

Celanese Corp  
Form 10-Q  
April 18, 2017  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form 10-Q

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

For the quarterly period ended March 31, 2017

Or

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

(Commission File Number) 001-32410

CELANESE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware 98-0420726

(State or Other Jurisdiction of  
Incorporation or Organization) (I.R.S. Employer  
Identification No.)

222 W. Las Colinas Blvd., Suite 900N 75039-5421  
Irving, TX (Zip Code)

(Address of Principal Executive Offices)  
(972) 443-4000

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of outstanding shares of the registrant's Series A common stock, \$0.0001 par value, as of April 11, 2017 was 139,453,306.



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CELANESE CORPORATION AND SUBSIDIARIES

Form 10-Q

For the Quarterly Period Ended March 31, 2017

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## Item 1. Financial Statements

## CELANESE CORPORATION AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

|                                                              | Three Months Ended<br>March 31,                      |             |
|--------------------------------------------------------------|------------------------------------------------------|-------------|
|                                                              | 2017                                                 | 2016        |
|                                                              | (In \$ millions, except share<br>and per share data) |             |
| Net sales                                                    | 1,471                                                | 1,404       |
| Cost of sales                                                | (1,119                                               | ) (1,014    |
| Gross profit                                                 | 352                                                  | 390         |
| Selling, general and administrative expenses                 | (83                                                  | ) (80       |
| Amortization of intangible assets                            | (4                                                   | ) (2        |
| Research and development expenses                            | (17                                                  | ) (19       |
| Other (charges) gains, net                                   | (55                                                  | ) (5        |
| Foreign exchange gain (loss), net                            | —                                                    | 3           |
| Gain (loss) on disposition of businesses and assets, net     | (1                                                   | ) —         |
| Operating profit (loss)                                      | 192                                                  | 287         |
| Equity in net earnings (loss) of affiliates                  | 47                                                   | 38          |
| Interest expense                                             | (29                                                  | ) (33       |
| Refinancing expense                                          | —                                                    | (2          |
| Interest income                                              | —                                                    | 1           |
| Dividend income - cost investments                           | 29                                                   | 27          |
| Other income (expense), net                                  | 1                                                    | —           |
| Earnings (loss) from continuing operations before tax        | 240                                                  | 318         |
| Income tax (provision) benefit                               | (56                                                  | ) (60       |
| Earnings (loss) from continuing operations                   | 184                                                  | 258         |
| Earnings (loss) from operation of discontinued operations    | —                                                    | 1           |
| Income tax (provision) benefit from discontinued operations  | —                                                    | —           |
| Earnings (loss) from discontinued operations                 | —                                                    | 1           |
| Net earnings (loss)                                          | 184                                                  | 259         |
| Net (earnings) loss attributable to noncontrolling interests | (1                                                   | ) (2        |
| Net earnings (loss) attributable to Celanese Corporation     | 183                                                  | 257         |
| Amounts attributable to Celanese Corporation                 |                                                      |             |
| Earnings (loss) from continuing operations                   | 183                                                  | 256         |
| Earnings (loss) from discontinued operations                 | —                                                    | 1           |
| Net earnings (loss)                                          | 183                                                  | 257         |
| Earnings (loss) per common share - basic                     |                                                      |             |
| Continuing operations                                        | 1.30                                                 | 1.74        |
| Discontinued operations                                      | —                                                    | —           |
| Net earnings (loss) - basic                                  | 1.30                                                 | 1.74        |
| Earnings (loss) per common share - diluted                   |                                                      |             |
| Continuing operations                                        | 1.30                                                 | 1.73        |
| Discontinued operations                                      | —                                                    | —           |
| Net earnings (loss) - diluted                                | 1.30                                                 | 1.73        |
| Weighted average shares - basic                              | 140,643,860                                          | 147,413,234 |
| Weighted average shares - diluted                            | 140,997,403                                          | 148,131,114 |

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

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

|                                                                      | Three<br>Months<br>Ended<br>March 31,<br>2017 | 2016 |
|----------------------------------------------------------------------|-----------------------------------------------|------|
|                                                                      | (In \$<br>millions)                           |      |
| Net earnings (loss)                                                  | 184                                           | 259  |
| Other comprehensive income (loss), net of tax                        |                                               |      |
| Unrealized gain (loss) on marketable securities                      | —                                             | 1    |
| Foreign currency translation                                         | 28                                            | 64   |
| Gain (loss) on cash flow hedges                                      | (2 )                                          | —    |
| Pension and postretirement benefits                                  | 5                                             | —    |
| Total other comprehensive income (loss), net of tax                  | 31                                            | 65   |
| Total comprehensive income (loss), net of tax                        | 215                                           | 324  |
| Comprehensive (income) loss attributable to noncontrolling interests | (1 )                                          | (2 ) |
| Comprehensive income (loss) attributable to Celanese Corporation     | 214                                           | 322  |

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

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CELANESE CORPORATION AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED BALANCE SHEETS

|                                                                                                                                                                                       | As of<br>March<br>31,<br>2017          | As of<br>December<br>31,<br>2016 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------|
|                                                                                                                                                                                       | (In \$ millions,<br>except share data) |                                  |
| <b>ASSETS</b>                                                                                                                                                                         |                                        |                                  |
| Current Assets                                                                                                                                                                        |                                        |                                  |
| Cash and cash equivalents (variable interest entity restricted - 2017: \$13; 2016: \$18)                                                                                              | 501                                    | 638                              |
| Trade receivables - third party and affiliates (net of allowance for doubtful accounts - 2017: \$6; 2016: \$6; variable interest entity restricted - 2017: \$5; 2016: \$4)            | 886                                    | 801                              |
| Non-trade receivables, net                                                                                                                                                            | 216                                    | 223                              |
| Inventories                                                                                                                                                                           | 717                                    | 720                              |
| Marketable securities, at fair value                                                                                                                                                  | 31                                     | 30                               |
| Other assets                                                                                                                                                                          | 38                                     | 60                               |
| Total current assets                                                                                                                                                                  | 2,389                                  | 2,472                            |
| Investments in affiliates                                                                                                                                                             | 874                                    | 852                              |
| Property, plant and equipment (net of accumulated depreciation - 2017: \$2,307; 2016: \$2,239; variable interest entity restricted - 2017: \$724; 2016: \$734)                        | 3,571                                  | 3,577                            |
| Deferred income taxes                                                                                                                                                                 | 154                                    | 159                              |
| Other assets (variable interest entity restricted - 2017: \$8; 2016: \$9)                                                                                                             | 308                                    | 307                              |
| Goodwill                                                                                                                                                                              | 800                                    | 796                              |
| Intangible assets (net of accumulated amortization - 2017: \$531; 2016: \$524; variable interest entity restricted - 2017: \$26; 2016: \$26)                                          | 192                                    | 194                              |
| Total assets                                                                                                                                                                          | 8,288                                  | 8,357                            |
| <b>LIABILITIES AND EQUITY</b>                                                                                                                                                         |                                        |                                  |
| Current Liabilities                                                                                                                                                                   |                                        |                                  |
| Short-term borrowings and current installments of long-term debt - third party and affiliates                                                                                         | 107                                    | 118                              |
| Trade payables - third party and affiliates                                                                                                                                           | 615                                    | 625                              |
| Other liabilities                                                                                                                                                                     | 262                                    | 322                              |
| Income taxes payable                                                                                                                                                                  | 31                                     | 12                               |
| Total current liabilities                                                                                                                                                             | 1,015                                  | 1,077                            |
| Long-term debt, net of unamortized deferred financing costs                                                                                                                           | 2,851                                  | 2,890                            |
| Deferred income taxes                                                                                                                                                                 | 140                                    | 130                              |
| Uncertain tax positions                                                                                                                                                               | 138                                    | 131                              |
| Benefit obligations                                                                                                                                                                   | 866                                    | 893                              |
| Other liabilities                                                                                                                                                                     | 237                                    | 215                              |
| Commitments and Contingencies                                                                                                                                                         |                                        |                                  |
| Stockholders' Equity                                                                                                                                                                  |                                        |                                  |
| Preferred stock, \$0.01 par value, 100,000,000 shares authorized (2017 and 2016: 0 issued and outstanding)                                                                            | —                                      | —                                |
| Series A common stock, \$0.0001 par value, 400,000,000 shares authorized (2017: 167,965,429 issued and 139,552,553 outstanding; 2016: 167,611,357 issued and 140,660,447 outstanding) | —                                      | —                                |
| Series B common stock, \$0.0001 par value, 100,000,000 shares authorized (2017 and 2016: 0 issued and outstanding)                                                                    | —                                      | —                                |
| Treasury stock, at cost (2017: 28,412,876 shares; 2016: 26,950,910 shares)                                                                                                            | (1,662)                                | (1,531)                          |
| Additional paid-in capital                                                                                                                                                            | 149                                    | 157                              |

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|                                                    |        |        |
|----------------------------------------------------|--------|--------|
| Retained earnings                                  | 4,451  | 4,320  |
| Accumulated other comprehensive income (loss), net | (327 ) | (358 ) |
| Total Celanese Corporation stockholders' equity    | 2,611  | 2,588  |
| Noncontrolling interests                           | 430    | 433    |
| Total equity                                       | 3,041  | 3,021  |
| Total liabilities and equity                       | 8,288  | 8,357  |

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

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CELANESE CORPORATION AND SUBSIDIARIES  
 UNAUDITED INTERIM CONSOLIDATED STATEMENT OF EQUITY

|                                                                                         | Three Months Ended<br>March 31, 2017   |          |
|-----------------------------------------------------------------------------------------|----------------------------------------|----------|
|                                                                                         | Shares                                 | Amount   |
|                                                                                         | (In \$ millions, except<br>share data) |          |
| Series A Common Stock                                                                   |                                        |          |
| Balance as of the beginning of the period                                               | 140,660,447                            | —        |
| Stock option exercises                                                                  | 12,500                                 | —        |
| Purchases of treasury stock                                                             | (1,461,966 )                           | —        |
| Stock awards                                                                            | 341,572                                | —        |
| Balance as of the end of the period                                                     | 139,552,553                            | —        |
| Treasury Stock                                                                          |                                        |          |
| Balance as of the beginning of the period                                               | 26,950,910                             | (1,531 ) |
| Purchases of treasury stock, including related fees                                     | 1,461,966                              | (131 )   |
| Balance as of the end of the period                                                     | 28,412,876                             | (1,662 ) |
| Additional Paid-In Capital                                                              |                                        |          |
| Balance as of the beginning of the period                                               |                                        | 157      |
| Stock-based compensation, net of tax                                                    |                                        | (8 )     |
| Stock option exercises, net of tax                                                      |                                        | —        |
| Balance as of the end of the period                                                     |                                        | 149      |
| Retained Earnings                                                                       |                                        |          |
| Balance as of the beginning of the period                                               |                                        | 4,320    |
| Cumulative effect adjustment from adoption of new accounting standard ( <u>Note 2</u> ) |                                        | (1 )     |
| Net earnings (loss) attributable to Celanese Corporation                                |                                        | 183      |
| Series A common stock dividends                                                         |                                        | (51 )    |
| Balance as of the end of the period                                                     |                                        | 4,451    |
| Accumulated Other Comprehensive Income (Loss), Net                                      |                                        |          |
| Balance as of the beginning of the period                                               |                                        | (358 )   |
| Other comprehensive income (loss), net of tax                                           |                                        | 31       |
| Balance as of the end of the period                                                     |                                        | (327 )   |
| Total Celanese Corporation stockholders' equity                                         |                                        | 2,611    |
| Noncontrolling Interests                                                                |                                        |          |
| Balance as of the beginning of the period                                               |                                        | 433      |
| Net earnings (loss) attributable to noncontrolling interests                            |                                        | 1        |
| (Distributions to) contributions from noncontrolling interests                          |                                        | (4 )     |
| Balance as of the end of the period                                                     |                                        | 430      |
| Total equity                                                                            |                                        | 3,041    |

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

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CELANESE CORPORATION AND SUBSIDIARIES  
 UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

|                                                                                           | Three<br>Months<br>Ended<br>March 31,<br>2017 2016<br>(In \$<br>millions) |       |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------|
| Operating Activities                                                                      |                                                                           |       |
| Net earnings (loss)                                                                       | 184                                                                       | 259   |
| Adjustments to reconcile net earnings (loss) to net cash provided by operating activities |                                                                           |       |
| Asset impairments                                                                         | —                                                                         | —     |
| Depreciation, amortization and accretion                                                  | 72                                                                        | 74    |
| Pension and postretirement net periodic benefit cost                                      | (20 )                                                                     | (13 ) |
| Pension and postretirement contributions                                                  | (11 )                                                                     | (14 ) |
| Deferred income taxes, net                                                                | 14                                                                        | (2 )  |
| (Gain) loss on disposition of businesses and assets, net                                  | 1                                                                         | —     |
| Stock-based compensation                                                                  | 10                                                                        | 10    |
| Undistributed earnings in unconsolidated affiliates                                       | 3                                                                         | (1 )  |
| Other, net                                                                                | 2                                                                         | 4     |
| Operating cash provided by (used in) discontinued operations                              | (1 )                                                                      | (1 )  |
| Changes in operating assets and liabilities                                               |                                                                           |       |
| Trade receivables - third party and affiliates, net                                       | (79 )                                                                     | (111) |
| Inventories                                                                               | 9                                                                         | 29    |
| Other assets                                                                              | 21                                                                        | 40    |
| Trade payables - third party and affiliates                                               | 6                                                                         | (8 )  |
| Other liabilities                                                                         | (19 )                                                                     | 21    |
| Net cash provided by (used in) operating activities                                       | 192                                                                       | 287   |
| Investing Activities                                                                      |                                                                           |       |
| Capital expenditures on property, plant and equipment                                     | (62 )                                                                     | (70 ) |
| Acquisitions, net of cash acquired                                                        | —                                                                         | —     |
| Proceeds from sale of businesses and assets, net                                          | 1                                                                         | —     |
| Other, net                                                                                | (3 )                                                                      | (5 )  |
| Net cash provided by (used in) investing activities                                       | (64 )                                                                     | (75 ) |
| Financing Activities                                                                      |                                                                           |       |
| Net change in short-term borrowings with maturities of 3 months or less                   | 6                                                                         | (344) |
| Proceeds from short-term borrowings                                                       | 7                                                                         | 8     |
| Repayments of short-term borrowings                                                       | (29 )                                                                     | (63 ) |
| Proceeds from long-term debt                                                              | —                                                                         | 170   |
| Repayments of long-term debt                                                              | (53 )                                                                     | (177) |
| Purchases of treasury stock, including related fees                                       | (128)                                                                     | —     |
| Stock option exercises                                                                    | —                                                                         | 1     |
| Series A common stock dividends                                                           | (51 )                                                                     | (44 ) |
| (Distributions to) contributions from noncontrolling interests                            | (4 )                                                                      | —     |
| Other, net                                                                                | (18 )                                                                     | (24 ) |
| Net cash provided by (used in) financing activities                                       | (270)                                                                     | (473) |
| Exchange rate effects on cash and cash equivalents                                        | 5                                                                         | 10    |
| Net increase (decrease) in cash and cash equivalents                                      | (137)                                                                     | (251) |

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|                                                     |     |     |
|-----------------------------------------------------|-----|-----|
| Cash and cash equivalents as of beginning of period | 638 | 967 |
| Cash and cash equivalents as of end of period       | 501 | 716 |

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

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CELANESE CORPORATION AND SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company and Basis of Presentation

Description of the Company

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

Definitions

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

Basis of Presentation

The unaudited interim consolidated financial statements for the three months ended March 31, 2017 and 2016 contained in this Quarterly Report were prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for all periods presented and include the accounts of the Company, its majority owned subsidiaries over which the Company exercises control and, when applicable, variable interest entities in which the Company is the primary beneficiary. The unaudited interim consolidated financial statements and other financial information included in this Quarterly Report, unless otherwise specified, have been presented to separately show the effects of discontinued operations.

In the opinion of management, the accompanying unaudited consolidated balance sheets and related unaudited interim consolidated statements of operations, comprehensive income (loss), cash flows and equity include all adjustments, consisting only of normal recurring items necessary for their fair presentation in conformity with US GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP may have been condensed or omitted in accordance with rules and regulations of the Securities and Exchange Commission ("SEC"). These unaudited interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as of and for the year ended December 31, 2016, filed on February 10, 2017 with the SEC as part of the Company's Annual Report on Form 10-K.

Operating results for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the entire year.

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

For those consolidated ventures in which the Company owns or is exposed to less than 100% of the economics, the outside stockholders' interests are shown as noncontrolling interests.

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

Estimates and Assumptions

The preparation of unaudited interim consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements and the reported amounts of Net sales, 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.



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## Change in accounting policy regarding share-based compensation

Historically, the Company recognized share-based compensation net of estimated forfeitures over the vesting period of the respective grant. Effective January 1, 2017, the Company elected to change its accounting policy to recognize forfeitures as they occur. The new forfeiture policy election was adopted using a modified retrospective approach with a cumulative effect adjustment of \$1 million to Retained earnings as of January 1, 2017. See Note 2 - Recent Accounting Pronouncements for further information.

## 2. Recent Accounting Pronouncements

The following table provides a brief description of recent Accounting Standard Updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"):

| Standard                                                                                                                                          | Description                                                                                                                                                                                                                                                                                                       | Effective Date                                | Effect on the Financial Statements or Other Significant Matters                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| In March 2017, the FASB issued ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. | The new guidance clarifies the presentation and classification of the components of net periodic benefit costs in the consolidated statement of operations.                                                                                                                                                       | January 1, 2018. Early adoption is permitted. | The Company is currently evaluating the impact of adoption on its financial statements and related disclosures.                                                                                                                                                                                                                                                 |
| In October 2016, the FASB issued ASU 2016-16, Intra-Entity Transfers of Assets Other Than Inventory.                                              | The new guidance requires the income tax consequences of an intra-entity transfer of assets other than inventory to be recognized when the transfer occurs rather than deferring until an outside sale has occurred.                                                                                              | January 1, 2018. Early adoption is permitted. | The Company does not expect adoption will have a material impact on its financial statements and related disclosures.                                                                                                                                                                                                                                           |
| In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments.                                           | The new guidance clarifies the presentation and classification of certain cash receipts and cash payments in the statement of cash flows.                                                                                                                                                                         | January 1, 2018. Early adoption is permitted. | The Company does not expect adoption will have a material impact on its financial statements and related disclosures.                                                                                                                                                                                                                                           |
| In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting.                                              | The new guidance simplifies several aspects of the accounting for share-based payment transactions, including the timing of recognizing income tax consequences, classification of awards as either equity or liabilities, calculation of compensation expense and classification on the statement of cash flows. | January 1, 2017. Early adoption is permitted. | <p>The Company adopted the new guidance effective January 1, 2017, as part of the FASB's simplification initiative. The adoption of the new guidance did not have a material impact to the Company.</p> <p>The Company changed its accounting policy regarding the recognition of stock-based compensation expense as part of the adoption (<u>Note 1</u>).</p> |
| In February 2016, the FASB issued ASU                                                                                                             | The new guidance supersedes the lease guidance under FASB                                                                                                                                                                                                                                                         | January 1, 2019. Early                        | The Company is currently evaluating its population of leases, and is                                                                                                                                                                                                                                                                                            |

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|                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2016-02, Leases.                                                                                                                                                                 | Accounting Standards Codification ("ASC") Topic 840, Leases, resulting in the creation of FASB ASC Topic 842, Leases. The guidance requires a lessee to recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for both finance and operating leases.                                                | adoption is permitted.                                                             | continuing to assess all potential impacts of the standard, but currently believes the most significant impact relates to its accounting for manufacturing and logistics equipment, and real estate operating leases. The Company anticipates recognition of additional assets and corresponding liabilities related to leases upon adoption. The Company plans to adopt the standard effective January 1, 2019.                                                            |
| In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. Since that date, the FASB has issued additional ASUs clarifying certain aspects of ASU 2014-09. | The new guidance requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The new guidance provides alternative methods of adoption. Subsequent guidance issued after May 2014 did not change the core principle of ASU 2014-09. | January 1, 2018. Earlier adoption was permitted, but not before December 15, 2016. | The Company is currently scoping its revenue contracts to assess the potential impact on its consolidated financial statements. The Company plans to adopt the revenue guidance effective January 1, 2018, although it has not yet selected a transition method. The Company currently does not expect the adoption to have a material impact on its consolidated financial statements, as a majority of its revenue transactions are recognized when product is delivered. |

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### 3. Acquisitions, Dispositions and Plant Closures

#### Acquisitions

##### **SO.F.TER. S.p.A.**

In December 2016, the Company acquired 100% of the stock of the Forli, Italy based SO.F.TER. S.p.A. ("SOFTER"), a leading thermoplastic compounder. The acquisition of SOFTER increases the Company's global engineered materials product platforms, extends the operational model, technical and industry solutions capabilities and expands project pipelines. The acquisition was accounted for as a business combination and the acquired operations are included in the Advanced Engineered Materials segment. The Company allocated the purchase price of the acquisition to identifiable assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The purchase price allocation was based on preliminary information and is subject to change if additional information about the facts and circumstances that existed at the acquisition date becomes available. The final fair value of the net assets acquired may result in adjustments to the assets and liabilities, including goodwill. During the three months ended March 31, 2017, the Company made adjustments to its purchase price allocation which primarily resulted in an increase of \$3 million in property, plant and equipment and a reduction to goodwill of the same amount. Any subsequent measurement period adjustments are not expected to have a material impact on the Company's results of operations.

##### **Nilit Plastics**

On February 1, 2017, the Company signed a definitive agreement to acquire the nylon compounding division of Nilit Group, an independent producer of high performance nylon, resins, fibers and compounds. Subject to closing conditions, Celanese will acquire Nilit Plastics' nylon compounding product portfolio, customer agreements and manufacturing, technology and commercial facilities. The acquisition will be funded from cash on hand and from borrowings under the Company's senior unsecured revolving credit facility. The acquired operations will be included in the Advanced Engineered Materials segment. The Company expects the acquisition to close in the second quarter of 2017, subject to regulatory approvals and other customary closing conditions, and does not expect the acquisition to be material to its 2017 financial position or results of operations.

### 4. Ventures and Variable Interest Entities

#### Consolidated Variable Interest Entities

The Company has a joint venture, Fairway Methanol LLC ("Fairway"), with Mitsui & Co., Ltd., of Tokyo, Japan ("Mitsui"), in which the Company owns 50% of Fairway, for the production of methanol at the Company's integrated chemical plant in Clear Lake, Texas. The methanol unit utilizes natural gas in the US Gulf Coast region as a feedstock and benefits from the existing infrastructure at the Company's Clear Lake facility. Both Mitsui and the Company supply their own natural gas to Fairway in exchange for methanol tolling under a cost-plus off-take arrangement. The Company determined that Fairway is a variable interest entity ("VIE") in which the Company is the primary beneficiary. Under the terms of the joint venture agreements, the Company provides site services and day-to-day operations for the methanol facility. In addition, the joint venture agreements provide that the Company indemnifies Mitsui for environmental obligations that exceed a specified threshold, as well as an equity option between the partners. Accordingly, the Company consolidates the venture and records a noncontrolling interest for the share of the venture owned by Mitsui. Fairway is included in the Company's Acetyl Intermediates segment.

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The carrying amount of the assets and liabilities associated with Fairway included in the unaudited consolidated balance sheets are as follows:

|                                                                                          | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|                                                                                          | (In \$ millions)                 |                                  |
| Cash and cash equivalents                                                                | 13                               | 18                               |
| Trade receivables, net - third party & affiliate                                         | 10                               | 8                                |
| Property, plant and equipment (net of accumulated depreciation - 2017: \$60; 2016: \$50) | 724                              | 734                              |
| Intangible assets (net of accumulated amortization - 2017: \$1; 2016: \$1)               | 26                               | 26                               |
| Other assets                                                                             | 8                                | 9                                |
| Total assets <sup>(1)</sup>                                                              | 781                              | 795                              |
| Trade payables                                                                           | 7                                | 15                               |
| Other liabilities <sup>(2)</sup>                                                         | 2                                | 2                                |
| Total debt                                                                               | 5                                | 5                                |
| Deferred income taxes                                                                    | 3                                | 2                                |
| Total liabilities                                                                        | 17                               | 24                               |

<sup>(1)</sup> Assets can only be used to settle the obligations of Fairway.

<sup>(2)</sup> Primarily represents amounts owed by Fairway to the Company for reimbursement of expenditures.

#### Nonconsolidated Variable Interest Entities

The Company holds variable interests in entities that supply certain raw materials and services to the Company. The variable interests primarily relate to cost-plus contractual arrangements with the suppliers and recovery of capital expenditures for certain plant assets plus a rate of return on such assets. Liabilities for such supplier recoveries of capital expenditures have been recorded as capital lease obligations. The entities are not consolidated because the Company is not the primary beneficiary of the entities as it does not have the power to direct the activities of the entities that most significantly impact the entities' economic performance. The Company's maximum exposure to loss as a result of its involvement with these VIEs as of March 31, 2017 relates primarily to the recovery of capital expenditures for certain property, plant and equipment.

The carrying amount of the assets and liabilities associated with the obligations to nonconsolidated VIEs, as well as the maximum exposure to loss relating to these nonconsolidated VIEs are as follows:

|                                           | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|-------------------------------------------|----------------------------------|----------------------------------|
|                                           | (In \$ millions)                 |                                  |
| Property, plant and equipment, net        | 58                               | 60                               |
| Trade payables                            | 38                               | 53                               |
| Current installments of long-term debt    | 10                               | 10                               |
| Long-term debt                            | 88                               | 91                               |
| Restructuring reserves ( <u>Note 13</u> ) | 27                               | —                                |
| Total liabilities                         | 163                              | 154                              |
| Maximum exposure to loss                  | 221                              | 240                              |

The difference between the total liabilities associated with obligations to nonconsolidated VIEs and the maximum exposure to loss primarily represents take-or-pay obligations for services included in the Company's unconditional purchase obligations (Note 17).

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## 5. Marketable Securities, at Fair Value

The Company's nonqualified trusts hold available-for-sale securities for funding requirements of the Company's nonqualified pension plans (Note 10) as follows:

|                       | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|-----------------------|----------------------------------|----------------------------------|
|                       | (In \$ millions)                 |                                  |
| Amortized cost        | 31                               | 30                               |
| Gross unrealized gain | —                                | —                                |
| Gross unrealized loss | —                                | —                                |
| Fair value            | 31                               | 30                               |

## 6. Inventories

|                            | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|----------------------------|----------------------------------|----------------------------------|
|                            | (In \$ millions)                 |                                  |
| Finished goods             | 508                              | 506                              |
| Work-in-process            | 41                               | 45                               |
| Raw materials and supplies | 168                              | 169                              |
| Total                      | 717                              | 720                              |

## 7. Current Other Liabilities

|                                                   | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|---------------------------------------------------|----------------------------------|----------------------------------|
|                                                   | (In \$ millions)                 |                                  |
| Asset retirement obligations                      | 19                               | 9                                |
| Benefit obligations ( <u>Note 10</u> )            | 31                               | 31                               |
| Customer rebates                                  | 31                               | 51                               |
| Derivatives ( <u>Note 15</u> )                    | 3                                | 3                                |
| Environmental ( <u>Note 11</u> )                  | 13                               | 14                               |
| Insurance                                         | 5                                | 6                                |
| Interest                                          | 21                               | 15                               |
| Restructuring ( <u>Note 13</u> )                  | 14                               | 16                               |
| Salaries and benefits                             | 53                               | 97                               |
| Sales and use tax/foreign withholding tax payable | 21                               | 21                               |
| Other                                             | 51                               | 59                               |
| Total                                             | 262                              | 322                              |

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## 8. Noncurrent Other Liabilities

|                                  | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|----------------------------------|----------------------------------|----------------------------------|
|                                  | (In \$ millions)                 |                                  |
| Asset retirement obligations     | 10                               | 20                               |
| Deferred proceeds                | 41                               | 41                               |
| Deferred revenue                 | 9                                | 9                                |
| Environmental ( <u>Note 11</u> ) | 50                               | 50                               |
| Income taxes payable             | 6                                | 6                                |
| Insurance                        | 48                               | 46                               |
| Restructuring ( <u>Note 13</u> ) | 20                               | —                                |
| Other                            | 53                               | 43                               |
| Total                            | 237                              | 215                              |

## 9. Debt

|                                                                                               | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|-----------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|                                                                                               | (In \$ millions)                 |                                  |
| Short-Term Borrowings and Current Installments of Long-Term Debt - Third Party and Affiliates |                                  |                                  |
| Current installments of long-term debt                                                        | 34                               | 27                               |
| Short-term borrowings, including amounts due to affiliates <sup>(1)</sup>                     | 73                               | 68                               |
| Short-term SOFTER bank loans ( <u>Note 3</u> ) <sup>(2)</sup>                                 | —                                | 23                               |
| Total                                                                                         | 107                              | 118                              |

<sup>(1)</sup> The weighted average interest rate was 2.9% and 3.1% as of March 31, 2017 and December 31, 2016, respectively.

<sup>(2)</sup> The weighted average interest rate was 1.2% as of December 31, 2016.

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|                                                                                                                              | As of<br>March<br>31,<br>2017<br>(In \$ millions) | As of<br>December<br>31,<br>2016 |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------|
| Long-Term Debt                                                                                                               |                                                   |                                  |
| Senior unsecured term loan due 2021 <sup>(1)</sup>                                                                           | 500                                               | 500                              |
| Senior unsecured notes due 2019, interest rate of 3.250%                                                                     | 321                                               | 316                              |
| Senior unsecured notes due 2021, interest rate of 5.875%                                                                     | 400                                               | 400                              |
| Senior unsecured notes due 2022, interest rate of 4.625%                                                                     | 500                                               | 500                              |
| Senior unsecured notes due 2023, interest rate of 1.125%                                                                     | 800                                               | 788                              |
| Pollution control and industrial revenue bonds due at various dates through 2030, interest rates ranging from 4.05% to 5.00% | 169                                               | 170                              |
| SOFTER bank loans due at various dates through 2021 ( <u>Note 3</u> ) <sup>(2)</sup>                                         | —                                                 | 47                               |
| Obligations under capital leases due at various dates through 2054                                                           | 215                                               | 217                              |
| Subtotal                                                                                                                     | 2,905                                             | 2,938                            |
| Unamortized debt issuance costs <sup>(3)</sup>                                                                               | (20 )                                             | (21 )                            |
| Current installments of long-term debt                                                                                       | (34 )                                             | (27 )                            |
| Total                                                                                                                        | 2,851                                             | 2,890                            |

(1) The margin for borrowings under the senior unsecured term loan due 2021 was 1.5% above LIBOR at current Company credit ratings.

(2) The weighted average interest rate was 1.6% as of December 31, 2016.

(3) Related to the Company's long-term debt, excluding obligations under capital leases.

**Senior Credit Facilities**

On July 15, 2016, Celanese, Celanese US and certain subsidiaries entered into a new senior credit agreement ("Credit Agreement") consisting of a \$500 million senior unsecured term loan and a \$1.0 billion senior unsecured revolving credit facility (with a letter of credit sublimit), each maturing in 2021. The Credit Agreement is guaranteed by Celanese, Celanese US and substantially all of its domestic subsidiaries (the "Subsidiary Guarantors").

The Company's debt balances and amounts available for borrowing under its senior unsecured revolving credit facility are as follows:

|                                        | As of<br>March<br>31,<br>2017<br>(In \$<br>millions) |
|----------------------------------------|------------------------------------------------------|
| Revolving Credit Facility              |                                                      |
| Borrowings outstanding                 | —                                                    |
| Letters of credit issued               | —                                                    |
| Available for borrowing <sup>(1)</sup> | 1,000                                                |

(1) The margin for borrowings under the senior unsecured revolving credit facility was 1.5% above LIBOR at current Company credit ratings.

**Senior Notes**

The Company has outstanding senior unsecured notes, issued in public offerings registered under the Securities Act of 1933 ("Securities Act"), as amended (collectively, the "Senior Notes"). The Senior Notes were issued by Celanese US and are guaranteed on a senior unsecured basis by Celanese and the Subsidiary Guarantors.



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## Accounts Receivable Securitization Facility

The Company has a US accounts receivable securitization facility involving receivables of certain of its domestic subsidiaries of the Company transferred to a wholly-owned, "bankruptcy remote" special purpose subsidiary of the Company ("SPE"). The securitization facility, which permits cash borrowings and letters of credit, expires in July 2019.

The Company's debt balances and amounts available for borrowing under its securitization facility are as follows:

|                                                |                                                |
|------------------------------------------------|------------------------------------------------|
|                                                | As of<br>March 31,<br>2017<br>(In \$ millions) |
| Accounts Receivable<br>Securitization Facility |                                                |
| Borrowings<br>outstanding                      | —                                              |
| Letters of credit<br>issued                    | 45                                             |
| Available for<br>borrowing                     | 58                                             |
| Total borrowing base                           | 103                                            |
| Maximum borrowing<br>base <sup>(1)</sup>       | 120                                            |

<sup>(1)</sup> Outstanding accounts receivable transferred to the SPE was \$173 million.

## Covenants

The Company's material financing arrangements contain customary covenants, including the maintenance of certain financial ratios, events of default and change of control provisions. Failure to comply with these covenants, or the occurrence of any other event of default, could result in acceleration of the borrowings and other financial obligations. The Company is in compliance with all of the covenants related to its debt agreements as of March 31, 2017.

## 10. Benefit Obligations

The components of net periodic benefit cost are as follows:

|                                                  | Three Months Ended March 31, |                          |
|--------------------------------------------------|------------------------------|--------------------------|
|                                                  | 2017                         | 2016                     |
| Pension Benefits                                 | Post-retirement Benefits     | Pension Benefits         |
|                                                  | Post-retirement Benefits     | Post-retirement Benefits |
|                                                  | (In \$ millions)             |                          |
| Service cost                                     | 2                            | 2                        |
| Interest cost                                    | 27                           | 28                       |
| Expected return on plan assets                   | (49)                         | (44)                     |
| Amortization of prior service cost (credit), net | —                            | (1)                      |
| Special termination benefit                      | —                            | 1                        |
| Total                                            | (20)                         | (13)                     |

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Benefit obligation funding is as follows:

|                                                                                         | As<br>of<br>March<br>31, 2017 | Total<br>Expected<br>2017<br>(In \$<br>millions) |
|-----------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------|
| Cash contributions to defined benefit pension plans                                     | 5                             | 20                                               |
| Benefit payments to nonqualified pension plans                                          | 5                             | 22                                               |
| Benefit payments to other postretirement benefit plans                                  | 1                             | 4                                                |
| Cash contributions to German multiemployer defined benefit pension plans <sup>(1)</sup> | 2                             | 7                                                |

<sup>(1)</sup> The Company makes contributions based on specified percentages of employee contributions.

The Company's estimates of its US defined benefit pension plan contributions reflect the provisions of the Pension Protection Act of 2006.

#### 11. Environmental

The Company is subject to environmental laws and regulations worldwide that impose limitations on the discharge of pollutants into the air and water, establish standards for the treatment, storage and disposal of solid and hazardous wastes, and impose record keeping and notification requirements. Failure to timely comply with these laws and regulations may expose the Company to penalties. The Company believes that it is in substantial compliance with all applicable environmental laws and regulations and engages in an ongoing process of updating its controls to mitigate compliance risks. The Company is also subject to retained environmental obligations specified in various contractual agreements arising from the divestiture of certain businesses by the Company or one of its predecessor companies. The components of environmental remediation reserves are as follows:

|                                            | As<br>of<br>March<br>31, 2017 | As of<br>December<br>31, 2016 |
|--------------------------------------------|-------------------------------|-------------------------------|
|                                            | (In \$ millions)              |                               |
| Demerger obligations ( <u>Note 17</u> )    | 17                            | 18                            |
| Divestiture obligations ( <u>Note 17</u> ) | 16                            | 16                            |
| Active sites                               | 17                            | 16                            |
| US Superfund sites                         | 11                            | 11                            |
| Other environmental remediation reserves   | 2                             | 3                             |
| Total                                      | 63                            | 64                            |

#### Remediation

Due to its industrial history and through retained contractual and legal obligations, the Company has the obligation to remediate specific areas on its own sites as well as on divested, demerger, orphan or US Superfund sites (as defined below). In addition, as part of the demerger agreement between the Company and Hoechst AG ("Hoechst"), a specified portion of the responsibility for environmental liabilities from a number of Hoechst divestitures was transferred to the Company (Note 17). The Company provides for such obligations when the event of loss is probable and reasonably estimable. The Company believes that environmental remediation costs will not have a material adverse effect on the financial position of the Company, but may have a material adverse effect on the results of operations or cash flows in any given period.

#### US Superfund Sites

In the US, the Company may be subject to substantial claims brought by US federal or state regulatory agencies or private individuals pursuant to statutory authority or common law. In particular, the Company has a potential liability

under the US Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and related state laws (collectively referred to as "Superfund") for investigation and cleanup costs at certain sites. At most of these sites, numerous companies, including the Company, or one of its predecessor companies, have been notified that the US Environmental Protection Agency ("EPA"), state governing bodies or private individuals consider such companies to be potentially responsible

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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 some 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 the contaminants of concern, the potential impact thereof, the relationship of the contaminants of concern to its current and historic operations, its shipment of waste to a site, its percentage of total waste shipped to the site, the types of wastes involved, the conclusions of any studies, the magnitude of any remedial actions that may be necessary and the number and viability of other PRPs. Often the Company joins with other PRPs to sign joint defense agreements that settle, among PRPs, each party's percentage allocation of costs at the site.

Although the ultimate liability may differ from the estimate, the Company routinely reviews the liabilities and revises the estimate, as appropriate, based on the most current information available.

One such site is the Diamond Alkali Superfund Site, which is comprised of a number of sub-sites, including the Lower Passaic River Study Area, which is the lower 17-mile stretch of the Passaic River ("Lower Passaic River Site"), and the Newark Bay Area. The Company and 70 other companies are parties to a May 2007 Administrative Order on Consent with the EPA to perform a Remedial Investigation/Feasibility Study ("RI/FS") at the Lower Passaic River Site in order to identify the levels of contaminants and potential cleanup actions, including the potential migration of contaminants between the Lower Passaic River Site and the Newark Bay Area. Work on the RI/FS is ongoing, with a goal to complete it in 2018.

In March 2016, the EPA issued its final Record of Decision concerning the remediation of the lower 8.3 miles of the Lower Passaic River Site ("Lower 8.3 Miles"). Pursuant to the EPA's Record of Decision, the Lower 8.3 Miles must be dredged bank to bank and an engineered cap must be installed at an EPA estimated cost of approximately \$1.4 billion. The Company owned and/or operated facilities in the vicinity of the Lower 8.3 Miles, but has found no evidence that it contributed any of the primary contaminants of concern to the Passaic River. The Company is vigorously defending this matter and currently believes that its ultimate allocable share of the cleanup costs with respect to the Lower Passaic River Site, estimated at less than 1%, will not be material.

## 12. Stockholders' Equity

### Common Stock

The Company's Board of Directors follows a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of the Company's Series A common stock, par value \$0.0001 per share ("Common Stock"), unless the Company's Board of Directors, in its sole discretion, determines otherwise.

The Company's Board of Directors approved increases in the Company's Common Stock cash dividend rates as follows:

| Increase<br>(In percentages)                                                                             | Quarterly Common<br>Stock Cash Dividend<br>(In \$ per share) | Annual Common<br>Stock Cash Dividend | Effective Date |                                               |                                                                |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------|----------------|-----------------------------------------------|----------------------------------------------------------------|
| April 2016 20<br>Treasury Stock                                                                          | 0.36                                                         | 1.44                                 | May 2016       | Three<br>Months<br>Ended<br>March 31,<br>2017 | Total From<br>February<br>2008<br>Through<br>March 31,<br>2017 |
| Shares repurchased                                                                                       |                                                              |                                      |                | 1,461,966                                     | 35,804,182                                                     |
| Average purchase price per share                                                                         |                                                              |                                      |                | \$89.95                                       | \$ — 54.93                                                     |
| Shares repurchased (in \$ millions)                                                                      |                                                              |                                      |                | \$131                                         | \$ — 1,966                                                     |
| Aggregate Board of Directors repurchase authorizations during the period (in \$ millions) <sup>(1)</sup> |                                                              |                                      |                | \$ —                                          | \$ — 2,366                                                     |

- 
- (1) These authorizations give management discretion in determining the timing and conditions under which shares may be repurchased. This repurchase program began in February 2008 and does not have an expiration date.

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The purchase of treasury stock reduces the number of shares outstanding. The repurchased shares may be used by the Company for compensation programs utilizing the Company's stock and other corporate purposes. The Company accounts for treasury stock using the cost method and includes treasury stock as a component of stockholders' equity.

Other Comprehensive Income (Loss), Net

|                                                 | Three Months Ended March 31, |             |        | 2016    |             |        |
|-------------------------------------------------|------------------------------|-------------|--------|---------|-------------|--------|
|                                                 | 2017                         |             |        | 2016    |             |        |
|                                                 | Income                       |             |        | Income  |             |        |
|                                                 | Gross                        | Tax         | Net    | Gross   | Tax         | Net    |
|                                                 | Amount                       | (Provision) | Amount | Amount  | (Provision) | Amount |
|                                                 | Benefit                      |             |        | Benefit |             |        |
|                                                 | (In \$ millions)             |             |        |         |             |        |
| Unrealized gain (loss) on marketable securities | —                            | —           | —      | 1       | —           | 1      |
| Foreign currency translation                    | 28                           | —           | 28     | 70      | (6)         | 64     |
| Gain (loss) on cash flow hedges                 | (2)                          | —           | (2)    | —       | —           | —      |
| Pension and postretirement benefits             | 5                            | —           | 5      | —       | —           | —      |
| Total                                           | 31                           | —           | 31     | 71      | (6)         | 65     |

Adjustments to Accumulated other comprehensive income (loss), net, are as follows:

|                                                                         | Unrealized Gain (Loss) on Foreign Currency Translation Marketable Securities (Note 5) | Gain (Loss) on Cash Flow Hedges (Note 15) | Pension and Postretirement Benefits (Note 10) | Accumulated Other Comprehensive Income (Loss), Net |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------|----------------------------------------------------|
|                                                                         | (In \$ millions)                                                                      |                                           |                                               |                                                    |
| As of December 31, 2016                                                 | 1 (350)                                                                               | 3                                         | (12)                                          | (358)                                              |
| Other comprehensive income (loss) before reclassifications              | —28                                                                                   | (1)                                       | 5                                             | 32                                                 |
| Amounts reclassified from accumulated other comprehensive income (loss) | —                                                                                     | (1)                                       | —                                             | (1)                                                |
| Income tax (provision) benefit                                          | —                                                                                     | —                                         | —                                             | —                                                  |
| As of March 31, 2017                                                    | 1 (322)                                                                               | 1                                         | (7)                                           | (327)                                              |

## 13. Other (Charges) Gains, Net

|                               | Three Months Ended March 31, 2017 | 2016 |
|-------------------------------|-----------------------------------|------|
|                               | (In \$ millions)                  |      |
| Employee termination benefits | (2)                               | (5)  |
| Other plant/office closures   | (53)                              | —    |
| Total                         | (55)                              | (5)  |

During the three months ended March 31, 2017 and 2016, the Company recorded \$2 million and \$5 million, respectively, of employee termination benefits primarily related to the Company's ongoing efforts to align its businesses around its core value drivers.

During the three months ended March 31, 2017, the Company provided notice of termination of a contract with a key raw materials supplier at its ethanol production unit in Nanjing, China. As a result, the Company recorded an estimated \$53 million of plant/office closure costs primarily consisting of a \$27 million contract termination charge

and an \$18 million reduction to its non-income tax receivable. The Nanjing, China ethanol production unit is included in the Company's Acetyl Intermediates segment.

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

|                               | Advanced<br>Consumer<br>Engineered<br>Specialties<br>Materials | Industrial<br>Specialties | Acetyl<br>Intermediates | Other | Total |
|-------------------------------|----------------------------------------------------------------|---------------------------|-------------------------|-------|-------|
|                               | (In \$ millions)                                               |                           |                         |       |       |
| Employee Termination Benefits |                                                                |                           |                         |       |       |
| As of December 31, 2016       | 1 9                                                            | 2                         | 1                       | 3     | 16    |
| Additions                     | —1                                                             | —                         | —                       | 1     | 2     |
| Cash payments                 | —(1 )                                                          | (1 )                      | —                       | (3 )  | (5 )  |
| Other changes                 | —(8 )                                                          | —                         | —                       | —     | (8 )  |
| Exchange rate changes         | —                                                              | —                         | —                       | —     | —     |
| As of March 31, 2017          | 1 1                                                            | 1                         | 1                       | 1     | 5     |
| Other Plant/Office Closures   |                                                                |                           |                         |       |       |
| As of December 31, 2016       | —                                                              | —                         | —                       | —     | —     |
| Additions                     | —                                                              | —                         | 29                      | —     | 29    |
| Cash payments                 | —                                                              | —                         | —                       | —     | —     |
| Other changes                 | —                                                              | —                         | —                       | —     | —     |
| Exchange rate changes         | —                                                              | —                         | —                       | —     | —     |
| As of March 31, 2017          | —                                                              | —                         | 29                      | —     | 29    |
| Total                         | 1 1                                                            | 1                         | 30                      | 1     | 34    |

## 14. Income Taxes

Three  
Months  
Ended  
March 31,  
2017 2016  
(In  
percentages)

Effective income tax rate 23 19

The higher effective income tax rate for the three months ended March 31, 2017 compared to the same period in 2016 is primarily due to losses in jurisdictions with no tax benefit. The increase in losses primarily relates to the Company's notice of termination of a contract with a key raw materials supplier at its ethanol production unit in Nanjing, China (Note 13).

For the three months ended March 31, 2017, the Company's uncertain tax positions increased \$7 million, primarily due to legislative changes in certain foreign jurisdictions and foreign exchange rate fluctuations.

The Company's US tax returns for the years 2009 through 2012 are currently under audit by the US Internal Revenue Service and certain of the Company's subsidiaries are under audit in jurisdictions outside of the US. In connection with the Company's US federal income tax audit for 2009 and 2010, the Company has received \$192 million of proposed pre-tax adjustments related to various intercompany charges. In the event the Company is wholly unsuccessful in its defense, an actual tax assessment would result in the consumption of up to \$67 million of prior foreign tax credit carryforwards. The Company believes these proposed adjustments to be without merit and is vigorously defending its position.

## 15. Derivative Financial Instruments

## Net Investment Hedges

The Company uses derivative instruments, such as foreign currency forwards, and non-derivative financial instruments, such as foreign currency denominated debt, that may give rise to foreign currency transaction gains or losses to hedge the foreign currency exposure of net investments in foreign operations. Accordingly, the effective portion of gains and losses from remeasurement of derivative and non-derivative financial instruments is included in foreign currency translation within Accumulated other comprehensive income (loss), net in the unaudited consolidated

balance sheets. Gains and losses are reclassified to earnings in the period the hedged investment is sold or liquidated.

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The total notional amount of foreign currency denominated debt designated as a net investment hedge of net investments in foreign operations are as follows:

As of March 31, 2017  
As of December 31, 2016  
(In € millions)

Total 850 850

## Derivatives Not Designated As Hedges

## Foreign Currency Forwards and Swaps

Gross notional values of the foreign currency forwards and swaps not designated as hedges are as follows:

As of March 31, 2017  
As of December 31, 2016  
(In \$ millions)

Total 457 508

Information regarding changes in the fair value of the Company's derivative and non-derivative instruments during the three months ended March 31, 2017 and 2016 is as follows:

|                                               | Gain<br>(Loss)     | Gain<br>Recognized<br>in Other<br>Comprehensive<br>Income<br>(Loss) | Gain<br>Recognized<br>in Earnings<br>(Loss) |                                        |                                                            |
|-----------------------------------------------|--------------------|---------------------------------------------------------------------|---------------------------------------------|----------------------------------------|------------------------------------------------------------|
|                                               | Three Months Ended |                                                                     |                                             | Statement of Operations Classification |                                                            |
|                                               | March 31,<br>2017  | 2016                                                                | 2017                                        | 2016                                   |                                                            |
|                                               | (In \$ millions)   |                                                                     |                                             |                                        |                                                            |
| Designated as Cash Flow Hedges                |                    |                                                                     |                                             |                                        |                                                            |
| Commodity swaps                               | (1 )               | —                                                                   | 1                                           | —                                      | Cost of sales                                              |
| Total                                         | (1 )               | —                                                                   | 1                                           | —                                      |                                                            |
| Designated as Net Investment Hedges           |                    |                                                                     |                                             |                                        |                                                            |
| Foreign currency denominated debt<br>(Note 9) | (13 )              | (6 )                                                                | —                                           | —                                      | N/A                                                        |
| Total                                         | (13 )              | (6 )                                                                | —                                           | —                                      |                                                            |
| Not Designated as Hedges                      |                    |                                                                     |                                             |                                        |                                                            |
| Foreign currency forwards and swaps           | —                  | —                                                                   | 1                                           | 7                                      | Foreign exchange gain (loss), net; Other<br>(expense), net |
| Total                                         | —                  | —                                                                   | 1                                           | 7                                      |                                                            |

See Note 16 - Fair Value Measurements for further information regarding the fair value of the Company's derivative instruments.

Certain of the Company's commodity swaps and foreign currency forwards and swaps permit the Company to net settle all contracts with the counterparty through a single payment in an agreed upon currency in the event of default

or early termination of the contract, similar to a master netting arrangement.

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Information regarding the gross amounts of the Company's derivative instruments and the amounts offset in the unaudited consolidated balance sheets is as follows:

|                                                            | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|------------------------------------------------------------|----------------------------------|----------------------------------|
|                                                            | (In \$ millions)                 |                                  |
| Derivative Assets                                          |                                  |                                  |
| Gross amount recognized                                    | 7                                | 14                               |
| Gross amount offset in the consolidated balance sheets     | 2                                | 4                                |
| Net amount presented in the consolidated balance sheets    | 5                                | 10                               |
| Gross amount not offset in the consolidated balance sheets | 1                                | 2                                |
| Net amount                                                 | 4                                | 8                                |
|                                                            | As<br>of<br>March<br>31,<br>2017 | As of<br>December<br>31,<br>2016 |
|                                                            | (In \$ millions)                 |                                  |
| Derivative Liabilities                                     |                                  |                                  |
| Gross amount recognized                                    | 5                                | 7                                |
| Gross amount offset in the consolidated balance sheets     | 2                                | 4                                |
| Net amount presented in the consolidated balance sheets    | 3                                | 3                                |
| Gross amount not offset in the consolidated balance sheets | 1                                | 2                                |
| Net amount                                                 | 2                                | 1                                |

**16. Fair Value Measurements**

The Company's financial assets and liabilities are measured at fair value on a recurring basis as follows:

**Derivatives.** Derivative financial instruments, including commodity swaps and foreign currency forwards and swaps, are valued in the market using discounted cash flow techniques. These techniques incorporate Level 1 and Level 2 fair value measurement inputs such as spot 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 commodity swaps and foreign currency forwards and swaps are observable in the active markets and are classified as Level 2 in the fair value measurement hierarchy.

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|                  | Fair Value<br>Measurement<br>Quoted<br>Prices<br>in<br>Active<br>Markets<br>for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Total | Balance Sheet Classification |
|------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------|------------------------------|
| (In \$ millions) |                                                                                                                     |                                                           |       |                              |

As of March 31, 2017

|                                            |      |   |      |                           |
|--------------------------------------------|------|---|------|---------------------------|
| Derivatives Designated as Cash Flow Hedges |      |   |      |                           |
| Commodity swaps                            | —3   |   | 3    | Current Other assets      |
| Derivatives Not Designated as Hedges       |      |   |      |                           |
| Foreign currency forwards and swaps        | —2   |   | 2    | Current Other assets      |
| Total assets                               | —5   |   | 5    |                           |
| Derivatives Not Designated as Hedges       |      |   |      |                           |
| Foreign currency forwards and swaps        | —(3) | ) | (3 ) | Current Other liabilities |
| Total liabilities                          | —(3) | ) | (3 ) |                           |

As of December 31, 2016

|                                            |      |   |      |                           |
|--------------------------------------------|------|---|------|---------------------------|
| Derivatives Designated as Cash Flow Hedges |      |   |      |                           |
| Commodity swaps                            | —5   |   | 5    | Current Other assets      |
| Derivatives Not Designated as Hedges       |      |   |      |                           |
| Foreign currency forwards and swaps        | —5   |   | 5    | Current Other assets      |
| Total assets                               | —10  |   | 10   |                           |
| Derivatives Not Designated as Hedges       |      |   |      |                           |
| Foreign currency forwards and swaps        | —(3) | ) | (3 ) | Current Other liabilities |
| Total liabilities                          | —(3) | ) | (3 ) |                           |

Carrying values and fair values of financial instruments that are not carried at fair value are as follows:

|                  | Carrying<br>Amount | Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) | Total |
|------------------|--------------------|-----------------------------------|-------------------------------------|-------|
| (In \$ millions) |                    |                                   |                                     |       |

As of March 31, 2017

|                                                                  |       |       |     |       |
|------------------------------------------------------------------|-------|-------|-----|-------|
| Cost investments                                                 | 158   | —     | —   | —     |
| Insurance contracts in nonqualified trusts                       | 49    | 49    | —   | 49    |
| Long-term debt, including current installments of long-term debt | 2,905 | 2,796 | 215 | 3,011 |

As of December 31, 2016

|                                                                  |       |       |     |       |
|------------------------------------------------------------------|-------|-------|-----|-------|
| Cost investments                                                 | 155   | —     | —   | —     |
| Insurance contracts in nonqualified trusts                       | 49    | 49    | —   | 49    |
| Long-term debt, including current installments of long-term debt | 2,938 | 2,826 | 217 | 3,043 |

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. Insurance contracts in nonqualified trusts consist of long-term fixed income securities, which are valued using independent vendor pricing models with observable inputs in the active market and therefore represent a Level 2 fair value measurement. The fair value of long-term debt is based on valuations from third-party banks and market quotations and is classified as Level 2 in the fair value measurement hierarchy. The fair value of obligations under capital leases, which are included in long-term debt, is based on lease payments and discount rates, which are not observable in the market and therefore represents a Level 3 fair value measurement.

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As of March 31, 2017 and December 31, 2016, the fair values of cash and cash equivalents, receivables, trade payables, short-term borrowings 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.

### 17. Commitments and Contingencies

#### Commitments

##### 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. The Company has accrued for all probable and reasonably estimable losses associated with all known matters or claims. These known obligations include the following:

##### Demerger Obligations

In connection with the Hoechst demerger, the Company agreed to indemnify Hoechst, and its legal successors, for various liabilities under the demerger agreement, including for environmental liabilities associated with contamination arising either from environmental damage in general ("Category A") or under 19 divestiture agreements entered into by Hoechst prior to the demerger ("Category B") (Note 11).

The Company's obligation to indemnify Hoechst, and its legal successors, is capped under Category B at €250 million. If and to the extent the environmental damage should exceed €750 million in aggregate, the Company's obligation to indemnify Hoechst and its legal successors applies, but is then limited to 33.33% of the remediation cost without further limitations. Cumulative payments under the divestiture agreements as of March 31, 2017 are \$76 million. Most of the divestiture agreements have become time barred and/or any notified environmental damage claims have been partially settled.

The Company has also undertaken in the demerger agreement to indemnify Hoechst and its legal successors for (i) 33.33% of any and all Category A liabilities that result from Hoechst being held as the responsible party pursuant to public law or current or future environmental law or by third parties pursuant to private or public law related to contamination and (ii) liabilities that Hoechst is required to discharge, including tax liabilities, which are associated with businesses that were included in the demerger but were not demerged due to legal restrictions on the transfers of such items. These indemnities do not provide for any monetary or time limitations. The Company has not been requested by Hoechst to make any payments in connection with this indemnification. Accordingly, the Company has not made any payments to Hoechst and its legal successors.

Based on the Company's evaluation of currently available information, including the lack of requests for indemnification, the Company cannot estimate the Possible Loss for the remaining demerger obligations, if any, in excess of amounts accrued.

##### 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 (Note 11).

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, which extend through 2037. The aggregate amount of outstanding indemnifications and guarantees provided for under these agreements is \$124 million as of March 31, 2017. Other agreements do not provide for any monetary or time limitations.

Based on the Company's evaluation of currently available information, including the number of requests for indemnification or other payment received by the Company, the Company cannot estimate the Possible Loss for the remaining divestiture obligations, if any, in excess of amounts accrued.



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## Purchase Obligations

In the normal course of business, the Company enters into various purchase commitments for goods and services. The Company maintains a number of "take-or-pay" contracts for purchases of raw materials, utilities and other services. Certain of the contracts contain a contract termination buy-out provision that allows for the Company to exit the contracts for amounts less than the remaining take-or-pay obligations. Additionally, the Company has other outstanding commitments representing maintenance and service agreements, energy and utility agreements, consulting contracts and software agreements. As of March 31, 2017, the Company had unconditional purchase obligations of \$2.0 billion, which extend through 2036.

## Contingencies

The Company is involved in legal and regulatory proceedings, lawsuits, claims and investigations incidental to the normal conduct of business, relating to such matters as product liability, land disputes, commercial contracts, employment, antitrust or competition compliance, intellectual property, workers' compensation, chemical exposure, asbestos exposure, taxes, trade compliance, prior acquisitions and divestitures, claims of legacy stockholders, past waste disposal practices and release of chemicals into the environment. The Company is actively defending those matters where the Company is named as a defendant and, based on the current facts, does not believe the outcomes from these matters would be material to the Company's results of operations, cash flows or financial position.

## 18. Segment Information

|                                             | Advanced<br>Engineered<br>Materials | Consumer<br>Specialties | Industrial<br>Specialties | Acetyl<br>Intermediates | Other<br>Activities | Elimination | Consolidated |
|---------------------------------------------|-------------------------------------|-------------------------|---------------------------|-------------------------|---------------------|-------------|--------------|
|                                             | (In \$ millions)                    |                         |                           |                         |                     |             |              |
|                                             | Three Months Ended March 31, 2017   |                         |                           |                         |                     |             |              |
| Net sales                                   | 487                                 | 218                     | 245                       | (1) 619                 | (1) —               | (98 )       | 1,471        |
| Other (charges) gains, net (Note 13)        | —                                   | (1 )                    | —                         | (53 )                   | (1 )                | —           | (55 )        |
| Operating profit (loss)                     | 98                                  | 68                      | 25                        | 27                      | (26 )               | —           | 192          |
| Equity in net earnings (loss) of affiliates | 42                                  | 1                       | —                         | 1                       | 3                   | —           | 47           |
| Depreciation and amortization               | 24                                  | 11                      | 8                         | 26                      | 2                   | —           | 71           |
| Capital expenditures                        | 10                                  | 6                       | 4                         | 20                      | 1                   | —           | 41           |
|                                             | As of March 31, 2017                |                         |                           |                         |                     |             |              |
| Goodwill and intangible assets, net         | 516                                 | 245                     | 46                        | 185                     | —                   | —           | 992          |
| Total assets                                | 2,803                               | 1,300                   | 775                       | 2,576                   | 834                 | —           | 8,288        |
|                                             | Three Months Ended March 31, 2016   |                         |                           |                         |                     |             |              |
| Net sales                                   | 350                                 | 244                     | 253                       | (1) 663                 | (1) —               | (106 )      | 1,404        |
| Other (charges) gains, net (Note 13)        | (1 )                                | —                       | (1 )                      | —                       | (3 )                | —           | (5 )         |
| Operating profit (loss)                     | 88                                  | 78                      | 31                        | 114                     | (24 )               | —           | 287          |
| Equity in net earnings (loss) of affiliates | 31                                  | 1                       | —                         | 1                       | 5                   | —           | 38           |
| Depreciation and amortization               | 24                                  | 11                      | 8                         | 27                      | 3                   | —           | 73           |
| Capital expenditures                        | 19                                  | 9                       | 18                        | 9                       | 3                   | —           | 58           |
|                                             | As of December 31, 2016             |                         |                           |                         |                     |             |              |
| Goodwill and intangible assets, net         | 517                                 | 244                     | 46                        | 183                     | —                   | —           | 990          |
| Total assets                                | 2,792                               | 1,324                   | 758                       | 2,440                   | 1,043               | —           | 8,357        |

(1)

Net sales for Acetyl Intermediates and Industrial Specialties include intersegment sales of \$97 million and \$1 million, respectively, for the three months ended March 31, 2017 and \$106 million and \$0 million, respectively, for the three months ended March 31, 2016.

- (2) Includes a decrease in accrued capital expenditures of \$21 million and \$12 million for the three months ended March 31, 2017 and 2016, respectively.

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## 19. Earnings (Loss) Per Share

|                                                  | Three Months Ended<br>March 31,        |             |
|--------------------------------------------------|----------------------------------------|-------------|
|                                                  | 2017                                   | 2016        |
|                                                  | (In \$ millions, except<br>share data) |             |
| Amounts attributable to Celanese Corporation     |                                        |             |
| Earnings (loss) from continuing operations       | 183                                    | 256         |
| Earnings (loss) from discontinued operations     | —                                      | 1           |
| Net earnings (loss)                              | 183                                    | 257         |
|                                                  |                                        |             |
| Weighted average shares - basic                  | 140,643,860                            | 147,413,234 |
| Incremental shares attributable to equity awards | 353,543                                | 717,880     |
| Weighted average shares - diluted                | 140,997,403                            | 148,131,114 |

During the three months ended March 31, 2017 and 2016, there were no anti-dilutive equity awards excluded from the computation of diluted net earnings per share.

## 20. Consolidating Guarantor Financial Information

The Senior Notes were issued by Celanese US ("Issuer") and are guaranteed by Celanese Corporation ("Parent Guarantor") and the Subsidiary Guarantors ([Note 9](#)). The Issuer and Subsidiary Guarantors are 100% owned subsidiaries of the Parent Guarantor. The Parent Guarantor and Subsidiary Guarantors have guaranteed the Notes fully and unconditionally and jointly and severally.

For cash management purposes, the Company transfers cash between the Parent Guarantor, Issuer, Subsidiary Guarantors and non-guarantors through intercompany financing arrangements, contributions or declaration of dividends between the respective parent and its subsidiaries. The transfer of cash under these activities facilitates the ability of the recipient to make specified third-party payments for principal and interest on the Company's outstanding debt, Common Stock dividends and Common Stock repurchases. The unaudited interim consolidating statements of cash flows for the three months ended March 31, 2017 and 2016 present such intercompany financing activities, contributions and dividends consistent with how such activity would be presented in a stand-alone statement of cash flows.

The Company has not presented separate financial information and other disclosures for each of its Subsidiary Guarantors because it believes such financial information and other disclosures would not provide investors with any additional information that would be material in evaluating the sufficiency of the guarantees.

The unaudited interim consolidating financial statements for the Parent Guarantor, the Issuer, the Subsidiary Guarantors and the non-guarantors are as follows:

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## CELANESE CORPORATION AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATING STATEMENT OF OPERATIONS

Three Months Ended March 31, 2017

|                                                              | Parent<br>Guarantor | Issuer | Subsidiary<br>Guarantors | Non-<br>Guarantors | Eliminations | Consolidated |
|--------------------------------------------------------------|---------------------|--------|--------------------------|--------------------|--------------|--------------|
|                                                              | (In \$ millions)    |        |                          |                    |              |              |
| Net sales                                                    | —                   | —      | 589                      | 1,177              | (295 )       | 1,471        |
| Cost of sales                                                | —                   | —      | (443 )                   | (966 )             | 290          | (1,119 )     |
| Gross profit                                                 | —                   | —      | 146                      | 211                | (5 )         | 352          |
| Selling, general and administrative expenses                 | —                   | —      | (16 )                    | (67 )              | —            | (83 )        |
| Amortization of intangible assets                            | —                   | —      | (1 )                     | (3 )               | —            | (4 )         |
| Research and development expenses                            | —                   | —      | (7 )                     | (10 )              | —            | (17 )        |
| Other (charges) gains, net                                   | —                   | —      | (6 )                     | (49 )              | —            | (55 )        |
| Foreign exchange gain (loss), net                            | —                   | —      | —                        | —                  | —            | —            |
| Gain (loss) on disposition of businesses and assets, net     | —                   | —      | (2 )                     | 1                  | —            | (1 )         |
| Operating profit (loss)                                      | —                   | —      | 114                      | 83                 | (5 )         | 192          |
| Equity in net earnings (loss) of affiliates                  | 183                 | 174    | 101                      | 43                 | (454 )       | 47           |
| Interest expense                                             | —                   | (6 )   | (23 )                    | (7 )               | 7            | (29 )        |
| Refinancing expense                                          | —                   | —      | —                        | —                  | —            | —            |
| Interest income                                              | —                   | 6      | 1                        | —                  | (7 )         | —            |
| Dividend income - cost investments                           | —                   | —      | —                        | 29                 | —            | 29           |
| Other income (expense), net                                  | —                   | —      | —                        | 1                  | —            | 1            |
| Earnings (loss) from continuing operations before tax        | 183                 | 174    | 193                      | 149                | (459 )       | 240          |
| Income tax (provision) benefit                               | —                   | 9      | (63 )                    | 1                  | (3 )         | (56 )        |
| Earnings (loss) from continuing operations                   | 183                 | 183    | 130                      | 150                | (462 )       | 184          |
| Earnings (loss) from operation of discontinued operations    | —                   | —      | —                        | —                  | —            | —            |
| Income tax (provision) benefit from discontinued operations  | —                   | —      | —                        | —                  | —            | —            |
| Earnings (loss) from discontinued operations                 | —                   | —      | —                        | —                  | —            | —            |
| Net earnings (loss)                                          | 183                 | 183    | 130                      | 150                | (462 )       | 184          |
| Net (earnings) loss attributable to noncontrolling interests | —                   | —      | —                        | (1 )               | —            | (1 )         |
| Net earnings (loss) attributable to Celanese Corporation     | 183                 | 183    | 130                      | 149                | (462 )       | 183          |

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## CELANESE CORPORATION AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATING STATEMENT OF OPERATIONS

Three Months Ended March 31, 2016

|                                                              | Parent<br>Guarantor | Issuer | Subsidiary<br>Guarantors | Non-<br>Guarantors | Eliminations | Consolidated |
|--------------------------------------------------------------|---------------------|--------|--------------------------|--------------------|--------------|--------------|
|                                                              | (In \$ millions)    |        |                          |                    |              |              |
| Net sales                                                    | —                   | —      | 583                      | 1,139              | (318 )       | 1,404        |
| Cost of sales                                                | —                   | —      | (441 )                   | (891 )             | 318          | (1,014 )     |
| Gross profit                                                 | —                   | —      | 142                      | 248                | —            | 390          |
| Selling, general and administrative expenses                 | —                   | —      | (17 )                    | (63 )              | —            | (80 )        |
| Amortization of intangible assets                            | —                   | —      | (1 )                     | (1 )               | —            | (2 )         |
| Research and development expenses                            | —                   | —      | (8 )                     | (11 )              | —            | (19 )        |
| Other (charges) gains, net                                   | —                   | —      | —                        | (5 )               | —            | (5 )         |
| Foreign exchange gain (loss), net                            | —                   | —      | —                        | 3                  | —            | 3            |
| Gain (loss) on disposition of businesses and assets, net     | —                   | —      | (1 )                     | 1                  | —            | —            |
| Operating profit (loss)                                      | —                   | —      | 115                      | 172                | —            | 287          |
| Equity in net earnings (loss) of affiliates                  | 256                 | 274    | 173                      | 37                 | (702 )       | 38           |
| Interest expense                                             | —                   | (15 )  | (15 )                    | (8 )               | 5            | (33 )        |
| Refinancing expense                                          | —                   | —      | (2 )                     | —                  | —            | (2 )         |
| Interest income                                              | —                   | 2      | 1                        | 2                  | (4 )         | 1            |
| Dividend income - cost investments                           | —                   | —      | —                        | 27                 | —            | 27           |
| Other income (expense), net                                  | —                   | —      | —                        | —                  | —            | —            |
| Earnings (loss) from continuing operations before tax        | 256                 | 261    | 272                      | 230                | (701 )       | 318          |
| Income tax (provision) benefit                               | —                   | (5 )   | (30 )                    | (25 )              | —            | (60 )        |
| Earnings (loss) from continuing operations                   | 256                 | 256    | 242                      | 205                | (701 )       | 258          |
| Earnings (loss) from operation of discontinued operations    | —                   | —      | —                        | 1                  | —            | 1            |
| Income tax (provision) benefit from discontinued operations  | —                   | —      | —                        | —                  | —            | —            |
| Earnings (loss) from discontinued operations                 | —                   | —      | —                        | 1                  | —            | 1            |
| Net earnings (loss)                                          | 256                 | 256    | 242                      | 206                | (701 )       | 259          |
| Net (earnings) loss attributable to noncontrolling interests | —                   | —      | —                        | (2 )               | —            | (2 )         |
| Net earnings (loss) attributable to Celanese Corporation     | 256                 | 256    | 242                      | 204                | (701 )       | 257          |

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## CELANESE CORPORATION AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

|                                                                      | Three Months Ended March 31, 2017 |        |                          |                    |              |              |
|----------------------------------------------------------------------|-----------------------------------|--------|--------------------------|--------------------|--------------|--------------|
|                                                                      | Parent<br>Guarantor               | Issuer | Subsidiary<br>Guarantors | Non-<br>Guarantors | Eliminations | Consolidated |
|                                                                      | (In \$ millions)                  |        |                          |                    |              |              |
| Net earnings (loss)                                                  | 183                               | 183    | 130                      | 150                | (462)        | ) 184        |
| Other comprehensive income (loss), net of tax                        |                                   |        |                          |                    |              |              |
| Unrealized gain (loss) on marketable securities                      | —                                 | —      | —                        | —                  | —            | —            |
| Foreign currency translation                                         | 28                                | 28     | 30                       | 39                 | (97)         | ) 28         |
| Gain (loss) on cash flow hedges                                      | (2)                               | ) (2)  | ) (2)                    | ) (2)              | 6            | (2)          |
| Pension and postretirement benefits                                  | 5                                 | 5      | 4                        | 6                  | (15)         | ) 5          |
| Total other comprehensive income (loss), net of tax                  | 31                                | 31     | 32                       | 43                 | (106)        | ) 31         |
| Total comprehensive income (loss), net of tax                        | 214                               | 214    | 162                      | 193                | (568)        | ) 215        |
| Comprehensive (income) loss attributable to noncontrolling interests | —                                 | —      | —                        | (1)                | ) —          | (1)          |
| Comprehensive income (loss) attributable to Celanese Corporation     | 214                               | 214    | 162                      | 192                | (568)        | ) 214        |
| Three Months Ended March 31, 2016                                    |                                   |        |                          |                    |              |              |
|                                                                      | Parent<br>Guarantor               | Issuer | Subsidiary<br>Guarantors | Non-<br>Guarantors | Eliminations | Consolidated |
|                                                                      | (In \$ millions)                  |        |                          |                    |              |              |
| Net earnings (loss)                                                  | 256                               | 256    | 242                      | 206                | (701)        | ) 259        |
| Other comprehensive income (loss), net of tax                        |                                   |        |                          |                    |              |              |
| Unrealized gain (loss) on marketable securities                      | 1                                 | 1      | —                        | 1                  | (2)          | ) 1          |
| Foreign currency translation                                         | 64                                | 64     | 54                       | 82                 | (200)        | ) 64         |
| Gain (loss) on cash flow hedges                                      | —                                 | —      | —                        | —                  | —            | —            |
| Pension and postretirement benefits                                  | —                                 | —      | —                        | 1                  | (1)          | ) —          |
| Total other comprehensive income (loss), net of tax                  | 65                                | 65     | 54                       | 84                 | (203)        | ) 65         |
| Total comprehensive income (loss), net of tax                        | 321                               | 321    | 296                      | 290                | (904)        | ) 324        |
| Comprehensive (income) loss attributable to noncontrolling interests | —                                 | —      | —                        | (2)                | ) —          | (2)          |
| Comprehensive income (loss) attributable to Celanese Corporation     | 321                               | 321    | 296                      | 288                | (904)        | ) 322        |

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CELANESE CORPORATION AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATING BALANCE SHEET

As of March 31, 2017  
 Parent Issuer Subsidiary Non- Eliminations Consolidated  
 Guarantor Guarantors Guarantors  
 (In \$ millions)

**ASSETS**

## Current Assets

|                                                |       |       |       |       |          |       |
|------------------------------------------------|-------|-------|-------|-------|----------|-------|
| Cash and cash equivalents                      | —     | —     | 56    | 445   | —        | 501   |
| Trade receivables - third party and affiliates | —     | —     | 137   | 919   | (170)    | 886   |
| Non-trade receivables, net                     | 40    | 516   | 257   | 317   | (914)    | 216   |
| Inventories, net                               | —     | —     | 249   | 517   | (49)     | 717   |
| Marketable securities, at fair value           | —     | —     | 31    | —     | —        | 31    |
| Other assets                                   | —     | 34    | 10    | 54    | (60)     | 38    |
| Total current assets                           | 40    | 550   | 740   | 2,252 | (1,193)  | 2,389 |
| Investments in affiliates                      | 2,575 | 4,052 | 3,642 | 769   | (10,164) | 874   |
| Property, plant and equipment, net             | —     | —     | 1,059 | 2,512 | —        | 3,571 |
| Deferred income taxes                          | —     | —     | 84    | 80    | (10)     | 154   |
| Other assets                                   | —     | 705   | 130   | 160   | (687)    | 308   |
| Goodwill                                       | —     | —     | 314   | 486   | —        | 800   |
| Intangible assets, net                         | —     | —     | 47    | 145   | —        | 192   |
| Total assets                                   | 2,615 | 5,307 | 6,016 | 6,404 | (12,054) | 8,288 |

**LIABILITIES AND EQUITY**

## Current Liabilities

|                                                                                               |   |    |       |       |         |       |
|-----------------------------------------------------------------------------------------------|---|----|-------|-------|---------|-------|
| Short-term borrowings and current installments of long-term debt - third party and affiliates | — | 13 | 140   | 254   | (300)   | 107   |
| Trade payables - third party and affiliates                                                   | 4 | —  | 258   | 523   | (170)   | 615   |
| Other liabilities                                                                             | — | 49 | 136   | 221   | (144)   | 262   |
| Income taxes payable                                                                          | — | —  | 511   | 48    | (528)   | 31    |
| Total current liabilities                                                                     | 4 | 62 | 1,045 | 1,046 | (1,142) | 1,015 |

## Noncurrent Liabilities

|                                                 |       |       |       |       |          |       |
|-------------------------------------------------|-------|-------|-------|-------|----------|-------|
| Long-term debt                                  | —     | 2,657 | 727   | 161   | (694)    | 2,851 |
| Deferred income taxes                           | —     | 13    | —     | 137   | (10)     | 140   |
| Uncertain tax positions                         | —     | —     | 4     | 136   | (2)      | 138   |
| Benefit obligations                             | —     | —     | 610   | 256   | —        | 866   |
| Other liabilities                               | —     | —     | 65    | 173   | (1)      | 237   |
| Total noncurrent liabilities                    | —     | 2,670 | 1,406 | 863   | (707)    | 4,232 |
| Total Celanese Corporation stockholders' equity | 2,611 | 2,575 | 3,565 | 4,065 | (10,205) | 2,611 |
| Noncontrolling interests                        | —     | —     | —     | 430   | —        | 430   |
| Total equity                                    | 2,611 | 2,575 | 3,565 | 4,495 | (10,205) | 3,041 |
| Total liabilities and equity                    | 2,615 | 5,307 | 6,016 | 6,404 | (12,054) | 8,288 |

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CELANESE CORPORATION AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATING BALANCE SHEET

As of December 31, 2016  
 Parent Issuer Subsidiary Non- Eliminations Consolidated  
 Guarantor Guarantors Guarantors  
 (In \$ millions)

**ASSETS**

## Current Assets

|                                                |       |       |       |       |          |       |
|------------------------------------------------|-------|-------|-------|-------|----------|-------|
| Cash and cash equivalents                      | —     | —     | 51    | 587   | —        | 638   |
| Trade receivables - third party and affiliates | —     | —     | 107   | 819   | (125)    | 801   |
| Non-trade receivables, net                     | 40    | 499   | 249   | 308   | (873)    | 223   |
| Inventories, net                               | —     | —     | 239   | 526   | (45)     | 720   |
| Marketable securities, at fair value           | —     | —     | 30    | —     | —        | 30    |
| Other assets                                   | —     | 42    | 25    | 76    | (83)     | 60    |
| Total current assets                           | 40    | 541   | 701   | 2,316 | (1,126)  | 2,472 |
| Investments in affiliates                      | 2,548 | 4,029 | 3,655 | 752   | (10,132) | 852   |
| Property, plant and equipment, net             | —     | —     | 1,049 | 2,528 | —        | 3,577 |
| Deferred income taxes                          | —     | —     | 91    | 86    | (18)     | 159   |
| Other assets                                   | —     | 705   | 133   | 156   | (687)    | 307   |
| Goodwill                                       | —     | —     | 314   | 482   | —        | 796   |
| Intangible assets, net                         | —     | —     | 48    | 146   | —        | 194   |
| Total assets                                   | 2,588 | 5,275 | 5,991 | 6,466 | (11,963) | 8,357 |

**LIABILITIES AND EQUITY**

## Current Liabilities

|                                                                                               |   |    |     |       |         |       |
|-----------------------------------------------------------------------------------------------|---|----|-----|-------|---------|-------|
| Short-term borrowings and current installments of long-term debt - third party and affiliates | — | 6  | 133 | 250   | (271)   | 118   |
| Trade payables - third party and affiliates                                                   | — | —  | 226 | 524   | (125)   | 625   |
| Other liabilities                                                                             | — | 58 | 167 | 262   | (165)   | 322   |
| Income taxes payable                                                                          | — | —  | 454 | 75    | (517)   | 12    |
| Total current liabilities                                                                     | — | 64 | 980 | 1,111 | (1,078) | 1,077 |

## Noncurrent Liabilities

|                                                 |       |       |       |       |          |       |
|-------------------------------------------------|-------|-------|-------|-------|----------|-------|
| Long-term debt                                  | —     | 2,647 | 727   | 210   | (694)    | 2,890 |
| Deferred income taxes                           | —     | 16    | —     | 132   | (18)     | 130   |
| Uncertain tax positions                         | —     | —     | 3     | 130   | (2)      | 131   |
| Benefit obligations                             | —     | —     | 636   | 257   | —        | 893   |
| Other liabilities                               | —     | —     | 74    | 142   | (1)      | 215   |
| Total noncurrent liabilities                    | —     | 2,663 | 1,440 | 871   | (715)    | 4,259 |
| Total Celanese Corporation stockholders' equity | 2,588 | 2,548 | 3,571 | 4,051 | (10,170) | 2,588 |
| Noncontrolling interests                        | —     | —     | —     | 433   | —        | 433   |
| Total equity                                    | 2,588 | 2,548 | 3,571 | 4,484 | (10,170) | 3,021 |
| Total liabilities and equity                    | 2,588 | 5,275 | 5,991 | 6,466 | (11,963) | 8,357 |

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## CELANESE CORPORATION AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATING STATEMENT OF CASH FLOWS

|                                                                         | Three Months Ended March 31, 2017 |        |                          |                    |             |              |
|-------------------------------------------------------------------------|-----------------------------------|--------|--------------------------|--------------------|-------------|--------------|
|                                                                         | Parent<br>Guarantor               | Issuer | Subsidiary<br>Guarantors | Non-<br>Guarantors | Elimination | Consolidated |
|                                                                         | (In \$ millions)                  |        |                          |                    |             |              |
| Net cash provided by (used in) operating activities                     | 179                               | 196    | 210                      | 130                | (523)       | ) 192        |
| Investing Activities                                                    |                                   |        |                          |                    |             |              |
| Capital expenditures on property, plant and equipment                   | —                                 | —      | (42)                     | ) (20)             | —           | (62)         |
| Acquisitions, net of cash acquired                                      | —                                 | (11)   | ) —                      | —                  | 11          | —            |
| Proceeds from sale of businesses and assets, net                        | —                                 | —      | —                        | 12                 | (11)        | ) 1          |
| Return of capital from subsidiary                                       | —                                 | —      | 5                        | —                  | (5)         | ) —          |
| Contributions to subsidiary                                             | —                                 | —      | —                        | —                  | —           | —            |
| Intercompany loan receipts (disbursements)                              | —                                 | —      | 7                        | —                  | (7)         | ) —          |
| Other, net                                                              | —                                 | —      | —                        | (3)                | ) —         | (3)          |
| Net cash provided by (used in) investing activities                     | —                                 | (11)   | ) (30)                   | ) (11)             | ) (12)      | ) (64)       |
| Financing Activities                                                    |                                   |        |                          |                    |             |              |
| Net change in short-term borrowings with maturities of 3 months or less | —                                 | (7)    | ) 6                      | —                  | 7           | 6            |
| Proceeds from short-term borrowings                                     | —                                 | —      | —                        | 7                  | —           | 7            |
| Repayments of short-term borrowings                                     | —                                 | —      | —                        | (29)               | ) —         | (29)         |
| Proceeds from long-term debt                                            | —                                 | —      | —                        | —                  | —           | —            |
| Repayments of long-term debt                                            | —                                 | —      | —                        | (53)               | ) —         | (53)         |
| Purchases of treasury stock, including related fees                     | (128)                             | —      | —                        | —                  | —           | (128)        |
| Dividends to parent                                                     | —                                 | (178)  | (165)                    | ) (180)            | ) 523       | —            |
| Contributions from parent                                               | —                                 | —      | —                        | —                  | —           | —            |
| Stock option exercises                                                  | —                                 | —      | —                        | —                  | —           | —            |
| Series A common stock dividends                                         | (51)                              | ) —    | —                        | —                  | —           | (51)         |
| Return of capital to parent                                             | —                                 | —      | —                        | (5)                | ) 5         | —            |
| (Distributions to) contributions from noncontrolling interests          | —                                 | —      | —                        | (4)                | ) —         | (4)          |
| Other, net                                                              | —                                 | —      | (16)                     | ) (2)              | ) —         | (18)         |
| Net cash provided by (used in) financing activities                     | (179)                             | (185)  | (175)                    | ) (266)            | ) 535       | (270)        |
| Exchange rate effects on cash and cash equivalents                      | —                                 | —      | —                        | 5                  | —           | 5            |
| Net increase (decrease) in cash and cash equivalents                    | —                                 | —      | 5                        | (142)              | ) —         | (137)        |
| Cash and cash equivalents as of beginning of period                     | —                                 | —      | 51                       | 587                | —           | 638          |
| Cash and cash equivalents as of end of period                           | —                                 | —      | 56                       | 445                | —           | 501          |

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## CELANESE CORPORATION AND SUBSIDIARIES

## UNAUDITED INTERIM CONSOLIDATING STATEMENT OF CASH FLOWS

Three Months Ended March 31, 2016

|                                                                         | Parent<br>Guarantor | Issuer | Subsidiary<br>Guarantors | Non-<br>Guarantors | Eliminations | Consolidated |   |
|-------------------------------------------------------------------------|---------------------|--------|--------------------------|--------------------|--------------|--------------|---|
|                                                                         | (In \$ millions)    |        |                          |                    |              |              |   |
| Net cash provided by (used in) operating activities                     | 44                  | 47     | (1                       | ) 309              | (112         | ) 287        |   |
| Investing Activities                                                    |                     |        |                          |                    |              |              |   |
| Capital expenditures on property, plant and equipment                   | —                   | —      | (38                      | ) (32              | ) —          | (70          | ) |
| Acquisitions, net of cash acquired                                      | —                   | —      | —                        | —                  | —            | —            |   |
| Proceeds from sale of businesses and assets, net                        | —                   | —      | —                        | —                  | —            | —            |   |
| Return of capital from subsidiary                                       | —                   | 136    | 734                      | —                  | (870         | ) —          |   |
| Contributions to subsidiary                                             | —                   | —      | —                        | —                  | —            | —            |   |
| Intercompany loan receipts (disbursements)                              | —                   | 138    | 3                        | 90                 | (231         | ) —          |   |
| Other, net                                                              | —                   | —      | (3                       | ) (2               | ) —          | (5           | ) |
| Net cash provided by (used in) investing activities                     | —                   | 274    | 696                      | 56                 | (1,101       | ) (75        | ) |
| Financing Activities                                                    |                     |        |                          |                    |              |              |   |
| Net change in short-term borrowings with maturities of 3 months or less | —                   | (353   | ) 6                      | —                  | 3            | (344         | ) |
| Proceeds from short-term borrowings                                     | —                   | —      | —                        | 8                  | —            | 8            |   |
| Repayments of short-term borrowings                                     | —                   | —      | —                        | (63                | ) —          | (63          | ) |
| Proceeds from long-term debt                                            | —                   | 250    | 325                      | —                  | (405         | ) 170        |   |
| Repayments of long-term debt                                            | —                   | (172   | ) (634                   | ) (4               | ) 633        | (177         | ) |
| Purchases of treasury stock, including related fees                     | —                   | —      | —                        | —                  | —            | —            |   |
| Dividends to parent                                                     | —                   | (44    | ) (68                    | ) —                | 112          | —            |   |
| Contributions from parent                                               | —                   | —      | —                        | —                  | —            | —            |   |
| Stock option exercises                                                  | 1                   | —      | —                        | —                  | —            | 1            |   |
| Series A common stock dividends                                         | (44)                | —      | —                        | —                  | —            | (44          | ) |
| Return of capital to parent                                             | —                   | —      | —                        | (870               | ) 870        | —            |   |
| (Distributions to) contributions from noncontrolling interests          | —                   | —      | —                        | —                  | —            | —            |   |
| Other, net                                                              | —                   | (2     | ) —                      | (22                | ) —          | (24          | ) |
| Net cash provided by (used in) financing activities                     | (43)                | (321   | ) (371                   | ) (951             | ) 1,213      | (473         | ) |
| Exchange rate effects on cash and cash equivalents                      | —                   | —      | —                        | 10                 | —            | 10           |   |
| Net increase (decrease) in cash and cash equivalents                    | 1                   | —      | 324                      | (576               | ) —          | (251         | ) |
| Cash and cash equivalents as of beginning of period                     | —                   | —      | 21                       | 946                | —            | 967          |   |
| Cash and cash equivalents as of end of period                           | 1                   | —      | 345                      | 370                | —            | 716          |   |

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

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

The following discussion should be read in conjunction with the Celanese Corporation and Subsidiaries consolidated financial statements as of and for the year ended December 31, 2016 filed on February 10, 2017 with the Securities and Exchange Commission ("SEC") as part of the Company's Annual Reporting on Form 10-K ("2016 Form 10-K") and the unaudited interim consolidated financial statements and notes to the unaudited interim consolidated financial statements, which are 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 and other parts of this Quarterly Report 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" below and at the beginning of our 2016 Form 10-K.

#### Forward-Looking Statements

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and other parts of this Quarterly Report contain certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, us. Generally, words such as "believe," "expect," "intend," "estimate," "anticipate," "project," "plan," "may," "can," "could," "might," and "will," and similar expressions, as they relate to us are intended to identify forward-looking statements. These statements reflect our current views and beliefs with respect to future events at the time that the statements are made, are not historical facts or guarantees of future performance and involve risks and uncertainties that are difficult to predict and many of which are outside of our control. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. All forward-looking statements made in this Quarterly Report are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this Quarterly 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.

See Part I - Item 1A. Risk Factors of our 2016 Form 10-K and subsequent periodic filings we make with the SEC for a description of certain risk factors that you should consider which could significantly affect our financial results. In addition, the following factors could cause our actual results to differ materially from those results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, among other things:

- changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate;
- the length and depth of product and industry business cycles particularly in the automotive, electrical, textiles, electronics and construction industries;
- changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources;
- the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases;
- the ability to maintain plant utilization rates and to implement planned capacity additions, expansions and maintenance;
- the ability to reduce or maintain current levels of production costs and to improve productivity by implementing technological improvements to existing plants;
- increased price competition and the introduction of competing products by other companies;

market acceptance of our technology;

the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to us;

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- changes in the degree of intellectual property and other legal protection afforded to our products or technologies, or the theft of such intellectual property;
- compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, cyber security incidents, terrorism or political unrest, or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, the occurrence of acts of war or terrorist incidents or as a result of weather or natural disasters;
- potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating to climate change;
- potential liability resulting from pending or future litigation, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate;
- changes in currency exchange rates and interest rates;
- our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; and
- various other factors, both referenced and not referenced in this Quarterly Report.

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

### Overview

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

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

We are organized around two complementary cores, Materials Solutions and the Acetyl Chain. Together, these two value drivers share raw materials, technology, integrated systems and research resources to increase efficiency and quickly respond to market needs. Within Materials Solutions and the Acetyl Chain, we operate principally through four business segments: Materials Solutions includes Advanced Engineered Materials and Consumer Specialties business segments, and the Acetyl Chain includes Industrial Specialties and Acetyl Intermediates business segments.

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## Results of Operations

## Financial Highlights

|                                                          | Three Months<br>Ended March<br>31,<br>2017      2016      Change<br>(unaudited)<br>(In \$ millions, except<br>percentages) |        |       |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------|-------|
| Statement of Operations Data                             |                                                                                                                            |        |       |
| Net sales                                                | 1,471                                                                                                                      | 1,404  | 67    |
| Gross profit                                             | 352                                                                                                                        | 390    | (38 ) |
| Selling, general and administrative ("SG&A") expenses    | (83 )                                                                                                                      | (80 )  | (3 )  |
| Other (charges) gains, net                               | (55 )                                                                                                                      | (5 )   | (50 ) |
| Operating profit (loss)                                  | 192                                                                                                                        | 287    | (95 ) |
| Equity in net earnings of affiliates                     | 47                                                                                                                         | 38     | 9     |
| Interest expense                                         | (29 )                                                                                                                      | (33 )  | 4     |
| Refinancing expense                                      | —                                                                                                                          | (2 )   | 2     |
| Dividend income - cost investments                       | 29                                                                                                                         | 27     | 2     |
| Earnings (loss) from continuing operations before tax    | 240                                                                                                                        | 318    | (78 ) |
| Earnings (loss) from continuing operations               | 184                                                                                                                        | 258    | (74 ) |
| Earnings (loss) from discontinued operations             | —                                                                                                                          | 1      | (1 )  |
| Net earnings (loss)                                      | 184                                                                                                                        | 259    | (75 ) |
| Net earnings (loss) attributable to Celanese Corporation | 183                                                                                                                        | 257    | (74 ) |
| Other Data                                               |                                                                                                                            |        |       |
| Depreciation and amortization                            | 71                                                                                                                         | 73     | (2 )  |
| SG&A expenses as a percentage of Net sales               | 5.6 %                                                                                                                      | 5.7 %  |       |
| Operating margin <sup>(1)</sup>                          | 13.1 %                                                                                                                     | 20.4 % |       |
| Other (charges) gains, net                               |                                                                                                                            |        |       |
| Employee termination benefits                            | (2 )                                                                                                                       | (5 )   | 3     |
| Other plant/office closures                              | (53 )                                                                                                                      | —      | (53 ) |
| Total Other (charges) gains, net                         | (55 )                                                                                                                      | (5 )   | (50 ) |

<sup>(1)</sup> Defined as Operating profit (loss) divided by Net sales.

|                                                                                               | As of<br>March<br>31,<br>2017<br>(unaudited)<br>(In \$ millions) | As of<br>December<br>31,<br>2016<br>(unaudited)<br>(In \$ millions) |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------|
| Balance Sheet Data                                                                            |                                                                  |                                                                     |
| Cash and cash equivalents                                                                     | 501                                                              | 638                                                                 |
| Short-term borrowings and current installments of long-term debt - third party and affiliates | 107                                                              | 118                                                                 |
| Long-term debt, net of unamortized deferred financing costs                                   | 2,851                                                            | 2,890                                                               |
| Total debt                                                                                    | 2,958                                                            | 3,008                                                               |



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## Factors Affecting Business Segment Net Sales

The percentage increase (decrease) in Net sales attributable to each of the factors indicated for each of our business segments is as follows:

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

|                               | Volume           | Price | Currency | Other | Total |
|-------------------------------|------------------|-------|----------|-------|-------|
|                               | (unaudited)      |       |          |       |       |
|                               | (In percentages) |       |          |       |       |
| Advanced Engineered Materials | 44               | (3 )  | (2 )     | —     | 39    |
| Consumer Specialties          | (2 )             | (8 )  | (1 )     | —     | (11 ) |
| Industrial Specialties        | 1                | (2 )  | (2 )     | —     | (3 )  |
| Acetyl Intermediates          | (12)             | 7     | (2 )     | —     | (7 )  |
| Total Company                 | 5                | 1     | (2 )     | 1     | 5     |

## Consolidated Results

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Net sales increased \$67 million, or 4.8%, for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

higher volume in our Advanced Engineered Materials segment, primarily related to Net sales generated from SO.F.TER. S.p.A. ("SOFTER") as well as for polyoxymethylene ("POM") across all regions. Each represents approximately one-half of the increase in volume; and

higher pricing for most of our products in our Acetyl Intermediates segment;

partially offset by:

lower volume for vinyl acetate monomer ("VAM") and ethanol in our Acetyl Intermediates segment; and

lower acetate tow pricing and volume in our Consumer Specialties segment.

Operating profit decreased \$95 million, or 33.1%, for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

an unfavorable impact of \$53 million to Other (charges) gains, net. During the three months ended March 31, 2017, we provided notice of termination of a contract with a key raw materials supplier at our ethanol production unit in Nanjing, China. As a result, we recorded a \$27 million contract termination charge and an \$18 million reduction to our non-income tax receivable. See Note 13 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information;

higher raw material costs, primarily in our Acetyl Intermediates segment; and

higher plant spending of \$23 million in our Advanced Engineered Materials segment;

partially offset by:

an increase in Net sales.

Our effective income tax rate for the three months ended March 31, 2017 was 23% compared to 19% for the same period in 2016. Our higher effective income tax rate is primarily due to losses in jurisdictions with no tax benefit. The increase in losses primarily relates to our notice of termination of a contract with a key raw materials supplier at our ethanol production unit in Nanjing, China. See Note 13 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information.

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Our effective income tax rate is affected by recurring items, such as tax rates in foreign jurisdictions and the relative amounts and mix of income and loss in those jurisdictions to which they relate, as well as discrete items and non-deductible expenses that may occur in any given year, but are not consistent from year to year. See Note 14 - Income Taxes in the accompanying unaudited interim consolidated financial statements for further information. Assuming no material changes to tax rules and regulations or cash repatriation plans, we expect continued realization of operational savings in connection with the establishment of our centralized European headquarters, which will directly impact the mix of our earnings and may result in favorable or unfavorable income tax impacts in subsequent years. Our effective tax rate will vary based on the jurisdictions in which income is actually generated and remains subject to potential volatility from changing tax legislation in the US and other tax jurisdictions. We continue to assess our business model and its impact in various jurisdictions.

## Business Segments

## Advanced Engineered Materials

|                                             | Three Months<br>Ended March<br>31,   |        | Change | %<br>Change |   |
|---------------------------------------------|--------------------------------------|--------|--------|-------------|---|
|                                             | 2017                                 | 2016   |        |             |   |
|                                             | (unaudited)                          |        |        |             |   |
|                                             | (In \$ millions, except percentages) |        |        |             |   |
| Net sales                                   | 487                                  | 350    | 137    | 39.1        | % |
| Net Sales Variance                          |                                      |        |        |             |   |
| Volume                                      | 44                                   | %      |        |             |   |
| Price                                       | (3)                                  | )%     |        |             |   |
| Currency                                    | (2)                                  | )%     |        |             |   |
| Other                                       | —                                    | %      |        |             |   |
| Other (charges) gains, net                  | —                                    | (1 )   | 1      | (100.0)     | % |
| Operating profit (loss)                     | 98                                   | 88     | 10     | 11.4        | % |
| Operating margin                            | 20.1 %                               | 25.1 % |        |             |   |
| Equity in net earnings (loss) of affiliates | 42                                   | 31     | 11     | 35.5        | % |
| Depreciation and amortization               | 24                                   | 24     | —      | —           | % |

Our Advanced Engineered Materials segment includes our engineered materials business and certain strategic affiliates. Our engineered materials business develops, produces and supplies a broad portfolio of high performance specialty polymers for automotive and medical applications, as well as industrial products and consumer electronics. Together with our strategic affiliates, our engineered materials business is a leading participant in the global specialty polymers industry.

The pricing of products by the Advanced Engineered Materials segment is primarily based on the value of the material we produce and is largely independent of changes in the cost of raw materials. Therefore, in general, margins may expand or contract in response to changes in raw material costs.

## Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Net sales increased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to: higher volume primarily due to Net sales generated from SOFTER, as well as for POM across all regions which was driven by new project launches and base business growth globally and in particular, Asia. Each represents approximately one-half of the increase in volume; partially offset by:

lower pricing in POM due to customer and regional mix.

Operating profit increased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

higher Net sales;



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partially offset by:

• higher plant spending of \$23 million, primarily related to our acquisition of SOFTER in December 2016.

Equity in net earnings (loss) of affiliates increased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

• an increase in equity investment in earnings of \$5 million and \$3 million from our Polyplastics Co., Ltd. and Fortron Industries LLC strategic affiliates, respectively, as a result of higher demand.

Consumer Specialties

|                                             | Three Months<br>Ended March<br>31,<br>2017    2016<br>(unaudited)<br>(In \$ millions, except<br>percentages) |        | Change | %<br>Change |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------|--------|-------------|
| Net sales                                   | 218                                                                                                          | 244    | (26 )  | (10.7 )%    |
| Net Sales Variance                          |                                                                                                              |        |        |             |
| Volume                                      | (2 )                                                                                                         |        |        | %           |
| Price                                       | (8 )                                                                                                         |        |        | %           |
| Currency                                    | (1 )                                                                                                         |        |        | %           |
| Other                                       | —                                                                                                            |        |        | %           |
| Other (charges) gains, net                  | (1 )                                                                                                         | —      | (1 )   | 100.0 %     |
| Operating profit (loss)                     | 68                                                                                                           | 78     | (10 )  | (12.8 )%    |
| Operating margin                            | 31.2 %                                                                                                       | 32.0 % |        |             |
| Equity in net earnings (loss) of affiliates | 1                                                                                                            | 1      | —      | — %         |
| Dividend income - cost investments          | 29                                                                                                           | 27     | 2      | 7.4 %       |
| Depreciation and amortization               | 11                                                                                                           | 11     | —      | — %         |

Our Consumer Specialties segment includes our cellulose derivatives and food ingredients businesses, which serve consumer-driven applications. Our cellulose derivatives business is a leading global producer and supplier of acetate tow, acetate flake and acetate film, primarily used in filter products applications. Our food ingredients business is a leading global supplier of acesulfame potassium for the food and beverage industry and is a leading producer of food protection ingredients, such as potassium sorbate and sorbic acid.

The pricing of products within the cellulose derivatives and food ingredients businesses is sensitive to demand and is primarily based on the value of the material we produce. Many sales in these businesses are conducted under contracts with pricing for one or more years. As a result, margins may expand or contract in response to changes in raw material costs over these similar periods, and we may be unable to adjust pricing also due to other factors, such as the intense level of competition in the industry.

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Net sales decreased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

• lower acetate tow pricing and volume due to lower global industry utilization.

Operating profit decreased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

• lower Net sales;

partially offset by:

• lower raw material costs, primarily for acetic acid and acetic anhydride; and

• cost savings of \$6 million, primarily due to productivity initiatives in our cellulose derivatives business.

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## Industrial Specialties

|                               | Three Months<br>Ended March<br>31,   |        | Change | %<br>Change |
|-------------------------------|--------------------------------------|--------|--------|-------------|
|                               | 2017                                 | 2016   |        |             |
|                               | (unaudited)                          |        |        |             |
|                               | (In \$ millions, except percentages) |        |        |             |
| Net sales                     | 245                                  | 253    | (8 )   | (3.2 )%     |
| Net Sales Variance            |                                      |        |        |             |
| Volume                        | 1                                    | %      |        |             |
| Price                         | (2 )                                 | %      |        |             |
| Currency                      | (2 )                                 | %      |        |             |
| Other                         | —                                    | %      |        |             |
| Other (charges) gains, net    | —                                    | (1 )   | 1      | (100.0)%    |
| Operating profit (loss)       | 25                                   | 31     | (6 )   | (19.4 )%    |
| Operating margin              | 10.2 %                               | 12.3 % |        |             |
| Depreciation and amortization | 8                                    | 8      | —      | — %         |

Our Industrial Specialties segment includes our emulsion polymers and EVA polymers businesses. Our emulsion polymers business is a leading global producer of vinyl acetate-based emulsions and develops products and application technologies to improve performance, create value and drive innovation in applications such as paints and coatings, adhesives, construction, glass fiber, textiles and paper. Our EVA polymers business is a leading North American manufacturer of a full range of specialty ethylene vinyl acetate ("EVA") resins and compounds as well as select grades of low-density polyethylene. EVA polymers products are used in many applications, including flexible packaging films, lamination film products, hot melt adhesives, automotive parts and carpeting.

Pricing of our products within Industrial Specialties is influenced by changes in the cost of raw materials. Therefore, in general, there is a direct correlation between the cost of raw materials and our Net sales for most Industrial Specialties products. This impact to pricing typically lags changes in raw material costs over months or quarters.

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Net sales decreased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

- lower pricing in our emulsion polymers business due to lower raw material costs for VAM in Europe; and

an unfavorable currency impact resulting from a strong US dollar relative to the Euro and Chinese Yuan.

Operating profit decreased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

• lower Net sales.

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## Acetyl Intermediates

|                                             | Three Months<br>Ended March<br>31,      |        | Change | %<br>Change |
|---------------------------------------------|-----------------------------------------|--------|--------|-------------|
|                                             | 2017                                    | 2016   |        |             |
|                                             | (unaudited)                             |        |        |             |
|                                             | (In \$ millions, except<br>percentages) |        |        |             |
| Net sales                                   | 619                                     | 663    | (44 )  | (6.6 )%     |
| Net Sales Variance                          |                                         |        |        |             |
| Volume                                      | (12 )                                   | %      |        |             |
| Price                                       | 7                                       | %      |        |             |
| Currency                                    | (2 )                                    | %      |        |             |
| Other                                       | —                                       | %      |        |             |
| Other (charges) gains, net                  | (53 )                                   | —      | (53 )  | 100.0 %     |
| Operating profit (loss)                     | 27                                      | 114    | (87 )  | (76.3 )%    |
| Operating margin                            | 4.4 %                                   | 17.2 % |        |             |
| Equity in net earnings (loss) of affiliates | 1                                       | 1      | —      | — %         |
| Depreciation and amortization               | 26                                      | 27     | (1 )   | (3.7 )%     |

Our Acetyl Intermediates segment includes our intermediate chemistry business which 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. This business segment also produces organic solvents and intermediates for pharmaceutical, agricultural and chemical products.

Pricing of acetic acid, VAM and other acetyl products is influenced by changes in the cost of raw materials. Therefore, in general, there is a direct correlation between the cost of raw materials and our Net sales for most intermediate chemistry products. This impact to pricing typically lags changes in raw material costs over months or quarters.

#### Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Net sales decreased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to: lower volume for VAM, which represents approximately two-thirds of the decrease in volume, primarily due to the expiration of a significant contract;

lower volume for ethanol, which represents approximately one-third of the decrease in volume, due to the planned shutdown at our ethanol production unit in Nanjing, China; and

an unfavorable currency impact resulting from a strong US dollar relative to the Euro and Chinese Yuan; partially offset by:

higher pricing due to higher feedstock costs, such as methanol, which positively impacted pricing for most of our products.

Operating profit decreased for the three months ended March 31, 2017 compared to the same period in 2016 primarily due to:

an unfavorable impact of \$53 million to Other (charges) gains, net. During the three months ended March 31, 2017, we provided notice of termination of a contract with a key raw materials supplier at our ethanol production unit in Nanjing, China. As a result, we recorded a \$27 million contract termination charge and an \$18 million reduction to our non-income tax receivable. See Note 13 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information; and higher raw material costs, primarily for methanol and ethylene.

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## Other Activities

|                                             | Three<br>Months<br>Ended<br>March 31,<br>2017 | 2016  | Change | %<br>Change |
|---------------------------------------------|-----------------------------------------------|-------|--------|-------------|
|                                             | (unaudited)                                   |       |        |             |
|                                             | (In \$ millions, except percentages)          |       |        |             |
| Other (charges) gains, net                  | (1 )                                          | (3 )  | 2      | (66.7)%     |
| Operating profit (loss)                     | (26)                                          | (24 ) | (2 )   | 8.3 %       |
| Equity in net earnings (loss) of affiliates | 3                                             | 5     | (2 )   | (40.0)%     |
| Depreciation and amortization               | 2                                             | 3     | (1 )   | (33.3)%     |

Other Activities primarily consists of corporate center costs, including administrative activities such as finance, information technology and human resource functions, interest income and expense associated with our financing activities and results of our captive insurance companies. Other Activities also includes the interest cost, expected return on assets and net actuarial gains and losses components of our net periodic benefit cost for our defined benefit pension plans and other postretirement plans, which are not allocated to our business segments.

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### Liquidity and Capital Resources

Our primary source of liquidity is cash generated from operations, available cash and cash equivalents and dividends from our portfolio of strategic investments. In addition, as of March 31, 2017, we have \$1.0 billion available for borrowing under our senior unsecured revolving credit facility and \$58 million available under our accounts receivable securitization facility to assist, if required, in meeting our working capital needs and other contractual obligations.

While our contractual obligations, commitments and debt service requirements over the next several years are significant, we continue to believe we will have available resources to meet our liquidity requirements, including debt service, for the next twelve months. 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.

Total cash outflows for capital expenditures are expected to be in the range of \$250 million to \$300 million in 2017 primarily due to additional investments in growth opportunities in our Advanced Engineered Materials and Acetyl Intermediates segments.

On a stand-alone basis, Celanese and its immediate 100% owned subsidiary, Celanese US, have no material assets other than the stock of their subsidiaries and no independent external operations of their own. Accordingly, they generally depend on the cash flow of their subsidiaries and their ability to pay dividends and make other distributions to Celanese and Celanese US in order to meet their obligations, including their obligations under senior credit facilities and senior notes and to pay dividends on our Series A common stock, par value \$0.0001 per share ("Common Stock").

### Cash Flows

Cash and cash equivalents decreased \$137 million to \$501 million as of March 31, 2017 compared to December 31, 2016. As of March 31, 2017, \$416 million of the \$501 million of cash and cash equivalents was held by our foreign subsidiaries. If these funds are needed for our operations in the US, we will access such funds in a tax efficient manner to satisfy cash flow needs. Currently, there are no planned cash distributions that would result in incremental US taxes payable in excess of applicable foreign tax credits related to such undistributed earnings. As a result, we have not recorded any deferred income taxes on the portion of undistributed foreign earnings determined not to be permanently reinvested in foreign operations.

#### Net Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities decreased \$95 million to \$192 million for the three months ended March 31, 2017 compared to \$287 million for the same period in 2016. Net cash provided by operations for the three months ended March 31, 2017 decreased primarily due to:

- an increase in cash taxes paid of \$55 million;
- and
- a decrease in net earnings.

#### Net Cash Provided by (Used in) Investing Activities

Net cash used in investing activities decreased \$11 million to \$64 million for the three months ended March 31, 2017 compared to \$75 million for the same period in 2016, primarily due to:

- a decrease in capital expenditures of \$8 million.

#### Net Cash Provided by (Used in) Financing Activities

Net cash used in financing activities decreased \$203 million from \$473 million for the three months ended March 31, 2016 to \$270 million for the three months ended March 31, 2017, primarily due to:

- a decrease in net repayments on short-term debt of \$383 million, primarily as a result of paying down our revolving credit facility during the three months ended March 31, 2016;
- partially offset by:



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an increase of \$128 million in share repurchases of our Common Stock.

### Debt and Other Obligations

There have been no material changes to our debt or other obligations described in our 2016 Form 10-K other than those disclosed in Note 9 - Debt in the accompanying unaudited interim consolidated financial statements.

### Share Capital

There have been no material changes to our share capital described in our 2016 Form 10-K other than those disclosed in Note 12 - Stockholders' Equity in the accompanying unaudited interim consolidated financial statements.

### Contractual Obligations

Except as otherwise described in this report, there have been no material revisions outside the ordinary course of business to our contractual obligations as described in our 2016 Form 10-K.

### Off-Balance Sheet Arrangements

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

### Critical Accounting Policies and Estimates

Our unaudited interim consolidated financial statements are based on the selection and application of significant accounting policies. The preparation of unaudited interim consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements and the reported amounts of Net sales, 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 describe our significant accounting policies in Note 2 - Summary of Accounting Policies, of the Notes to the Consolidated Financial Statements included in our 2016 Form 10-K. We discuss our critical accounting policies and estimates in MD&A in our 2016 Form 10-K.

### Recent Accounting Pronouncements

See Note 2 - Recent Accounting Pronouncements in the accompanying unaudited interim consolidated financial statements included in this Quarterly Report for information regarding recent accounting pronouncements.

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

Market risk for the Company has not changed materially from the foreign exchange, interest rate and commodity risks disclosed in Item 7A. Quantitative and Qualitative Disclosures about Market Risk in our 2016 Form 10-K. See also Note 15 - Derivative Financial Instruments in the accompanying unaudited interim consolidated financial statements for further discussion of our market risk management and the related impact on the Company's financial position and results of operations.

### Item 4. Controls and Procedures

#### Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, as of March 31, 2017, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

#### Changes in Internal Control Over Financial Reporting

During the period covered by this report, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## PART II — OTHER INFORMATION

## Item 1. Legal Proceedings

The Company is involved in a number of legal and regulatory proceedings, lawsuits and claims incidental to the normal conduct of its business, relating to such matters as product liability, land disputes, contracts, antitrust, intellectual property, workers' compensation, chemical exposure, asbestos exposure, trade compliance, prior acquisitions and divestitures, claims of legacy stockholders, past waste disposal practices and release of chemicals into the environment. The Company is actively defending those matters where it is named as a defendant. Due to the inherent subjectivity of assessments and unpredictability of outcomes of legal proceedings, the Company's litigation accruals and estimates of possible loss or range of possible loss may not represent the ultimate loss to the Company from legal proceedings. See Note 11 - Environmental and Note 17 - Commitments and Contingencies in the accompanying unaudited interim consolidated financial statements for a discussion of material environmental matters and material commitments and contingencies related to legal and regulatory proceedings. There have been no significant developments in the "Legal Proceedings" described in our 2016 Form 10-K other than those disclosed in Note 11 - Environmental and Note 17 - Commitments and Contingencies in the accompanying unaudited interim consolidated financial statements.

## Item 1A. Risk Factors

There have been no material changes to the risk factors under Part I, Item 1A of our 2016 Form 10-K.

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

Repurchases of our Common Stock during the three months ended March 31, 2017 are as follows:

| Period              | Total<br>Number<br>of Shares<br>Purchased <sup>(1)</sup> | Average<br>Price<br>Paid<br>per<br>Share | Total<br>Approximate<br>Number of<br>Shares<br>Purchased<br>as<br>Part of<br>Publicly<br>Announced<br>Program | Approximate<br>Dollar<br>Value of<br>Shares<br>Remaining<br>that may be<br>Purchased<br>Under the<br>Program <sup>(2)</sup> |
|---------------------|----------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                     |                                                          |                                          |                                                                                                               |                                                                                                                             |
|                     | (unaudited)                                              |                                          |                                                                                                               |                                                                                                                             |
| January 1-31, 2017  | 184,286                                                  | \$ 78.97                                 | —                                                                                                             | \$531,000,000                                                                                                               |
| February 1-28, 2017 | 645,102                                                  | \$ 89.23                                 | 601,041                                                                                                       | \$478,000,000                                                                                                               |
| March 1-31, 2017    | 860,925                                                  | \$ 90.40                                 | 860,925                                                                                                       | \$400,000,000                                                                                                               |
| Total               | 1,690,313                                                |                                          | 1,461,966                                                                                                     |                                                                                                                             |

Includes 184,286 and 44,061 shares for January and February 2017, respectively, related to shares withheld from

<sup>(1)</sup> employees to cover their withholding requirements for personal income taxes related to the vesting of restricted stock units.

<sup>(2)</sup> Our Board of Directors authorized the repurchase of \$2.4 billion of our Common Stock since February 2008. See Note 12 - Stockholders' Equity in the accompanying unaudited interim consolidated financial statements for further information.

## Item 3. Defaults Upon Senior Securities

None.

## Item 4. Mine Safety Disclosures

None.

## Item 5. Other Information

None.



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Item 6. Exhibits<sup>(1)</sup>

Exhibit

Number Description

|          |                                                                                                                                                                                                                                     |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1      | Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q filed with the SEC on October 18, 2016).                                                    |
| 3.1(a)   | Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Celanese Corporation (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on April 22, 2016). |
| 3.2      | Fourth Amended and Restated By-laws, amended effective February 8, 2016 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on February 9, 2016).                                        |
| 10.1*    | Celanese Corporation 2009 Global Incentive Plan, as Amended and Restated, February 9, 2017.                                                                                                                                         |
| 10.2*    | Form of 2017 Performance-Based Restricted Stock Unit Award Agreement.                                                                                                                                                               |
| 10.3*    | Agreement and General Release, dated January 18, 2017, between Celanese Corporation and Gjon N. Nivica, Jr.                                                                                                                         |
| 10.4*    | Offer Letter, dated January 6, 2017, between Celanese Corporation and Peter G. Edwards.                                                                                                                                             |
| 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.                                                                                                                                 |
| 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.

The Company and its subsidiaries have in the past issued, and may in the future issue from time to time, long-term debt. The Company may not file with the applicable report copies of the instruments defining the rights of holders of long-term debt to the extent that the aggregate principal amount of the debt instruments of any one series of such debt instruments for which the instruments have not been filed has not exceeded or will not exceed 10% of the assets of the Company at any pertinent time. The Company hereby agrees to furnish a copy of any such instrument(s) to the SEC upon request.



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SIGNATURES

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

CELANESE  
CORPORATION

By: /s/ MARK C.  
ROHR  
Mark C. Rohr  
Chairman of the  
Board of Directors  
and  
Chief Executive  
Officer

Date: April 18, 2017  
By: /s/ CHRISTOPHER  
W. JENSEN  
Christopher W.  
Jensen  
Executive Vice  
President and  
Chief Financial  
Officer

Date: April 18, 2017