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

Form 10-Q

þ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2017
Or
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Commission File Number) 001-32410
CELANESE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	98-0420726 (I.R.S. Employer Identification No.)
222 W. Las Colinas Blvd., Suite 900N Irving, TX (Address of Principal Executive Offices)	75039-5421 (Zip Code)

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

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

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

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

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o	Emerging growth company o

(Do not check if a smaller reporting company)

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

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

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

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Item 1. Financial Statements
CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

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

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

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

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

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

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CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS

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

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

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

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CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENT OF EQUITY

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

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

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CELANESE CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

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

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

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

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CELANESE CORPORATION AND SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company and Basis of Presentation

Description of the Company

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

Definitions

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

Basis of Presentation

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

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

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

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

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

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

Estimates and Assumptions

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

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Change in accounting policy regarding share-based compensation
Historically, the Company recognized share-based compensation net of estimated forfeitures over the vesting period of the respective grant. Effective January 1, 2017, the Company elected to change its accounting policy to recognize forfeitures as they occur. The new forfeiture policy election was adopted using a modified retrospective approach with a cumulative effect adjustment of $1 million to Retained earnings as of January 1, 2017. See Note 2 - Recent Accounting Pronouncements for further information.
2. Recent Accounting Pronouncements
The following table provides a brief description of recent Accounting Standard Updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"):

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

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

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3. Acquisitions, Dispositions and Plant Closures

Acquisitions

• SO.F.TER. S.p.A.

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

• Nilit Plastics

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

4. Ventures and Variable Interest Entities

Consolidated Variable Interest Entities

The Company has a joint venture, Fairway Methanol LLC ("Fairway"), with Mitsui & Co., Ltd., of Tokyo, Japan ("Mitsui"), in which the Company owns 50% of Fairway, for the production of methanol at the Company's integrated chemical plant in Clear Lake, Texas. The methanol unit utilizes natural gas in the US Gulf Coast region as a feedstock and benefits from the existing infrastructure at the Company's Clear Lake facility. Both Mitsui and the Company supply their own natural gas to Fairway in exchange for methanol tolling under a cost-plus off-take arrangement.

The Company determined that Fairway is a variable interest entity ("VIE") in which the Company is the primary beneficiary. Under the terms of the joint venture agreements, the Company provides site services and day-to-day operations for the methanol facility. In addition, the joint venture agreements provide that the Company indemnifies Mitsui for environmental obligations that exceed a specified threshold, as well as an equity option between the partners. Accordingly, the Company consolidates the venture and records a noncontrolling interest for the share of the venture owned by Mitsui. Fairway is included in the Company's Acetyl Intermediates segment.

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

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

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[1] Assets can only be used to settle the obligations of Fairway.

[2] Primarily represents amounts owed by Fairway to the Company for reimbursement of expenditures.

Nonconsolidated Variable Interest Entities

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

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

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

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

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5. Marketable Securities, at Fair Value

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

	As of March 31, 2017	As of December 31, 2016
	(In $ millions)	
Amortized cost	31	30
Gross unrealized gain	—	—
Gross unrealized loss	—	—
Fair value	31	30

6. Inventories

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

7. Current Other Liabilities

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