**As filed with the Securities and Exchange Commission on January 3, 2005**

**Registration No. 333-120187**

# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

**AMENDMENT NO. 3 TO**
## FORM S-1
**REGISTRATION STATEMENT**
**UNDER**
**THE SECURITIES ACT OF 1933**

# CELANESE CORPORATION

(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| **Delaware** | **2673** | **98-042076** |
| (State or other jurisdiction of Incorporation) | (Primary Standard Industrial Classification Code Number) | (I.R.S. Employer Identification No.) |

**1601 West LBJ Freeway**
**Dallas, TX 75234-6034**
**(972) 443-4000**

(Address, including zip code, and telephone number, including area code, of registrants' principal executive offices)

**Secretary**
**550 U.S. Highway 202/206**
**Bedminster, NJ 07921-1590**
**(908) 901-4500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

***With copies to:***

| | |
|---|---|
| **Edward P. Tolley III, Esq.**<br>**Simpson Thacher & Bartlett LLP**<br>**425 Lexington Avenue**<br>**New York, New York 10017-3954**<br>**(212) 455-2000** | **Richard D. Truesdell, Jr., Esq.**<br>**Davis Polk & Wardwell**<br>**450 Lexington Avenue**<br>**New York, New York 10017**<br>**(212) 450-4000** |

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

**CALCULATION OF REGISTRATION FEE**

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Maximum Aggregate Offering Price Per Share | Proposed Maximum Aggregate Offering Price[1] | Amount of Registration Fee[2] |
|---|---|---|---|---|
| Series A Common Stock, par value $.0001 per share[3] | 57,500,000 shares | $21 | $1,207,500,000 | $151,122.75 |
| Preferred Stock Purchase Rights[4] | | | | |
| Convertible Perpetual Preferred Stock, par value $.01 per share | 8,000,000 shares | $25 | $200,000,000 | $23,540 |
| Series A Common Stock, par value $.0001 per share[5] | 8,333,333 shares | | | |
| Total | | | $1,407,500,000 | $174,662.75 |

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(a) of the Securities Act of 1933, as amended (the "Securities Act").

(2) Includes $126,700 previously paid.

(3) Includes shares of Series A common stock that the underwriters have the option to purchase to cover over-allotments, if any.

(4) The preferred stock purchase rights initially will trade together with the common stock. The value attributable to the preferred stock purchase rights, if any, is reflected in the offering price of the common stock.

(5) Includes shares of our Series A common stock that are issuable upon conversion or exchange of the convertible perpetual preferred stock registered hereby or otherwise issuable pursuant to the terms thereof. The estimated number of shares of Series A common stock to be issued upon conversion or exchange of the convertible perpetual preferred stock is based on an assumed initial conversion price of $24.00 per shares of Series A common stock and assumes conversion or exchange of all of the shares of convertible perpetual preferred stock into shares of our Series A common stock. In addition to the shares set forth in the table, pursuant to Rule 416 under the Securities Act the number of shares registered includes an indeterminate number of shares of our Series A common stock issuable upon conversion or exchange of the convertible perpetual preferred stock, as this amount may be adjusted as a result of stock splits, stock dividends and antidilution provisions. We will not receive additional consideration in connection with the conversion into or exchange for our Series A common stock by the holders of the convertible perpetual preferred stock, and therefore, no registration fee is required pursuant to Rule 457(i) for such shares of our Series A common stock registered hereby.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

**EXPLANATORY NOTE**

This Registration Statement contains two forms of prospectus: one to be used in connection with an initial public offering of 50,000,000 shares of our Series A common stock (the "Common Stock Prospectus") and one to be used in connection with an initial public offering of $200 million aggregate liquidation preference of our convertible perpetual preferred stock (the "Preferred Stock Prospectus"). The Common Stock Prospectus and the Preferred Stock Prospectus will be identical in all respects except for the alternate pages for the Preferred Stock Prospectus included herein which are labeled "Alternate Page for Preferred Stock Prospectus."

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

**PROSPECTUS (Subject to Completion)**
**Issued January , 2005**

# 50,000,000 Shares

# Celanese Corporation

## SERIES A COMMON STOCK

Celanese Corporation is offering 50,000,000 shares of its Series A common stock. This offering is being made concurrently with the offering of our convertible perpetual preferred stock pursuant to a separate prospectus. This offering is not contingent on the completion of the convertible perpetual preferred stock offering. We intend to use approximately $207 million of the net proceeds from the sale of the shares being sold by us in this offering to redeem a portion of the senior discount notes of one of our subsidiaries. We intend to use approximately $566 million of the net proceeds from the sale of the shares being sold by us in this offering to redeem a portion of the senior subordinated notes of another of our subsidiaries. We intend to use borrowings under the new senior credit facilities that our subsidiaries expect to enter into prior to the consummation of this offering, together with any remaining proceeds from the sale of the shares being sold by us in this offering and from the sale of our convertible perpetual preferred stock, to repay all amounts outstanding under the existing senior credit facilities and the floating rate term loan of our subsidiaries and to pay an approximately $952 million special dividend to holders of our Series B common stock. This is our initial public offering and no public market currently exists for our shares. We anticipate that the initial public offering price will be between $19.00 and $21.00 per share.

We intend to list the Series A common stock on the New York Stock Exchange under the symbol "CE."

**Investing in the Series A common stock involves risks. See "Risk Factors" beginning on page 16.**

**PRICE $ A SHARE**

| | Price to Public | Underwriting Discounts and Commissions | Proceeds to Celanese Corporation |
|---|---|---|---|
| Per Share | $ | $ | $ |
| Total | $ | $ | $ |

We have granted the underwriters the right to purchase up to an additional 7,500,000 shares of Series A common stock to cover over-allotments. We intend to use the net proceeds from any shares sold pursuant to the underwriters' over-allotment option to pay an additional dividend to holders of our Series B common stock.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated and Lehman Brothers Inc. expect to deliver the shares to purchasers on , 2005.

Morgan Stanley | Lehman Brothers
Banc of America Securities LLC | UBS Investment Bank

Deutsche Bank Securities

Credit Suisse First Boston

, 2005

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**You should rely only on the information contained in this prospectus. None of the Issuer nor its subsidiaries has authorized anyone to provide you with information different from that contained in this prospectus. The prospectus may be used only for the purposes for which it has been published and no person has been authorized to give any information not contained in this prospectus. If you receive any other information, you should not rely on it. The Issuer is not making an offer of these securities in any state where the offer is not permitted.**

Until , 2005 (25 days after the date of this prospectus), all dealers that buy, sell or trade our stock, whether or not participating in this offer, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

**BASIS OF PRESENTATION**

In this prospectus, the term "the Issuer" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries and the terms "we," "our" and "us" refer to the Issuer and its subsidiaries on a consolidated basis. The term "BCP Crystal" refers to our subsidiary BCP Crystal US Holdings Corp., and not its subsidiaries. The term "Purchaser" refers to our subsidiary, Celanese Europe Holding GmbH & Co. KG, formerly known as BCP Crystal Acquisition GmbH & Co. KG, a German limited partnership (*Kommanditgesellschaft, KG*), and not its subsidiaries, except where otherwise indicated. The term "Original Stockholders" refers, collectively, to Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and BA Capital Investors Sidecar Fund, L.P. Unless we specifically state otherwise, references to "pro forma" give effect, in the manner described under "Unaudited Pro Forma Financial Information" and the notes thereto, to (i) the Transactions and the Recent Restructuring (each as defined in this prospectus) and (ii) the offering of our Series A common stock, the offering of our convertible perpetual preferred stock (the "preferred stock"), the entering into of the new senior credit facilities and the use of proceeds therefrom (collectively, the "Concurrent Financings").

As of the date of this prospectus, we have one class of common stock, all of which is held by the Original Stockholders. Shortly before completion of this offering, we intend to complete a recapitalization in which we will create two series of common stock. The recapitalization, which may occur through a merger between us and a newly created wholly-owned subsidiary of ours, a share exchange by the Original Stockholders or by other means, will result in the creation of Series A common stock and Series B common stock. The shares sold in the initial public offering of our common stock will be Series A common stock. The Original Stockholders will exchange the shares of common stock that they currently hold for an equivalent number of shares of Series B common stock, which will enable them to receive dividends (the "special Series B common stock dividends") as described under "Description of Capital Stock Authorized Capitalization Common Stock Dividend Rights." Except for the special Series B common stock dividends which we expect to pay to the holders of outstanding shares of Series B common stock on or after April 7, 2005, the convertibility of Series B common stock into Series A common stock and the right of the Series B common stock to consent to any changes to our governing documents that would adversely affect the Series B common stock, shares of Series A common stock and shares of Series B common stock will be identical, including with respect to voting rights. The Series B common stock will automatically convert into Series A common stock upon payment of the special Series B common stock dividends, and may also be converted into Series A common stock at any time at the option of the holder. As used in this prospectus, the term "common stock," when used in reference to our capital structure before completion of this offering, means our existing single class of common stock, and when used in reference to our capital structure following completion of this offering, means, collectively, the Series A common stock and the Series B common stock, unless otherwise specified.

Pursuant to a voluntary tender offer commenced in February 2004, the Purchaser, an indirect wholly-owned subsidiary of the Issuer, in April 2004 acquired approximately 84% of the ordinary shares of Celanese AG (the "Celanese Shares") outstanding. All references in this prospectus to the outstanding ordinary shares of Celanese AG exclude treasury shares. As of September 30, 2004, the Issuer's indirect ownership of approximately 84% of the outstanding Celanese Shares would equate to approximately 76% of the issued Celanese Shares (including treasury shares). Pursuant to a mandatory offer commenced in September 2004 and continuing as of the date of this prospectus, the Purchaser acquired additional Celanese Shares. As a result of these acquisitions, partially offset by the issuance of additional shares of Celanese AG as a result of the exercise of options issued under the Celanese AG stock option plan, as of the date of this prospectus, we own approximately 84% of the outstanding Celanese Shares.

The Issuer is a recently-formed company which does not have, apart from the financing of the Transactions (as defined in this prospectus), any independent external operations other than through the indirect ownership of the Celanese businesses. The Issuer's unaudited consolidated financial statements as of and for the six months ended September 30, 2004 and the unaudited consolidated financial statements of Celanese AG for the three months ended March 31, 2004 and the nine months ended September 30, 2003 (together, the "Interim Consolidated Financial Statements"), are included elsewhere in this prospectus. For accounting purposes, the Issuer and its consolidated subsidiaries are referred to as the "Successor." See notes 2 and 4 to the Interim Consolidated Financial Statements for additional information on the basis of presentation and accounting policies of the Successor.

Celanese AG is incorporated as a stock corporation (*Aktiengesellschaft, AG*) organized under the laws of the Federal Republic of Germany. As used in this prospectus, the term "Celanese" refers to Celanese AG and Celanese Americas Corporation, their consolidated subsidiaries, their non-consolidated subsidiaries, joint ventures and other investments, except that with respect to shareholder and similar matters where the context indicates, "Celanese" refers to Celanese AG. For accounting purposes, "Celanese" or "Predecessor" refers to Celanese AG and its majority owned subsidiaries over which Celanese AG exercises control, as well as special purpose entities which are variable interest entities where Celanese is deemed the primary beneficiary. See note 3 to the consolidated financial statements of Celanese as of December 31, 2003 and 2002 and for each of the years ended December 31, 2003, 2002 and 2001 contained in this prospectus (the "Celanese Consolidated Financial Statements").

The Celanese Consolidated Financial Statements included in this prospectus were prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for all periods presented. The Celanese Consolidated Financial Statements reflect, for the periods indicated, the financial condition, results of operations and cash flows of the businesses transferred to Celanese from Hoechst Aktiengesellschaft, also referred to as "Hoechst" in this prospectus, in a demerger that became effective on October 22, 1999, adjusted for acquisitions and divestitures. The Celanese Consolidated Financial Statements and other financial information included in this prospectus, unless otherwise specified, have been presented to separately show the effects of discontinued operations.

Celanese AG is a foreign private issuer and previously filed its consolidated financial statements as of December 31, 2003 and 2002 and for each of the years in the three-year period ended December 31, 2003 on Form 20-F. In accordance with German law, the reporting currency of the Celanese AG consolidated financial statements is the euro. As a result of the Purchaser's acquisition of voting control of Celanese, the financial statements of Celanese contained in this prospectus are reported in U.S. dollars to be consistent with our reporting requirements. For Celanese AG's reporting requirements, the euro continues to be the reporting currency.

In the preparation of other information included in this prospectus, euro amounts have been translated into U.S. dollars at the applicable historical rate in effect on the date of the relevant event/period. For purposes of pro forma and prospective information, euro amounts have been translated into U.S. dollars using the rate in effect on September 30, 2004. Our inclusion of this information is not meant to suggest that the euro amounts actually represent such dollar amounts or that such amounts could have been converted into U.S. dollars at any particular rate, if at all.

**MARKET AND INDUSTRY DATA AND FORECASTS**

This prospectus includes industry data and forecasts that the Issuer has prepared based, in part, upon industry data and forecasts obtained from industry publications and surveys and internal company surveys. Third-party industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. In this prospectus, the terms "SRI Handbook," "CMAI Methanol Analysis," "Nexant Chem Study 2003," "Nexant Chem Study 2002" and "Tecnon Orbichem Survey" refer to the SRI *International Chemical Economics Handbook*, *CMAI 2002-2003 World Methanol Analysis,* Nexant Chem Systems *September 2003 PERP Acetic Acid Study*, Nexant Chem Systems *February 2002 Vinyl Acetate Study* and Tecnon Orbichem *Acetic Acid and Vinyl Acetate World Survey* September 2003 report, respectively. The statements regarding Celanese's market position in this prospectus are based on information derived from the SRI Handbook, CMAI Methanol Analysis, Tecnon Orbichem Survey, Nexant Chem Study 2002 and Nexant Chem Study 2003.

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AO Plus , BuyTiconaDirect , CelActiv , Celanex®, Celcon®, Celstran®, Celvolit®, Compel®, GUR®, Hoecat®, Hostaform®, Impet®, Impet-HI®, Mowilith®, Nutrinova® DHA, Riteflex®, Sunett®, Topas®, Vandar®, VAntage , Vectra®, Vectran® and certain other products and services named in this prospectus are registered trademarks and service marks of Celanese. Fortron® is a registered trademark of Fortron Industries, a joint venture of Celanese.

## PROSPECTUS SUMMARY

*This summary highlights selected information in this prospectus, but it may not contain all of the information that you should consider before deciding to invest in our stock. You should read this entire prospectus carefully, including the "Risk Factors" section and the financial statements, which are included elsewhere in this prospectus.*

*See "Market and Industry Data and Forecasts" on page iii for the sources of our leadership statements below.*

## CELANESE CORPORATION

We are an integrated global producer of value-added industrial chemicals and have #1 or #2 market positions worldwide in products comprising the majority of our sales. We are also the world's largest producer of acetyl products, including acetic acid, vinyl acetate monomer (VAM) and polyacetals (POM) and a leading global producer of high-performance engineered polymers used in consumer and industrial products and designed to meet highly technical customer requirements. Our operations are located in North America, Europe and Asia, including substantial joint ventures in China. We believe we are one of the lowest-cost producers of key building block chemicals in the acetyls chain, such as acetic acid and VAM, due to our economies of scale, operating efficiencies and proprietary production technologies.

We have a large and diverse global customer base consisting principally of major companies in a broad array of industries. In 2003, 39% of our net sales were to customers located in North America, 40% to customers in Europe and 21% to customers in Asia, Australia and the rest of the world.

### Segment Overview

We operate through four business segments: Chemical Products, Technical Polymers Ticona, Acetate Products and Performance Products. The table below illustrates each segment's net sales to external customers for the year ended December 31, 2003, as well as each segment's major products and end use markets.

| | Chemical Products | Technical Polymers Ticona | Acetate Products(2) | Performance Products |
|---|---|---|---|---|
| **2003 Net Sales(1)** | $2,968 million | $762 million | $655 million | $169 million |
| **Major Products** | Acetic acid<br>Vinyl acetate monomer (VAM)<br>Polyvinyl alcohol (PVOH)<br>Emulsions<br>Acetic anhydride<br>Acetate esters<br>Carboxylic acids<br>Methanol | Polyacetal (POM)<br>UHMW-PE (GUR)<br>Liquid crystal polymers (Vectra)<br>Polyphenylene sulfide Fortron) | Acetate tow<br>Acetate filament | Sunett sweetener<br>Sorbates |
| **Major End-Use Markets** | Paints<br>Coatings<br>Adhesives<br>Lubricants<br>Detergents | Fuel system components<br>Conveyor belts<br>Electronics<br>Seat belt mechanisms | Filter products<br>Textiles | Beverages<br>Confections<br>Baked goods<br>Dairy products |

(1) 2003 net sales of $4,603 million also include $49 million in net sales from Other Activities. 2003 net sales of Chemical Products excludes $97 million in inter-segment sales.

(2) In October 2004, we announced our plans to discontinue filament production by mid 2005 and to consolidate our flake and tow production at three sites instead of the current five.

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***Chemical Products***

Our Chemical Products segment produces and supplies acetyl products, including acetic acid, acetate esters, vinyl acetate monomer, polyvinyl alcohol, and emulsions. We are a leading global producer of acetic acid, the world's largest producer of vinyl acetate monomer and the largest North American producer of methanol, the major raw material used for the production of acetic acid. We are also the largest polyvinyl alcohol producer in North America.

***Technical Polymers Ticona***

Our Technical Polymers Ticona segment develops, produces and supplies a broad portfolio of high performance technical polymers for use in automotive and electronics products and in other consumer and industrial applications, often replacing metal or glass. Together with our 45%-owned joint venture Polyplastics Co.Ltd ("Polyplastics"), our 50%-owned joint venture Korea Engineering Plastics Company Ltd., and Fortron Industries, our 50-50 joint venture with Kureha Chemicals Industry of Japan, we are a leading participant in the global technical polymers business.

***Acetate Products***

Our Acetate Products segment primarily produces and supplies acetate tow, which is used in the production of filter products and acetate filament, which is used in the apparel and home furnishing industries. We are one of the world's leading producers of acetate tow and acetate filament, including production by our joint ventures in China. In October 2004, we announced plans to consolidate our acetate flake and tow manufacturing by early 2007 and to exit the acetate filament business by mid-2005. This restructuring is being implemented to increase efficiency, reduce over-capacities in certain manufacturing areas and to focus on products and markets that provide long-term value.

***Performance Products***

The Performance Products segment operates under the trade name of Nutrinova and produces and sells a high intensity sweetener and food protection ingredients, such as sorbates, for the food, beverage and pharmaceuticals industries.

**Competitive Strengths**

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

*Leading Market Positions*. We have #1 or #2 market positions globally in products that make up a majority of our sales according to SRI Handbook and Tecnon Orbichem Survey. Our leadership positions are based on our large share of global production capacity, operating efficiencies, proprietary technology and competitive cost structures in our major products.

*Proprietary Production Technology and Operating Expertise.* Our production of acetyl products employs industry leading proprietary and licensed technologies, including our proprietary AO Plus acid-optimization technology for the production of acetic acid and VAntage vinyl acetate monomer technology.

*Low Cost Producer*. Our competitive cost structures are based on economies of scale, vertical integration, technical know-how and the use of advanced technologies.

*Global Reach*. We operate 24 production facilities (excluding our joint ventures) throughout the world, with major operations in North America, Europe and Asia. Joint ventures owned by us and our partners operate nine additional facilities. Our infrastructure of manufacturing plants, terminals, and sales offices provides us with a competitive advantage in anticipating and meeting the needs of our global and local customers in well-established and growing markets, while our geographic diversity reduces the potential impact of volatility in any individual country or region.

*International Strategic Investments*. Our strategic investments, including our joint ventures, have enabled us to gain access, minimize costs and accelerate growth in new markets, while also generating significant cash flow and earnings.

*Diversified Products and End-Use Markets*. We offer our customers a broad range of products in a wide variety of end-use markets. This product diversity and exposure help us reduce the potential impact of volatility in any individual market segment.

**Business Strategies**

We are focused on increasing operating cash flows, profitability, return on investment and shareholder value, which we believe can be achieved through the following business strategies:

*Maintain Cost Advantage and Productivity Leadership*. We continually seek to reduce our production and raw material costs. Our advanced process control projects (APC) generate savings in energy and raw materials while increasing yields in production units. Energy and raw materials savings resulting from APC projects were approximately $10 million in 2003 and $14 million in the nine months ended September 30, 2004. We intend to continue using best practices to reduce costs and increase equipment reliability in maintenance and project engineering.

*Focused Business Investment*. We intend to continue investing strategically in growth areas, including new production capacity, to extend our global market leadership position. We expect to continue to benefit from our investments and capacity expansion that enable us to meet increases in global demand.

*Maximize Cash Flow and Reduce Debt*. Despite a difficult operating environment over the past several years, we have generated a significant amount of operating cash flow. We believe there are opportunities to further improve our operating cash flow through increasing productivity, receiving cash dividends from our joint ventures and pursuing additional cost reduction efforts. We believe in a focused capital expenditure plan that is dedicated to attractive investment projects. We intend to use our free cash flow to reduce indebtedness and selectively expand our businesses. The operating cash flow generated in the nine months ended September 30, 2004 was $2 million. The cash flow generation from operations was affected by the one-time payment of a $95 million obligation to a third party, $59 million associated with the exercising of stock appreciation rights and pension contributions totaling $157 million and higher interest expense due to increased debt levels. As of September 30, 2004, we had total debt of $3,100 million and cash and cash equivalents of $819 million. On a pro forma basis as of September 30, 2004 after giving effect to the Transactions, the Recent Restructuring and the Concurrent Financings, our total debt would have been $3,217 million and cash and cash equivalents would have been $646 million. See "Capitalization" for additional information.

*Deliver Value-Added Solutions*. We continually develop new products and industry leading production technologies that solve our customers' problems. We believe that our customers value our expertise, and we will continue to work with them to enhance the quality of their products.

*Enhance Value of Portfolio*. We will continue to further optimize our business portfolio through divestitures, acquisitions and strategic investments that enable us to focus on businesses in which we can achieve market, cost and technology leadership over the long term. In addition, we intend to continue to expand our product mix into higher value-added products.

## THE TRANSACTIONS

As used in this prospectus, the term "Transactions" means, collectively, the Tender Offer, the Original Financing, the Refinancing and the Senior Discount Notes Offering described under "The Transactions" elsewhere in this prospectus.

Pursuant to the Tender Offer, in April 2004 the Purchaser, an indirect wholly owned subsidiary of the Issuer, acquired, at a price of €32.50 per share, a total of 41,588,227 Celanese Shares, representing approximately 84% of the Celanese Shares outstanding as of September 30, 2004. Pursuant to a mandatory offer commenced in September 2004 and continuing as of the date of this prospectus, the Purchaser acquired additional Celanese Shares. As a result of these acquisitions, partially offset by the issuance of additional shares of Celanese AG as a result of the exercise of options issued under the Celanese AG stock option plan, as of the date of this prospectus, we own approximately 84% of the outstanding Celanese Shares. The Purchaser may from time to time purchase or be required to purchase any or all of the outstanding Celanese Shares not owned by it in market transactions or otherwise. Examples of instances in which the Purchaser may be required to purchase additional Celanese shares include the ongoing mandatory offer relating to the domination and profit and loss transfer agreement entered into by the Purchaser and Celanese AG, or additional mandatory offers required by actions that the Purchaser or its affiliates may take in the future, such as a possible delisting of the Celanese Shares from the Frankfurt Stock Exchange, a possible squeeze-out of the minority shareholders of Celanese AG or a possible conversion of Celanese AG into a different legal form. The Purchaser's decision to pursue subsequent voluntary purchases will depend on, among other factors, the then-prevailing market prices and any negotiated terms with minority shareholders. See "The Transactions Post-Tender Offer Events."

## RECENT RESTRUCTURING

We recently completed an internal restructuring of certain of our operations. See "The Recent Restructuring."

## RECENT DEVELOPMENTS

In October 2004, we announced plans to implement a strategic restructuring of our acetate business to increase the efficiency, reduce overcapacity in certain areas and to focus on products and markets that provide long-term value. As part of this restructuring, we plan to discontinue acetate filament production by mid-2005 and to consolidate our acetate flake and tow operations at three locations, instead of five. The restructuring resulted in $50 million of asset impairment charges recorded as a special charge and $12 million in charges to depreciation for related asset retirement obligations for the six months ended September 30, 2004. In addition, we expect to record severance liabilities of approximately $40 million in the fourth quarter of 2004, with a corresponding increase in goodwill. Sales of acetate filament were $118 million in 2003.

On October 27, 2004 we agreed to acquire Acetex Corporation, a Canadian corporation, for approximately $261 million and the assumption by us of debt owed by Acetex, valued at approximately $231 million. Acetex has two primary businesses: the Acetyls Business and the Specialty Polymers and Films Business. The Acetyls business produces acetic acid, polyvinyl alcohol and vinyl acetate monomer. The Specialty Polymers and Films Business produces specialty polymers (used in the manufacture of a variety of plastics products, including packaging and laminating products, auto parts, adhesives and medical products) as well as products for the agricultural, horticultural and construction industries. Acetex will be operated as part of our chemicals business. Closing of the acquisition is conditioned upon Acetex shareholder approval, regulatory approvals and other customary conditions. We expect to finance this acquisition through borrowings under the new senior credit facilities.

On November 23, 2004, we agreed to acquire Vinamul Polymers, the North American and European emulsion polymer business of National Starch and Chemical Company, for $208 million.

National Starch and Chemical Company is a subsidiary of Imperial Chemical Industries PLC. The Vinamul Polymers product line includes vinyl acetate-ethylene copolymers, vinyl acetate homopolymers and copolymers, and acrylic and vinyl acrylic emulsions. Vinamul Polymers operates manufacturing facilities in the United States, Canada, the United Kingdom and The Netherlands. As part of the agreement, National Starch and Chemical Company will continue to supply Vinamul Polymers with starch, dextrin and other specialty ingredients following the acquisition. We will supply the Vinamul Polymers business with vinyl acetate monomer and polyvinyl alcohols. We expect to finance this acquisition through borrowings under the new senior credit facilities.

In December 2004, we approved a plan to dispose of the Cyclo-olefin Copolymer ("COC") business included within the Technical Polymers Ticona segment and our interest in Pemeas GmbH, the fuel cell joint venture included in Other Activities. As a result of this decision, we expect to record an impairment loss in the three months ended December 31, 2004, the amount of which has not yet been determined. The operating loss for COC was $(35) million for the year ended December 31, 2003, $(9) million for the three months ended March 31, 2004 and $(18) million for the six months ended September 30, 2004. The operating loss for the fuel cell business was $(12) million for the year ended December 31, 2003, $(3) million for the three months ended March 31, 2004 and $(4) million for the six months ended September 30, 2004.

Our principal executive offices are located at 1601 West LBJ Freeway, Dallas, TX 75234-6034 and our main telephone number is +1-972-443-4000.

**THE OFFERING**

| | |
|---|---|
| Common stock offered | 50,000,000 shares of Series A common stock |
| Common stock to be outstanding after this offering | 158,675,271 shares, consisting of (1) 58,937,909 shares of Series A common stock (including 7,500,000 shares that will be distributed to holders of our Series B common stock as a dividend if the underwriters do not exercise their over-allotment option and 1,437,909 shares to be issued to management); and (2) 99,737,362 shares of Series B common stock |
| Over-allotment option | 7,500,000 shares of Series A common stock |
| Common stock | Upon completion of this offering, we will have two series of common stock: Series A and Series B. Except for (i) the special Series B common stock dividends which we expect to pay to the holders of outstanding shares of Series B common stock on or after April 7, 2005, (ii) the convertibility of Series B common stock into Series A common stock and (iii) the right of the Series B common stock to consent to any changes to our governing documents that would adversely affect the Series B common stock, shares of Series A common stock and shares of Series B common stock will be identical, including with respect to voting rights. The Series B common stock will automatically convert into Series A common stock upon payment of the special Series B common stock dividends, and may also be converted into Series A common stock at any time at the option of the holder. |
| Use of proceeds | We estimate that the net proceeds from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately $949 million. This offering is being made concurrently with the offering of our preferred stock pursuant to a separate prospectus. We estimate that the net proceeds from the offering of our preferred stock, after deducting underwriting discounts and estimated offering expenses, will be approximately $194 million. We intend to use (1) approximately $207 million of the net proceeds from this offering to redeem a portion of the senior discount notes and approximately $566 million to redeem a portion of the senior subordinated notes of our subsidiaries and (2) borrowings under the new senior credit facilities that our subsidiaries expect to enter into prior to the consummation of this offering, together with any remaining net proceeds from this offering and from the offering of our preferred stock, to repay the existing senior credit facilities and the floating rate term loan of our subsidiaries and to pay a $952 million dividend to holders of our Series B common stock. Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and BA Capital Investors Sidecar Fund, L.P. (collectively, the "Original Stockholders"), will be the only holders of our Series B common stock immediately prior to the consummation of this offering. See "Use of Proceeds," "Description of Capital Stock  Authorized Capitalization  Common Stock," "Description of Convertible Perpetual Preferred Stock" and "Description of Indebtedness." |

| | |
|---|---|
| Dividend Policy | Upon the completion of this offering, our board of directors currently intends to adopt a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of our Series A common stock of 0.1875% of the average of the closing sale prices of our common stock on the New York Stock Exchange on the last ten trading days of the prior quarter, not to exceed $0.05 per share of Series A common stock per quarter unless our board of directors in its sole discretion determines otherwise, commencing with the second quarter of 2005. However, there is no assurance that sufficient cash will be available to pay such dividend. In addition, we expect to declare and pay (i) the $952 million dividend described under " Use of Proceeds" above, (ii) a dividend with any proceeds from the underwriters' over-allotment option, (iii) a stock dividend if the underwriters' over-allotment option is not exercised in full, in each case, payable to holders of our Series B common stock, and (iv) the scheduled quarterly dividends on our preferred stock. The Original Stockholders will be the only holders of our Series B common stock immediately prior to the consummation of this offering. Any change in the aggregate amount of net proceeds raised in the common stock and preferred stock offerings will either increase or decrease the cash dividend to be paid to the holders of our Series B common stock, as the case may be, but will not affect the amount of debt to be redeemed or repaid. For so long as the preferred stock remains outstanding, (1) we will not declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any junior stock or parity stock and (2) neither we, nor any of our subsidiaries, will, subject to certain exceptions, redeem, purchase or otherwise acquire for consideration junior stock or parity stock through a sinking fund or otherwise, in each case unless we have paid or set apart funds for the payment of all accumulated and unpaid dividends with respect to the shares of preferred stock and any parity stock for all preceding dividend periods and except for the special Series B common stock dividends. See "Dividend Policy," "Description of Capital Stock Common Stock," "Description of Convertible Perpetual Preferred Stock" and "Description of Indebtedness New Senior Credit Facilities." |
| Proposed New York Stock Exchange symbol | "CE" |

Unless we specifically state otherwise, all information in this prospectus:

- assumes no exercise by the underwriters of their over-allotment option;
- gives effect to
  - the 153.325569 for one stock split we expect to effect prior to the consummation of the offering; and

our issuance of 1,437,909 shares of Series A common stock under our stock incentive plan to certain of our executive officers, key employees and directors at an assumed price of $9.00 per share;

excludes

12,311,718 shares of Series A common stock reserved for issuance upon exercise of options to be granted to certain of our executive officers, key employees and directors upon consummation of this offering, with an exercise price equal to the price to public per share in this offering; and

2,172,656 additional shares of Series A common stock reserved for issuance in connection with our equity incentive plans;

8,333,333 shares of Series A common stock reserved for issuance upon conversion of our preferred stock; and

does not reflect our pending acquisitions of Acetex and Vinamul Polymers or the indebtedness we expect to incur in connection with those acquisitions.

## RISK FACTORS

An investment in our stock involves risks. You should carefully consider all the information in this prospectus prior to investing in our stock. In particular, we urge you to consider carefully the factors set forth under the heading "Risk Factors."

**SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA**

The balance sheet data shown below for 2002 and 2003, and the statements of operations and cash flow data for 2001, 2002 and 2003, all of which are set forth below, are derived from the audited Celanese Consolidated Financial Statements included elsewhere in this prospectus and should be read in conjunction with those financial statements and the notes thereto. The balance sheet data for 2001 are unaudited and have been derived from, and translated into U.S. dollars based on, Celanese's historical euro audited financial statements.

The summary historical financial data for the nine months ended September 30, 2003 and the three months ended March 31, 2004 have been derived from the unaudited consolidated financial statements of Celanese, which have been prepared on a basis consistent with the audited consolidated financial statements of Celanese as of and for the year ended December 31, 2003. The summary historical financial data as of and for the six months ended September 30, 2004 have been derived from our unaudited consolidated financial statements. In the opinion of management, such unaudited financial data reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period. The unaudited consolidated financial information as of September 30, 2004 and for the three months ended March 31, 2004, six months ended September 30, 2004 and the nine months ended September 30, 2003 is included elsewhere in this prospectus.

The following summary unaudited pro forma financial data have been prepared to give pro forma effect to the Transactions, the Recent Restructuring and the Concurrent Financings, as if they had occurred on January 1, 2003, in the case of our unaudited pro forma statements of operations data, and on September 30, 2004, in the case of our unaudited pro forma balance sheet data. The pro forma financial data are for informational purposes only and should not be considered indicative of actual results that would have been achieved had the Transactions, the Recent Restructuring, and the Concurrent Financings actually been consummated on the dates indicated and do not purport to indicate balance sheet data or results of operations as of any future date or for any future period. You should read the following data in conjunction with "The Transactions," "The Recent Restructuring," "Unaudited Pro Forma Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Celanese Consolidated Financial Statements and the Interim Consolidated Financial Statements included elsewhere in this prospectus.

As of September 30, 2004, the Purchaser, an indirect wholly owned subsidiary of the Issuer, owned approximately 84% of the Celanese Shares then outstanding. The Issuer is a recently-formed company which, apart from the financing of the Transactions, does not have any independent external operations other than through the indirect ownership of Celanese's business. Accordingly, financial and other information of Celanese is presented in this prospectus. This prospectus presents the financial information relating to Celanese under the caption "Predecessor" and the information relating to us under the caption "Successor." See "The Transactions."

| | Predecessor | | | | | Successor | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Unaudited | | Unaudited | | |
| | Celanese | | | | | | Pro Forma[1] | |
| | Year Ended December 31, | | | | | | | |
| | 2001 | 2002 | 2003 | Nine Months Ended September 30, 2003 | Three Months Ended March 31, 2004 | Six Months Ended September 30, 2004 | Year Ended December 31, 2003 | Nine Months Ended September 30, 2004 |
| | (in millions, except shares and per share data) | | | | | | | |
| **Statement of Operations Data:** | | | | | | | | |
| Net sales | $ 3,970 | $ 3,836 | $ 4,603 | $ 3,448 | $ 1,243 | $ 2,494 | $ 4,603 | $ 3,737 |
| Cost of sales | (3,409) | (3,171) | (3,883) | (2,881) | (1,002) | (2,063) | (3,818) | (2,979) |
| Selling, general and administrative expenses | (489) | (446) | (510) | (384) | (137) | (278) | (522) | (414) |
| Research and development expenses | (74) | (65) | (89) | (66) | (23) | (45) | (88) | (67) |
| Special charges[2]: | | | | | | | | |
| Insurance recoveries associated with plumbing cases | 28 | | 107 | 106 | | 1 | 107 | 1 |
| Sorbates antitrust matters | | | (95) | (95) | | | (95) | |
| Restructuring, impairment and other special charges, net | (444) | 5 | (17) | (2) | (28) | (59) | (17) | (66) |
| Foreign exchange gain (loss) | 1 | 3 | (4) | (3) | | (2) | (4) | (2) |
| Gain (loss) on disposition of assets | | 11 | 6 | 5 | (1) | 2 | 6 | 1 |
| Operating profit (loss) | (417) | 173 | 118 | 128 | 52 | 50 | 172 | 211 |
| Equity in net earnings of affiliates | 12 | 21 | 35 | 29 | 12 | 35 | 35 | 47 |
| Interest expense | (72) | (55) | (49) | (36) | (6) | (228) | (238) | (184) |
| Interest and other income (expense), net[3] | 58 | 45 | 99 | 85 | 22 | 8 | 99 | 30 |
| Income tax benefit (provision) | 106 | (61) | (60) | (68) | (25) | (58) | (60) | (104) |
| Minority interests | | | | | | (2) | (6) | (17) |
| Earnings (loss) from continuing operations | (313) | 123 | 143 | 138 | 55 | (195) | $ 2 | $ (17) |
| Earnings (loss) from discontinued operations, net of income tax | (52) | 27 | 6 | (7) | 23 | (1) | | |
| Cumulative effect of changes in accounting principles, net of income tax | | 18 | (1) | (1) | | | | |
| Net earnings (loss) | $ (365) | $ 168 | $ 148 | $ 130 | $ 78 | $ (196) | | |
| Earnings (loss) per Series A and Series B common share basic and diluted[4]: | | | | | | | | |
| Continuing operations | | | | | | $ (1.96) | $ (0.03) | $ (0.11) |
| Discontinued operations | | | | | | $ (0.01) | | |

| | Predecessor | Successor | | |
|---|---|---|---|---|
| Net earnings (loss) | | $ (1.97) | | |
| Weighted average shares basic and diluted[4]: | | | | |
| Series A | | | 106,537,909 | 106,537,909 |
| Series B | | 99,737,362 | 99,737,362 | 99,737,362 |
| Combined | | 99,737,362 | 206,275,271 | 206,275,271 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Other Financial Data:** | | | | | | | | |
| EBITDA (unaudited)[5] | $ (42) | $ 468 | $ 502 | $ 420 | $ 153 | $ 226 | $ 550 | $ 473 |
| Unusual items included in EBITDA (unaudited)[6] | 440 | 16 | 113 | 32 | 37 | 117 | 113 | 133 |
| Other non-cash charges (income) included in EBITDA (unaudited)[7] | 21 | 97 | 24 | 17 | 13 | 37 | (4) | 5 |
| Depreciation and amortization | 326 | 247 | 294 | 213 | 72 | 150 | 294 | 222 |
| Capital expenditures | 191 | 203 | 211 | 133 | 44 | 106 | 211 | 150 |
| Cash distributions from cost and equity method investments (unaudited) | 69 | 139 | 83 | 54 | 30 | 44 | 83 | 74 |
| Dividends paid per share[8] | $ 0.35 | | $ 0.48 | | | | | |
| **Statement of Cash Flows Data:** | | | | | | | | |
| Net cash provided by (used in) continuing operations: | | | | | | | | |
| Operating activities | $ 462 | $ 363 | $ 401 | $ 231 | $ (107) | $ 109 | | |
| Investing activities | (105) | (139) | (275) | (178) | 96 | (1,724) | | |
| Financing activities | (337) | (150) | (108) | (135) | (43) | 2,448 | | |
| **Balance Sheet Data (at the end of the period) (2001 unaudited):** | | | | | | | | |
| Trade working capital[9] | $ 499 | $ 599 | $ 641 | | $ 715 | $ 808 | | $ 808 |
| Total assets | 6,232 | 6,417 | 6,814 | | 6,613 | 7,066 | | 6,865 |
| Total debt | 775 | 644 | 637 | | 587 | 3,100 | | 3,217 |
| Mandatorily redeemable preferred stock[10] | | | | | | | | |
| Shareholders' equity (deficit) | 1,954 | 2,096 | 2,582 | | 2,622 | (53) | | (49) |

(1) We owned approximately 84% of the Celanese Shares outstanding as of September 30, 2004 and the pro forma information presented above assumes that we do not acquire any additional Celanese Shares. Assuming the Purchaser were to pay the fair cash compensation offer price required by the domination and profit and loss transfer agreement (the "Domination Agreement") of €41.92, plus interest, per share for all remaining Celanese Shares, earnings from continuing operations and EBITDA would each be higher by the amount of minority interest expense.

(2)

Special charges include impairment charges, provisions for restructuring, which include costs associated with employee termination benefits and plant and office closures, certain insurance recoveries and other expenses and income incurred outside the normal course of ongoing operations. See note 25 to the Celanese Consolidated Financial Statements and note 14 to the Interim Consolidated Financial Statements.

(3)

Interest and other income (expense), net, includes interest income, dividends from cost basis investments and other non-operating income (expense).

(4)

Pro forma basic earnings (loss) per common share is computed by dividing earnings (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Earnings (loss) available to common stockholders is computed by deducting preferred stock dividends from net earnings (loss). Pro forma diluted earnings (loss) per common share is computed by dividing earnings (loss) available to common stockholders by the sum of weighted average common shares outstanding plus dilutive common shares for the period. As both series of our common stock will share equally in future undistributed earnings and losses, we report only combined earnings (loss) per share.

Earnings (loss) per share is calculated as follows:

| | Successor | | |
|---|---|---|---|
| | Six Months Ended September 30, 2004 | Pro forma Year Ended December 31, 2003 | Pro forma Nine Months Ended Sept 30, 2004 |
| | (In millions, except per share amounts) | | |
| Earnings (loss) from continuing operations | $ (195) | $ 2 | $ (17) |
| Less: Preferred dividends assuming a 4% dividend rate | | (8) | (6) |
| Earnings (loss) from continuing operations allocable to common stockholders | (195) | (6) | (23) |
| (Loss) from discontinued operations, net of tax | (1) | | |
| Net earnings (loss) allocable to common stockholders | $ (196) | $ (6) | $ (23) |
| Basic and diluted earnings (loss) from continuing operations per Series A and Series B common share[(a)] | $ (1.96) | $ (0.03) | $ (0.11) |
| Basic and diluted net earnings (loss) per Series A and Series B common share | $ (1.97) | | |
| Basic and diluted weighted average common shares outstanding[(b)]: | | | |
| Series A | | 106,537,909 | 106,537,909 |
| Series B | 99,737,362 | 99,737,362 | 99,737,362 |
| Combined | 99,737,362 | 206,275,271 | 206,275,271 |
| Antidilutive shares[(c)]: | | | |
| Series A employee stock options | | 12,311,718 | 12,311,718 |
| Preferred stock | | 8,333,333 | 8,333,333 |

(a) Represents earnings (loss) allocable to common stockholders divided by the combined total of Class A and Class B weighted average common shares outstanding. Earnings (loss) per share is calculated by dividing net earnings (loss) by the weighted average shares outstanding after giving effect to the 153.325569 for one stock split. Net earnings (loss) per share is not applicable for the historical Predecessor periods as there were no shares outstanding during those periods.

(b) Unaudited pro forma basic and diluted earnings (loss) per share have been calculated in accordance with the SEC rules for initial public offerings. These rules require that the weighted average share calculation give retroactive effect to any changes in our capital structure as well as the number of shares whose sale proceeds will be used to repay any debt or pay dividends as reflected in the pro forma adjustments. Therefore, pro forma weighted average shares for purposes of the unaudited pro forma basic net earnings (loss) per share calculation has been adjusted as follows:

| | |
|---|---|
| Shares outstanding | 650,494 |
| Stock split | 153.325569 |
| Series B common shares | 99,737,362 |
| Shares of Series A common stock issued pursuant to the offering of Series A common stock | 50,000,000 |
| Shares issued to certain executive officers, key employees and directors | 1,437,909 |
| Additional shares of Series A common stock in connection with the underwriters' over-allotment option | 7,500,000 |
| Series A common shares | 58,937,909 |
| Shares required to generate proceeds to replace capital being withdrawn (at an assumed offering price of $20.00) | 47,600,000 |
| Total Series A shares for earnings (loss) per share | 106,537,909 |
| Total Series A and Series B for earnings (loss) per share | 206,275,271 |

(c) For the pro forma year ended December 31, 2003 and the pro forma nine months ended September 30, 2004, shares issuable upon the exercise of employee stock options and conversion of preferred stock which would have an antidilutive effect have been excluded from the computation of pro forma diluted net earnings (loss) per share.

(5)

EBITDA, a performance measure used by management, is defined as earnings (loss) from continuing operations, plus interest expense net of interest income, income taxes and depreciation and amortization, as shown in the table below. EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. See "Special Note Regarding Non-GAAP Financial Measures." EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to other similarly titled measures of other companies.

Additionally, EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The amounts shown for EBITDA as presented in this prospectus differ from the amounts calculated under the definition of EBITDA used in our debt instruments. The definition of EBITDA used in our debt instruments is further adjusted for certain cash and non-cash charges and is used to determine compliance with financial covenants and our ability to engage in certain activities such as incurring additional debt and making certain payments. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Liquidity Covenants."

EBITDA is calculated and reconciled to net earnings (loss) as follows (unaudited):

| | Predecessor | | | | | Successor | | |
|---|---|---|---|---|---|---|---|---|
| | Celanese | | | | | | Pro Forma | |
| | Year Ended December 31, | | | | | | | |
| | 2001 | 2002 | 2003 | Nine Months Ended September 30, 2003 | Three Months Ended March 31, 2004 | Six Months Ended September 30, 2004 | Year Ended December 31, 2003 | Nine Months Ended September 30, 2004 |
| | (in millions) | | | | | | | |
| Net earnings (loss) | $ (365) | $ 168 | $ 148 | $ 130 | $ 78 | $ (196) | $ 2 | $ (17) |
| (Earnings) loss from discontinued operations | 52 | (27) | (6) | 7 | (23) | 1 | | |
| Cumulative effect of changes in accounting principles | | (18) | 1 | 1 | | | | |
| Interest expense | 72 | 55 | 49 | 36 | 6 | 228 | 238 | 184 |
| Interest income | (21) | (18) | (44) | (35) | (5) | (15) | (44) | (20) |
| Income tax (benefit) provision | (106) | 61 | 60 | 68 | 25 | 58 | 60 | 104 |
| Depreciation and amortization | 326 | 247 | 294 | 213 | 72 | 150 | 294 | 222 |
| EBITDA | $ (42) | $ 468 | $ 502 | $ 420 | $ 153 | $ 226 | $ 550 | $ 473 |

(6)

EBITDA, as defined above, was (increased) reduced by the following unusual items, each of which is further discussed below (unaudited):

| | Predecessor | | | | | Successor | | |
|---|---|---|---|---|---|---|---|---|
| | Celanese | | | | | | Pro Forma | |
| | Year Ended December 31, | | | | | | | |
| | 2001 | 2002 | 2003 | Nine Months Ended September 30, 2003 | Three Months Ended March 31, 2004 | Six Months Ended September 30, 2004 | Year Ended December 31, 2003 | Nine Months Ended September 30, 2004 |
| | (in millions) | | | | | | | |
| Stock appreciation rights (income) expense [(a)] | $ 10 | $ 3 | $ 59 | $ 41 | $ | $ 1 | $ 59 | $ 1 |
| Special charges [(b)] | 416 | (5) | 5 | (9) | 28 | 58 | 5 | 65 |
| Other restructuring charges [(c)] | | | 26 | 8 | 10 | 13 | 26 | 23 |
| Other (income) expense [(d)] | 9 | 12 | 5 | (17) | (3) | 31 | 5 | 28 |
| Other unusual items [(e)] | 5 | 6 | 18 | 9 | 2 | 14 | 18 | 16 |
| | $ 440 | $ 16 | $ 113 | $ 32 | $ 37 | $ 117 | $ 113 | $ 133 |

(a)

Represents the expense associated with stock appreciation rights that will not be incurred subsequent to the Transactions as it is expected that the plan will be replaced with other management equity arrangements that will not result in a cash cost to Celanese.

(b)

Represents provisions for restructuring, asset impairment, transaction costs and other unusual expenses and income incurred outside the ordinary course of business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(c)

Represents the portion of restructuring charges (consisting of employee termination benefits) that were not included in special charges.

(d)

Represents other non-operating (income) expense (other than dividends). See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(e)

Represents primarily the expense associated with executive contract terminations, transaction costs not included in special charges, and rent expense paid to a variable interest entity that has been consolidated since the first quarter of 2004.

The unusual items listed above exclude adjustments to reserves, principally environmental reserves and loss reserves at the captive insurance entities, made in the ordinary course of business resulting from changes in estimates based on favorable trends in environmental remediation and actuarial revaluations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(7) EBITDA, as defined above, was also (increased) reduced by the following other non-cash items, each of which is further discussed below (unaudited):

| | Predecessor | | | | | Successor | | |
|---|---|---|---|---|---|---|---|---|
| | Celanese | | | | | | Pro Forma | |
| | Year Ended December 31, | | | | | | | |
| | 2001 | 2002 | 2003 | Nine Months Ended September 30, 2003 | Three Months Ended March 31, 2004 | Six Months Ended September 30, 2004 | Year Ended December 31, 2003 | Nine Months Ended September 30, 2004 |
| | (in millions) | | | | | | | |
| Amortization included in pension and OPEB expense (a) | $ 10 | $ 15 | $ 28 | $ 19 | $ 8 | $ 2 | $ | $ |
| Adjustment to equity earnings (b) | 11 | 79 | (12) | (8) | 4 | (15) | (12) | (11) |
| Other non-cash charges (income) (c) | | 3 | 8 | 6 | 1 | | 2 | |
| Purchase accounting for inventories (d) | | | | | | 49 | | |
| Minority interests (e) | | | | | | 1 | 6 | 16 |
| | $ 21 | $ 97 | $ 24 | $ 17 | $ 13 | $ 37 | $ (4) | $ 5 |

(a) Represents the portion of pension and other postretirement ("OPEB") expense resulting from amortization of unrecognized actuarial losses, prior service costs and transition obligations. In addition, we expect Celanese's future pension expense to be reduced as a result of the pre-funding of $463 million of pension contributions in connection with the Transactions. Assuming an annual long-term rate of return on plan assets of 7.93%, Celanese's annual pension expense would decrease by an additional $37 million. See "Unaudited Pro Forma Financial Information."

(b) Represents the adjustment to reflect earnings of investments accounted for under the equity method on a cash basis.

(c) Relates primarily to non-cash expense associated with stock option plans.

(d) Represents the one-time charge to cost of sales resulting from purchase accounting for inventories.

(e) Represents minority interest expense relating to the approximately 16% of the Celanese Shares outstanding at September 30, 2004 that we did not own, net of actual dividends paid during the period. See note (7).

(8) In the nine months ended September 30, 2004, Celanese AG declared and paid a dividend of €0.12 ($0.14) per share for the year ended December 31, 2003. See "The Transactions" for information on future dividends that may be required under German law to be paid to Celanese AG's minority shareholders.

(9) Trade working capital is defined as trade accounts receivable from third parties and affiliates net of allowance for doubtful accounts, plus inventories, less trade accounts payable to third parties and affiliates. For the calculation of trade working capital, see note (8) to "Selected Historical Financial Data."

(10) Our mandatorily redeemable preferred stock was repaid with the proceeds of the offering of the senior subordinated notes that occurred on July 1, 2004.

## RISK FACTORS

*An investment in our stock involves risks. You should carefully consider the risks described below, together with the other information in this prospectus, before deciding to purchase any stock.*

### Risks Related to the Acquisition of Celanese

***If the Domination Agreement ceases to be operative, the Issuer's managerial control over Celanese AG is limited.***

As of the date of this prospectus, we own 100% of the outstanding shares of Celanese Americas Corporation ("CAC") and approximately 84% of the outstanding shares of Celanese AG. Our access to cash flows of, and our control of, Celanese AG is subject to the continuing effectiveness of the Domination Agreement. See "The Transactions Post-Tender Offer Events Domination and Profit and Loss Transfer Agreement."

The Domination Agreement is subject to legal challenges instituted by dissenting shareholders. Minority shareholders have filed nine actions against Celanese AG in the Frankfurt District Court (*Landgericht*), seeking, among other things, to set aside the shareholder resolutions passed at the extraordinary general meeting held on July 30 and 31, 2004 based, among other things, on the alleged violation of procedural requirements and information rights of the shareholders, to declare the Domination Agreement and the change in the fiscal year void and to prohibit Celanese AG from performing its obligations under the Domination Agreement. Pursuant to German law, the time period for the filing of such challenges has expired. Further, two additional minority shareholders have joined the proceedings via third party intervention in support of the plaintiffs. The Purchaser has joined the proceedings via third party intervention in support of Celanese AG. In addition, a German court could revoke the registration of the Domination Agreement in the commercial register. On August 2, 2004, two minority shareholders instituted public register proceedings with the Königstein Local Court (*Amtsgericht*) and the Frankfurt District Court, both with a view to have the registration of the Domination Agreement in the Commercial Register deleted (*Amtslöschungsverfahren*). See "Business Legal Proceedings."

If the Domination Agreement ceases to be operative, the Purchaser's ability, and thus our ability to control the board of management decisions of Celanese AG, will be significantly limited by German law. As a result, we may not be able to ensure that our strategy for the operation of our business can be fully implemented. In addition, our access to the operating cash flow of Celanese AG in order to fund payment requirements on our indebtedness will be limited, which could have a material adverse effect on the value of our stock.

***If the Domination Agreement ceases to be operative, certain actions taken under the Domination Agreement might have to be reversed.***

If legal challenges of the Domination Agreement by dissenting shareholders of Celanese AG are successful, some or all actions taken under the Domination Agreement, including the Recent Restructuring, may be required to be reversed and the Purchaser may be required to compensate Celanese AG for damages caused by such actions. Any such event could have a material adverse effect on our ability to make payments on our indebtedness and on the value of our stock.

***Minority shareholders may interfere with Celanese AG's future actions, which may prevent us from causing Celanese AG to take actions which may have beneficial effects for our shareholders.***

The Purchaser currently owns approximately 84% of the Celanese Shares. Shareholders unrelated to us hold the remainder of the outstanding Celanese Shares. German law provides certain rights to minority shareholders, which could have the effect of delaying, or interfering with, corporate actions (including those requiring shareholder approval), such as the potential application for revocation of admission of the Celanese Shares to the Frankfurt Stock Exchange, the squeeze-out and the potential conversion of Celanese AG from its current legal form of a stock corporation into a limited partnership (*Kommanditgesellschaft, KG*) or a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) in accordance with the provisions of the German Transformation Act (*Umwandlungsgesetz, UmwG*). Minority shareholders may be able to delay or prevent the implementation of Celanese AG's corporate actions irrespective of the size of their shareholding. Any challenge by minority shareholders to the validity of a corporate action may be subject to judicial resolution that may substantially delay or hinder the implementation of such action. Such delays of, or interferences with, corporate actions as well as related litigation may limit our access to Celanese AG's cash flows and make it difficult or impossible for us to take or implement corporate actions which may be desirable in view of our operating or financial requirements, including actions which may have beneficial effects for our shareholders.

***Celanese AG's board of management may refuse to comply with instructions given by the Purchaser pursuant to the Domination Agreement, which may prevent us from causing Celanese AG to take actions which may have beneficial effects for our shareholders.***

Under the Domination Agreement, the Purchaser is entitled to give instructions directly to the board of management of Celanese AG, including, but not limited to, instructions that are disadvantageous to Celanese AG, as long as such disadvantageous instructions benefit the Purchaser or the companies affiliated with either the Purchaser or Celanese AG. Celanese AG's board of management is required to comply with any such instruction, unless, at the time when such instruction is given, (i) it is, in the opinion of the board of management of Celanese AG, obviously not in the interests of the Purchaser or the companies affiliated with either the Purchaser or Celanese AG, (ii) in the event of a disadvantageous instruction, the negative consequences to Celanese AG are disproportionate to the benefits to the Purchaser or the companies affiliated with either the Purchaser or Celanese AG, (iii) compliance with the instruction would violate legal or statutory restrictions, (iv) compliance with the instruction would endanger the existence of Celanese AG or (v) it is doubtful whether the Purchaser will be able to fully compensate Celanese AG, as required by the Domination Agreement, for its annual loss (*Jahresfehlbetrag*) incurred during the fiscal year in which such instruction is given. The board of management of Celanese AG remains ultimately responsible for making the executive decisions for Celanese AG and the Purchaser, despite the Domination Agreement, is not entitled to act on behalf of, and has no power to legally bind, Celanese AG. The Celanese AG board of management may delay the implementation of, or refuse to implement, any of the Purchaser's instructions despite its general obligation to follow such instructions (with the exceptions mentioned above). Such delays of, or interferences with, compliance with the Purchaser's instructions by the board of management of Celanese AG may make it difficult or impossible for the Purchaser to implement corporate actions which may be desirable in view of our operating or financial requirements, including actions which may have beneficial effects for our shareholders.

***The Purchaser will be required to ensure that Celanese AG pays a guaranteed fixed annual payment to the minority shareholders of Celanese AG, which may reduce the funds the Purchaser can otherwise make available to us.***

As long as the Purchaser does not own 100% of the outstanding Celanese Shares, the Domination Agreement requires, among other things, the Purchaser to ensure that Celanese AG makes a gross guaranteed fixed annual payment (*Ausgleich*) to minority shareholders of €3.27 per Celanese share less certain corporate taxes in lieu of any future dividend. Taking into account the circumstances and the tax rates at the time of the entering into of the Domination Agreement, the net guaranteed fixed annual payment is €2.89 per share for a full fiscal year. As of December 6, 2004, there were approximately 7.9 million Celanese Shares held by minority shareholders. The net guaranteed fixed annual payment may, depending on applicable corporate tax rates, in the future be higher, lower or the same as €2.89. The amount of this guaranteed fixed annual payment was calculated in accordance with applicable

German law. The amount of the payment is currently under review in special award proceedings (*Spruchverfahren*). See "Business Legal Proceedings." Such guaranteed fixed annual payments will be required regardless of whether the actual distributable profits per share of Celanese AG are higher, equal to, or lower than the amount of the guaranteed fixed annual payment per share. The guaranteed fixed annual payment will be payable for so long as there are minority shareholders of Celanese AG and the Domination Agreement remains in place. No dividends for the period after effectiveness of the Domination Agreement, other than the guaranteed fixed annual payment effectively paid by the Purchaser, are expected to be paid by Celanese AG. These requirements may reduce the funds the Purchaser can make available to the Issuer and its subsidiaries and, accordingly, diminish our ability to make payments, on our respective indebtedness. See "The Transactions Post-Tender Offer Events Domination and Profit and Loss Transfer Agreement."

***The amounts of the fair cash compensation and of the guaranteed fixed annual payment offered under the Domination Agreement may be increased, which may further reduce the funds the Purchaser can otherwise make available to us.***

As of the date of this prospectus, several minority shareholders of Celanese AG have initiated special award proceedings (*Spruchverfahren*) seeking the court's review of the amounts of the fair cash compensation (*Abfindung*) and of the guaranteed fixed annual payment (*Ausgleich*) offered under the Domination Agreement. So far, pleadings by several minority shareholders have been served on the Purchaser. As a result of these proceedings, the amounts of the fair cash compensation (*Abfindung*) and of the guaranteed fixed annual payment (*Ausgleich*) could be increased by the court. Any such increase may be substantial. All minority shareholders including those who have already received the fair cash compensation would be entitled to claim the respective higher amounts. This may reduce the funds the Purchaser can make available to the Issuer and its subsidiaries and, accordingly, diminish our ability to make payments on our indebtedness. See "Business Legal Proceedings."

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

Under the Domination Agreement, the Purchaser is required, among other things, to compensate Celanese AG for any annual loss incurred, determined in accordance with German accounting requirements, by Celanese AG at the end of the fiscal year in which the loss was incurred. This obligation to compensate Celanese AG for annual losses will apply during the entire term of the Domination Agreement. If Celanese AG incurs losses during any period of the operative term of the Domination Agreement and if such losses lead to an annual loss of Celanese AG at the end of any given fiscal year during the term of the Domination Agreement, the Purchaser will be obligated to make a corresponding cash payment to Celanese AG to the extent that the respective annual loss is not fully compensated for by the dissolution of profit reserves (*Gewinnrücklagen*) accrued at the level of Celanese AG during the term of the Domination Agreement. The Purchaser may be able to reduce or avoid cash payments to Celanese AG by off-setting against such loss compensation claims by Celanese AG any valuable counterclaims against Celanese AG that the Purchaser may have. If the Purchaser was obligated to make cash payments to Celanese AG to cover an annual loss, we may not have sufficient funds to make payments on our indebtedness when due and, unless the Purchaser is able to obtain funds from a source other than annual profits of Celanese AG, the Purchaser may not be able to satisfy its obligation to fund such shortfall. See "The Transactions Post-Tender Offer Events Domination and Profit and Loss Transfer Agreement."

***Two of our subsidiaries have agreed to guarantee the Purchaser's obligation under the Domination Agreement, which may diminish our ability to make payments on our indebtedness.***

Our subsidiaries, BCP Caylux Holdings Luxembourg S.C.A. and BCP Crystal, have each agreed to provide the Purchaser with financing to strengthen the Purchaser's ability to fulfill its obligations under, or in connection with, the Domination Agreement and to ensure that the Purchaser will perform all of its obligations under, or in connection with, the Domination Agreement when such obligations become due, including, without limitation, the obligations to make a guaranteed fixed annual payment to the outstanding minority shareholders, to offer to acquire all outstanding Celanese Shares from the minority shareholders in return for payment of fair cash consideration and to compensate Celanese AG for any annual loss incurred by Celanese AG during the term of the Domination Agreement. If BCP Caylux Holdings Luxembourg S.C.A. and/or BCP Crystal are obligated to make payments under such guarantees or other security to the Purchaser and/or the minority shareholders, we may not have sufficient funds for payments on our indebtedness when due.

***Even if the minority shareholders' challenges to the Domination Agreement are unsuccessful and the Domination Agreement continues to be operative, we may not be able to receive distributions from Celanese AG sufficient to pay our obligations.***

Even if the minority shareholders' challenges to the Domination Agreement are unsuccessful and the Domination Agreement continues to be operative, we are limited in the amount of distributions we may receive in any year from Celanese AG. Under German law, the amount of distributions to the Purchaser will be determined based on the amount of unappropriated earnings generated during the term of the Domination Agreement as shown in the unconsolidated annual financial statements of Celanese AG, prepared in accordance with German accounting principles and as adopted and approved by resolutions of the Celanese AG board of management and supervisory board, which financial statements may be different from Celanese's consolidated financial statements under U.S. GAAP. Our share of these earnings, if any, may not be in amounts and at times sufficient to allow us to pay our indebtedness as it becomes due, which could have a material adverse effect on the value of the stock.

***We must rely on payments from our subsidiaries to fund payments on our preferred stock and certain of our subsidiaries must rely on payments from their own subsidiaries to fund payments on their indebtedness. Such funds may not be available in certain circumstances.***

We must rely on payments from our subsidiaries to fund dividend, redemption and other payments on our preferred stock. In addition, our subsidiaries, BCP Crystal and Crystal US Holdings 3 L.L.C. ("Crystal LLC"), are holding companies and all of their operations are conducted through their subsidiaries. Therefore, they depend on the cash flow of their subsidiaries, including Celanese, to meet their obligations, including obligations of approximately $3.2 billion (after giving effect to the Transactions, the Recent Restructuring and the Concurrent Financings) of our indebtedness. If the Domination Agreement ceases to be operative, such subsidiaries may be unable to meet their obligations under such indebtedness. Although the Domination Agreement became operative on October 1, 2004, it is subject to legal challenges instituted by dissenting shareholders. In August 2004, minority shareholders filed nine actions against Celanese AG in the Frankfurt District Court (*Landgericht*) seeking, among other things, to set aside the shareholder resolutions passed at the extraordinary general meeting held on July 30 and 31, 2004 based, among other things, on the alleged violation of procedural requirements and information rights of the shareholders, to declare the Domination Agreement and the change in the fiscal year void and to prohibit Celanese AG from performing its obligations under the Domination Agreement. Pursuant to German law, the time period for the filing of such challenges has expired. Further, two additional minority shareholders have joined the proceedings via third party intervention in support of the plaintiffs. The Purchaser has joined the proceedings via third party intervention to support Celanese AG. In addition, a German court could revoke the registration of the Domination Agreement in the commercial register. On August 2, 2004, two minority shareholders instituted public register proceedings with the Königstein Local Court (*Amtsgericht*) and the Frankfurt District Court, both with a view to have the registration of the Domination Agreement in the Commercial Register deleted (*Amtslöschungsverfahren*). See "Business Legal Proceedings."

The ability of our subsidiaries to make distributions to us, BCP Crystal and Crystal LLC by way of dividends, interest, return on investments, or other payments (including loans) or distributions is subject to various restrictions, including restrictions imposed by the senior credit facilities and indentures governing their indebtedness, and the terms of future debt may also limit or prohibit such payments. In addition, the ability of the subsidiaries to make such payments may be limited by relevant provisions of German and other applicable laws.

***Our internal controls over financial reporting may not be adequate and our independent auditors may not be able to certify as to their adequacy, which could have a significant and adverse effect on our business and reputation.***

We are evaluating our internal controls over financial reporting in order to allow management to report on, and our independent auditors to attest to, our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002 and rules and regulations of the SEC thereunder, which we refer to as Section 404. We are currently performing the system and process evaluation and testing required (and any necessary remediation) in an effort to comply with management certification and auditor attestation requirements of Section 404. The management certification and auditor attestation requirements of Section 404 will initially apply to Celanese Corporation as of December 31, 2005 and Celanese AG as of September 30, 2005. In the course of our ongoing evaluation, we have identified areas of internal controls requiring improvement, and plan to design enhanced processes and controls to address these and any other issues that might be identified through this review. We expect to incur additional expenses and diversion of management's time.

We cannot be certain as to the timing of completion of our evaluation, testing and remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent auditors may not be able to certify as to the adequacy of our internal control over financial reporting and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results.

***We identified significant deficiencies in our internal controls that could affect our ability to ensure timely and reliable financial reports.***

In addition to and separate from our evaluation of internal controls under Section 404 of the Sarbanes-Oxley Act and any areas requiring improvement that we identify as part of that process, we have identified a number of significant deficiencies in our internal controls.

In 2004, we identified two significant deficiencies in internal controls in the computation of certain accounting adjustments. The first related to the qualifications of employees responsible for initially calculating the change from the LIFO method of accounting for inventories to FIFO and the second related to changes in certain employee contract terms that were not reported timely for actuarial purposes. Corrective actions taken by us included an internal audit review, the development of enhanced guidelines, the termination and reassignment of responsible persons and an elevation of the issues to the Supervisory Board of Celanese AG.

We are in the process of implementing changes to strengthen our internal controls. In addition, while we have taken actions to address these deficiencies, additional measures may be necessary and these measures along with other measures we expect to take to improve our internal controls may not be sufficient to address the issues identified by us or ensure that our internal controls are sufficient. If we are unable to correct deficiencies in internal controls in a timely manner, our ability to record, process, summarize and report financial information will be adversely affected. This failure could materially and adversely impact our business, our financial condition and the market value of our securities.

**Risks Related to Our Indebtedness**

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

We are highly leveraged. On a pro forma basis as of September 30, 2004 after giving effect to the Transactions, the Recent Restructuring and the Concurrent Financings, our total debt would have been approximately $3.2 billion. See "Capitalization" for additional information.

Our substantial debt could have important consequences for you, including:

- making it more difficult for us to make payments on our debt;
- increasing vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on indebtedness, therefore reducing our ability to use Celanese's cash flow to fund operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates as certain of our borrowings, including the floating rate term loan and borrowings under the senior credit facilities, are at variable rates of interest;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

***Despite our current high leverage, we and our subsidiaries may be able to incur substantially more debt. This could further exacerbate the risks of our high leverage.***

We may be able to incur substantial additional indebtedness in the future. The terms of our existing debt do not fully prohibit us from doing so. The revolving credit facilities provide commitments of up to $608 million. As of December 31, 2004, there were no outstanding borrowings under the revolving credit facilities and availability of $402 million (taking into account letters of credit issued under the revolving credit facilities). In addition, upon the occurrence of certain events, we may request an increase to the existing term loan facility in an amount not to exceed $175 million in the aggregate, subject to receipt of commitments by existing term loan lenders or other financial institutions reasonably acceptable to the administrative agent. We also expect to incur an additional $442 million of indebtedness under our new senior credit facilities to finance the acquisitions of Acetex and Vinamul. See "Summary Recent Developments." If new debt is added to our current debt levels, the related risks that we now face could intensify.

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

Our ability to satisfy our cash needs depends on cash on hand, receipt of additional capital, including possible additional borrowings, and receipt of cash from our subsidiaries by way of distributions, advances or cash payments. On a pro forma basis at September 30, 2004, giving pro forma effect to the Concurrent Financings, we had approximately $3.2 billion of total indebtedness. Debt service requirements consist of principal repayments aggregating $260 million in the next five years and $3,176 million thereafter (including $221 million of accreted value on the senior discount notes) and annual cash interest payments of approximately $185 million in each of the next five years. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Contractual Obligations."

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

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

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

The senior credit facilities, the floating rate term loan and the indentures governing our indebtedness contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit the ability of Crystal LLC, BCP Crystal and their restricted subsidiaries to, among other things, incur additional indebtedness or issue preferred stock, pay dividends on or make other distributions on or repurchase their capital stock or make other restricted payments, make investments, and sell certain assets.

In addition, the senior credit facilities contain covenants that require Celanese Holdings LLC ("Celanese Holdings") to maintain specified financial ratios and satisfy other financial condition tests. Celanese Holdings' ability to meet those financial ratios and tests can be affected by events beyond its control, and it may not be able to meet those tests at all. A breach of any of these covenants could result in a default under the senior credit facilities. Upon the occurrence of an event of default under the senior credit facilities, the lenders could elect to declare all amounts outstanding under the senior credit facilities to be immediately due and payable and terminate all commitments to extend further credit. If Celanese Holdings were unable to repay those amounts, the lenders under the senior credit facilities could proceed against the collateral granted to them to secure that indebtedness. Celanese Holdings has pledged a significant portion of its assets as collateral under the senior credit facilities. If the lenders under the senior credit facilities accelerate the repayment of borrowings, Celanese Holdings may not have sufficient assets to repay the senior credit facilities and its other indebtedness, which could have a material adverse effect on the value of our stock.

***The terms of the senior credit facilities prohibit BCP Crystal and its subsidiaries from paying dividends or otherwise transferring their assets to us.***

Our operations are conducted through our subsidiaries and our ability to pay dividends is dependent on the earnings and the distribution of funds from our subsidiaries. However, the terms of the senior credit facilities prohibit BCP Crystal and its subsidiaries from paying dividends or otherwise transferring their assets to us. Accordingly, under the terms of the senior credit facilities, BCP Crystal and its subsidiaries may not make dividends to us to enable us to pay dividends on our stock.

**Risks Related to Our Business**

***We are an international company and are exposed to general economic, political and regulatory conditions and risks in the countries in which we have significant operations.***

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

Conditions such as the uncertainties associated with war, terrorist activities, epidemics, pandemics or political instability in any of the countries in which we operate could affect us by causing delays or losses in the supply or delivery of raw materials and products as well as increased security costs, insurance premiums and other expenses. These conditions could also result in or lengthen economic recession in the United States, Europe, Asia or elsewhere. Moreover, changes in laws or regulations, such as unexpected changes in regulatory requirements (including import or export licensing requirements), or changes in the reporting requirements of United States, German or European Union governmental agencies, could increase the cost of doing business in these regions. Any of these conditions may have an effect on our business and financial results as a whole and may result in volatile current and future prices for our securities, including the stock.

***Cyclicality in the industrial chemicals industry has in the past and may in the future result in reduced operating margins or in operating losses.***

Consumption of the basic chemicals that we manufacture, in particular those in acetyl products, such as methanol, formaldehyde, acetic acid and vinyl acetate monomer, has increased significantly over the past 30 years. Despite this growth in consumption, producers have experienced alternating periods of inadequate capacity and excess capacity for these products. Periods of inadequate capacity, including some due to raw material shortages, have usually resulted in increased selling prices and operating margins. This has often been followed by periods of capacity additions, which have resulted in declining capacity utilization rates, selling prices and operating margins.

We expect that these cyclical trends in selling prices and operating margins relating to capacity shortfalls and additions will likely persist in the future, principally due to the continuing combined impact of five factors:

- Significant capacity additions, whether through plant expansion or construction, can take two to three years to come on stream and are therefore necessarily based upon estimates of future demand.

- When demand is rising, competition to build new capacity may be heightened because new capacity tends to be more profitable, with a lower marginal cost of production. This tends to amplify upswings in capacity.

- When demand is falling, the high fixed cost structure of the capital-intensive chemicals industry leads producers to compete aggressively on price in order to maximize capacity utilization.

- As competition in these products is focused on price, being a low-cost producer is critical to profitability. This favors the construction of larger plants, which maximize economies of scale, but which also lead to major increases in capacity that can outstrip current growth in demand.

- Cyclical trends in general business and economic activity produce swings in demand for chemicals.

We believe that the basic chemicals industry, particularly in the commodity chemicals manufactured by our Chemical Products segment, is currently characterized by overcapacity, and that there may be further capacity additions in the next few years.

***The length and depth of product and industry business cycles of our markets, particularly in the automotive, electrical, construction and textile industries, may result in reduced operating margins or in operating losses.***

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

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

We purchase significant amounts of natural gas, ethylene, butane, and propylene from third parties for use in our production of basic chemicals in the Chemical Products segment, principally methanol, formaldehyde, acetic acid, vinyl acetate monomer, as well as oxo products. We use a portion of our output of these chemicals, in turn, as inputs in the production of further products in all our segments. We also purchase significant amounts of cellulose or wood pulp for use in our production of cellulose acetate in the Acetate Products segment. We purchase significant amounts of natural gas, electricity, coal and fuel oil to supply the energy required in our production processes.

Prices of natural gas, oil and other hydrocarbons have increased dramatically in 2004. To the extent this trend continues and we are unable to pass through these price increases to our customers, our operating profit and results of operations may be less favorable than expected.

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

- Shortages of raw materials due to increasing demand, e.g., from growing uses or new uses;
- Capacity constraints, e.g., due to construction delays, strike action or involuntary shutdowns;
- The general level of business and economic activity; and
- The direct or indirect effect of governmental regulation.

We strive to improve profit margins of many of our products through price increases when warranted and accepted by the market; however, our operating margins may decrease if we cannot pass on increased raw material prices to customers, or we may not be able to capture the benefit of raw material price declines if raw material prices fall to levels below those at which we are committed to purchase under forward purchase contracts. Even in periods during which raw material prices decline, we may suffer decreasing operating profit margins if raw material price reductions occur at a slower rate than decreases in the selling prices of our products.

A substantial portion of our products and raw materials are commodities whose prices fluctuate as market supply/demand fundamentals change. We manage our exposure through the use of derivative instruments and forward purchase contracts for commodity price hedging, entering into long-term supply agreements, and multi-year purchasing and sales agreements. Our policy, for the majority of our natural gas and butane requirements, allows entering into supply agreements and forward purchase or cash-settled swap contracts, generally for up to 24 months. During the first nine months of 2004, we did not enter into any forward contracts for our butane requirements and, for natural gas, had positions covering about 35% of our North American Chemical Products segment requirements primarily as a result of forward contracts entered into in 2003. In the future, we may modify our practice of purchasing a portion of our commodity requirements forward, and consider utilizing a variety of other raw material hedging instruments in addition to forward purchase contracts in accordance with changes in market conditions. As these forward contracts expire, we may be exposed to future price fluctuations if the forward purchase contracts are not replaced, or if we elect to replace them, we may have to do so at higher costs. Although we seek to offset increases in raw material prices with corresponding increases in the prices of our products, we may not be able to do so, and there may be periods when such product price increases lag behind raw material cost increases.

We have a policy of maintaining, when available, multiple sources of supply for raw materials. However, some of our individual plants may have single sources of supply for some of their raw materials, such as carbon monoxide and acetaldehyde. We may not be able to obtain sufficient raw materials due to unforeseen developments that would cause an interruption in supply. Even if we have multiple sources of supply for a raw material, these sources may not make up for the loss of a major supplier. Nor can there be any guarantee that profitability will not be affected should we be required to qualify additional sources of supply in the event of the loss of a sole or a major supplier.

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

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

***Frankfurt airport expansion could require us to reduce production capacity of, limit expansion potential of, or incur relocation costs for our Kelsterbach plant which would lead to significant additional costs.***

The Frankfurt airport's expansion plans include the construction of an additional runway. One of the three sites under consideration, the northwest option, would be located in close proximity to our Kelsterbach production plant. The construction of this particular runway could have a negative effect on the plant's current production capacity and future development. While the government of the state of Hesse and the owner of the Frankfurt airport promote the expansion of the northwest option, it is uncertain whether this option is in accordance with applicable laws. Although the government of the state of Hesse expects the plan approval for the airport expansion in 2007 and the start of operations in 2009-2010, neither the final outcome of this matter nor its timing can be predicted at this time.

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

Costs related to our compliance with environmental laws concerning, and potential obligations with respect to, contaminated sites may have a significant negative impact on our operating results. These include obligations related to sites currently or formerly owned or operated by us, or where waste from our operations was disposed. We also have obligations related to the indemnity agreement contained in the demerger and transfer agreement between Celanese and Hoechst, also referred to as the demerger agreement, for environmental matters arising out of certain divestitures that took place prior to the demerger. Our accruals for environmental remediation obligations, $147 million as of September 30, 2004, may be insufficient if the assumptions underlying those accruals prove incorrect or if we are held responsible for currently undiscovered contamination. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates Environmental Liabilities," notes 23 and 24 to the Celanese Consolidated Financial Statements and note 13 to the Interim Consolidated Financial Statements.

Our operations are subject to extensive international, national, state, local, and other supranational laws and regulations that govern environmental and health and safety matters. We incur substantial capital and other costs to comply with these requirements. If we violate them, we can be held liable for substantial fines and other sanctions, including limitations on our operations as a result of changes to or revocations of environmental permits involved. Stricter environmental, safety and health laws, regulations and enforcement policies could result in substantial costs and liabilities to us or limitations on our operations and could subject our handling, manufacture, use, reuse or disposal of substances or pollutants to more rigorous scrutiny than at present. Consequently, compliance with these laws could result in significant capital expenditures as well as other costs and liabilities and our business and operating results may be less favorable than expected. Due to new air regulations in the United States, management expects that there will be a temporary increase in compliance costs that will total approximately $30 million to $45 million through 2007. For example, the Miscellaneous Organic National Emissions Standards for Hazardous Air Pollutants (NESHAP) regulations, and various approaches to regulating boilers and incinerators, including the NESHAPs for Industrial/Commercial/Institutional Boilers and Process Heaters, will impose additional requirements on our operations. Although some of these rules have been finalized, a significant portion of the NESHAPs for Industrial/Commercial/Institutional Boilers and Process Heaters regulation that provides for a low risk alternative method of compliance for hydrogen chloride emissions has been challenged in federal court. We cannot predict the outcome of this challenge, which could, if successful, increase our costs by, according to our estimates, approximately $50 million above the $30 to $45 million noted above through 2007 to comply with this regulation. As another example, a recent European Union directive requires a trading system for carbon dioxide emissions to be in place by January 1, 2005. Accordingly, an Emission Trading System has been introduced by German and Belgian legislation, coming into effect at the beginning of 2005. This legislation will affect our power plants at the Kelsterbach and Oberhausen sites in Germany and the Lanaken site in Belgium, as well as power plants operated by InfraServ entities on sites at which we operate. We and the InfraServ entities may be required to purchase carbon dioxide credits, which could result in increased operating costs, or may be required to develop additional cost-effective methods to reduce carbon dioxide emissions further, which could result in increased capital expenditures.

We are also involved in several claims, lawsuits and administrative proceedings relating to environmental matters. An adverse outcome in any of them may negatively affect our earnings and cash flows in a particular reporting period.

***Changes in environmental, health and safety regulatory requirements could lead to a decrease in demand for our products.***

New or revised governmental regulations relating to health, safety and the environment may also affect demand for our products.

Pursuant to the European Union regulation on Risk Assessment of Existing Chemicals, the European Chemicals Bureau of the European Commission has been conducting risk assessments on approximately 140 major chemicals. Some of the chemicals initially being evaluated include vinyl acetate monomer or VAM, which we produce. These risk assessments entail a multi-stage process to determine to what extent the European Commission should classify the chemical as a carcinogen and, if so, whether this classification and related labeling requirements should apply only to finished products that contain specified threshold concentrations of a particular chemical. In the case of VAM, we currently do not expect a final ruling until mid-2005. We and other VAM producers are participating in this process with detailed scientific analyses supporting the industry's position that VAM is not a probable human carcinogen and that labeling of final products should not be required. If labeling is required, then it should depend on relatively high parts per million of residual VAM in these end products. We cannot predict the outcome or effect of any final ruling.

Several recent studies have investigated possible links between formaldehyde exposure and various end points including leukemia. The International Agency for Research on Cancer or IARC recently reclassified formaldehyde from Group 2A (probable human carcinogen) to Group 1 (known human carcinogen) based on studies linking formaldehyde exposure to nasopharyngeal cancer, a rare cancer in humans. IARC also concluded that there is insufficient evidence for a causal association between leukemia and occupational exposure to formaldehyde, although it also characterized evidence for such an association as strong. The results of IARC's review will be examined by government agencies with responsibility for setting worker and environmental exposure standards and labeling requirements. We are a producer of formaldehyde and plastics derived from formaldehyde. We are participating together with other producers and users in the evaluations of these findings. We cannot predict the final effect of IARC's reclassification.

Other recent initiatives will potentially require toxicological testing and risk assessments of a wide variety of chemicals, including chemicals used or produced by us. These initiatives include the Voluntary Children's Chemical Evaluation Program and High Production Volume Chemical Initiative in the United States, as well as various European Commission programs, such as the new European Environment and Health Strategy, commonly known as SCALE, as well as the Proposal for the Registration, Evaluation, Authorization and Restriction of Chemicals or REACH. REACH, which the European Commission proposed in October 2003, will establish a system to register and evaluate chemicals manufactured in, or imported to, the European Union. Depending on the final ruling, additional testing, documentation and risk assessments will occur for the chemical industry. This will affect European producers of chemicals as well as all chemical companies worldwide that export to member states of the European Union. The final ruling has not yet been decided.

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

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

Our operations are subject to operating risks associated with chemical manufacturing, including the related storage and transportation of raw materials, products and wastes. These hazards include, among other things:

- pipeline and storage tank leaks and ruptures;
- explosions and fires; and
- discharges or releases of toxic or hazardous substances.

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

We maintain property, business interruption and casualty insurance which we believe is in accordance with customary industry practices, but we cannot predict whether this insurance will be adequate to fully cover all potential hazards incidental to our business. We have established two captive insurance subsidiaries (Captives) that provide a portion of the total insurance coverage to us for certain of our lower tier property and casualty risks. They additionally provide coverage to third parties for their higher tier risk programs. If there were concurrent claims made on all policies issued by the Captives, sufficient capital may not be available for them to satisfy all claims against all such policies. As of September 30, 2004, the net retained concurrent aggregate risk of all policies written by the Captives, after reinsuring higher tier risks with third party insurance companies, net of established reserves, amounted to approximately $516 million. This amount of exposure is further offset by the underlying equity of the Captives amounting to approximately $370 million at September 30, 2004.

***Our significant non-U.S. operations expose us to global exchange rate fluctuations that could impact our profitability.***

We are exposed to market risk through commercial and financial operations. Our market risk consists principally of exposure to fluctuations in currency exchange and interest rates.

As we conduct a significant portion of our operations outside the United States, fluctuations in currencies of other countries, especially the euro, may materially affect our operating results. For example, changes in currency exchange rates may affect:

- The relative prices at which we and our competitors sell products in the same market; and

- The cost of items required in our operations.

We use financial instruments to hedge our exposure to foreign currency fluctuations. More than 90% of outstanding foreign currency contracts are used to hedge the foreign currency denominated intercompany net receivables. The net notional amounts under such foreign currency contracts outstanding at September 30, 2004 were $951 million. The hedging activity of foreign currency denominated intercompany net receivables resulted in a cash inflow of approximately $15 million for the nine months ended September 30, 2004. These positive effects may not be indicative of future effects.

A substantial portion of our net sales is denominated in currencies other than the U.S. dollar. In our consolidated financial statements, we translate our local currency financial results into U.S. dollars based on average exchange rates prevailing during a reporting period or the exchange rate at the end of that period. During times of a strengthening U.S. dollar, at a constant level of business, our reported international sales, earnings, assets and liabilities will be reduced because the local currency will translate into fewer U.S. dollars. We estimate that the translation effects of changes in the value of other currencies against the U.S. dollar increased net sales by approximately 4% for the nine months ended September 30, 2004, 7% for the year ended December 31, 2003 and increased net sales by approximately 2% in 2002. We estimate that the translation effects of changes in the value of other currencies against the U.S. dollar had minimal impact on total assets for the nine months ended September 30, 2004 and increased total assets by approximately 5% in 2003.

In addition to currency translation risks, we incur a currency transaction risk whenever one of our operating subsidiaries enters into either a purchase or a sales transaction using a currency different from the operating subsidiary's functional currency. Given the volatility of exchange rates, we may not be able to manage our currency transaction and/or translation risks effectively, or volatility in currency exchange rates may expose our financial condition or results of operations to a significant additional risk. Since a portion of our indebtedness is and will be denominated in currencies other than U.S. dollars, a weakening of the U.S. dollar could make it more difficult for us to repay our indebtedness.

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

Our funding policy for pension plans is to accumulate plan assets that, over the long run, will approximate the present value of projected benefit obligations. Our pension cost is materially affected by the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets can result in corresponding increases and decreases in the valuation of plan assets, particularly equity securities, or in a change of the expected rate of return on plan assets. A change in the discount rate would result in a significant increase or decrease in the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years. Similarly, changes in the expected return on plan assets can result in significant changes in the net periodic pension cost of the following fiscal years. As of December 31, 2003, our underfunded position related to our defined benefit pension plans was $879 million. During 2004, we voluntarily contributed approximately $457 million to the plans. In 2004, no funding is statutorily required for any of our sponsored plans.

***We have preliminarily recorded a significant amount of goodwill and other identifiable intangible assets, and we may never realize the full value of our intangible assets.***

In connection with the Transactions, we have recorded a significant amount of goodwill and other identifiable intangible assets. Goodwill and other net identifiable intangible assets were approximately $934 million as of September 30, 2004, or 13% of our total assets based on preliminary purchase accounting. Goodwill and net identifiable intangible assets are recorded at fair value on the date of acquisition and, in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets, will be reviewed at least annually for impairment. Impairment may result from, among other things, deterioration in our performance, adverse market conditions, adverse changes in applicable laws or regulations, including changes that restrict the activities of or affect the products and services sold by our business, and a variety of other factors. The amount of any quantified impairment must be expensed immediately as a charge to results of operations. Depending on future circumstances, it is possible that we may never realize the full value of our intangible assets. Any future determination of impairment of a significant portion of goodwill or other identifiable intangible assets would have an adverse effect on our financial condition and results of operations.

***Celanese may be required to make payments to Hoechst.***

Under its 1999 demerger agreement with Hoechst, Celanese agreed to indemnify Hoechst for environmental liabilities that Hoechst may incur with respect to Celanese's German production sites, which were transferred from Hoechst to Celanese in connection with the demerger. Celanese also has an obligation to indemnify Hoechst against liabilities for environmental damages or contamination arising under certain divestiture agreements entered into by Hoechst prior to the demerger. As the indemnification obligations depend on the occurrence of unpredictable future events, the costs associated with them are not yet determinable and may materially affect operating results.

Celanese's obligation to indemnify Hoechst against liabilities for environmental contamination in connection with the divestiture agreements is subject to the following thresholds (translated into U.S. dollars using the September 30, 2004 exchange rate):

- Celanese will indemnify Hoechst for the total amount of these liabilities up to €250 million (approximately $310 million);

- Hoechst will bear the full amount of those liabilities between €250 million (approximately $310 million) and €750 million (approximately $930 million); and

- Celanese will indemnify Hoechst for one third of those liabilities for amounts exceeding €750 million (approximately $930 million).

Celanese has made payments through September 30, 2004 of $37 million for environmental contamination liabilities in connection with the divestiture agreements, and may be required to make additional payments in the future. As of September 30, 2004, we have reserves of approximately $47 million for this contingency, and may be required to record additional reserves in the future.

Also, Celanese has undertaken in the demerger agreement to indemnify Hoechst to the extent that Hoechst is required to discharge liabilities, including tax liabilities, in relation to assets included in the demerger, where such liabilities have not been demerged due to transfer or other restrictions. Celanese has not made any payments to Hoechst in 2004 and did not make any payments in either 2003 or 2002 in connection with this indemnity.

Under the demerger agreement, Celanese will also be responsible, directly or indirectly, for all of Hoechst's obligations to past employees of businesses that were demerged to Celanese. Under the demerger agreement, Hoechst agreed to indemnify Celanese from liabilities (other than liabilities for environmental contamination) stemming from the agreements governing the divestiture of Hoechst's polyester businesses, which were demerged to Celanese, insofar as such liabilities relate to the European part of that business. Hoechst has also agreed to bear 80 percent of the financial obligations arising in connection with the government investigation and litigation associated with the sorbates industry for price fixing described in "Business Legal Proceedings Sorbates Antitrust Actions" and note 23 to the Celanese Consolidated Financial Statements and note 13 to the Interim Consolidated Financial Statements, and Celanese has agreed to bear the remaining 20 percent.

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

Certain of our borrowings, primarily borrowings under the senior credit facilities, are at variable rates of interest and expose us to interest rate risk. If interest rates increase, which we expect to occur, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash available for servicing our indebtedness would decrease. On a pro forma basis as of September 30, 2004, we had $1,656 million of variable rate debt. A 1% increase in interest rates would increase annual interest expense by approximately $17 million.

We may enter into interest rate swap agreements to reduce the exposure of interest rate risk inherent in our debt portfolio. We have, in the past, used swaps for hedging purposes only.

***Because our Sponsor controls us and will continue to control us after this offering, the influence of our public shareholders over significant corporate actions will be limited, and conflicts of interest between our Sponsor and us or you could arise in the future.***

After the consummation of this offering, our Sponsor (as defined in this prospectus) will beneficially own approximately 58.2% of our outstanding common stock and will own approximately 62.6% of our outstanding common stock if the underwriters' over-allotment option is not exercised. As a result, our Sponsor, through its control over the composition of our Board of Directors and its control of the majority of the voting power of our common stock, has effective control over our decisions to enter into any corporate transaction and will have the ability to prevent any transaction that requires the approval of equityholders regardless of whether or not other equityholders or noteholders believe that any such transactions are in their own best interests. For example, our Sponsor effectively could cause us to make acquisitions that increase our indebtedness or sell revenue-generating assets. Additionally, our Sponsor is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Our Sponsor may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. So long as our Sponsor continues to own a significant amount of our equity, even if such amount is less than 50%, it will continue to be able to significantly influence or effectively control our decisions. Under the amended and restated shareholders' agreement between us and the Original Stockholders which are affiliates of the Sponsor, such Original Stockholders will be entitled to designate all nominees for election to our board of directors for so long as they hold at least 25% of the total voting power of our common stock. See "Certain Relationships and Related Party Transactions New Arrangements Shareholders' Agreement." Thereafter, although our Sponsor will not have an explicit contractual right to do so, it may still nominate directors in its capacity as a stockholder.

Our amended and restated certificate of incorporation will renounce any interest or expectancy that we have in, or being offered an opportunity to participate in, specified business opportunities. Our amended and restated certificate of incorporation will provide that none of the Original Stockholders (including the Sponsor) or their affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates engage or propose to engage or (ii) otherwise competing with us. In addition, in the event that any of the Original Stockholders (including the Sponsor) or any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its affiliates and for us or our affiliates, such Original Stockholder or non-employee director will have no duty to communicate or offer such transaction or business opportunity to us and may take any such opportunity for themselves or offer it to other companies in which they have an investment or other business relationship.

***We are a "controlled company" within the meaning of The New York Stock Exchange rules and, as a result, are exempt from certain corporate governance requirements.***

Upon completion of this offering, our Sponsor will continue to control a majority of the voting power of our outstanding common stock. As a result, we are a "controlled company" within the meaning of the New York Stock Exchange corporate governance standards. Under the New York Stock Exchange rules, a company of which more than 50% of the voting power is held by another company is a "controlled company" and need not comply with certain requirements, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that the nominating committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities, (3) the requirement that the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (4) the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees. Following this offering, we intend to utilize these exemptions. As a result, we will not have a majority of independent directors nor will our nominating and compensation committees consist entirely of independent directors. Accordingly, you will not have the same protections afforded to shareholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements.

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

We attach great importance to patents, trademarks, copyrights and product designs in order to protect our investment in research and development, manufacturing and marketing. Our policy is to seek the widest possible protection for significant product and process developments in its major markets. Patents may cover products, processes, intermediate products and product uses. Protection for individual products extends for varying periods in accordance with the date of patent application filing and the legal life of patents in the various countries. The protection afforded, which may also vary from country to country, depends upon the type of patent and its scope of coverage. Our continued growth strategy may bring us to regions of the world where intellectual property protection may be limited and difficult to enforce. We are currently pursuing a number of matters relating to the infringement of our acetic acid patents. If these efforts are unsuccessful, our revenues, results of operations and cash flows in the Chemical Products segment may be adversely affected. Some of our earlier acetic acid patents will expire in 2007; other patents covering acetic acid are presently pending.

As patents expire, the products and processes described and claimed in those patents become generally available for use by the public. Our European and U.S. patents for making Sunett, an important product in our Performance Products segment, expire in 2005, which will reduce our ability to realize revenues from making Sunett due to increased competition and potential limitations and will result in our results of operations and cash flows relating to the product being less favorable than today.

We also seek to register trademarks extensively as a means of protecting the brand names of our products, which brand names become more important once the corresponding patents have expired. If we are not successful in protecting our trademark rights, our revenues, results of operations and cash flows may be adversely affected.

**Risks Related to this Offering**

***There is no existing market for our common stock, and we do not know if one will develop to provide you with adequate liquidity.***

There has not been a public market for the Issuer's common stock. We cannot predict the extent to which investor interest in our company will lead to the development of a trading market on The New York Stock Exchange or otherwise or how liquid that market might become. The initial public offering price for the shares will be determined by negotiations between us and the representative of the underwriters and may not be indicative of prices that will prevail in the open market following this offering.

***Future sales of our shares could depress the market price of our common stock.***

The market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market after the offering or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

We, our executive officers and directors and the Original Stockholders have agreed with the underwriters not to sell, dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of our common stock, subject to specified exceptions, during the period from the date of this prospectus continuing through the date that is 180 days after the date of this prospectus, except with the prior written consent of Morgan Stanley & Co. Incorporated and Lehman Brothers Inc.

After this offering, we anticipate having 158,675,271 shares of common stock outstanding (consisting of 58,937,909 shares of Series A common stock and 99,737,362 shares of Series B common stock). Of those shares, the 50,000,000 shares of Series A common stock we are offering (excluding shares issuable under the underwriters' over-allotment option) will be freely tradeable. The 108,675,271 shares of common stock outstanding (consisting of 8,937,909 shares of Series A common stock and 99,737,362 shares of Series B common stock) will be eligible for resale from time to time after the expiration of the 180-day lock-up period, subject to contractual and Securities Act restrictions. None of those shares may be currently resold under Rule 144(k) without regard to volume limitations and approximately 108,675,271 shares may be sold subject to the volume, manner of sale, holding period and other conditions of Rule 144. After the expiration of the 180-day lock-up period, the Original Stockholders, which collectively beneficially own 107,237,362 shares (consisting of 7,500,000 shares of Series A common stock assuming no exercise of the underwriters' over allotment option to purchase additional shares of Series A common stock and 99,737,262 shares of Series B common stock which will automatically convert to Series A common stock after the payment of the special Series B common stock dividend and may also be converted into Series A common stock at any time at the option of the holder), will have the ability to cause us to register the resale of their shares.

***The market price of our common stock may be volatile, which could cause the value of your investment to decline.***

Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of the common stock in spite of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors, and in response, the market price of our common stock could decrease significantly. You may be unable to resell your shares of our common stock at or above the initial public offering price.

***The book value of shares of common stock purchased in the offering will be immediately diluted.***

Investors who purchase common stock in the offering will suffer immediate dilution of $27.53 per share in the pro forma net tangible book value per share after giving effect to the contemplated use of proceeds from the Concurrent Financings. See "Dilution."

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

Provisions contained in our amended and restated certificate of incorporation and bylaws could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Provisions of our amended and restated certificate of incorporation and bylaws impose various procedural and other requirements, which could make it more difficult for shareholders to effect certain corporate actions. For example, our amended and restated certificate of incorporation authorizes our board of directors to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock, without any vote or action by our shareholders. Thus, our board of directors can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our Series A common stock. These rights may have the effect of delaying or deterring a change of control of our company. In addition, a change of control of our company may be delayed or deterred as a result of our having three classes of directors (each class elected for a three year term) or as a result of the shareholders' rights plan expected to be adopted by our board of directors prior to the consummation of this offering. In addition, we would be required to issue additional shares of our Series A common stock to holders of the preferred stock who convert following a fundamental change. See "Description of Convertible Perpetual Preferred Stock." These provisions could limit the price that certain investors might be willing to pay in the future for shares of our common stock. See "Description of Capital Stock."

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains 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. These statements include, but are not limited to, statements about our strategies, plans, objectives, expectations, intentions, expenditures, and assumptions and other statements contained in this prospectus that are not historical facts. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "plan" and "project" and similar expressions, as they relate to us are intended to identify forward-looking statements. These statements reflect our current views with respect to future events, are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate.

Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, among other things:

- changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate;
- the length and depth of product and industry business cycles particularly in the automotive, electrical, electronics, construction and textile industries;
- changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of fuel oil, natural gas, coal, wood pulp, electricity and petrochemicals such as ethylene, propylene and butane, including changes in production quotas in OPEC countries and the deregulation of the natural gas transmission industry in Europe;
- the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases;
- the ability to maintain plant utilization rates and to implement planned capacity additions and expansions;
- the ability to reduce production costs and improve productivity by implementing technological improvements to existing plants;
- the existence of temporary industry surplus production capacity resulting from the integration and start-up of new world-scale plants;
- increased price competition and the introduction of competing products by other companies;
- the ability to develop, introduce and market innovative products, product grades and applications, particularly in the Technical Polymers Ticona and Performance Products segments of our business;
- changes in the degree of patent and other legal protection afforded to our products;
- compliance costs and potential disruption or interruption of production due to accidents or other unforeseen events or delays in construction of facilities;
- potential liability for remedial actions under existing or future environmental regulations;
- 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;

- changes in the composition or restructuring of us or our subsidiaries and the successful completion of acquisitions, divestitures and joint venture activities;

- pending or future challenges to the Domination Agreement and continuing access to the cash flows of Celanese AG; and

- various other factors, both referenced and not referenced in this prospectus.

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 prospectus 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.

**SPECIAL NOTE REGARDING NON-GAAP FINANCIAL MEASURES**

The body of generally accepted accounting principles is commonly referred to as "GAAP." For this purpose, a non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that would not be so adjusted in the most comparable U.S. GAAP measure. From time to time we disclose non-GAAP financial measures, primarily EBITDA, as defined below. The non-GAAP financial measures described in this prospectus should not be viewed in isolation and are not a substitute for GAAP measures of earnings and cash flows.

*EBITDA*

EBITDA is defined as earnings (loss) from continuing operations, plus interest expense net of interest income, income taxes and depreciation and amortization.

Management uses EBITDA as a basis for measuring performance:

- Our management and the board of directors use EBITDA to compare our performance to others in the industry and across different industries and in assessing the value of the business.
- Our management and the board of directors use EBITDA multiples as one criterion in valuing potential acquisitions.

Management believes EBITDA is helpful in highlighting trends on an overall basis and in the business segments because EBITDA excludes the results of decisions that are outside the control of operating management and can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which the company operates and capital investments. In addition, EBITDA provides more comparability between the historical results of Celanese AG and our results which reflect purchase accounting and the new capital structure.

*Limitations*

EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP. An investor or potential investor may find any one or all of these items important in evaluating performance, results of operations, financial position and liquidity. Some of these limitations are:

- EBITDA does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- EBITDA does not reflect cash tax payment requirements;
- EBITDA does not reflect cash expenditures, future requirements for capital expenditures or contractual commitments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs; and
- Other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as comparative measures.

Management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Management also uses other metrics to evaluate capital structure, tax planning and capital investment decisions. For example, management uses credit ratings

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and net debt ratios to evaluate capital structure, effective tax rate by jurisdiction to evaluate tax planning, and payback period and internal rate of return to evaluate capital investments. Management also uses trade working capital to evaluate its investment in receivables and inventory, net of payables.

EBITDA is also presented because management believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of issuers. Management believes that EBITDA provides useful information for comparing companies in the same industry and across different industries. For example:

Interest expense is dependent on the capital structure and credit rating of a company. However, debt levels, credit ratings and, therefore, the impact of interest expense on earnings vary in significance between companies.

The tax positions of individual companies can vary because of their differing abilities to take advantage of tax benefits and the differing jurisdictions in which they transact business, with the result that their effective tax rates and tax expense can vary considerably.

Companies differ in the age and method of acquisition of productive assets, and thus the relative costs of those assets, as well as in the depreciation method (straight-line, accelerated, units of production), which can result in considerable variability in depreciation and amortization expense between companies.

Investors or potential investors should not rely on EBITDA as a substitute for any GAAP financial measure. In addition, calculations of EBITDA contained in this prospectus may or may not be consistent with that of other companies. We strongly urge investors or potential investors to review the reconciliations of EBITDA contained in this prospectus, including the related explanations, the limitations of these exclusions described above and the other financial information contained in this prospectus. We also strongly urge investors or potential investors not to rely on any single financial measure to evaluate our business.

## THE TRANSACTIONS

As used in this prospectus, the term "Transactions" means, collectively, the Tender Offer, the Original Financing, the Refinancing and the Senior Discount Notes Offering described below. Our current ownership structure is summarized under "The Recent Restructuring."

### The Tender Offer and the Original Financing

Pursuant to the Tender Offer, in April 2004 the Purchaser, an indirect wholly owned subsidiary of the Issuer, acquired, at a price of €32.50 per share, a total of 41,588,227 Celanese Shares, representing approximately 84% of the Celanese Shares outstanding on that date.

In addition, as a part of the Tender Offer, the Purchaser agreed to refinance certain existing debt of Celanese, pre-fund certain pension obligations of Celanese, pre-fund certain contingencies and certain obligations linked to the value of the Celanese Shares, such as the payment of fair cash compensation under the Domination Agreement for the remaining Celanese Shares, and payment obligations related to outstanding stock appreciation rights, stock options and interest payments, provide additional funds for working capital and other general corporate purposes, and pay related fees and expenses. The sources and uses of funds used in connection with the Tender Offer and the Original Financing are set forth in the table below. See "Description of Indebtedness" for a description of the senior credit facilities.

| Sources (in millions) | | | Uses (in millions) | | |
|---|---|---|---|---|---|
| Revolving Credit Facilities[1] | $ | | Aggregate Tender Offer Price[5] | $ | 1,624 |
| Term Loan Facility | | 608 | Pension Contribution[6] | | 463 |
| Senior Subordinated Bridge Loan Facilities[2] | | 1,565 | Refinancing of Existing Debt[7] | | 175 |
| Mandatorily Redeemable Preferred Shares[3] | | 200 | Available Cash[8] | | 555 |
| Cash Equity Investments[4] | | 650 | Estimated Fees and Expenses | | 206 |
| Total Sources | $ | 3,023 | Total Uses | $ | 3,023 |

(1) The revolving credit facilities provide for borrowings of up to $608 million. No amounts thereunder were borrowed in connection with the Tender Offer and the Original Financing.

(2) Represents $814 million of the Senior Subordinated Bridge B and $751 million of the Senior Subordinated Bridge C Loan variable rate borrowings (which includes the U.S. dollar equivalent of a €450 million tranche). The senior subordinated bridge loan facilities were originally due in 2014, subject to certain conditions.

(3) Represents $200 million of the Issuer's mandatorily redeemable preferred shares. The mandatorily redeemable preferred shares were redeemed on July 1, 2004. See "  The Refinancing."

(4) Consisted of cash equity contributions of $650 million from the Original Stockholders.

(5) Represents the U.S. dollar equivalent of the total amount of consideration at €32.50 per ordinary share for approximately 84% of the then-outstanding Celanese Shares.

(6) Represents the amount to pre-fund certain of Celanese's pension obligations.

(7) Represents the amount of variable rate loans of Celanese repaid subsequent to the Tender Offer.

(8)

Represents cash available to purchase remaining outstanding Celanese Shares, to pay certain contingencies and obligations of Celanese linked to the value of the Celanese Shares, to repay additional existing indebtedness, to pay interest on the senior subordinated notes and to make loans to Celanese and its subsidiaries for working capital and general corporate purposes.

**The Refinancing**

BCP Caylux Holdings Luxembourg S.C.A. used the proceeds from its offerings of $1,225 million and €200 million principal amount of the senior subordinated notes in June and July 2004, together with available cash and borrowings under a $350 million senior secured floating rate term loan to repay its two senior subordinated bridge loan facilities, plus accrued interest, to redeem the mandatorily redeemable preferred shares and to pay related fees and expenses. See "Description of Indebtedness" for a description of the senior subordinated notes and the floating rate term loan.

| Sources (in millions) | | | Uses (in millions) | | |
|---|---|---|---|---|---|
| Senior Subordinated Notes[1] | $ | 1,475 | Refinancing of Senior Subordinated Bridge Loan Facilities[2] | $ | 1,594 |
| Floating Rate Term Loan | | 350 | Redemption of the Mandatorily Redeemable Preferred Shares | | 227 |
| Available Cash | | 47 | Estimated Fees and Expenses | | 51 |
| Total Sources | $ | 1,872 | Total Uses | $ | 1,872 |

(1) Includes the U.S. dollar equivalent of the euro notes.

(2) Represents $814 million of the Senior Subordinated Bridge B and $751 million of Senior Subordinated Bridge C Loan variable rate borrowings, plus accrued interest on the senior subordinated bridge loan facilities.

**Senior Discount Notes Offering**

In September 2004, Crystal US Holdings 3 L.L.C. ("Crystal LLC") and Crystal US Sub 3 Corp., a subsidiary of Crystal LLC, issued $853 million aggregate principal amount at maturity of their Senior Discount Notes due 2014. The issuers of the senior discount notes used the net proceeds of $500 million from the offering to make a return of capital distribution to the Issuer, which in turn made a distribution to the Original Stockholders, and to pay fees and expenses. Until October 1, 2009, interest on the senior discount notes will accrue in the form of an increase in the accreted value of such notes. See "Description of Indebtedness  Senior Discount Notes due 2014."

**Post-Tender Offer Events**

After the completion of the Tender Offer and the Original Financing, we or our affiliates entered into or intend to pursue some or all of the following:

*Delisting.* The Celanese Shares were delisted from the New York Stock Exchange (the "NYSE") on June 2, 2004. Celanese AG may also apply to revoke the admission of the Celanese Shares to the Frankfurt Stock Exchange, which would require, among other things, a resolution at the shareholders' meeting of Celanese AG with the majority of the votes cast in favor of such resolution. If the Celanese Shares were to be delisted from both the NYSE and from the Frankfurt Stock Exchange, the Purchaser or Celanese AG would have to offer the then outstanding minority shareholders of Celanese AG fair cash compensation in exchange for their Celanese Shares determined as described below.

*Domination and Profit and Loss Transfer Agreement.* On June 22, 2004, the Purchaser entered into a domination and profit and loss transfer agreement (*Beherrschungs- und Gewinnabführungsvertrag*) with Celanese AG (the "Domination Agreement"), pursuant to which Celanese AG agreed to submit itself to the direction of, and to transfer its entire profits to, the Purchaser and the Purchaser agreed to compensate Celanese AG for any annual losses (*Jahresfehlbetrag*) incurred during the term of the Domination Agreement. The Domination Agreement and a related change to Celanese AG's fiscal year were submitted to a shareholder vote and approved at an extraordinary general meeting held on July 30-31, 2004. The Domination Agreement was registered in the commercial register on August 2, 2004 and became operative on October 1, 2004. The Domination Agreement is subject to legal challenges instituted by dissenting shareholders. Minority shareholders have filed nine actions against Celanese AG in the Frankfurt District Court (*Landgericht*), seeking, among other things, to set aside the shareholder resolutions passed at the extraordinary general meeting held on July 30 and 31, 2004 based, among other things, on the alleged violation of procedural requirements and information rights of the shareholders, to declare the Domination Agreement and the change in the fiscal year void and

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to prohibit Celanese AG from performing its obligations under the Domination Agreement. In addition, a German court could revoke the registration of the Domination Agreement in the commercial register. On August 2, 2004, two minority shareholders instituted public register proceedings with the Königstein Local Court (*Amtsgericht*) and the Frankfurt District Court, both with a view to have the registration of the Domination Agreement in the Commercial Register deleted (*Amtslöschungsverfahren*). See "Business Legal Proceedings."

Pursuant to the Domination Agreement, the entire annual statutory profits of Celanese AG, if any, less any loss carried forward from the previous fiscal year, less any amount to be allocated to the statutory capital reserve (*gesetzliche Rücklage*) and less any amount to be allocated to other profit reserves (*andere Gewinnrücklagen*) upon approval by the Purchaser, will be transferred to the Purchaser. If, however, during any fiscal year during the operative term of the Domination Agreement, Celanese AG incurs an annual loss (*Jahresfehlbetrag*), the Purchaser would have to pay to Celanese AG an amount equal to such loss to the extent that the respective annual loss is not fully compensated for by dissolving other profit reserves (*andere Gewinnrücklagen*) accrued at Celanese AG since the date on which the Domination Agreement became operative (*Verlustausgleichspflicht*). Such payment obligation would accrue at the end of any fiscal year of Celanese AG in which an annual loss was incurred and such accrual would be independent from the adoption of the financial statements. In the event that profits of Celanese AG (including distributable profit reserves accrued and carried forward during the term of the Domination Agreement) or valuable counterclaims by the Purchaser against Celanese AG, which can be off-set against loss compensation claims by Celanese AG, are not sufficient to cover such annual loss, the Purchaser will be required to compensate Celanese AG for any such shortfall by making a cash payment equal to the amount of such shortfall. In such event, the Purchaser may not have sufficient funds to distribute to us for payment of our obligations and, unless the Purchaser is able to obtain funds from a source other than annual profits of Celanese AG, the Purchaser may not be able to satisfy its obligation to fund such shortfall. BCP Caylux Holdings Luxembourg S.C.A. and BCP Crystal have each agreed to provide the Purchaser with financing to further strengthen the Purchaser's ability to be in a position at all times to fulfill all of its obligations when they become due under, or in connection with, the Domination Agreement and to ensure that the Purchaser will perform all of its obligations under, or in connection with, the Domination Agreement when such obligations become due, including, without limitation, the obligations to pay a guaranteed fixed annual payment to the outstanding minority shareholders of Celanese AG, to offer to acquire all outstanding Celanese Shares from the minority shareholders in return for payment of fair cash consideration and to compensate Celanese AG for any annual loss incurred by Celanese AG during the term of the Domination Agreement. If BCP Caylux Holdings Luxembourg S.C.A. and/or BCP Crystal are obligated to make payments under such guarantees or other security to the Purchaser and/or the minority shareholders, we may not have sufficient funds to make payments on our debt or to make funds available to the Issuer.

As a consequence of entering into the Domination Agreement, § 305(1) of the German Stock Corporation Act (*Aktiengesetz*) requires that, upon the Domination Agreement becoming operative, the Purchaser must at the request of each remaining minority shareholder of Celanese AG, acquire such shareholders' registered ordinary shares of Celanese AG in exchange for payment of "fair cash compensation" (*angemessene Barabfindung*). As required under § 305(3) sentence 3 of the German Stock Corporation Act, the Purchaser will pay to all minority shareholders who tender into such offer and whose shares are paid for after the day following the date the Domination Agreement becomes operative, interest on the offer price from such day until the day preceding the date of settlement at a rate of 2% per annum plus the base rate (as defined in § 247 of the German Civil Code (*BGB*)) per annum prevailing from time to time, as reduced by any guaranteed dividend payments. The mandatory offer required pursuant to § 305(1) of the German Stock Corporation Act is not a voluntary public takeover offer or any other offer under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs-und Übernahmegesetz*) or a takeover or tender offer under any other applicable German law. However, it may be considered a tender offer under applicable laws of the United States of America. Therefore, in order to comply with applicable U.S. securities laws, the Purchaser commenced an offer on September 2, 2004, which is continuing as of the date of this prospectus. The terms of this offer are set forth in the offer document, dated September 2, 2004, which was filed with the SEC under cover of Schedule TO on the same day. As of December 6, 2004, pursuant to this offer the Purchaser had acquired over 615,000 Celanese Shares. On December 29, 2004, the closing price of the Celanese Shares on the Frankfurt Stock Exchange was €45.20. At the fair cash compensation offer price of €41.92 per share required by the Domination Agreement for all Celanese Shares outstanding as of September 30, 2004 not already owned by the Purchaser, the total amount of funds necessary to purchase such remaining outstanding Celanese Shares would be €348 million, plus accrued interest from October 2, 2004. The Purchaser expects to use a significant portion of its available cash to pay for any of the remaining outstanding Celanese Shares that it may acquire. In addition, if Celanese AG delists the Celanese Shares from the Frankfurt Stock Exchange, the Purchaser effects a squeeze-out or Celanese AG is converted into a limited partnership or a limited liability company, as described below, the Purchaser and/or Celanese AG must in each case make another offer to the then remaining minority shareholders of Celanese AG of fair cash compensation in exchange for their Celanese Shares or, in the case of a conversion, in exchange for their equity interest in the entity that results from the conversion. The €41.92 per share fair cash compensation, plus interest, required to be offered to minority shareholders in connection with the Domination Agreement is greater than the Tender Offer price. The amount of fair cash compensation is currently under review in special award proceedings (*Spruchverfahren*). The amount of fair cash compensation per share to be offered upon the occurrence of any other such event may be equal to, higher or lower than, the Tender Offer price or the fair cash compensation of €41.92, plus interest, offered pursuant to the Domination Agreement.

Any minority shareholder who elects not to sell its shares to the Purchaser will be entitled to remain a shareholder of Celanese AG and to receive a gross guaranteed fixed annual payment on its shares (*Ausgleich*) of €3.27 per Celanese Share less certain corporate taxes in lieu of any future dividend. Taking into account the circumstances and the tax rates at the time of entering into the Domination Agreement, the net guaranteed fixed annual payment is €2.89 per share for a full fiscal year. The net guaranteed fixed annual payment may, depending on applicable corporate tax rates, in the future be higher, lower or the same as €2.89 in lieu of any future dividends determined as described below under " Determination of the Amount to be Paid to the Minority Shareholders."

As described in "Risk Factors," due to legal challenges, there is no assurance that the Domination Agreement will remain operative in its current form. If the Domination Agreement ceases to be operative, the Purchaser cannot directly give instructions to the Celanese AG board of management. However, irrespective of whether a domination agreement is in place between the Purchaser and Celanese AG, under German law Celanese AG is effectively controlled by the Purchaser because of the Purchaser's 84% ownership of the Celanese Shares. The Purchaser has the ability, through a variety of means, to utilize its controlling rights to, among other things, (1) ultimately cause a domination agreement to become operative; (2) use its ability, through its 84% voting power at any shareholders' meetings of Celanese AG, to elect the shareholder representatives on the supervisory board and to thereby effectively control the appointment and removal of the members of the Celanese AG board of management; and (3) effect all decisions that a majority shareholder is permitted to make under German law. The controlling rights of the Purchaser constitute a controlling financial interest for accounting purposes and result in the Purchaser being required to consolidate Celanese AG as of the date of acquisition.

*Change in Fiscal Year.* At the extraordinary general meeting on July 30 and 31, 2004, Celanese AG shareholders also approved a change of Celanese AG's fiscal year and a corresponding change of Celanese AG's statutes in order to take advantage of the consolidated tax filing status. Therefore, from September 30, 2004 onwards, Celanese AG's fiscal year will begin on October 1 and end on September 30 of the following year. A short fiscal year ran from January 1, 2004 to September 30, 2004. The Issuer's fiscal year runs from January 1 to December 31.

*Subsequent Purchases of Celanese Shares.* The Purchaser may from time to time purchase or be required to purchase any or all of the outstanding Celanese Shares not owned by it in market transactions or otherwise. Examples of instances in which the Purchaser may be required to purchase additional Celanese Shares include the ongoing mandatory offer relating to the domination and profit and loss transfer agreement entered into by the Purchaser and Celanese AG, or additional mandatory offers required by actions that the Purchaser or its affiliates may take in the future, such as a possible delisting of the Celanese Shares from the Frankfurt Stock Exchange, a possible squeeze-out of the minority shareholders of Celanese AG or a possible conversion of Celanese AG into a different legal form. The Purchaser's decision to pursue subsequent voluntary purchases will depend on, among other factors, the then-prevailing market prices and any negotiated terms with minority shareholders. If the Purchaser purchases Celanese Shares in an individually negotiated purchase not over the stock exchange, and before the first anniversary of the publication of the final results of the Tender Offer for consideration higher than the Tender Offer price, it will be required to make additional compensating payments to sellers of Celanese Shares in the Tender Offer.

*Squeeze-out and Conversion.* If the Purchaser acquires Celanese Shares representing 95% or more of the registered ordinary share capital (excluding treasury shares) of Celanese AG, the Purchaser intends to require, as permitted under German law, the transfer to the Purchaser of the Celanese Shares owned by the then-outstanding minority shareholders of Celanese AG in exchange for fair cash compensation (the "Squeeze-out"), determined as described below under " Determination of the Amount to be Paid to the Minority Shareholders." As an alternative to the Squeeze-out, the Purchaser might also consider converting Celanese AG from its current legal form of a stock corporation (*Aktiengesellschaft, AG*) into either a limited partnership (*Kommanditgesellschaft, KG*) or a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) in accordance with the provisions of the German Transformation Act (*Umwandlungsgesetz, UmwG*). Such conversion would be subject to approval by the affirmative vote of at least 75% of the share capital of Celanese AG. The conversion would allow the Purchaser to take advantage of a more efficient governance structure as legal requirements applicable to GmbHs and KGs are in many respects less onerous than those applicable to AGs. As a result of such conversion, the Celanese Shares will be automatically delisted from the Frankfurt Stock Exchange. However, if the Purchaser completely delists the Celanese Shares from the Frankfurt Stock Exchange, effects a squeeze-out or converts Celanese AG into a limited partnership or a limited liability company, the Purchaser and/or Celanese AG must in each case offer the then remaining minority shareholders of Celanese AG fair cash compensation, as described below, in exchange for their Celanese Shares or, in the case of a conversion, in exchange for their equity interest in the entity that results from the conversion. The amount of the fair cash compensation per share may be equal to, higher or lower than the Tender Offer price or the fair cash compensation offered pursuant to the Domination Agreement.

*Determination of the Amount to be Paid to the Minority Shareholders.* The amount to be paid to the minority shareholders as fair cash compensation in exchange for their Celanese Shares in connection with the Domination Agreement becoming operative, the delisting from the Frankfurt Stock Exchange, or a squeeze-out or, in the case of a conversion, in exchange for their equity interest in the entity resulting from such conversion, has been (in the case of the amount payable in connection with the Domination Agreement) or will be (in each other case) determined on the basis of the fair value of the enterprise of Celanese AG, determined by Celanese AG and/or the Purchaser in accordance with applicable German legal requirements, as of the date of the applicable resolution of Celanese AG's shareholders' meeting, and, except in the case of a delisting from the Frankfurt Stock Exchange, examined by one or more duly qualified auditors chosen and appointed by the court. The amount of the guaranteed fixed annual payment in connection with the Domination Agreement becoming effective to minority shareholders who elect not to sell their Celanese Shares to the Purchaser but to remain a shareholder of Celanese AG was determined by the Purchaser and Celanese AG in accordance with applicable German law, on the basis of the hypothetical projected earnings of Celanese AG assuming a full distribution of profits. The gross guaranteed fixed annual payment of €3.27 per share may be equal to, higher or lower than the actual otherwise distributable profits per share of Celanese AG. The €41.92 per share fair cash compensation, plus interest, offered to minority shareholders in connection with the Domination Agreement is greater than the Tender Offer price. The amount of cash compensation per share to be offered to minority shareholders in connection with any delisting from the Frankfurt Stock Exchange, Squeeze-out or conversion, as applicable, may be equal to, higher or lower than, the Tender Offer price or the fair cash compensation of €41.92, plus interest, offered pursuant to the Domination Agreement. Furthermore, each of the guaranteed fixed annual payment and the fair cash compensation is subject to review by the court in award proceedings (*Spruchverfahren*) which have been instituted by several dissenting shareholders. If as a result of such award proceedings, the court increases the amount of the guaranteed fixed annual payment and/or the fair cash consideration, or if such increase is agreed between the parties in a court settlement, payments already made to minority shareholders pursuant to the offer required by the Domination Agreement would have to be increased accordingly with retroactive effect.

*Dividend.* At the annual shareholders' meeting on June 15, 2004, Celanese AG shareholders approved payment of a dividend on the Celanese Shares for the fiscal year ended December 31, 2003 of €0.12 per share. The Purchaser expects that no dividend on the Celanese Shares for the fiscal year ended September 30, 2004 will be paid to Celanese AG's shareholders. As part of the preparation of the financial statements for the fiscal year ended September 30, 2004, Celanese AG conducted a valuation of its assets, which resulted in a further non-cash impairment charge to the value of CAC as of September 30, 2004. The size of this charge will prevent Celanese AG from declaring a dividend to its shareholders for the short fiscal year 2004. Any minority shareholder of Celanese AG who elects not to sell its shares to the Purchaser in connection with the offer to the minority shareholders will be entitled to remain a shareholder of Celanese AG and to receive the guaranteed fixed annual payment on its shares, in lieu of any future dividends. The amount of the guaranteed fixed annual payment to be paid to any minority shareholder who elects to retain its Celanese Shares was based on an analysis of the fair enterprise value of Celanese as of the date of the relevant shareholders' meeting assuming a full distribution of profits. The gross guaranteed fixed annual payment is €3.27 per Celanese Share less certain corporate taxes. See " Domination and Profit and Loss Transfer Agreement."

*Recapitalization.* As of the date of this prospectus, we have one class of common stock, all of which is held by the Original Stockholders. Shortly before completion of this offering, we intend to complete a recapitalization in which we will create two series of common stock. The recapitalization, which may occur through a merger between us and a newly created wholly owned subsidiary of ours, a share exchange by the Original Stockholders or by other means, will result in the creation of Series A common stock and Series B common stock. The shares sold in the initial public offering of our common stock will be Series A common stock. The Original Stockholders will exchange the shares of common stock that they currently hold for an equivalent number of shares of Series B common stock, which will enable them to receive dividends as described under "Description of Capital Stock Authorized Capitalization Common Stock Dividend Rights." Except for the special Series B common stock dividends which we expect to pay to the holders of outstanding shares of Series B common stock on or after April 7, 2005, the convertibility of Series B common stock into Series A common stock and the right of the Series B common stock to consent to other changes to our governing documents that would adversely affect the Series B common stock, shares of Series A common stock and shares of Series B common stock will be identical, including with respect to voting rights. The Series B common stock will automatically convert into Series A common stock upon payment of the special Series B common stock dividends, and may also be converted into Series A common stock at any time at the option of the holder. As used in this prospectus, the term "common stock", when used in reference to our capital structure before completion of this offering, means our existing single class of common stock, and when used in reference to our capital structure following completion of this offering, means, collectively, the Series A common stock and Series B common stock, unless otherwise specified.

Any delisting from the Frankfurt Stock Exchange, squeeze-out or conversion would require approval by the shareholders of Celanese AG. While it is to be expected that in each case, the Purchaser will have the requisite majority in such meeting to assure approval of such measures, minority shareholders, irrespective of the size of their shareholding, may, within one month from the date of any such shareholder resolution, file an action with the court to have such resolution set aside. While such action would only be successful if the resolution was passed in violation of applicable laws and cannot be based on the unfairness of the amount to be paid to the minority shareholders, a shareholder action may substantially delay the implementation of the challenged shareholder resolution pending final resolution of the action. If such action proved to be successful, the action could prevent the implementation of a delisting, Squeeze-out or conversion. Accordingly, there can be no assurance that any of the steps described above can be implemented timely or at all.

**The Sponsor  The Blackstone Group**

Following the consummation of the offering of our Series A common stock, certain affiliates of The Blackstone Group ("Blackstone" or the "Sponsor") will beneficially own approximately 58.2% of our outstanding common stock and will own approximately 62.6% of our outstanding common stock if the underwriters' over-allotment option is not exercised. Blackstone is a leading investment and advisory firm founded in 1985, with offices in New York, London and Hamburg. Blackstone manages the largest institutional private equity fund ever raised, a $6.5 billion fund raised in 2002. Since it began private equity investing in 1987, Blackstone has raised more than $14 billion in five funds and has invested in approximately 70 companies. In addition to private equity investments, Blackstone's core businesses include real estate investments, corporate debt investments, asset management, merger and acquisition advisory services, and restructuring and reorganization advisory services.

## THE RECENT RESTRUCTURING

In October November 2004, we completed an internal restructuring pursuant to which the Purchaser effected, by giving a corresponding instruction under the Domination Agreement, the transfer of all of the shares of CAC from Celanese Holding GmbH, a wholly owned subsidiary of Celanese AG, to BCP Caylux Holdings Luxembourg S.C.A. ("BCP Caylux") which resulted in BCP Caylux owning 100% of the equity of CAC and, indirectly, all of its assets, including subsidiary stock.

Following the transfer of CAC to BCP Caylux, (1) BCP Crystal Holdings Ltd. 2 contributed substantially all of its assets and liabilities (including all outstanding capital stock of BCP Caylux) to BCP Crystal, in exchange for all of the outstanding capital stock of BCP Crystal; (2) BCP Crystal assumed substantially all obligations of BCP Caylux, including all rights and obligations of BCP Caylux under the senior credit facilities, the floating rate term loan and the senior subordinated notes; (3) BCP Caylux transferred certain assets, including its equity ownership interest in CAC, to BCP Crystal; (4) BCP Crystal Holdings Ltd. 2 was reorganized as a Delaware limited liability company and changed its name to Celanese Holdings LLC (such reorganized entity, "Celanese Holdings"); and (5) Blackstone Crystal Holdings Capital Partners (Cayman) IV Ltd. was reorganized as a Delaware corporation and changed its name to Celanese Corporation. BCP Crystal, at its discretion, may subsequently cause the liquidation of BCP Caylux.

As a result of these transactions, BCP Crystal holds 100% of CAC's equity and, indirectly, all equity owned by CAC in its subsidiaries. In addition, BCP Crystal holds, indirectly, all of the Celanese Shares held by the Purchaser.

**Corporate Structure**

The charts below summarize our ownership structure immediately before completion of the Recent Restructuring and our current ownership structure.

**Pre-Restructuring Structure**

*Footnotes on page 48*

**Current Structure**

*Footnotes on following page*

(1) In September 2004, Crystal US Holdings 3 L.L.C. ("Crystal LLC") and Crystal US Sub 3 Corp., a subsidiary of Crystal LLC, issued and sold $853 million aggregate principal amount at maturity of their Senior Discount Notes due 2014. Until October 1, 2009, interest on the senior discount notes will accrue in the form of an increase in the accreted value of such notes. We expect to use approximately $207 million of the net proceeds from the offering of our Series A common stock to redeem a portion of the senior discount notes. See "Description of Indebtedness Senior Discount Notes due 2014."

(2) The senior credit facilities provide financing of up to approximately $1.2 billion, consisting of (1) a $611 million term loan facility with a maturity of seven years; (2) a $228 million credit-linked revolving facility with a maturity of five years; and (3) a $380 million revolving credit facility with a maturity of five years. Celanese Americas Corporation ("CAC") may borrow under both revolving credit facilities. We expect to use borrowings under the new senior credit facilities, together with any remaining proceeds from the offering of our Series A common stock to repay all amounts outstanding under the senior credit facilities. See "Description of Indebtedness Senior Credit Facilities."

(3) In June 2004, BCP Caylux borrowed $350 million under a floating rate term loan due 2014. We expect to use borrowings under the new senior credit facilities, together with any remaining proceeds from the offering of our Series A common stock to repay all amounts outstanding under the floating rate term loan. See "Description of Indebtedness Floating Rate Term Loan."

(4) In June and July 2004, BCP Caylux issued and sold $1,225 million aggregate principal amount of its $9^5/_8$% U.S. Dollar-denominated Senior Subordinated Notes due 2014 and €200 million principal amount of its $10^3/_8$% Euro-denominated Senior Subordinated Notes due 2014. We expect to use approximately $566 million of the net proceeds from the offering of our Series A common stock to redeem a portion of the senior subordinated notes. See "Description of Indebtedness Senior Subordinated Notes due 2014."

## USE OF PROCEEDS

We estimate that the net proceeds from the offering of our Series A common stock, after deducting underwriting discounts and estimated offering expenses, will be approximately $949 million. We estimate that the net proceeds from the offering of our preferred stock, after deducting underwriting discounts and estimated offering expenses, will be approximately $194 million.

We intend to contribute $773 million of the net proceeds from the offering of our Series A common stock to our subsidiary, Crystal LLC, which will use approximately $207 million of such net proceeds to redeem a portion of its senior discount notes. Crystal LLC will contribute the remaining proceeds to its subsidiary, Celanese Holdings, which in turn will contribute it to its subsidiary, BCP Crystal. BCP Crystal will use such proceeds to redeem a portion of its senior subordinated notes. BCP Crystal will use borrowings of approximately $1,556 million under the new senior credit facilities that it expects to enter into prior to the consummation of the Series A common stock offering to repay the amounts outstanding under the existing senior credit facilities and the floating rate term loan and to pay a $582 million dividend to Celanese Holdings, which in turn will distribute this amount to Crystal LLC. Crystal LLC will distribute this amount up to us and we will use it, together with the remaining net proceeds from the offering of our Series A common stock and the net proceeds from the offering of our preferred stock, to pay a dividend of $952 million to the holders of our Series B common stock. The Original Stockholders will be the only holders of our Series B common stock immediately prior to the consummation of this offering. The expected sources and uses of funds used in connection with the Concurrent Financings (assuming January 2005 closing unless otherwise specified) are set forth in the table below. The actual amounts may vary depending on the time of the closing of this offering.

| Sources (in millions) | | | Uses (in millions) | | |
|---|---|---|---|---|---|
| Series A Common Stock | $ | 1,000 | Partial Redemption of Senior Discount Notes[2] | $ | 207 |
| Preferred Stock | | 200 | Partial Redemption of Senior Subordinated Notes[3] | | 566 |
| New Senior Credit Facilities[1] | | 1,556 | Repayment of Existing Senior Credit Facilities[4] | | 611 |
| | | | Repayment of Floating Rate Term Loan | | 350 |
| | | | Dividend to holders of our Series B common stock | | 952 |
| | | | Estimated Fees and Expenses[5] | | 70 |
| Total Sources | $ | 2,756 | Total Uses | $ | 2,756 |

(1) Sources shown exclude the delayed draw portion of the new senior credit facilities of approximately $442 million that we expect to borrow following the closing of the Series A common stock offering to fund the Acetex and Vinamul Polymers acquisitions. Prior to the consummation of the Series A common stock offering, we expect to enter into the new senior credit facilities with a syndicate of financial institutions. We expect the terms of the new senior credit facilities to be substantially similar to the terms of our existing senior credit facilities described above under "Description of Indebtedness Senior Credit Facilities."

(2) Represents redemption of approximately $37 million of Series A senior discount notes and approximately $151 million of Series B senior discount notes ($180 million of combined accreted value at September 30, 2004) and $19 million of premium based on the amounts required at the expected redemption date (in February 2005).

(3) Represents redemption of $516 million of senior subordinated notes and $50 million of premium.

(4) Includes additional borrowings made in October 2004 to finance a pension contribution.

(5) Represents underwriting discounts and fees, bank fees and other fees and expenses.

We intend to use the net proceeds from any shares of our Series A common stock sold pursuant to the underwriters' over-allotment option to pay an additional cash dividend to the holders of our Series B common stock.

Any change in the aggregate amount of net proceeds raised in the Series A common stock and preferred stock offerings will either increase or decrease the cash dividend to be paid to the holders of our Series B common stock, as the case may be, but will not affect the amount of debt to be redeemed or repaid.

The interest rate and maturity of indebtedness that we intend to discharge using the net proceeds from the offering of our Series A common stock, as well as the use of proceeds from such indebtedness, are described below:

*Senior Discount Notes.* In September 2004, our subsidiaries Crystal US 3 Holdings L.L.C. and Crystal US Sub 3 Corp., issued $853 million aggregate principal amount at maturity ($513 million in gross proceeds) of their Senior Discount Notes due 2014 consisting of $163 million aggregate principal amount at maturity of its 10% Series A Senior Discount Notes and $690 million aggregate principal amount at maturity of their $10^{1}/_{2}$% Series B Senior Discount Notes. Prior to October 1, 2009, interest will accrue on the senior discount notes in the form of an increase in their accreted value. Cash interest payments will be due and payable beginning on April 1, 2010.

*Senior Subordinated Notes.* In June and July 2004, BCP Caylux issued $1,225 million aggregate principal amount of $9^{5}/_{8}$% U.S. Dollar-denominated senior subordinated notes and €200 million principal amount of $10^{3}/_{8}$% Euro-denominated senior subordinated notes. The senior subordinated notes mature on June 15, 2014.

*Senior Credit Facilities.* In April 2004, BCP Caylux entered into senior credit facilities with a syndicate of banks and other financial institutions led by Deutsche Bank AG New York Branch, as administrative agent, Morgan Stanley Senior Funding, Inc., as global coordinator, Deutsche Bank Securities Inc. and Morgan Stanley Senior Funding, Inc., as joint lead arrangers, ABN AMRO Bank N.V., Bank of America, N.A. and General Electric Capital Corporation, as documentation agents, and Bayerische Hypo-und Vereinsbank AG, Mizuho Corporate Bank, Ltd., The Bank of Nova Scotia, KfW and Commerzbank AG, New York and Cayman Branches, as senior managing agents. The senior credit facilities provide financing of approximately $1.2 billion. The senior credit facilities consist of (1) a term loan facility in the aggregate amount of $456 million and €125 million with a maturity of seven years; (2) a $228 million credit-linked revolving facility with a maturity of five years; and (3) a $380 million revolving credit facility with a maturity of five years.

In addition, upon the occurrence of certain events, BCP Crystal may request, prior to April 6, 2005, an increase to the existing term loan facility in an amount not to exceed $175 million in the aggregate, subject to receipt of commitments by existing term loan lenders or other financial institutions reasonably acceptable to the administrative agent.

The borrowings under the senior credit facilities bear interest at a rate equal to an applicable margin plus, at BCP Crystal's option, either (a) a base rate determined by reference to the higher of (1) the prime rate of Deutsche Bank AG New York Branch and (2) the federal funds rate plus 1/2 of 1% or (b) a LIBOR rate determined by reference to the costs of funds for deposits in the currency of such borrowing for the interest period relevant to such borrowing adjusted for certain additional costs. The applicable margin for borrowings under the credit-linked revolving facility and the revolving credit facility is 1.50% with respect to base rate borrowings and 2.50% with respect to LIBOR borrowings (in each case subject to a step-down based on a performance test). The applicable margin for borrowings under the term loan facility is 1.50% with respect to base rate borrowings and 2.50% with respect to LIBOR borrowings (in each case subject to a step-down based on a performance test). In addition to paying interest, BCP Crystal is required to pay certain fees.

*Floating Rate Term Loan.* In June 2004, BCP Caylux entered into a $350 million floating rate term loan with Deutsche Bank AG New York Branch, as administrative agent, Morgan Stanley Senior Funding, Inc., as global coordinator, and Deutsche Bank Securities Inc. and Morgan Stanley Senior Funding, Inc., as joint lead arrangers. BCP Crystal is the borrower under the floating rate term loan. The floating rate term loan has a maturity of seven and one-half years and provides for no amortization of principal. The borrowings under the floating rate term loan bear interest at a rate equal to an applicable margin plus, at BCP Crystal's option, either (a) a base rate determined by reference to the higher of (1) the prime rate of Deutsche Bank AG New York Branch and (2) the federal funds rate plus $^1/_2$ of 1% or (b) a LIBOR rate determined by reference to the costs of funds for deposits in the currency of such borrowing for the interest period relevant to such borrowing adjusted for certain additional costs. The applicable margin for borrowings is (a) prior to completion of the Recent Restructuring, 3.25% with respect to base rate borrowings and 4.25% with respect to LIBOR borrowings and (b) after completion of the Recent Restructuring, 2.50% with respect to base rate borrowings and 3.50% with respect to LIBOR borrowings.

*Use of Proceeds From Indebtedness Being Discharged.* The Purchaser used the borrowings under the existing senior credit facilities, together with the borrowings under the senior subordinated bridge loan facilities, and the cash equity investment by the Original Shareholders (which included the proceeds from the issuance of the mandatorily redeemable preferred shares) to acquire Celanese Shares in connection with the Tender Offer, to refinance certain existing debt of Celanese, pre-fund certain pension obligations of Celanese, pre-fund certain contingencies and certain obligations linked to the value of the Celanese Shares, such as the payment of fair cash compensation under the Domination Agreement for the remaining Celanese Shares, and payment obligations related to outstanding stock appreciation rights, stock options and interest payments, provide additional funds for working capital and other general corporate purposes, and pay related fees and expenses.

BCP Caylux used the proceeds from the offering of the senior subordinated notes, together with available cash and borrowings under the floating rate term loan to repay its two senior subordinated bridge loan facilities, plus accrued interest, to redeem the mandatorily redeemable preferred shares and to pay related fees and expenses. The issuers of the senior discount notes used the net proceeds from the offering to make a return of capital distribution to the Issuer, which in turn made a distribution to the Original Stockholders, and to pay fees and expenses.

See "The Transactions" and "Description of Indebtedness."

## DIVIDEND POLICY

We intend to declare and pay the following special Series B common stock dividends to holders of our Series B common stock, which will be required by our amended and restated certificate of incorporation we expect to adopt in connection with our recapitalization:

The first dividend will be a cash dividend of $952 million, which we will pay to the holders of our Series B common stock from the borrowings under the new senior credit facilities following consummation of this offering, any net proceeds from the offering of our Series A common stock remaining after the repayment of certain indebtedness of our subsidiaries described under "Use of Proceeds" above, and the net proceeds from the offering of our preferred stock. Any change in the aggregate amount of net proceeds raised in the Series A common stock and preferred stock offerings will either increase or decrease the cash dividend to be paid to the holders of our Series B common stock, as the case may be, but will not affect the amount of debt to be redeemed or repaid.

The second dividend will be a cash dividend up to $143 million, pursuant to which we will pay to the holders of our Series B common stock all of the proceeds we receive from any shares of our Series A common stock sold pursuant to the underwriters' over-allotment option.

The third dividend will be a stock dividend, pursuant to which we will issue to the holders of our Series B common stock after the expiration of the underwriters' over-allotment option (assuming that option is not exercised in full) the number of shares of our Series A common stock equal to 7,500,000 (which is the number of additional shares the underwriters have an option to purchase) minus the actual number of shares of our Series A common stock the underwriters purchase from us pursuant to that option.

The Original Stockholders will be the only holders of our Series B common stock immediately prior to the consummation of the offering of our Series A common stock. We expect to declare and pay the dividends described above on or after April 7, 2005. Under the terms of our amended and restated certificate of incorporation, we will be obligated to take all actions required or permitted under applicable Delaware law to permit the payment of the special Series B common stock dividends and to declare and pay these dividends to the extent there are funds legally available therefor.

Upon the completion of the Series A common stock offering, our board of directors currently intends to adopt a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of our common stock equal to 0.1875% of the average of the closing sale prices of our Series A common stock on the New York Stock Exchange on the last ten trading days of the prior quarter, not to exceed $0.05 per share of common stock per quarter unless our board of directors in its sole discretion determines otherwise, commencing the second quarter of 2005. However, there is no assurance that sufficient cash will be available to pay such dividend.

Our board of directors may at any time modify or revoke our dividend policy on our Series A common stock.

Upon the completion of the offering of the preferred stock, we will be required, under the terms of the preferred stock, to pay scheduled quarterly dividends, subject to legally available funds. For so long as the preferred stock remains outstanding, (1) we will not declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any junior stock or parity stock and (2) neither we, nor any of our subsidiaries, will, subject to certain exceptions, redeem, purchase or otherwise acquire for consideration junior stock or parity stock through a sinking fund or otherwise, in each case unless we have paid or set apart funds for the payment of all accumulated and unpaid dividends with respect to the shares of preferred stock and any parity stock for all preceding dividend periods and except for the special Series B common stock dividends.

The amounts available to us to pay cash dividends will be restricted by our subsidiaries' debt agreements. Under the terms of the senior credit facilities, neither BCP Crystal nor its subsidiaries may pay dividends or otherwise transfer their assets to us. However, we expect that the terms of the new senior credit facilities will permit the dividends described above. The indentures governing the senior subordinated notes and the senior discount notes also limit, but do not prohibit, the ability of BCP Crystal, Crystal LLC and their respective subsidiaries to pay dividends. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our board of directors may deem relevant.

Under the Domination Agreement, any minority shareholder of Celanese AG who elects not to sell its shares to the Purchaser will be entitled to remain a shareholder of Celanese AG and to receive a gross guaranteed fixed annual payment on their shares (*Ausgleich*) of €3.27 per Celanese Share less certain corporate taxes to be paid by Celanese AG in lieu of any future dividend. See "The Transactions  Post-Tender Offer Events  Domination and Profit and Loss Transfer Agreement."

Under Delaware law, our board of directors may declare dividends only to the extent of our "surplus" (which is defined as total assets at fair market value minus total liabilities, minimum statutory capital), or if there is no surplus, out of our net profits for the then current and/or immediately preceding fiscal years. The value of a corporation's assets can be measured in a number of ways and may not necessarily equal their book value. The value of our capital may be adjusted from time to time by our board of directors but in no event will be less than the aggregate par value of our issued stock. Our board of directors may base this determination on our financial statements, a fair valuation of our assets or another reasonable method. Our board of directors will seek to assure itself that the statutory requirements will be met before actually declaring dividends. In future periods, our board of directors may seek opinions from outside valuation firms to the effect that our solvency or assets are sufficient to allow payment of dividends, and such opinions may not be forthcoming. If we sought and were not able to obtain such an opinion, we likely would not be able to pay dividends. In addition, pursuant to the terms of our preferred stock, we are prohibited from paying a dividend on our common stock (except for the special Series B common stock dividends) unless all payments due and payable under the preferred stock have been made.

## CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2004 (1) on an actual basis, (2) on an as adjusted basis to reflect the Transactions and the Recent Restructuring and (3) on a further adjusted basis to reflect:

- the recapitalization and the creation of two series of common stock;
- the sale of approximately 50,000,000 shares of our Series A common stock in the offering of our common stock at an assumed initial public offering price of $20.00, the mid-point of the estimated price range for shares of our Series A common stock, after deducting underwriting discounts and estimated offering expenses;
- the sale of approximately $200 million aggregate liquidation preference of our preferred stock;
- borrowings under the new senior credit facility;
- the application of the net proceeds as described in "Use of Proceeds;"
- the 153.325569 for one stock split effected prior to the consummation of this offering; and
- the issuance of 1,437,909 shares to executive officers, key employees and directors at an assumed price of $9.00 per share.

You should read the information in this table in conjunction with our financial statements and the notes to those statements appearing elsewhere in this prospectus and "Selected Historical Financial Data," "Unaudited Pro Forma Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

| | As of September 30, 2004 | | |
|---|---|---|---|
| | Actual | As Adjusted for the Transactions and Recent Restructuring[1] | As Further Adjusted for the Concurrent Financings |
| | (in millions except share data) | | |
| Cash and cash equivalents[1] | $ 819 | $ 681 | $ 646 |
| Total debt: | | | |
| Senior credit facilities[2]: | | | |
| Revolving credit facilities | $ | $ | $ |
| Term loan facility | 391 | 611 | 1,556 |
| Floating rate term loan | 350 | 350 | |
| Senior subordinated notes[3] | 1,479 | 1,479 | 961 |
| Senior discount notes | 513 | 513 | 333 |
| Assumed debt | 367 | 367 | 367 |
| Total debt | 3,100 | 3,320 | 3,217 |
| Minority interest[4] | 402 | 402 | 402 |
| Shareholders' equity: | | | |
| Preferred stock, par value $0.01 per share, aggregate liquidation preference $200 million, 5,000,000 shares authorized, actual and as adjusted; 100,000,000 shares | | | |

| | As of September 30, 2004 | | |
|---|---|---|---|
| authorized as further adjusted; no shares outstanding actual and as adjusted; 8,000,000 shares issued and outstanding as further adjusted | | | |
| Common stock, par value $0.0001 per share, 5,000,000 shares authorized, actual and as adjusted, 500,000,000 shares authorized as further adjusted; 650,494 shares issued and outstanding, actual and as adjusted, 58,937,909 shares of Series A common stock and 99,737,362 shares of Series B common stock issued and outstanding as further adjusted | | | |
| Additional paid-in capital | 143 | 143 | 322 |
| Accumulated deficit | (196) | (196) | (371) |
| Accumulated other comprehensive earnings (loss) | | | |
| Total shareholders' equity (deficit) | (53) | (53) | (49) |
| Total capitalization | $ 3,449 | $ 3,669 | $ 3,570 |

(1)

Represents cash available to purchase remaining outstanding Celanese Shares, including any options on Celanese Shares that are exercised, to repay additional existing indebtedness, to pay interest on the notes and to make loans to Celanese and its subsidiaries for working capital and general corporate purposes. Prior to the consummation of the offering, we expect to receive $13 million from the sale of shares to management and we expect to pay (1) a $10 million monitoring fee for 2005, (2) an initial deferred compensation payment of $29 million, and (3) $8 million of retention and other executive bonuses. These amounts are not reflected as adjustments to cash and cash equivalents. See "Certain Relationships and Related Party Transactions New Arrangements Transaction and Monitoring Fee Agreement/Sponsor Services Agreement" and "Management Stock Incentive Plan", " Deferred Compensation Plan" and " Bonus".

(2)

The revolving credit facilities provide for borrowings of up to $608 million. As of December 29, 2004, no amounts have been borrowed and $402 million was available for borrowings under the revolving credit facilities (taking into account letters of credit issued under the revolving credit facilities). On an as adjusted basis for the offering, represents $830 million of available borrowings under our new senior credit facility of which no amounts are planned to be drawn in connection with the offering (this amount excludes delayed draw portion of the new senior credit facilities of approximately $442 million that we expect to borrow following the closing of this offering to fund the Acetex and Vinamul Polymers acquisitions).

(3)

Includes the U.S. dollar equivalent of the euro-denominated notes and, on an actual and as adjusted basis, $6 million premium on the $225 million aggregate principal amount of the notes issued July 1, 2004, and on a further adjusted basis, $4 million premium on the remaining notes after the use of proceeds from the offering as $2 million of the premium will be written-off on a further adjusted basis.

(4)

As of September 30, 2004, we owned approximately 84% of the Celanese Shares then outstanding. While we intend to acquire the remaining outstanding shares, there is no assurance that we will be able to do so. If we acquire more shares, our consolidated balance sheet will reflect lower cash and minority interests and our statements of operations will reflect lower minority interest expense for the percentage of the Celanese Shares that we acquire. For purposes of this pro forma financial information, we have assumed that we acquire only approximately 84% of the outstanding Celanese Shares. See "Unaudited Pro Forma Financial Information."

## DILUTION

Dilution is the amount by which the offering price paid by the purchasers of the common stock to be sold in the offering of shares of our Series A common stock will exceed the net tangible book value per share of common stock after the offering. The net tangible book value per share presented below is equal to the amount of our total tangible assets (total assets less intangible assets) less total liabilities as of September 30, 2004, divided by the number of shares of our common stock that would have been held by the Original Stockholders had (1) the 153.325569 for one common stock split we expect to effect prior to the consummation of this offering been made and (2) the stock dividend of 7,500,000 shares of our Series A common stock that we expect to issue to the holders of our Series B common stock after the expiration of the underwriters' over-allotment option, assuming no exercise of that option, been made as of September 30, 2004. As of September 30, 2004, we had a net tangible book deficit of $987 million, or ($9.20) per share on the basis described above. On a pro forma basis, after giving effect to:

- the sale of 50,000,000 shares of Series A common stock in the offering of shares of our common stock at an assumed initial public offering price of $20.00 per share, the mid-point of the price range for shares of our Series A common stock, after deducting underwriting discounts and estimated offering expenses;
- the sale of approximately $200 million aggregate liquidation preference of our preferred stock;
- the payment of the $952 million dividend to the holders of our Series B common stock;
- the effect of the other pro forma adjustments described under "Unaudited Pro Forma Financial Information"; and
- the issuance of 1,437,909 shares to certain of our executive officers, key employees and directors at an assumed $9.00 per share.

Our pro forma net tangible book value as of September 30, 2004 would have been a deficit of $1,195 million (excluding $200 million of preferred stock and including $13 million proceeds from the issuance of 1,437,909 shares to certain of our executive officers, key employees and directors), or ($7.53) per share of common stock. This represents an immediate increase in net tangible book value per share of common stock of $1.67 per share to the Original Stockholders and an immediate dilution in net tangible book value of $27.53 per share to new investors.

The following table illustrates this dilution on a per share basis:

| | | |
|---|---|---|
| Assumed initial public offering price per share of Series A common stock | | $ 20.00 |
| Net tangible book deficit per share at September 30, 2004 | $ (9.20) | |
| Increase in net tangible book value per share attributable to new investors in our common stock | 1.67 | |
| Pro forma net tangible book deficit per share after the offering | | (7.53) |
| Dilution per share to new investors in the Series A common stock | | $ 27.53 |

We will reduce the number of shares of Series A common stock that we will issue to the holders of our Series B common stock in the stock dividend described in clause (2) above by the number of shares sold to the underwriters pursuant to their option to purchase additional shares of Series A common stock. We will also pay the holders of our Series B common stock a cash dividend equal to all net proceeds we receive from any such sale to the underwriters. As a result, our pro forma net tangible book value will not be affected by the underwriters' exercise of their over-allotment option in respect of the Series A common stock.

The following table summarizes, on the same pro forma basis as of September 30, 2004, the total number of shares of common stock purchased from us (including shares that will be issued to the Original Stockholders immediately prior to the consummation of the offering and the stock dividend described in clause (2) above), the total consideration paid to us and the average price per share paid by Original Stockholders and by new investors purchasing shares in this offering:

| | Shares Purchased | | Total Consideration | | |
|---|---|---|---|---|---|
| | Number | Percent | Amount | Percent | Average Price Per Share |
| Original Stockholders[1] | 107,237,362 | 67% | $ 641,000,000 | 39% | $ 5.98 |
| Certain Officers | 1,437,909 | 1% | 12,941,181 | 1% | 9.00 |
| New investors | 50,000,000 | 32% | 1,000,000,000 | 60% | 20.00 |
| Total | 158,675,271 | 100% | $ 1,653,941,181 | 100% | $ 10.42 |

(1) Total consideration and average price per share paid by the Original Stockholders do not give effect to the $500 million distribution made to the Original Stockholders in September 2004 using proceeds from the senior discount notes offering and the $952 million dividend we intend to distribute to the Original Stockholders in connection with the Concurrent Financings. If the table were adjusted to give effect to these payments, the Original Stockholders' total consideration for its shares would be $(811) million, with an average share price of $(7.57) which means that the Original Stockholders, in the aggregate, will have received $811 million more than they originally invested.

## UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information is based on the audited and unaudited consolidated financial statements and other unaudited financial information of Celanese and us appearing elsewhere in this prospectus as adjusted to illustrate the estimated pro forma effects of the Transactions and the Recent Restructuring (including the preliminary application of purchase accounting) and the Concurrent Financings. We are a recently-formed company which does not have, apart from financing the Transactions and the Concurrent Financings, any independent external operations other than through the indirect ownership of the Celanese businesses. As of September 30, 2004, we indirectly owned approximately 84% of the Celanese Shares then outstanding. While we intend to acquire the remaining outstanding shares, there is no assurance that we will be able to do so. If we do acquire more shares, our balance sheet will reflect lower cash and minority interests and our statements of operations will reflect lower minority interest expense for the percentage of Celanese Shares that we acquire. For purposes of this unaudited pro forma financial information, we have assumed that we acquire only approximately 84% of the Celanese Shares outstanding as of September 30, 2004. See note (h) to the pro forma balance sheet. The unaudited pro forma financial information should be read in conjunction with the consolidated financial statements of Celanese and of the Issuer and other financial information appearing elsewhere in this prospectus, including "Basis of Presentation," "The Transactions," "The Recent Restructuring," "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The unaudited pro forma balance sheet gives effect to the Recent Restructuring and the Concurrent Financings as if they had occurred on September 30, 2004. The unaudited pro forma statements of operations data give effect to the Transactions, the Recent Restructuring and the Concurrent Financings, as if they had occurred on January 1, 2003.

The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. However, as of the date of this prospectus, we have not completed the valuation studies necessary to finalize the fair values of the assets acquired and the liabilities assumed and the related allocation of purchase price, nor have we identified all of the adjustments that may be necessary to conform Celanese's historical accounting policies to ours.

The unaudited pro forma financial information does not reflect any adjustments for the recently announced restructuring of our acetate filament business or the pending acquisitions of Acetex or Vinamul Polymers. See "Recent Developments."

The unaudited pro forma statements of operations data do not reflect certain one-time charges that we recorded or will record following the closing of the Transactions and the Concurrent Financings. These one-time charges include (1) an approximately $50 million non-cash charge for the manufacturing profit added to inventory under purchase accounting, (2) the $71 million of one-time costs related to the replacement of a portion of the Original Financing which was charged to expense in the six months ended September 30, 2004, (3) $18 million write-off of deferred financing fees and $21 million of prepayment premium associated with the July 2004 redemption of our mandatorily redeemable preferred stock described in "The Transactions" section above, (4) $62 million write-off of deferred financing fees, net of $2 million of premium, and $73 million of prepayment premium associated with the redemption of a portion of our senior discount notes and senior subordinated notes, repayment of our existing floating rate term loan and senior credit facilities with a portion of the proceeds of the Concurrent Financings and (5) $35 million one-time charge related to the termination of the monitoring services by the Advisor.

The unaudited pro forma financial information is for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations or financial position that we would have reported had the Transactions been completed as of the dates presented, and should not be taken as representative of our future consolidated results of operations or financial position.

**UNAUDITED PRO FORMA BALANCE SHEET**
**AS OF SEPTEMBER 30, 2004**

| | Historical | Transactions and Recent Restructuring Adjustments | Concurrent Financings Adjustments | Pro Forma[h] |
|---|---|---|---|---|
| | | (In millions) | | |
| **Assets** | | | | |
| Cash and cash equivalents | $ 819 | $ (138)[a] | $ (35)[c] | $ 646 |
| Trade receivables, net third party and affiliates | 826 | | | 826 |
| Other receivables | 575 | | | 575 |
| Inventories | 565 | | | 565 |
| Deferred income taxes | 67 | | | 67 |
| Other assets | 20 | | (5)[c] | 15 |
| Assets of discontinued operations | 5 | | | 5 |
| Total current assets | 2,877 | (138) | (40) | 2,699 |
| Investments | 555 | | | 555 |
| Property, plant and equipment, net | 1,948 | | | 1,948 |
| Deferred income taxes | 72 | 17 [b] | | 89 |
| Other assets | 680 | (6)[b] | (59)[d] | 615 |
| Intangible assets, net | 934 | 25 [b] | | 959 |
| Total assets | $ 7,066 | $ (102) | $ (99) | $ 6,865 |
| **Liabilities and Shareholders' Equity** | | | | |
| Short-term borrowings and current installments of long-term debt third party and affiliates | $ 127 | $ 2 [a] | $ 10 [e] | $ 139 |
| Trade payables third party and affiliates | 583 | | | 583 |
| Other current liabilities | 798 | | | 798 |
| Deferred income taxes | 21 | | | 21 |
| Income taxes payable | 201 | | | 201 |
| Liabilities of discontinued operations | 12 | | | 12 |
| Total current liabilities | 1,742 | 2 | 10 | 1,754 |
| Long-term debt | 981 | 218 [a] | 585 [e] | 1,784 |
| Senior subordinated notes | 1,479 | | (518)[f] | 961 |
| Senior discount notes | 513 | | (180)[f] | 333 |
| Deferred income taxes | 244 | | | 244 |
| Benefit obligations | 1,280 | (322)[a][b] | | 958 |
| Other liabilities | 478 | | | 478 |
| Total liabilities | 6,717 | (102) | (103) | 6,512 |
| Minority interests | 402 | | | 402 |
| Commitment and contingencies [i] | | | | |
| Total shareholders' equity (deficit) | (53) | | 4 [g] | (49) |
| Total liabilities and shareholders' equity (deficit) | $ 7,066 | $ (102) | $ (99) | $ 6,865 |

See accompanying notes to unaudited pro forma balance sheet.

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## NOTES TO UNAUDITED PRO FORMA BALANCE SHEET

**Transactions and Recent Restructuring Adjustments**

(a)

Adjustments to cash consist of the following

| | (in millions) |
|---|---|
| Additional term loan borrowing[1] | $ 220 |
| Additional pension contribution[2] | (358) |
| | $ (138) |