Holdings' insurers as full satisfaction for their responsibility for these claims. During the year ended December 31, 2008, the Company received less than $1 million from insurers. During the year ended December 31, 2009, the Company recognized a $9 million decrease in legal reserves for plumbing claims due to the Company's ongoing assessment of the likely outcome of the plumbing actions and the expiration of the statute of limitation.

Plumbing Insurance Indemnifications

Celanese GmbH entered into agreements with insurance companies related to product liability settlements associated with Celcon® plumbing claims. These agreements, except those with insolvent insurance companies, require the Company to indemnify and/or defend these insurance companies in the event that third parties seek additional monies for matters released in these agreements. The indemnifications in these agreements do not provide for time limitations.

In certain of the agreements, Celanese GmbH received a fixed settlement amount. The indemnities under these agreements generally are limited to, but in some cases are greater than, the amount received in settlement from the insurance company. The maximum exposure under these indemnifications is $95 million. Other settlement agreements have no stated limits.

There are other agreements whereby the settling insurer agreed to pay a fixed percentage of claims that relate to that insurer's policies. The Company has provided indemnifications to the insurers for amounts paid in excess of the settlement percentage. These indemnifications do not provide for monetary or time limitations.

Sorbates Antitrust Actions

In May 2002, the European Commission informed Hoechst AG ("Hoechst") of its intent to officially investigate the sorbates industry. In early January 2003, the European Commission served Hoechst, Nutrinova, Inc., a US subsidiary of Nutrinova Nutrition Specialties & Food Ingredients GmbH and previously a wholly owned subsidiary of Hoechst ("Nutrinova"), and a number of competitors of Nutrinova with a statement of objections alleging unlawful, anticompetitive behavior affecting the European sorbates market. In October 2003, the European Commission ruled that Hoechst, Chisso Corporation, Daicel Chemical Industries Ltd. ("Daicel"), The Nippon Synthetic Chemical Industry Co. Ltd. and Ueno Fine Chemicals Industry Ltd. operated a cartel in the European sorbates market between 1979 and 1996. The European Commission imposed a total fine of €138 million on such companies, of which €99 million was assessed against Hoechst and its legal successors. The case against Nutrinova was closed. Pursuant to the Demerger Agreement with Hoechst, Celanese GmbH was assigned the obligation related to the sorbates antitrust matter; however, Hoechst, and its legal successors, agreed to indemnify Celanese GmbH for 80% of any costs Celanese GmbH incurred relative to this matter. Accordingly, Celanese GmbH

recognized a receivable from Hoechst from this indemnification. In June 2008, the Court of First Instance of the European Communities (Fifth Chamber) reduced the fine against Hoechst to €74.25 million and in July 2008, Hoechst paid the €74.25 million fine. In August 2008, the Company paid Hoechst €17 million, including interest of €2 million, in satisfaction of its 20% obligation with respect to the fine.

Based on the advice of external counsel and a review of the existing facts and circumstances relating to the sorbates antitrust matters, including the settlement of the European Union's investigation, as well as civil claims filed and settled, the Company released its accruals related to the settled sorbates antitrust matters and the indemnification receivables resulting in a gain of $8 million, net, included in Other (charges) gains, net, in the consolidated statements of operations for the year ended December 31, 2008.

In addition, in 2004 a civil antitrust action styled *Freeman Industries LLC v. Eastman Chemical Co., et. al.* was filed against Hoechst and Nutrinova, Inc. in the Law Court for Sullivan County in Kingsport, Tennessee. The plaintiff sought monetary damages and other relief for alleged conduct involving the sorbates industry. The trial court dismissed the plaintiff's claims and upon appeal the Supreme Court of Tennessee affirmed the dismissal of the plaintiff's claims. In December 2005, the plaintiff lost an attempt to amend its complaint and the entire action was dismissed with prejudice. Plaintiff's counsel subsequently filed a new complaint with new class representatives in the District Court of the District of Tennessee. The Company's motion to strike the class allegations was granted in April 2008 and the plaintiff's request to appeal the ruling remains pending.

Polyester Staple Antitrust Litigation

CNA Holdings, the successor in interest to Hoechst Celanese Corporation ("HCC"), Celanese Americas Corporation and Celanese GmbH (collectively, the "Celanese Entities") and Hoechst, the former parent of HCC, were named as defendants in two actions (involving 25 individual participants) filed in September 2006 by US purchasers of polyester staple fibers manufactured and sold by HCC. The actions allege that the defendants participated in a conspiracy to fix prices, rig bids and allocate customers of polyester staple sold in the United States. These actions were consolidated in a proceeding by a Multi-District Litigation Panel in the United States District Court for the Western District of North Carolina styled *In re Polyester Staple Antitrust Litigation*, MDL 1516. On June 12, 2008 the court dismissed these actions against all Celanese Entities in consideration of a payment by the Company of $107 million. This proceeding related to sales by the polyester staple fibers business which Hoechst sold to KoSa, Inc. in 1998. Accordingly, the impact of this settlement is reflected within discontinued operations in the consolidated statements of operations. The Company also previously entered into tolling arrangements with four other alleged US purchasers of polyester staple fibers manufactured and sold by the Celanese Entities. These purchasers were not included in the settlement and one such company filed suit against the Company in December 2008 in the Western District of North Carolina entitled *Milliken & Company v. CNA Holdings, Inc., Celanese Americas Corporation and Hoechst AG* (No. 8-CV-00578). The Company is actively defending this matter.

In 1998, HCC sold its polyester staple business as part of the sale of its Film & Fibers Division to KoSa B.V., f/k/a Arteva B.V. and a subsidiary of Koch Industries, Inc. ("KoSa"). In March 2001 the US Department of Justice ("DOJ") commenced an investigation of possible price fixing regarding sales in the US of polyester staple fibers after the period the Celanese Entities were engaged in the polyester staple fiber business. The Celanese Entities were never named in these DOJ actions. As a result of the DOJ action, during August of 2002, Arteva Specialties, S.a.r.l., a subsidiary of KoSa, ("Arteva Specialties") pled guilty to criminal violation of the Sherman Act related to anti-competitive conduct occurring after the 1998 sale of the polyester staple fiber business and paid a fine of $29 million. In a complaint pending against the Celanese Entities and Hoechst in the United States District Court for the Southern District of New York, Koch Industries, Inc., KoSa, Arteva Specialties and Arteva Services S.a.r.l. seek damages in excess of $371 million that includes indemnification for all damages related to the defendants' alleged participation in, and failure to disclose, the alleged conspiracy during due diligence. The Company is actively defending this matter.

Acetic Acid Patent Infringement Matters

On May 9, 1999, Celanese International Corporation filed a private criminal action styled *Celanese International Corporation v. China Petrochemical Development Corporation* against China Petrochemical Development Corporation ("CPDC") in the Taiwan Kaoshiung District Court alleging that CPDC infringed Celanese International Corporation's patent covering the manufacture of acetic acid. Celanese International Corporation also filed a supplementary civil brief that, in view of changes in Taiwanese patent laws, was subsequently converted to a civil action alleging damages against CPDC based on a period of infringement of ten years, 1991-2000, and based on CPDC's own data that was reported to the Taiwanese securities and exchange commission. Celanese International Corporation's patent was held valid by the Taiwanese patent office. On August 31, 2005, the District Court held that CPDC infringed Celanese International Corporation's acetic acid patent and awarded Celanese International Corporation approximately $28 million (plus interest) for the period of 1995 through 1999. In October 2008, the High Court, on appeal, reversed the District Court's $28 million award to the Company. The Company appealed to the Superior Court in November 2008, and the court remanded the case to the Intellectual Property Court on June 4, 2009. On January 16, 2006, the District Court awarded Celanese International Corporation $800,000 (plus interest) for the year 1990. In January 2009, the High Court, on appeal, affirmed the District Court's award and CPDC appealed on February 5, 2009 to the Supreme Court. On June 29, 2007, the District Court awarded Celanese International Corporation $60 million (plus interest) for the period of 2000 through 2005. CPDC appealed this ruling and on July 21, 2009, the High Court ruled in CPDC's favor. The Company appealed to the Supreme Court and in December 2009, the case was remanded to the Intellectual Property Court.

Asbestos Claims

As of December 31, 2009, Celanese Ltd. and/or CNA Holdings, Inc., both US subsidiaries of the Company, are defendants in approximately 526 asbestos cases. During the year ended December 31, 2009, 56 new cases were filed against the Company, 90 cases were resolved, and 1 case was added after further analysis by outside counsel. Because many of these cases involve numerous plaintiffs, the Company is subject to claims significantly in excess of the number of actual cases. The Company has reserves for defense costs related to claims arising from these matters. The Company believes that there is no material exposure related to these matters.

Domination Agreement

On October 1, 2004, a Domination Agreement between Celanese GmbH and the Purchaser became operative. When the Domination Agreement became operative, the Purchaser became obligated to offer to acquire all outstanding Celanese GmbH shares from the minority shareholders of Celanese GmbH in return for payment of fair cash compensation. The amount of this fair cash compensation was determined to be €41.92 per share, plus interest, in accordance with applicable German law. Until the Squeeze-Out was registered in the commercial register in Germany on December 22, 2006, any minority shareholder who elected not to sell its shares to the Purchaser was entitled to remain a shareholder of Celanese GmbH and to receive from the Purchaser a gross guaranteed annual payment on its shares of €3.27 per Celanese GmbH share less certain corporate taxes in lieu of any dividend.

The Domination Agreement was terminated by the Purchaser in the ordinary course of business effective December 31, 2009. The Company's subsidiaries, CIH and Celanese US, have each agreed to provide the Purchaser with financing to strengthen the Purchaser's ability to fulfill its obligations under, or in connection with, the Domination Agreement and to ensure that the Purchaser will perform all of its obligations under, or in connection with, the Domination Agreement when such obligations become due, including, without limitation, the obligation to compensate Celanese GmbH for any statutory annual loss incurred by Celanese GmbH during the term of the Domination Agreement. If CIH and/or Celanese US are obligated to make payments under such guarantees or other security to the Purchaser, the Company may not have sufficient funds for payments on its indebtedness when due. The Company has not had to compensate Celanese GmbH for an annual loss for any period during which the Domination Agreement has been in effect. Due to the termination of the Domination Agreement there will be no obligation by the Purchaser to compensate Celanese GmbH for any losses incurred after December 31, 2009.

__Award Proceedings in relation to Domination Agreement and Squeeze Out__

The amounts of the fair cash compensation and of the guaranteed annual payment offered under the Domination Agreement as well as the Squeeze-Out compensation are under court review in two separate special award proceedings. The amounts of the fair cash compensation and of the guaranteed annual payment offered under the Domination Agreement may be increased in special award proceedings initiated by minority shareholders, which may further reduce the funds the Purchaser can otherwise make available to the Company. As of March 30, 2005, several minority shareholders of Celanese GmbH had initiated special award proceedings seeking the court's review of the amounts of the fair cash compensation and of the guaranteed annual payment offered under the Domination Agreement. As a result of these proceedings, the amount of the fair cash consideration and the guaranteed annual payment offered under the Domination Agreement could be increased by the court so that all minority shareholders, including those who have already tendered their shares into the mandatory offer and have received the fair cash compensation could claim the respective higher amounts. The court dismissed all of these proceedings in March 2005 on the grounds of inadmissibility. Thirty-three plaintiffs appealed the dismissal, and in January 2006, twenty-three of these appeals were granted by the court. They were remanded back to the court of first instance, where the valuation will be further reviewed. On December 12, 2006, the court of first instance appointed an expert to help determine the value of Celanese GmbH. In the first quarter of 2007, certain minority shareholders that received €66.99 per share as fair cash compensation also filed award proceedings challenging the amount they received as fair cash compensation.

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

Should the court set a higher value for the Squeeze-Out compensation, former Celanese GmbH shareholders who ceased to be shareholders of Celanese GmbH due to the Squeeze-Out are entitled, pursuant to a settlement agreement between the Purchaser and certain former Celanese GmbH shareholders, to claim for their shares the higher of the compensation amounts determined by the court in these different proceedings. Payments these shareholders already received as compensation for their shares will be offset so that those shareholders who ceased to be shareholders of Celanese GmbH due to the Squeeze-Out are not entitled to more than the higher of the amount set in the two court proceedings.

__Guarantees__

The Company has agreed to guarantee or indemnify third parties for environmental and other liabilities pursuant to a variety of agreements, including asset and business divestiture agreements, leases, settlement agreements and various agreements with affiliated companies. Although many of these obligations contain monetary and/or time limitations, others do not provide such limitations.

As indemnification obligations often depend on the occurrence of unpredictable future events, the future costs associated with them cannot be determined at this time.

The Company has accrued for all probable and reasonably estimable losses associated with all known matters or claims that have been brought to its attention. These known obligations include the following:

__• Demerger Obligations__

The Company has obligations to indemnify Hoechst, and its legal successors, for various liabilities under the Demerger Agreement, including for environmental liabilities associated with contamination arising under 19 divestiture agreements entered into by Hoechst prior to the demerger.

The Company's obligation to indemnify Hoechst, and its legal successors, is subject to the following thresholds:

- The Company will indemnify Hoechst, and its legal successors, against those liabilities up to €250 million;

- Hoechst, and its legal successors, will bear those liabilities exceeding €250 million, however the Company will reimburse Hoechst, and its legal successors, for one-third of those liabilities for amounts that exceed €750 million in the aggregate.

The aggregate maximum amount of environmental indemnifications under the remaining divestiture agreements that provide for monetary limits is approximately €750 million. Three of the divestiture agreements do not provide for monetary limits.

Based on the estimate of the probability of loss under this indemnification, the Company had reserves of $32 million and $27 million as of December 31, 2009 and 2008, respectively, for this contingency. Where the Company is unable to reasonably determine the probability of loss or estimate such loss under an indemnification, the Company has not recognized any related liabilities.

The Company has also undertaken in the Demerger Agreement to indemnify Hoechst and its legal successors for liabilities that Hoechst is required to discharge, including tax liabilities, which are associated with businesses that were included in the demerger but were not demerged due to legal restrictions on the transfers of such items. These indemnities do not provide for any monetary or time limitations. The Company has not provided for any reserves associated with this indemnification as it is not probable or estimable. The Company has not made any payments to Hoechst or its legal successors during the years ended December 31, 2009 and 2008, respectively, in connection with this indemnification.

• *Divestiture Obligations*

The Company and its predecessor companies agreed to indemnify third-party purchasers of former businesses and assets for various pre-closing conditions, as well as for breaches of representations, warranties and covenants. Such liabilities also include environmental liability, product liability, antitrust and other liabilities. These indemnifications and guarantees represent standard contractual terms associated with typical divestiture agreements and, other than environmental liabilities, the Company does not believe that they expose the Company to any significant risk. As of December 31, 2009 and 2008, the Company has reserves in the aggregate of $32 million and $33 million, respectively, for these matters.

The Company has divested numerous businesses, investments and facilities through agreements containing indemnifications or guarantees to the purchasers. Many of the obligations contain monetary and/or time limitations, ranging from one year to thirty years. The aggregate amount of guarantees provided for under these agreements is approximately $1.9 billion as of December 31, 2009. Other agreements do not provide for any monetary or time limitations.

Purchase Obligations

In the normal course of business, the Company enters into commitments to purchase goods and services over a fixed period of time. The Company maintains a number of "take-or-pay" contracts for purchases of raw materials and utilities. As of December 31, 2009, there were outstanding future commitments of $1,626 million under take-or-pay contracts. The Company recognized $17 million of losses related to take-or-pay contract termination costs for the year ended December 31, 2009 related to the Company's Pardies, France Project of Closure (see Note 18). The Company does not expect to incur any material losses under take-or-pay contractual arrangements unrelated to the Pardies, France Project of Closure. Additionally, as of December 31, 2009, there were other outstanding commitments of $713 million representing maintenance and service agreements, energy and utility agreements, consulting contracts and software agreements.

25. Supplemental Cash Flow Information

The following table represents supplemental cash flow information for cash and non-cash activities:

	Year Ended December 31,		
	2009	2008	2007
	(In $ millions)		
Taxes, net of refunds	17	98	181
Interest, net of amounts capitalized	208	259	414[(1)]
Noncash investing and financing activities			
Fair value adjustment to securities available for sale, net of tax	(3)	(25)	17
Capital lease obligations	38	103	80
Accrued capital expenditures	(9)	(7)	18
Asset retirement obligations	30	8	4
Accrued Ticona Kelsterbach plant relocation costs	22	17	19

(1) Amount includes premiums paid on early redemption of debt and related issuance costs, net of amounts capitalized, of $217 million for the year ended December 31, 2007.

26. Business and Geographical Segments

Business Segments

The Company operates through the following business segments:

- ***Advanced Engineered Materials***

The Company's Advanced Engineered Materials segment develops, produces and supplies a broad portfolio of high performance technical polymers for application in automotive and electronics products as well as other consumer and industrial applications. The Company and its strategic affiliates are a leading participant in the global technical polymers industry. The primary products of Advanced Engineered Materials are used in a broad range of products including automotive components, electronics, appliances, industrial applications, battery separators, conveyor belts, filtration equipment, coatings, medical devices, electrical and electronics.

- ***Consumer Specialties***

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

- ***Industrial Specialties***

The Company's Industrial Specialties segment includes the Emulsions, PVOH and EVA Performance Polymers businesses. The Company's Emulsions business is a global leader which produces a broad product portfolio, specializing in vinyl acetate ethylene emulsions, and is a recognized authority on low VOC (volatile organic compounds), an environmentally-friendly technology. As a global leader, the Company's PVOH business produced a broad portfolio of performance PVOH chemicals engineered to meet specific customer requirements. The Company's emulsions and PVOH products are used in a wide array of applications including paints and coatings, adhesives, building and construction, glass fiber, textiles and paper. EVA Performance Polymers offers a complete line of low-density polyethylene and specialty ethylene vinyl acetate resins and compounds. EVA Performance Polymers' products are used in many applications including flexible packaging films, lamination film products, hot melt adhesives, medical tubing and devices, automotive carpet and solar cell encapsulation films.

In July 2009, the Company completed the sale of its PVOH business to Sekisui (Note 4).

- ***Acetyl Intermediates***

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

- ***Other Activities***

Other Activities primarily consists of corporate center costs, including financing and administrative activities such as legal, accounting and treasury functions and interest income or expense associated with financing activities of the Company, and the captive insurance companies.

The business segment management reporting and controlling systems are based on the same accounting policies as those described in the summary of significant accounting policies in Note 2. The Company evaluates performance based on operating profit, net earnings (loss), cash flows and other measures of financial performance reported in accordance with US GAAP.

Sales and revenues related to transactions between business segments are generally recorded at values that approximate third-party selling prices.

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other Activities	Eliminations	Consolidated
				(In $ millions)			
Year ended December 31, 2009							
Net sales	808	1,084[1]	974	2,603[1]	2	(389)	5,082
Other (charges) gains, net	(18)	(9)	4	(91)	(22)[3]	—	(136)
Equity in net earnings (loss) of affiliates	27	1	—	5	15	—	48
Earnings (loss) from continuing operations before tax	62	288	89	144	(342)	—	241
Depreciation and amortization	73	50	51	123	11	—	308
Capital expenditures	27	50	45	36	9	—	167[2]
Goodwill and intangible assets	385	299	62	346	—	—	1,092
Total assets	2,211	1,083	740	1,986	2,390	—	8,410
Year ended December 31, 2008							
Net sales	1,061	1,155	1,406	3,875[1]	2	(676)	6,823
Other (charges) gains, net	(29)	(2)	(3)	(78)	4	—	(108)
Equity in net earnings (loss) of affiliates	37	—	—	3	14	—	54
Earnings (loss) from continuing operations before tax	69	237	47	434	(353)	—	434
Depreciation and amortization	76	53	62	150	9	—	350
Capital expenditures	55	49	67	86	10	—	267[2]
Goodwill and intangible assets	398	309	73	363	—	—	1,143
Total assets	1,867	995	903	2,197	1,204	—	7,166

[1] Includes $389 million, $676 million and $660 million of intersegment sales eliminated in consolidation for the years ended December 31, 2009, 2008 and 2007, respectively.

[2] Excludes expenditures related to the relocation of the Company's Ticona plant in Kelsterbach (Note 29) and includes a decrease in accrued capital expenditures of $9 million and $7 million for the years ended December 31, 2009 and 2008, respectively (see Note 25).

[3] Includes $10 million of insurance recoveries received from the Company's captive insurance companies related to the Edmonton, Alberta, Canada facility that eliminates in consolidation.

	Advanced Engineered Materials	Consumer Specialties	Industrial Specialties	Acetyl Intermediates	Other Activities	Eliminations	Consolidated
				(In $ millions)			
Year ended December 31, 2007							
Net sales	1,030	1,111	1,346	3,615[1]	2	(660)	6,444
Other (charges) gains, net	(4)	(4)	(23)	72	(99)[3]	—	(58)
Equity in net earnings (loss) of affiliates	55	3	—	6	18	—	82
Earnings (loss) from continuing operations before tax	189	235	28	694	(699)	—	447
Depreciation and amortization	69	51	59	106	6	—	291
Capital expenditures	59	43	63	130	11	—	306[2]

(1) Includes $389 million, $676 million and $660 million of intersegment sales eliminated in consolidation for the years ended December 31, 2009, 2008 and 2007, respectively.

(2) Excludes expenditures related to the relocation of the Company's Ticona plant in Kelsterbach (Note 29) and includes a decrease in accrued capital expenditures of $9 million and $7 million for the years ended December 31, 2009 and 2008, respectively (see Note 25).

(3) Includes $35 million of insurance recoveries received from the Company's captive insurance companies related to the Clear Lake, Texas facility (Note 30) that eliminates in consolidation.

Geographical Segments

Revenues and noncurrent assets are presented based on the location of the business. The following table presents net sales based on the geographic location of the Company's facilities:

	Year Ended December 31,		
	2009	2008	2007
		(In $ millions)	
Net sales			
US	1,262	1,719	1,754
International	3,820	5,104	4,690
Total	5,082	6,823	6,444
Significant international net sales sources include			
Germany	1,733	2,469	2,348
China	460	393	182
Singapore	513	783	762
Belgium	459	478	295
Canada	173	276	266
Mexico	277	391	349

The following table presents property, plant and equipment, net based on the geographic location of the Company's facilities:

	As of December 31,	
	2009	2008
	(In $ millions)	
Property, plant and equipment, net		
US	634	733
International	2,163	1,737
Total	2,797	2,470
Significant international property, plant and equipment, net sources include		
Germany	1,075	682
China	516	493
Singapore	98	111
Belgium	27	24
Canada	131	117
Mexico	103	105

27. Transactions and Relationships with Affiliates and Related Parties

The Company is a party to various transactions with affiliated companies. Entities in which the Company has an investment accounted for under the cost or equity method of accounting, are considered affiliates; any transactions or balances with such companies are considered affiliate transactions. The following table represents the Company's transactions with affiliates for the periods presented:

	Year Ended December 31,		
	2009	2008	2007
		(In $ millions)	
Purchases from affiliates[1][2]	143	143	126
Sales to affiliates[1]	6	36	126
Interest income from affiliates	1	2	1
Interest expense to affiliates	1	9	7

[1] Purchases and sales from/to affiliates are accounted for at prices which, in the opinion of the Company, approximate those charged to third-party customers for similar goods or services.

[2] Primarily includes utilities and services purchased from InfraServ Hoechst.

Refer to Note 8 for additional information related to dividends received from affiliates.

The following table represents the Company's balances with affiliates for the periods presented:

	As of December 31,	
	2009	2008
	(In $ millions)	
Trade and other receivables from affiliates	—	8
Current notes receivable (including interest) from affiliates	12	9
Noncurrent notes receivable (including interest) from affiliates	7	9
Total receivables from affiliates	19	26
Accounts payable and other liabilities due affiliates	15	18
Short-term borrowings from affiliates	85	103
Total due affiliates	100	121

The Company has agreements with certain affiliates, primarily InfraServ entities, whereby excess affiliate cash is lent to and managed by the Company, at variable interest rates governed by those agreements.

For the year ended 2007, the Company made payments to the Advisor of $7 million in accordance with the sponsor services agreement dated January 26, 2005, as amended. These payments were related to the sale of the oxo products and derivatives businesses and the acquisition of APL (Note 4).

28. Earnings (Loss) Per Share

	Year Ended December 31,					
	2009		2008		2007	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
	(In $ millions, except for share and per share data)					
Amounts attributable to Celanese Corporation						
Earnings (loss) from continuing operations	484	484	372	372	336	336
Earnings (loss) from discontinued operations	4	4	(90)	(90)	90	90
Net earnings (loss)	488	488	282	282	426	426
Less: cumulative preferred stock dividend	(10)	—	(10)	—	(10)	—
Net earnings (loss) available to common shareholders	478	488	272	282	416	426
Weighted average shares — basic	143,688,749	143,688,749	148,350,273	148,350,273	154,475,020	154,475,020
Dilutive stock options		1,167,922		2,559,268		4,344,644
Dilutive restricted stock units		172,246		504,439		362,130
Assumed conversion of preferred stock		12,086,604		12,057,893		12,046,203
Weighted average shares — diluted	143,688,749	157,115,521	148,350,273	163,471,873	154,475,020	171,227,997
Per share						
Earnings (loss) from continuing operations	3.30	3.08	2.44	2.28	2.11	1.96
Earnings (loss) from discontinued operations	0.03	0.03	(0.61)	(0.55)	0.58	0.53
Net earnings (loss)	3.33	3.11	1.83	1.73	2.69	2.49

The following securities were not included in the computation of diluted net earnings per share as their effect would have been antidilutive:

	Year Ended December 31,		
	2009	2008	2007
Stock options	2,433,515	2,298,159	336,133
Restricted stock units	302,635	90,625	—
Total	2,736,150	2,388,784	336,133

29. Ticona Kelsterbach Plant Relocation

In November 2006, the Company finalized a settlement agreement with the Frankfurt, Germany, Airport ("Fraport") to relocate the Kelsterbach, Germany Ticona business, included in the Advanced Engineered Materials segment, resolving several years of legal disputes related to the planned Fraport expansion. As a result of the settlement, the Company will transition Ticona's operations from Kelsterbach to the Hoechst Industrial Park in the Rhine Main area in Germany by mid-2011. Under the original agreement, Fraport agreed to pay Ticona a total of €670 million over a five-year period to offset the costs associated with the transition of the business from its current location and the closure of the Kelsterbach plant. In February 2009, the Company announced the Fraport supervisory board approved the acceleration of the 2009 and 2010 payments of €200 million and €140 million, respectively, required by the settlement agreement signed in June 2007. In February 2009, the Company received a

discounted amount of €322 million ($412 million) under this agreement. In addition, the Company received €59 million ($75 million) in value-added tax from Fraport which was remitted to the tax authorities in April 2009. In June 2008, the Company received €200 million ($311 million) from Fraport under this agreement. Amounts received from Fraport are accounted for as deferred proceeds and are included in noncurrent Other liabilities in the consolidated balance sheets.

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

	Year Ended December 31,		Total From Inception Through December 31, 2009
	2009	2008	
	(In $ millions)		
Proceeds received from Fraport	412	311	749
Costs expensed	16	12	33
Costs capitalized	373 [1]	202 [1]	616

[1] Includes increase in accrued capital expenditures of $22 million and $17 million for the years ended December 31, 2009 and 2008, respectively.

30. Insurance Recoveries

In May 2007, the Company announced that it had an unplanned outage at its Clear Lake, Texas acetic acid facility. At that time, the Company originally expected the outage to last until the end of May. Upon restart of the facility, additional operating issues were identified which necessitated an extension of the outage for further, more extensive repairs. In July 2007, the Company announced that the further repairs were unsuccessful on restart of the unit. All repairs were completed in early August 2007 and normal production capacity resumed. During the years ended December 31, 2009 and 2008, the Company recorded $6 million and $38 million, respectively, of insurance recoveries from its reinsurers in partial satisfaction of claims that the Company made based on losses resulting from the outage. These insurances recoveries are included in Other (charges) gains, net in the consolidated statements of operations (Note 18).

In October 2008, the Company declared force majeure on its specialty polymers products produced at its EVA Performance Polymers facility in Edmonton, Alberta, Canada as a result of certain events and subsequent cessation of production. The Company replaced damaged long-lived assets during 2009. Any contingent liabilities associated with the outage may be mitigated by the Company's insurance policies.

31. Subsequent Events

On January 5, 2010, the Company declared a cash dividend of $0.265625 per share on its Preferred Stock amounting to $3 million and a cash dividend of $0.04 per share on its Series A common stock amounting to $6 million. Both cash dividends are for the period from November 2, 2009 to January 31, 2010 and were paid on February 1, 2010 to holders of record as of January 15, 2010.

On February 1, 2010, the Company announced it would elect to redeem all of the Company's 9,600,000 outstanding shares of its Preferred Stock on February 22, 2010 ("Redemption Date"). On that date, each of the Preferred Stock will be redeemed for a number of shares of the Company's Series A common stock equal to the redemption price ($25.06) divided by 97.5% of the average closing price of the Company's Series A common stock for the 10 trading days ending on the fifth trading day prior to February 22, 2010.

Holders of the Preferred Stock also have the right to convert their shares at any time prior to 5:00 p.m., New York City time, on February 19, 2010, the business day immediately preceding the Redemption Date. Holders who want to convert their shares of Preferred Stock must satisfy all of the requirements as defined in the Certificate of Designations prior to 5:00 p.m., New York City time, in order to effect conversion of their shares of Preferred Stock. Each share of Preferred Stock is convertible into 1.2600 shares of the Company's Series A common stock, subject to adjustment under certain circumstances as set forth in the Certificates of Designations.

Subsequent events have been evaluated through the date of issuance, February 12, 2010.

INDEX TO EXHIBITS

Exhibits will be furnished upon request for a nominal fee, limited to reasonable expenses.

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on January 28, 2005).
3.2	Third Amended and Restated By-laws, effective as of October 23, 2008 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on October 29, 2008).
3.3	Certificate of Designations of 4.25% Convertible Perpetual Preferred Stock (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed with the SEC on January 28, 2005).
4.1	Form of certificate of Series A Common Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 (File No. 333-120187) filed with the SEC on January 13, 2005).
4.2	Form of certificate of 4.25% Convertible Perpetual Preferred Stock (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-1 (File No. 333-120187) filed with the SEC on January 13, 2005).
10.1	Credit Agreement, dated April 2, 2007, among Celanese Holdings LLC, Celanese US Holdings LLC, the subsidiaries of Celanese US Holdings LLC from time to time party thereto as borrowers, the Lenders party thereto, Deutsche Bank AG, New York Branch, as administrative agent and as collateral agent, Merrill Lynch Capital Corporation as syndication agent, ABN AMRO Bank N.V., Bank of America, N.A., Citibank NA, and JP Morgan Chase Bank NA, as co-documentation agents (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 5, 2007).
10.2	First Amendment to Credit Agreement, dated June 30, 2009, among Celanese US Holdings LLC and the Majority Lenders under the Revolving Facility (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on July 1, 2009).
10.3	Guarantee and Collateral Agreement, dated April 2, 2007, by and among Celanese Holdings LLC, Celanese US Holdings LLC, certain subsidiaries of Celanese US Holdings LLC and Deutsche Bank AG, New York Branch (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on April 5, 2007).
10.4	Celanese Corporation 2004 Deferred Compensation Plan (incorporated by reference to Exhibit 10.21 to the Registration Statement on Form S-1 (File No. 333-120187) filed with the SEC on January 3, 2005).
10.4(a)	Amendment to Celanese Corporation 2004 Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on April 3, 2007).
10.4(b)	Form of 2007 Deferral Agreement between Celanese Corporation and award recipient, (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on April 3, 2007).
10.5	Celanese Corporation 2004 Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed with the SEC on January 28, 2005).
10.5(a)	Form of Nonqualified Stock Option Agreement (for employees) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed with the SEC on January 28, 2005).

10.5(b)*	Form of Amendment to Nonqualified Stock Option Agreement (for employees) between Celanese Corporation and award recipient.
10.5(c)	Form of Amendment Two to Nonqualified Stock Option Agreement (for executive officers) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.5(d)	Form of Nonqualified Stock Option Agreement (for non-employee directors) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed with the SEC on January 28, 2005).
10.5(e)	Form of Performance-Based Restricted Stock Unit Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on April 3, 2007).
10.5(f)	Form of Restricted Stock Unit Agreement (for non-employee directors) between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on July 27, 2007).
10.5(g)	Form of Performance-Vesting Restricted Stock Unit Award Agreement between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.5(h)	Performance Unit Award Agreement, dated December 11, 2008, between Celanese Corporation and David N. Weidman (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.5(i)	Form of Time-Vesting Cash Award Agreement (for employees) between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between the Company and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.6	Celanese Corporation 2008 Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to the Annual Report on Form 10-K filed on February 29, 2008).
10.6(a)	Amendment Number One to Celanese Corporation 2008 Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-8 filed with the SEC on April 23, 2009).
10.7	Celanese Corporation 2009 Global Incentive Plan (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-8 filed with the SEC on April 23, 2009).
10.7(a)	Form of Time-Vesting Restricted Stock Unit Award Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.7(b)	Form of Performance-Vesting Restricted Stock Unit Award Agreement between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.7(c)	Form of Nonqualified Stock Option Award Agreement between Celanese Corporation and award recipient, together with a schedule identifying substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.7 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).

10.7(d)	Form of Long-Term Incentive Cash Award Agreement, together with a schedule identifying substantially identical agreements between the Company and each of its executive officers identified thereon (incorporated by reference to Exhibit 10.8 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.7(e)	Time-Vesting Restricted Stock Unit Agreement, dated April 23, 2009, between Celanese Corporation and Gjon N. Nivica, Jr. (incorporated by reference to Exhibit 10.10 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.8	Celanese Corporation 2009 Employee Stock Purchase Program (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-8 filed on April 23, 2009).
10.9	Summary of pension benefits for David N. Weidman (incorporated by reference to Exhibit 10.34 to the Annual Report on Form 10-K filed on March 31, 2005).
10.10	Offer Letter Agreement, dated June 27, 2007, between Celanese Corporation and Sandra Beach Lin (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed with the SEC on July 27, 2007).
10.11	Compensation Letter Agreement, dated March 27, 2007 between Celanese Corporation and Jim Alder (incorporated by reference to Exhibit 10.31 to the Annual Report on Form 10-K filed with the SEC on February 29, 2008
10.12	Offer Letter, dated February 25, 2009, between Celanese Corporation and Gjon N. Nivica, Jr. (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed with the SEC on April 28, 2009).
10.13*	Offer Letter, dated November 18, 2009, between Celanese Corporation and Jacquelyn Wolf.
10.14	Agreement and General Release, dated March 28, 2008, between Celanese Corporation and William P. Antonace (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q filed with the SEC on October 22, 2008).
10.15	Agreement and General Release, dated September 25, 2008, between Celanese Corporation and Curtis S. Shaw (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on October 22, 2008).
10.16	Agreement and General Release, dated March 5, 2009, between Celanese Corporation and John J. Gallagher, III (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on March 5, 2009).
10.17	Restated Agreement and General Release, dated June 3, 2009, between Celanese Corporation and Miguel A. Desdin (incorporated by reference to Exhibit 10.9 to the Quarterly Report on Form 10-Q filed with the SEC on July 29, 2009).
10.18	Agreement and General Release, dated August 3, 2009, between Celanese Corporation and John A. O'Dwyer (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on October 27, 2009).
10.19*	Agreement and General Release, dated November 16, 2009, between Celanese Corporation and Michael L. Summers (filed herewith).
10.20	Change in Control Agreement, dated April 1, 2008, between Celanese Corporation and David N. Weidman, together with a schedule identifying other substantially identical agreements between Celanese Corporation and each of its name executive officers identified thereon and identifying the material differences between each of those agreements and the filed Changed of Control Agreement (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on April 7, 2008).

10.21	Change in Control Agreement, dated April 1, 2008 between Celanese Corporation and Sandra Beach Lin, together with a schedule identifying other substantially identical agreements between Celanese Corporation and each of its executive officers identified thereon and identifying the material differences between each of those agreements and the filed Change of Control Agreement (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on April 23, 2008).
10.22	Change in Control Agreement, dated May 1, 2008, between Celanese Corporation and Christopher W. Jensen (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed with the SEC on July 23, 2008).
10.23	Form of Long-Term Incentive Claw-Back Agreement between Celanese Corporation and award recipient (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on January 26, 2009).
10.24	Share Purchase and Transfer Agreement and Settlement Agreement, dated August 19, 2005 between Celanese Europe Holding GmbH & Co. KG, as purchaser, and Paulson & Co. Inc., and Arnhold and S. Bleichroeder Advisers, LLC, each on behalf of its own and with respect to shares owned by the investment funds and separate accounts managed by it, as the sellers (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on August 19, 2005).
10.25	Translation of Letter of Intent, dated November 29, 2006, among Celanese AG, Ticona GmbH and Fraport AG (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed November 29, 2006).
10.26†	Purchase Agreement dated as of December 12, 2006 by and among Celanese Ltd. and certain of its affiliates named therein and Advent Oxo (Cayman) Limited, Oxo Titan US Corporation, Drachenfelssee 520. V V GMBH and Drachenfelssee 521. V V GMBH (incorporated by reference to Exhibit 10.27 to the Annual Report of Form 10-K filed on February 21, 2007).
10.26(a)	First Amendment to Purchase Agreement dated February 28, 2007, by and among Advent Oxea Cayman Ltd., Oxea Corporation, Drachenfelssee 520. V V GmbH, Drachenfelssee 521. V V GmbH, Celanese Ltd., Ticona Polymers Inc. and Celanese Chemicals Europe GmbH (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q filed on May 9, 2007).
10.26(b)	Second Amendment to Purchase Agreement effective as of July 1, 2007 by and among Advent Oxea Cayman Ltd., Oxea Corporation, Oxea Holdings GmbH, Oxea Deutschland GmbH, Oxea Bishop, LLC, Oxea Japan KK, Oxea UK Ltd., Celanese Ltd., and Celanese Chemicals Europe GmbH (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed with the SEC on October 24, 2007).
21.1*	List of subsidiaries of Celanese Corporation
23.1*	Report on Financial Statement Schedule and Consent of Independent Registered Public Accounting Firm, KPMG LLP
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1*	Financial Statement schedule regarding Valuation and Qualifying Accounts
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

† Portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the SEC under Rule 24b-2 of the Securities Exchange Act of 19034, as amended. The omitted portions of this exhibit have been separately filed with the SEC.

Exhibit 31.1

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David N. Weidman, certify that:

1. I have reviewed this report on Form 10-K of Celanese Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David N. Weidman

David N. Weidman
Chairman of the Board of Directors and
Chief Executive Officer
Date: February 12, 2010

Exhibit 31.2

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven M. Sterin, certify that:

1. I have reviewed this report on Form 10-K of Celanese Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statemenrts for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steven M. Sterin

Steven M. Sterin
Senior Vice President and
Chief Financial Officer
Date: February 12, 2010

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Celanese Corporation (the "Company") on Form 10-K for the period ending December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David N. Weidman, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David N. Weidman

David N. Weidman
Chairman of the Board of Directors and
Chief Executive Officer
Date: February 12, 2010

A signed original of this written statement required by Section 906 has been provided to Celanese Corporation and will be retained by Celanese Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Celanese Corporation (the "Company") on Form 10-K for the period ending December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven M. Sterin, Senior Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven M. Sterin

Steven M. Sterin
Senior Vice President and
Chief Financial Officer
Date: February 12, 2010

A signed original of this written statement required by Section 906 has been provided to Celanese Corporation and will be retained by Celanese Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Corporate Information

Board of Directors

Class I
Term Expires 2011

Martin G. McGuinn [1]
Former Chairman and Chief Executive Officer, Mellon Financial Corporation

Daniel S. Sanders [2,4]
Former President, ExxonMobil Chemical Company

John K. Wulff [2]
Former Chairman of the Board, Hercules Incorporated; Former Chief Financial Officer, Union Carbide Corporation

Class II
Term Expires 2012

James E. Barlett [1]
Vice Chairman
TeleTech Holdings Inc.

David F. Hoffmeister [1]
Chief Financial Officer, Life Technologies Corporation;

Paul H. O'Neill [3,4]
Special Advisor, The Blackstone Group L.P.; former U.S. Secretary of the Treasury and former Chairman and Chief Executive Officer, Alcoa, Inc.

Class III
Term Expires 2010

Mark C. Rohr [3,4]
President and Chief Executive Officer, Albemarle Corporation

Farah M. Walters [2]
President and Chief Executive Officer, QualHealth, LLC

David N. Weidman [4]
Chairman and Chief Executive Officer

Committee Memberships
[1]Audit Committee; [2]Compensation Committee; [3]Nominating and Corporate Governance Committee; [4]Environmental, Health and Safety Committee

Executive Officers

James S. Alder
Senior Vice President, Operations & Technical

Christopher W. Jensen
Vice President and Corporate Controller

Sandra Beach Lin
Corporate Executive Vice President

Douglas M. Madden
Chief Operating Officer

Gjon N. Nivica, Jr.
Senior Vice President, General Counsel and Corporate Secretary

Steven M. Sterin
Senior Vice President and Chief Financial Officer

Jay C. Townsend
Senior Vice President, Business Development & Strategy

David N. Weidman
Chairman and Chief Executive Officer

Jacquelyn K. Wolf
Senior Vice President, Human Resources

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investor.relations@celanese.com
www.celanese.com

Transfer Agent
Computershare Investor Services
P.O. Box 43078
Providence, RI 02940
1-781-575-3400
www.computershare.com

Stock Exchange
Common Stock is listed on the New York Stock Exchange

Ticker Symbol: CE

Shareholders
On February 24, 2010, there were 63 holders of record of our common stock. This figure does not represent the actual number of beneficial owners of common stock that are held in "street name" by securities dealers and others for the benefit of the individual owners who may vote the shares.

Investor Information
Shareholders, security analysts and investors can access Celanese's news and events, periodic reports filed with the Securities and Exchange Commission and other related company information by visiting our web site at www.celanese.com. **For a printed copy of our 2009 Annual Report or the Proxy Statement, at no charge, please send a request to Broadridge:**

- **Via the Internet at: *www.proxyvote.com***
- **By calling: 1-800-579-1639**
- **By sending an email to: sendmaterial@proxyvote.com**

Corporate Governance
Strong corporate governance is an integral part of Celanese's core values. Our company's corporate governance policies and procedures are available on the corporate governance portal of the company's investor relations website, http://www.celanese.com/index/ir_index/ir_corp_governance.htm. The corporate governance portal includes the company's Corporate Governance Guidelines, Board Committee Charters, Global Code of Business Conduct, Financial Code of Ethics, and Shareholder Access to Board of Directors Policy.

Annual Meeting
The 2010 Annual Meeting of Shareholders of Celanese Corporation will be held at 7:30 a.m. (CDT), Thursday, April 22, 2010, at:
The Crescent Club
200 Crescent Court – 17th Floor
Dallas, Texas 75201

Independent Registered Public Accounting Firm
KPMG LLP
7500 North Harwood Street
Dallas, Texas 75201

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