

Management Report Summary*

Results significantly improved despite difficult market situation

In an environment characterized by weak growth in the GDP of major economic regions, lagging demand in the chemical industry from key downstream customers – with the exception of the comparably dynamic automobile industry and the U.S. construction industry – rising oil and gas prices, as well as marked U.S. dollar-euro currency effects, Celanese not only improved its financial position, but also increased its profitability. Our strategy of steadily improving efficiency led to a considerable increase in productivity as well as to an ongoing strong cash flow from operating activities.

The initial phase of Celanese, characterized by company-wide restructuring activity, is now behind us. The initiatives we implemented enabled us to reap considerable gains in 2002. We reported a significantly higher net profit of €187 million compared to a net loss of €385 million in 2001, or earnings per share of €3.72 (2001: €-7.65), helped by a substantial reduction in special charges from €-496 million in 2001 to an income of €1 million in 2002. Moreover, lower average raw material and energy costs, lower amortization expense and improved capacity utilization rates in Acetyl Products, and higher sales volumes for Ticona contributed to the positive result.

Financial situation continued to improve

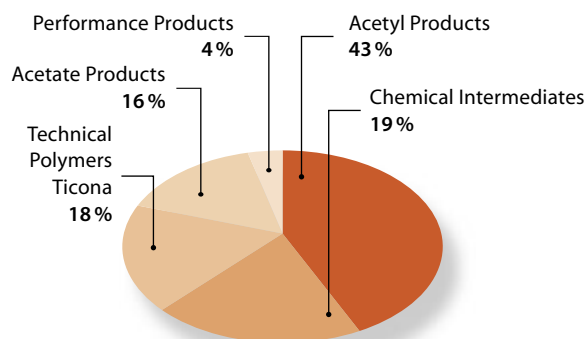
One of our principles of corporate governance is to have completely sound financial management. Thus we continued to use the large cash flow from operating activities to reduce our net financial debt. The net proceeds from divestitures of €178 million, as well as favorable currency effects, also contributed to a reduction of debt. On December 31, 2002, our net financial debt was €497 million, which represents a 40 % decrease from December 31, 2001.

Focus on a steady increase in efficiency

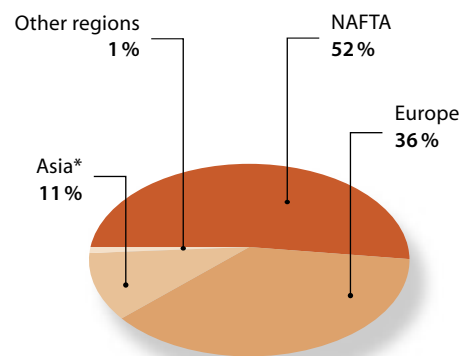
Since 2001, Celanese has been committed to an ambitious, company-wide plan to increase efficiency and reduce our cost base. This report presents some examples of our philosophy of change. All of our efficiency initiatives and tools are aimed at achieving performance excellence in all business areas and work processes. Not only tried and true methods, but also new tools have been put to this use. Successful experiences called Best Practices are shared across the company. The focus is mainly on scrutinizing conventional behaviors, and aligning all work processes to competitive productivity goals and results.

Businesses of Celanese AG

(share of total segment sales)

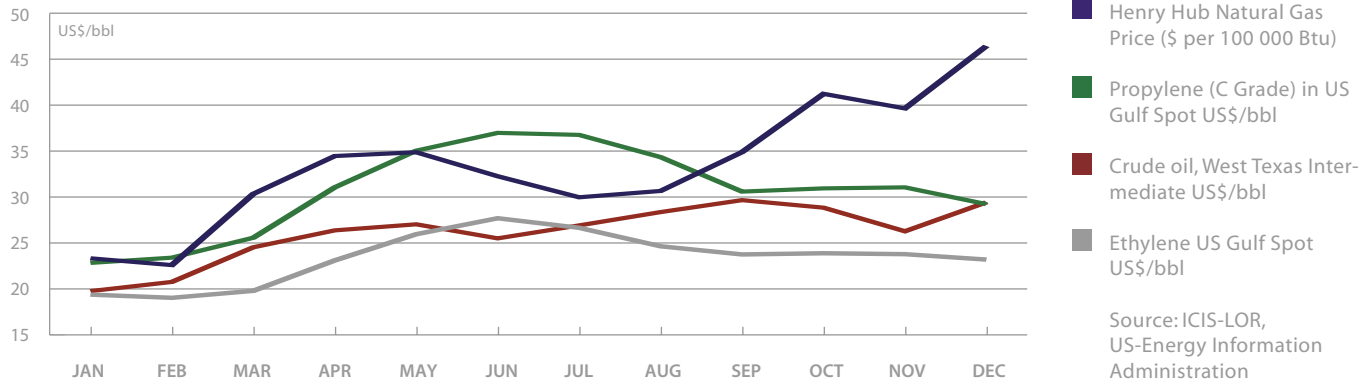


Sales by region



*All financial data has been restated to reflect the divestiture of the Trespaphan oriented polypropylene (OPP) films and U.S. amines business, which are included in discontinued operations.

Development of raw material/energy prices in 2002

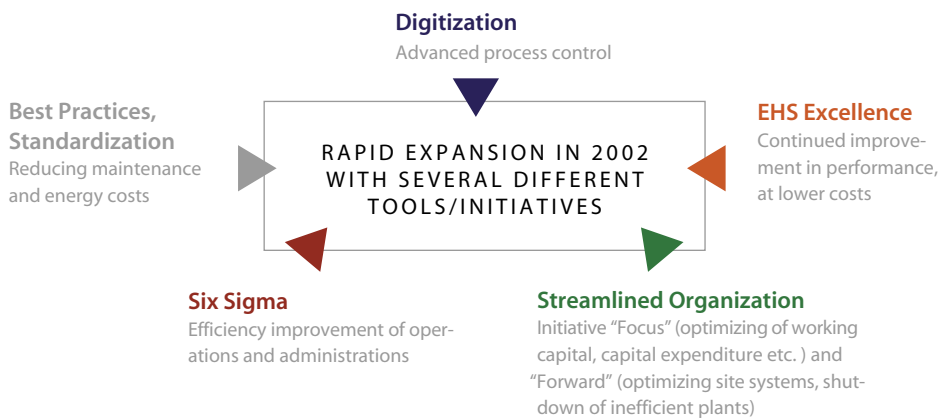


The raw material and energy prices have a major impact on sales revenue. Thus the natural gas prices play a significant role in determining production costs for acetic acid, ethylene for VAM, as well as propylene for oxo products. Propylene prices rose in the first six months, while natural gas prices increased mainly in the fourth quarter.

In 2002, we mainly focused on operational and administrative areas. The Focus and Forward initiatives yielded a total of around € 100 million in savings. Six Sigma, the extremely ambitious and comprehensive efficiency and quality improvement program that uses statistics and professionally trained employees (Black Belts) to achieve a near-zero rate of error supported our earnings performance. In 2002, Celanese started with the successive implementation of a company-wide SAP system (OneSAP) to standardize as many processes as possible. OneSAP will further optimize our company’s business processes.

Selling, general and administrative expenses decreased by 15 % to € 471 million compared to the prior year mainly driven by a decline in amortization expense. The decline in amortization expense is due to the implementation of Financial Accounting Standards No. 142 “Goodwill and Other Intangible Assets” as of January 1, 2002. Trade working capital increased slightly over 2001.

Roadmap to Operational Excellence



Factors affecting segment sales

in percent; excluding other

| | VOLUME | PRICE | CURRENCY | OTHER |
|---------------------------|----------|-----------|-----------|----------|
| Acetyl Products | 4 | -12 | -3 | 0 |
| Chemical Intermediates | 0 | -8 | -3 | 0 |
| Acetate Products | -7 | 0 | -5 | 0 |
| Technical Polymers Ticona | 4 | -3 | -3 | 0 |
| Performance Products | 10 | -9 | 0 | 0 |
| Segment total | 2 | -8 | -3 | 0 |

Segment EBITDA excluding special charges

in € million

| | 2002 | 2001 | CHANGE |
|---------------------------|------------|------------|-------------|
| Acetyl Products | 252 | 208 | 21 % |
| Chemical Intermediates | 22 | 30 | -27 % |
| Acetate Products | 81 | 91 | -11 % |
| Technical Polymers Ticona | 87 | 52 | 67 % |
| Performance Products | 55 | 50 | 10 % |
| Other Activities | (57) | (33) | -73 % |
| Segment total | 440 | 398 | 11 % |

Profitability even in an unpredictable business environment

Although Celanese increased sales volumes by a total of 2 % compared to the prior year in spite of 2002's weak economic environment, **net sales** declined by 9 % from €4,777 million in 2001 to €4,325 in 2002. The reasons for this decline were lower selling prices (-8 %), primarily in Acetyl Products, Chemical Intermediates and Ticona and unfavorable currency effects (-3 %). Nonetheless, Acetyl Products improved capacity utilization rates in the second half of the year, and pricing in Acetyl Products and Chemical Intermediates rose steadily throughout the year. Net sales in the Acetate Products segment decreased as lower sales volumes in acetate filament and unfavorable currency effects offset higher tow pricing and cost savings from restructuring efforts. Volumes slightly increased for Ticona, on increased demand for innovative solutions from the automotive and other end-use industries, especially in Europe. Net sales

of the Performance Products segment, consisting of Nutrinova, increased slightly as higher volumes of the high intensity sweetener Sunett® offset price decreases.

EBITDA excluding special charges increased by 11 % from €398 million in 2001 to €440 million. Lower raw material and energy prices in the first half of 2002, and slightly improved demand conditions also contributed to this positive result, although this was partially offset by weaker pricing for our products. EBITDA as a percentage of sales increased to 10.2 % from 8.3 %. This positive development reflects the initiatives to increase productivity described above, which led to lower operating costs.

In 2002, we achieved an **operating profit** of €155 million compared to a loss of €-488 million one year earlier. This positive development is mainly due to the absence of special charges, lower energy and raw material prices as well as company-wide cost-cutting and productivity measures. In addition, the adoption of the SFAS No. 142 led to lower amortization expense of €77 million.

Investment in growth areas

In 2002, Celanese made further progress in enhancing the value of its portfolio. Celanese acquired the European emulsions and global emulsion powders business of Clariant for €147 million and divested the Trespaphan OPP films business of the Performance Products segment for the value of €209 million, which included the repayment of €78 million in intercompany debt that Trespaphan owed Celanese AG, net proceeds of €112 million and a purchase price adjustment for liabilities assumed by the buyer. The acquisition of the emulsions businesses extends Celanese's acetyls value chain into higher value-added businesses and is expected to be earnings and cash flow positive in 2003.

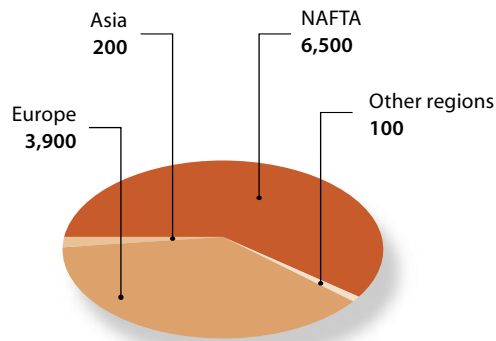
Celanese took a major step to address performance issues within the Chemical Intermediates segment in 2002. The company signed an agreement with Degussa AG to form a 50/50 joint

venture for their European oxo activities, which is subject to regulatory approval in 2003. In addition Celanese divested its global allylamines and U.S. alkyl amines businesses at the end of 2002.

Celanese had capital expenditures of € 218 million in 2002. Major projects are described in the Letter to Shareholders including the completion of a new 30,000 ton per year plant to produce GUR® in Bishop, Texas. Celanese also increased its capacity for Vectra® liquid crystal polymers in Shelby, North Carolina to 6,000 tons per year. In addition, Celanese began with the capacity expansion of the Hostaform® plant at Kelsterbach to 100,000 tons per year and the construction of a new plant for synthesis gas, an important raw material for the production of oxo and specialty chemicals, at its Oberhausen, Germany site.

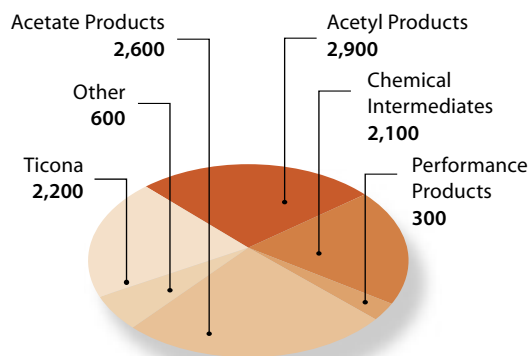
Number of employees by region

(as of December 31, 2002)



Number of employees by segment

(as of December 31, 2002)



Our employees prepare to face new challenges

The number of our employees slightly declined to 10,700 in 2002. This was primarily due to the restructuring of businesses and sites under the Forward cost reduction initiative as well as the divestitures of Trespaphan and the U.S. amines business. Around 650 new employees joined the company in January 2003 as a result of Celanese's acquisition of the emulsions business.

Around 50 % of all employees are employed in our businesses Acetyl Products, Ticona and Performance Products. Over 60 % work in the NAFTA area and over 35 % in Europe.

The success of our strategy to optimize processes, on the one hand, and to develop Celanese in profitable markets that are close to customers and have the potential to increase value, on the other hand, depends on the capabilities of our employees. At our sites, we offer training programs for apprentices to become chemistry lab technicians, clerks specialized in the industry, and for other jobs which suit our specific needs. Our Champ program offers early career, highly qualified college graduates the opportunity to work in different positions throughout the company on a variety of projects, enabling them to become well acquainted with Celanese.

Apart from recruiting and training, we also focus on employee education as well as systematically promoting management within the company. Based on evaluations of all management members, which are conducted during what is called the talent review process, we develop company-wide training programs and career planning tailored to promote the individual. We also identify and develop talent in special training programs, so that they can be employed in any division, area or region of the entire company. Decisions on potential junior executives' next career moves are made together with superiors, top management members and the Management Board.