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Celanese Canada Inc. Annual Report 1982

CELANESE

Financial Highlights 1981-1982

Year (millions, except per share amounts)	**1982**	1981
Net sales from continuing operations	**$323.9**	$373.0
Income (loss) from continuing operations	**(5.6)**	20.4
Loss from discontinued operations	**—**	(4.5)
Extraordinary item	**—**	4.4
Net income (loss)	**(5.6)**	20.3
Working capital	**48.0**	76.3
Depreciation from continuing operations	**16.9**	13.3
Capital expenditures on continuing operations	**59.8**	87.7
Per common share:		
Continuing operations	**(0.47)**	1.47
Discontinued operations	**—**	(0.33)
Extraordinary item	**—**	0.32
Net income (loss)	**(0.47)**	1.46
Shareholders' equity	**8.28**	8.92

Quarters
(millions, except per share amounts)

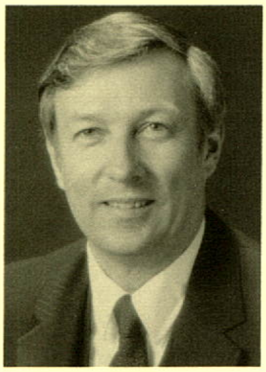
	Continuing operations				Net income(loss)		Net income (loss) per common share	
	Net sales		Income (loss)					
Quarter	**1982**	1981	**1982**	1981	**1982**	1981	**1982**	1981
1st	**$ 79.0**	$ 93.2	**$ 0.9**	$ 6.5	**$ 0.9**	$ 6.2	**$ 0.05**	$0.44
2nd	**76.7**	99.9	**(3.4)**	6.3	**(3.4)**	6.1	**(0.27)**	0.44
3rd	**75.1**	82.8	**(3.4)**	4.7	**(3.4)**	1.0	**(0.27)**	0.07
4th	**93.1**	97.1	**0.3**	2.9	**0.3**	2.6	**0.02**	0.19
Extraordinary item	**—**	—	**—**	—	**—**	4.4	**—**	0.32
Year	**$323.9**	$373.0	**$(5.6)**	$20.4	**$(5.6)**	$20.3	**$(0.47)**	$1.46

Pour obtenir la version française de ce rapport, il suffit d'écrire au Chef du contentieux et secrétaire,
Celanese Canada Inc.,
800 boulevard Dorchester Ouest,
Montréal, Québec
H3C 3K8.

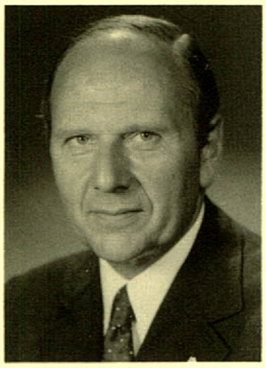
Date and Place of Annual Meeting

The Annual Meeting of Shareholders will be held in the Salon Ritz-Carlton of the Ritz-Carlton hotel, 1228 Sherbrooke Street West, Montreal, at 11:00 a.m. on May 10, 1983. First incorporated in 1926 under the name of Canadian Celanese Limited, the corporation has been continued under the Canada Business Corporations Act under the name of Celanese Canada Inc. pursuant to a certificate of continuance issued on May 31, 1978.

To Our Shareholders



Ernest H. Drew
President and
Chief Executive Officer



Pierre Côté
Chairman

Celanese Canada's major business segments, textiles and chemicals, were both severely affected by the economic decline in 1982. Total sales revenues of $324 million declined 13% from 1981, while margins were squeezed by rising energy and hydrocarbon costs and weak prices for our products. Further adding to the dilemma was the existence of excessive inventories at the end of the first quarter, which tied up badly needed working capital.

In response to the major economic decline, which has not only affected short-term earnings but also lowered projections for future Gross National Product growth, Celanese Canada initiated a major review of its business strategies. Simply stated, the corporation's objective is to maximize the shareholders' long-term value. The resulting strategy, which is being implemented, provides the framework for increasing our financial flexibility by first improving the balance sheet. An improved balance sheet will ensure access to funds when required, allowing Celanese Canada to support the core businesses in which it has a major strategic advantage and to consider options that would broaden the present business base. Business segments that do not meet the strategic criteria will be rationalized to maximize cash generation or restructured, for example through joint ventures, to provide a more competitive position.

Consistent with this strategy, in 1982 management initiated a number of actions to reduce Celanese Canada's break even point and improve our financial position. Inventories, excluding methanol, were reduced from $58 million at the end of the first quarter to $37 million at year end. Pre-tax provisions of over $6 million were made for costs associated with decentralization, reorganization and business rationalization. While design engineering for the $500 million acetic acid/vinyl acetate project was completed during 1982, the project is being delayed pending acceptable financing arrangements and an improved raw material and product price outlook. Cash dividends were discontinued after the first quarter. The stock dividend paid in the fourth quarter will, however, maintain our common stock as an eligible investment for institutions in 1983.

As a result of the inventory reductions coupled with continued strength in cigarette tow markets and an improvement in the polyester/polypropylene sector, we were able to report a profit of 2¢ per share for the fourth quarter and thus hold the 1982 loss to 47¢ per share.

Other positive events in the fourth quarter should improve prospects for 1983. These include the successful start up of the new 2,100 tonne per day joint venture methanol facility at Edmonton, the completion of the polypropylene modernization and expansion at Saint-Jean and a two-part expansion at Millhaven, where additional texturing equipment will allow the plant to supply an increased portion of the Canadian market for textured polyester filament, and the completion of the polyester staple line will meet increasing demand for this product.

In summary, during 1982 we were able to reduce significantly our cost of doing business, get our inventory in line and decentralize the organization to provide a more efficient and responsive corporation. These actions were difficult but necessary and would not have had the desired results without the support and understanding of the employees at Celanese Canada. While carrying out these programs, we were still able to complete projects essential to our future growth.

We are hopeful that the fourth quarter results are an indication of an improving trend for 1983.

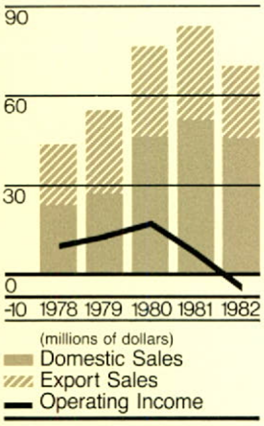
Ernest H. Drew
President and
Chief Executive Officer

Pierre Côté
Chairman

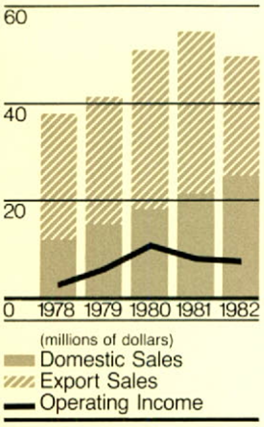
Chemicals and Industrial Products Group

Profitability of the world petrochemical industry fell dramatically in 1982, with most operating units dropping to below break even levels. Celanese Canada's Edmonton operations fared better than many petrochemical plants due to its use of natural gas as the primary energy and feedstock source. The cost reduction measures adopted during 1982 should allow the Group to maximize earnings during the period of economic recovery.

Chemicals
Sales and Operating Income



Industrial Products
Sales and Operating Income



In 1982, while other countries saw their crude oil and related energy costs tumble in tandem with petrochemical prices, Canadian energy costs continued the upward trend dictated by the federal government's National Energy Program. This combination of sharply reduced product demand and inflexible energy pricing proved particularly damaging to the Canadian industry.

The Edmonton plant has product and market diversity. While sales of a number of the products suffered from the cyclicality of the construction and automotive industries, the cellulose acetate filter tow product line again enjoyed stable demand and pricing through 1982. Extremely weak domestic and export chemical markets, particularly in Europe, were partially offset by cigarette tow sales in the Pacific Rim region. Overall, the Group's operational results were the lowest in 10 years.

Increased emphasis on asset management was implemented in the second quarter and continued through the balance of the year. Capital expenditures and inventories were sharply reduced. An intensive profit improvement program was begun, aimed at increasing efficiency and a permanent lowering of the fixed cost base. As operating levels fell due to sliding sales demand, block operation of the plant's units was introduced whereby major units of the plant were closed for several weeks and then restarted at capacity ensuring optimum energy usage and labour efficiency.

Construction of the $261 million joint venture methanol project was completed on budget during 1982 despite severe disruptions caused at mid-year by construction trades work stoppages. As a result, start up was delayed until December. While commercial production was not sustained by year end, the new unit demonstrated that it was capable of operating at design efficiency and above design capacity, and rail and ocean shipments of methanol were under way.

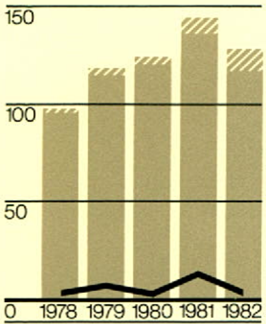
High energy costs necessitated the shut down of the small methanol plant at Cornwall. Customers in eastern Canada will now be served with Edmonton methanol through efficient bulk terminals in Ontario and Quebec.

Design engineering for a new world-scale acetic acid and vinyl acetate complex was completed in 1982. However, in view of the present long-range outlook for Canadian energy pricing and the growing concern over the cost competitiveness of ethylene derivatives from Alberta, the project was deferred. Economic studies on a range of other petrochemical derivatives are under way within the corporation, but the fundamental issue of energy cost to the Canadian petrochemical producers requires accelerated dialogue between industry and government if the investment thrust in Canada is to be maintained. Performance in the year ahead in the chemical sector will depend largely on recovery in the construction, automotive and related industries. However, the results of the programs implemented in 1982 to increase our cost efficiency should allow the Group to maximize earnings during the climb to recovery.

Textile Group

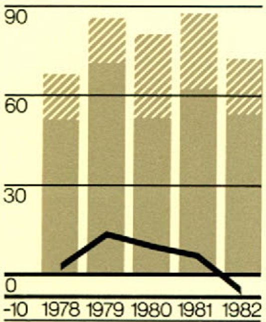
A climate of uncertainty, causing frequent dramatic fluctuations in demand for all products, was characteristic of 1982 for the Textile Group. The world-wide recession emphasized the need for re-examining the Group's marketing and operational strategies. With this in mind, attention was focused on reducing unit costs, inventories and capital expenditures. As a result of this concerted effort, our position was improved by year end.

Polyester and Polypropylene
Sales and Operating Income



(millions of dollars)
Domestic Sales
Export Sales
Operating Income

Cellulosic Fibres and Fabrics
Sales and Operating Income



(millions of dollars)
Domestic Sales
Export Sales
Operating Income

Soft market conditions and erratic customer demand caused major plant scheduling problems for the *Polyester Division* during the first nine months of 1982. Additionally, a fire in the industrial filament section of the Millhaven plant resulted in one line being out of operation for one month and another for a period of five months. Both of these lines were reactivated and are now operating at capacity levels. Heavy emphasis was placed on controlling inventories, unit costs and capital expenditures, thereby achieving substantial savings and maintaining positive operating income.

In the last quarter of 1982, volumes improved substantially in all three polyester product areas, textile filament, industrial filament and staple fibre; and, by year end, the plant was operating at capacity levels. During 1983, production capacity will be increased in the textile filament section as the result of the additional texturing equipment and by the expansion in staple fibre.

The *Polypropylene Division* was the first of the divisions to be affected by the recession and was also the first to experience an upturn in business, well before the end of the third quarter. During the year, operating costs were tightly controlled, inventories were reduced and substantial new business was developed in U.S. markets. These measures largely offset raw material price escalation and reduced domestic shipments. Higher operating levels were restored at the Saint-Jean plant in the second half of the year as market demand continued to strengthen. By year end, the $8.6 million expansion and modernization program, announced in 1981, was completed and the new production equipment was in full operation. The division is now well positioned to take advantage of an economic recovery in both new and established end-use markets throughout North America.

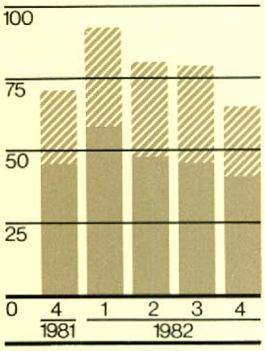
The *Cellulosic Fibres and Fabrics Division*, with plants at Drummondville and Coaticook, operated at reduced manufacturing levels throughout 1982 as a result of the recession. In fact, virtually all the division's customers experienced difficulties, causing business failures in some cases, and forcing both the corporation and its customers to examine ways of rationalizing operations to reduce costs and to improve efficiency. The division combatted the effects of the weak market by tightening control of capital expenditures and through a major inventory reduction program. Capacity utilization was low for both yarns and fabrics, which would normally force significant employee layoffs. However, the division participated in the government-sponsored work-sharing program, thereby minimizing the need for cutbacks in the work-force.

Toward year end, a comprehensive quality improvement and cost reduction program was implemented, which should yield substantial savings in 1983. Although 1982 was disappointing for the division, there are positive indications for the future. Polyester fashion fabrics seem likely to surpass acetate linings as the major product line in the next few years. The division is maintaining its presence in existing export markets so as to be well poised for the economic recovery.

For all of the *Textile Group*, continuing emphasis was placed on improved working conditions as well as health and safety programs. In order to ensure the longer-term viability of the industry, on-going discussions continued with the Canadian government aimed at halting the market share erosion caused by garment imports from low-cost countries, and bilateral agreements are being re-negotiated for 1983. While the economic outlook is cloudy, there is reason to believe the improved performance, evident at the end of 1982, should continue into 1983.

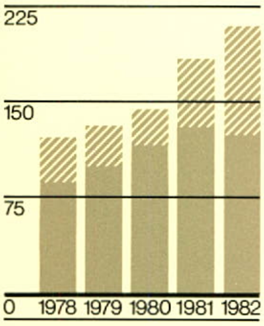
Financial Review

Inventories



(millions of dollars)
Inventories
LIFO Reserves

Capitalization



(millions of dollars)
Equity
Long-term Debt

Operating Results — The $1.93 per common share decline in net income from 1981 to 1982 was due primarily to a fall in volume of $1.00 per share and higher unit raw material and labour costs of $0.85 per share. Pricing gains in some product lines were largely offset by price erosion in others. The corporation responded to the deteriorating operating results with cost reductions and improved cash management. Reductions in plant and selling and administrative costs of $0.15 per share, before provisions for business rationalization and reorganization programs, reduced the 1982 loss. These programs, currently well under way, will lower 1983 plant and selling and administrative costs significantly below those of 1982. A major reduction in inventories contributed $0.28 per share (see note 6, page 10).

Capital Expenditures — The completion of the methanol joint venture project and the polypropylene expansion accounted for 54% of 1982 capital expenditures. These projects and lower cash flows from existing businesses severely curtailed the availability of funds for other projects, and the disappointing economic outlook made many potential projects, including acetic acid/vinyl acetate, considerably less attractive. Capital expenditures in 1983 are expected to be less than $15 million.

Financing — Capital expenditures exceeded funds from operations, necessitating $39 million in new debt, $35 million of which was long-term. The increased debt and the 1982 loss combined to raise the long-term debt to total capitalization ratio from 29% at December 31, 1981 to 41% at year end 1982. At December 31, 1982, the corporation had $35 million available under its revolving credit loan agreement and $90 million of unused short-term bank credit lines.

CAPITAL EXPENDITURES BY TYPE
(millions of dollars)

	1982	1981	1980	1979	1978
Expansion	**22.6**	14.3	1.9	13.2	8.8
Cost Reduction and Energy Savings	**2.3**	12.9	7.8	3.7	1.6
Maintenance of Business	**7.0**	7.2	4.5	4.9	3.3
Environment	**1.0**	2.3	0.9	1.8	1.9
Methanol	**26.9**	51.0	40.0	—	—
Total	**59.8**	87.7	55.1	23.6	17.7

CAPITAL EXPENDITURES BY PRODUCT GROUP
(millions of dollars)

	1982	1981	1980	1979	1978
Polyester and Polypropylene	**13.3**	11.9	3.5	4.0	4.3
Cellulosic Fibres and Fabrics	**3.2**	7.3	6.4	1.7	0.9
Industrial Products	**1.7**	6.0	1.3	2.3	0.7
Chemicals	**6.9**	10.2	3.7	15.4	10.7
Methanol	**26.9**	51.0	40.0	—	—
Other	**7.8**	1.3	0.2	0.2	1.1
Total	**59.8**	87.7	55.1	23.6	17.7

NET SALES FROM CONTINUING OPERATIONS
Change from Prior Year — %

	1982	1981	1980	1979	1978
Volume	**(14)**	1	(6)	7	5
Price	**1**	10	16	16	9
Total	**(13)**	11	10	23	14

Management Responsibility for Financial Reports

Management has prepared and is responsible for the consolidated financial statements of Celanese Canada Inc. and its subsidiaries. These statements and other financial information contained in this report have been prepared in accordance with generally accepted accounting principles which, except for the realignment of the LIFO pools described in note 6, were applied on a basis consistent with that of the preceding year.

The information used in the preparation of the financial statements and other financial data is accumulated from the corporation's accounting and administrative control systems. The related policies and procedures, including an overall plan of organization, are communicated to employees responsible for the processing of data and recording of transactions. Transactions are required to be properly authorized and recorded in a manner that maintains accountability for assets; only authorized personnel are permitted access to assets; and asset records are compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Business conduct policies, including compliance with applicable laws and observance of moral and ethical standards of society, are promulgated and monitored throughout the corporation.

Product group management report on compliance with Celanese policies and procedures on a quarterly basis. The internal audit department is responsible for reviewing internal accounting controls and their application at all Celanese locations. Recommendations to improve internal controls and deviations or exceptions from established policies and procedures are reported to management. Management reviews such recommendations, deviations or exceptions and implements recommendations or takes other corrective actions as necessary.

Peat, Marwick, Mitchell & Cie, Chartered Accountants, the external auditors appointed by the shareholders, are responsible for performing an independent examination of the financial statements in accordance with generally accepted auditing standards and for expressing an opinion on the statements. Their report appears on page 13.

The Audit Committee of the Board of Directors reviews the activities of both the internal and external auditors to satisfy itself that both are properly discharging their responsibilities. A more complete report on the Audit Committee follows.

Audit Committee of the Board

The Audit Committee of the Board of Directors, first appointed in 1971, has three members.

The Committee meets during the year with the corporation's internal and external auditors and with members of management. Following these meetings, the Committee meets privately with both auditors to ensure a free and open discussion of any subject the Committee or the auditors wish to pursue. The functions of the Committee include:

- Recommend appointment of the external auditors
- Review scope of the internal and external audits
- Review the consolidated financial statements of the corporation and its subsidiaries for the year and recommend approval by the Board of Directors
- Review external auditors' letters on internal control and accounting procedures and reports of action taken in response thereto
- Review operations of the corporation's internal audit staff
- Review compliance with business conduct policies
- Review fees of the external auditors for audit and non-audit services

Consolidated Statement of Income

For the year ended December 31

	(thousands, except per share amounts) 1982	1981
Continuing operations:		
Net sales	**$323,907**	$372,992
Operating costs:		
Cost of goods sold	**293,985**	309,596
Selling and administrative	**27,518**	27,141
Research and development	**4,782**	2,704
Total operating costs	**326,285**	339,441
Operating income (loss)	**(2,378)**	33,551
Interest and debt expense	**(2,322)**	(6,274)
Other income and expense	**(3,690)**	8,654
Income (loss) before income taxes	**(8,390)**	35,931
Income taxes (note 4)	**(3,928)**	14,142
Income (loss) including interest of others in subsidiary	**(4,462)**	21,789
Interest of others in subsidiary (note 5)	**(1,117)**	(1,345)
Income (loss) from continuing operations	**(5,579)**	20,444
Loss from discontinued operations	**—**	(4,476)
Net income (loss) before extraordinary item	**(5,579)**	15,968
Extraordinary item	**—**	4,362
Net income (loss)	**$ (5,579)**	$ 20,330
Per common share:		
Continuing operations	**$ (0.47)**	$ 1.47
Discontinued operations	**—**	(0.33)
Extraordinary item	**—**	0.32
Net income (loss)	**$ (0.47)**	$ 1.46
Average common shares outstanding during year	**13,414**	13,402

Consolidated Statement of Retained Income

For the year ended December 31

	(thousands) 1982	1981
Retained income at beginning of year	**$ 70,881**	$ 56,697
Net income (loss)	**(5,579)**	20,330
	65,302	77,027
Dividends:		
Cash	**2,153**	6,146
Stock	**650**	—
Total dividends	**2,803**	6,146
Retained income at end of year	**$ 62,499**	$ 70,881

The accompanying notes and the information presented on pages 9 to 14 are integral parts of these financial statements.

Consolidated Balance Sheet

As at December 31

	(thousands) 1982	1981
Assets		
Current assets:		
Cash and short-term investments	**$ 109**	$ 3,308
Receivables, less allowance for doubtful accounts	**58,794**	59,760
Inventories (note 6)	**39,345**	44,378
Deferred income taxes (note 4)	**17,860**	15,435
Other current assets	**1,445**	2,313
Total current assets	**117,553**	125,194
Property, plant and equipment, at cost (note 7)	**470,491**	416,887
Accumulated depreciation	**282,713**	269,273
Net property, plant and equipment	**187,778**	147,614
Other assets	**11,711**	6,576
Total assets	**$317,042**	$279,384
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank loans	**$ 3,800**	$ —
Accounts payable and accrued liabilities	**57,537**	47,050
Income taxes	**4,801**	(1,358)
Long-term debt due within one year, less amount held by trustees	**3,439**	3,212
Total current liabilities	**69,577**	48,904
Unrealized gain (note 3)	**5,329**	5,829
Long-term debt (note 8)	**85,827**	54,385
Deferred income taxes (note 4)	**21,205**	24,490
Interest of others in subsidiary (note 5)	**10,213**	13,750
Shareholders' equity:		
Capital stock (note 9)	**61,892**	61,145
Retained income	**62,499**	70,881
Total shareholders' equity	**124,391**	132,026
Total liabilities and shareholders' equity	**$317,042**	$279,384

The accompanying notes and the information presented on pages 9 to 14 are integral parts of these financial statements.

On behalf of the Board:

Ernest H. Drew, Director

Marcel Bélanger, Director

Consolidated Statement of Changes in Financial Position

For the year ended December 31

	(thousands)	
	1982	1981
Funds from operations:		
Income (loss) from continuing operations before extraordinary item	**$(5,579)**	$20,444
Depreciation and amortization from continuing operations (note 13)	**17,414**	13,668
Gain on disposal of property, plant and equipment	**—**	(1,736)
Tax provision net of taxes paid or recovered	**449**	6,460
Changes in — accounts receivable	**966**	(2,780)
— inventories	**5,033**	(8,087)
— accounts payable and accrued liabilities	**10,487**	(8,191)
— other current assets	**868**	(1,801)
Funds from continuing operations	**29,638**	17,977
Funds from discontinued operations	**—**	20,823
Net funds from operations	**29,638**	38,800
Investments and other transactions:		
Additions to property, plant and equipment	**(59,793)**	(87,685)
Proceeds on disposal of property, plant and equipment	**2,763**	36,970
Other assets	**(5,683)**	(5,490)
Net investments and other transactions	**(62,713)**	(56,205)
Financial transactions:		
Cash dividends: Common	**(1,362)**	(5,355)
Preferred	**(791)**	(791)
Reduction of interest of others in subsidiary (note 5)	**(3,537)**	(1,750)
Short-term financing	**3,800**	(4,000)
Long-term debt, including current portion: (note 8)		
— additions	**35,000**	30,000
— repayments	**(3,331)**	(3,900)
Issue of common shares for cash (note 9)	**97**	131
Total financial transactions	**29,876**	14,335
Decrease in cash and short-term investments	**(3,199)**	(3,070)
Cash and short-term investments:		
at beginning of year	**3,308**	6,378
at end of year	**$ 109**	$ 3,308

The accompanying notes and the information presented on pages 9 to 14 are integral parts of these financial statements.

Notes to Consolidated Financial Statements

December 31, 1982
(dollar amounts in thousands)

Celanese Canada Inc.("the corporation") operates under the Canada Business Corporations Act. Its principal business activities include the production and sale of fibres, broadwoven fabrics, chemicals and industrial products. The corporation's principal subsidiaries, the common shares of which are wholly owned, are Celanese Canada (Millhaven) Inc. and Chemcell S.A., Switzerland. Celanese Corporation, New York, owns 56.4% of the common shares of the corporation.

The accompanying financial statements are prepared on the historical cost basis in accordance with accounting principles generally accepted in Canada and conform in all material respects to International Accounting Standards.

(1) Basis of presentation:
The consolidated financial statements include the accounts of the corporation and its subsidiaries together with the corporation's share of the assets and liabilities of a joint venture. The operations of the Carpets Division, which was disposed of in 1981, have been reported separately from those of continuing operations.

(2) Investment in methanol joint venture:
In 1980, the corporation formed a partnership with Celanese Company of America, Inc., a wholly owned subsidiary of Celanese Corporation, New York, to construct and operate a methanol facility near Edmonton, Alberta. In 1981, the partnership entered into a joint venture with PanCanadian Petroleum Limited ("PanCanadian") for the ownership and operation of the facility, as a result of which the corporation and PanCanadian each has a 35% participating interest in the facility and Celanese Company of America, Inc. has a 30% participating interest.

Sustained commercial production was not achieved until after December 31, 1982. The corporation's share of pre-production and start-up costs, net of recoveries from sales, interest revenues and inventory, have been deferred. Included in deferred pre-production and start-up expense are charges from affiliates of the corporation to the joint venture for the rental of distribution equipment. The corporation's share of these charges amounts to $380. These costs will be amortized over the useful life of the facility.

Joint venture assets and liabilities included in the consolidated financial statements are:

	1982	1981
Assets		
Current assets	**$ 2,599**	$ 2,529
Property, plant and equipment	**90,052**	64,635
Other assets, including deferred pre-production and start-up expense	**3,914**	777
Total assets	**96,565**	67,941
Liabilities		
Current liabilities	**3,208**	4,449
Unrealized gain on sale of assets(note 3)	**5,829**	5,829
Net investment	**$87,528**	$57,663

At December 31, 1982, the joint venture had contractual obligations outstanding of approximately $1,187 for the acquisition of plant and equipment.

The joint venture leases tank cars with an annual minimum rental of $4,383. The leases extend over various periods to 1997.

Methanol tankage, terminal facilities, supply of electrical power and transportation of natural gas are under contract for periods ranging from five to twenty years with minimum payment obligations aggregating $14,128 over the terms of the contracts.

Contractual agreements have been entered into between the participants for the provision of services to the joint venture. In accordance with the terms of these agreements, the corporation is reimbursed for management expenses and renders services to the joint venture for sales and for the use of common facilities. The corporation has deferred income of $794 received in 1982 for these services. In addition, during 1982 the corporation capitalized interest expense of $7,768 (1981 — $1,369) and deferred administrative costs of $2,073. Deferred income, capitalized interest and deferred administrative costs will be amortized over the useful life of the facility.

Notes to Consolidated Financial Statements (Continued)

(dollar amounts in thousands)

(3) Unrealized gain:
Formation of the joint venture, discussed in note 2, led to the sale to PanCanadian of an undivided interest in the assets of the joint venture. A portion of the gain on the sale has been deferred as its realization is dependent upon future investment decisions of the participants.

(4) Income taxes:
Income for income tax purposes differs from net income reported in the financial statements principally because of tax rules with respect to the timing of allowable depreciation, employee compensation costs and the LIFO method of valuing inventories. The effects of these timing differences are recorded as deferred income taxes, which are classified in the balance sheet based on the classifications of the related assets and liabilities.

The provision for income taxes is as follows:

	1982	1981
Payable	**$ 1,782**	$ 40
Deferred — current	**(2,425)**	(5,588)
— long-term	**(3,285)**	19,690
	$(3,928)	$14,142

Federal investment tax credits are accounted for as a reduction in the provision for income taxes in the year in which such credits are claimed for tax purposes.

Taxes on income have been reduced by $822 (1981 — $484) attributable to the 3% inventory allowance and the application of federal investment tax credits. The net effect of unrecorded federal investment tax credits available to be claimed against taxes payable in future years amounts to $6,124.

(5) Interest of others in subsidiary:
An affiliated corporation owns all the outstanding cumulative redeemable preferred shares of Celanese Canada (Millhaven) Inc. The corporation's net income has been reduced by dividends on the preferred shares.

Celanese Canada (Millhaven) Inc. is required, on an annual basis, to redeem outstanding preferred shares. The amount of the redemption is calculated as a percentage of net income plus the excess of cash and short-term investments at year end over a stated amount. The value of the shares remaining to be redeemed by March 31, 1983 in respect of the year 1982 is $4,872.

(6) Inventories:
Substantially all inventories have been valued using the last-in, first-out (LIFO) method of determining cost. Other inventories are valued at current cost. Inventory values are not in excess of net realizable value and do not include depreciation of property, plant and equipment.

Inventories at December 31 were:

	1982	1981
Raw materials	**$ 3,778**	$ 4,866
Work in process	**7,134**	7,143
Finished goods	**20,229**	24,511
Stores and supplies	**8,204**	7,858
Total	**$39,345**	$44,378

If inventories had been valued using the lower of average costs and net realizable values, total inventories would have been $24,616 higher at December 31, 1982 and $26,072 higher at December 31, 1981.

The corporation realigned its LIFO inventory pools to correspond to product lines rather than business segments, thereby enabling, in the opinion of management, a better matching of costs and revenues. The realignment was made effective January 1, 1982. This change resulted in an increase of 1982 net income of $1,381. Amounts for retroactive application of the cumulative effect of this change are not determinable.

During 1982, certain inventories valued on the LIFO basis were reduced, resulting in a liquidation of LIFO inventory quantities carried at lower costs that prevailed in prior years. The effect of this reduction increased net income for the year by approximately $3,739. This amount includes the effect of the change discussed in the previous paragraph.

Notes to Consolidated Financial Statements (Continued)
(dollar amounts in thousands)

(7) Property, plant and equipment:
Property, plant and equipment are stated at cost. Additions, improvements, renewals and expenditures for maintenance that add materially to productive capacity or extend the life of an asset are capitalized. Other expenditures for maintenance are charged to income.

Depreciation is generally provided over the estimated useful lives of the depreciable assets, or asset groups, on the straight-line method. Additional depreciation is provided on particular assets or groups of assets if required to recognize the effects of significant technological or market changes.

Generally, assets are grouped and depreciated on a composite basis. Accordingly, when facilities are retired or otherwise disposed of in the normal course of business, the cost is removed from the asset accounts and charged or credited, after the application of the sales or other salvage realization, to the related accumulated depreciation account. Gains or losses on disposals which are not considered to be in the normal course of business are reflected in net income in the year of disposal.

Assets at cost included in property, plant and equipment at December 31 and the average depreciation rates for the year were:

	1982		1981	
Machinery and equipment	**$157,714**	**9.0%**	$148,229	7.3%
Buildings and improvements	**55,323**	**5.8%**	52,377	6.9%
Depreciable assets	**213,037**	**8.2%**	200,606	7.2%
Fully depreciated facilities	**140,027**		139,266	
Land	**2,772**		1,686	
Construction in progress	**114,655**		75,329	
Total	**$470,491**		$416,887	
Expenditures for maintenance and repairs	**$ 22,377**		$ 21,884	

(8) Long-term debt:
Exclusive of amounts due currently, long-term debt at December 31 was:

	Due	1982	1981
Celanese Canada Inc.:			
5⅜% sinking fund debentures Series B (U.S. $8,000)	Nov. 85	**$ 9,877**	$11,786
6½% sinking fund debentures Series C	Feb. 86	**4,950**	5,900
Celanese Canada (Millhaven) Inc.:			
7½% first mortgage bonds Series A	Dec. 86	**6,000**	6,699
Revolving credit loans		**65,000**	30,000
Total		**$85,827**	$54,385

Under the terms of a revolving credit loan agreement with several Canadian banks, the corporation may borrow up to $100 million. Commencing on April 1, 1985, the $100 million aggregate commitment is reduced by $10 million annually through April 1, 1992 and by $20 million on April 1, 1993. The loans bear interest at rates which fluctuate with the lenders' prime rates or, at the corporation's option, rates which relate to Canadian Bankers' Acceptance rates or U.S. dollar LIBOR rates. At December 31, 1982, the average interest rate on debt outstanding under this agreement was 11.56%.

Maturities and sinking fund requirements through 1986, less amounts purchased, and excluding amounts payable under the revolving credit loan agreement are:

1983	1984	1985	1986
$3,439	$4,046	$9,231	$7,550

Sinking fund debentures are secured by floating charges on assets. Trust deeds securing the debentures and the revolving credit loan agreement contain certain restrictions and covenants related to the payment of dividends on the common shares, the most restrictive of which would have the effect of limiting the amount of retained income available for dividends on common shares to approximately $36,000 at December 31, 1982. First mortgage bonds are secured by specific and floating charges on assets.

Notes to Consolidated Financial Statements (Continued)

(dollar amounts in thousands)

(9) Capital stock:

	Issued and outstanding at December 31,			
	1982		1981	
	shares		shares	
Preferred shares:				
Cumulative, redeemable,				
authorized 594,500 shares:				
— $1.75 series	**395,000**	**$ 9,875**	395,000	$ 9,875
— $1.00 series	**99,500**	**2,488**	99,500	2,488
Balance at end of year	**494,500**	**12,363**	494,500	12,363
Common shares:				
Balance at beginning of year	**13,409,829**	**48,782**	13,397,846	48,651
Issued under employees' share purchase plans	**18,050**	**97**	11,983	131
Issued as stock dividend	**100,320**	**650**	—	—
Balance at end of year	**13,528,199**	**49,529**	13,409,829	48,782
Total		**$61,892**		$61,145

The preferred shares, $1.75 series and $1.00 series, are subject to redemption at any time, at the corporation's option, either in whole or in part, at the price of $40 and $26 respectively per share, plus accrued dividends.

(10) Pension plans:

The corporation and its subsidiaries offer pension plans to employees. The contributions made by the corporations and their employees are deposited with trustees or insurance companies according to the terms of the plans. At January 1, 1982, the actuaries determined that the aggregate of the plans' assets exceeded the liabilities by $2,250.

Charges against income for 1982 pension costs were $2,201, after the use of $640 of the above surplus, and $3,267 in 1981.

(11) Related party transactions:

During the year, the corporation had business transactions with Celanese Corporation, New York, and other affiliates. The purchase and sale of materials and finished products were at competitive market prices on normal terms of purchase and sale. Sales of finished products to affiliates form an important part of the corporation's export business. The terms of the other transactions with related parties are as set out in contractual agreements. It is expected that all these business relationships will continue.

The particulars of these transactions and balances owing from or to these corporations for the year ended December 31 were as follows:

	1982	1981
Balances at end of year:		
Accounts receivable from affiliates	**$ 7,428**	$ 7,240
Accounts payable to affiliates	**4,433**	958
Transactions during the year:		
Sales of finished products	**$20,546**	$38,091
Purchases of materials and finished goods	**22,719**	25,328
Royalty fee and technical service expense	**2,305**	2,542

See note 2 for related party transactions in respect to the methanol joint venture.

(12) Foreign exchange:

Assets and liabilities in currencies other than Canadian dollars are translated at exchange rates prevailing at the balance sheet date. Income and expenses are accounted for at rates of exchange in effect at dates of transactions. Exchange fluctuations resulting from the translation of long-term items are being amortized over the remaining lives of the long-term assets or liabilities to which they relate. Exchange fluctuations on current assets and current liabilities are recognized in income in the year in which they occur.

Foreign exchange gains and losses are included in "Other income and expense".

Notes to Consolidated Financial Statements (Continued)

(dollar amounts in thousands)

(13) Statutory and other information:

(a) The following were included in the determination of the corporation's net income:

	1982	1981
Depreciation from continuing operations	**$16,866**	$13,289
Amortization of — debt expense	**31**	34
— foreign exchange loss on long-term debt	**517**	345
Total depreciation and amortization	**$17,414**	$13,668
Interest expense on long-term debt, after capitalized portion (note 2)	**$ 1,635**	$ 1,839

(b) During 1982, $6,500 ($3,770 after taxes) has been provided to implement rationalization and reorganization plans in respect to various business units.

(14) Commitments and contingent liabilities:

(a) At December 31, 1982, there were contractual obligations outstanding of approximately $971 for the acquisition of plant and equipment.

(b) The corporation leases certain office premises, data processing, transportation and other equipment, warehouse and terminal facilities. Minimum annual rentals amount to approximately $7,856. The most significant leases extend over various periods up to 1991 and it is expected that, in the normal course of operations, most will be extended or replaced.

(c) The corporation has been advised by employees and customers of the Carpets Division, which was disposed of in 1981, that various claims have been or will be made. The outcome of these claims cannot be determined at this time, and no provisions have been made in these financial statements. Settlements, if any, are not expected to be significant.

(d) Revenue Canada has revised its preliminary position and informed the corporation that it proposes to levy an assessment which will have the effect of increasing the corporation's income subject to tax for 1974 through 1980 with respect to sales to a foreign subsidiary. It is not possible at the present time to ascertain the amount of such increase and the related income tax. It is the opinion of the corporation that any resulting assessment will not have a significant effect on future financial statements.

(e) See note 2 for commitments in respect to the methanol project.

Auditors' Report

To the Shareholders of Celanese Canada Inc.

We have examined the consolidated balance sheet of Celanese Canada Inc. as at December 31, 1982 and the consolidated statements of income, retained income and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the corporation as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles which, except for the realignment of the LIFO pools described in note 6, were applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Cie

Montreal, Canada
January 21, 1983

Peat, Marwick, Mitchell & Cie
Chartered Accountants

Segmented Information for Continuing Operations

(in thousands)

	Polyester and Polypropylene	Cellulosic Fibres and Fabrics	Industrial Products	Chemicals	Corporate & Inter-segment Transactions	Consolidated
Year ended December 31, 1982:						
Sales to customers outside the corporation:						
— domestic	$116,466	53,840	24,953	45,179	2,716	243,154
— export	11,429	18,569	26,584	24,171	—	80,753
Inter-segment sales	6,288	—	—	11,185	(17,473)	—
Total net sales	$134,183	72,409	51,537	80,535	(14,757)	323,907
Operating income (loss)	$ 6,189	(5,721)	10,421	(2,348)	(10,919)	(2,378)
Income (loss) from continuing operations after income taxes (1)	$ 36	(6,704)	5,015	(3,926)	—	(5,579)
Total assets	$ 68,568	46,199	21,322	168,071	12,882	317,042
Capital expenditures	$ 13,264	3,186	1,689	41,637	17	59,793
Depreciation	$ 6,872	1,898	1,470	6,079	547	16,866
Year ended December 31, 1981: (2)						
Sales to customers outside the corporation:						
— domestic	$135,744	61,852	20,725	51,375	2,538	272,234
— export	9,966	25,513	33,749	31,530	—	100,758
Inter-segment sales	12,953	—	—	13,607	(26,560)	—
Total net sales	$158,663	87,365	54,474	96,512	(24,022)	372,992
Operating income (loss)	$ 16,004	9,255	9,176	9,829	(10,713)(3)	33,551
Income from continuing operations after income taxes (1)	$ 6,898	3,933	4,668	4,945	—	20,444
Total assets	$ 60,050	50,334	22,634	131,513	14,853	279,384
Capital expenditures	$ 11,881	7,328	6,016	61,153	1,307	87,685
Depreciation	$ 6,761	905	940	4,369	314	13,289

The corporation operates primarily in the above industries. Inter-segment sales are accounted for at prices comparable to open market prices for similar products.

(1) Income from continuing operations reflects the allocation of general corporate expenses, interest and debt expense, and other income to each segment on the basis of relative net assets.

(2) Restated to conform to the 1982 presentation, with bad debt expense charged directly to each segment.

(3) Excludes the portion of the corporate expenses which was allocated to the discontinued operations to the date of disposition on a basis consistent with the allocation to continuing operations.

1978-1982 Five-Year Statistical Summary

For the years ended December 31

	(dollar amounts in millions, except per share amounts)				
	1982	1981	1980	1979	1978
Operations					
Continuing operations					
Net sales	**$323.9**	373.0	336.2	305.3	247.8
Operating income (loss)	**(2.4)**	33.6	40.9	37.7	14.8
Income (loss) before taxes	**(8.4)**	35.9	41.7	38.1	13.5
Provision for taxes	**(3.9)**	14.1	16.0	14.9	4.2
Interest of others in subsidiary	**(1.1)**	(1.3)	(1.4)	(2.0)	(0.7)
Income (loss) from continuing operations	**(5.6)**	20.4	24.2	21.2	8.6
Loss from discontinued operations	**—**	(4.5)	(2.2)	(1.2)	(2.1)
Extraordinary items, net of taxes	**—**	4.4	—	(1.8)	0.6
Net income (loss)	**(5.6)**	20.3	22.0	18.2	7.1
Dividends — common	**2.0**	5.4	5.3	2.7	—
— preferred	**0.8**	0.8	0.8	0.8	0.8
Capital expenditures on continuing operations	**$ 59.8**	87.7	55.1	23.6	17.7
Depreciation from continuing operations	**16.9**	13.3	16.0	18.5	23.6
Per common share					
Income (loss) from continuing operations	**$ (0.47)**	1.47	1.74	1.53	0.59
Loss from discontinued operations	**—**	(0.33)	(0.16)	(0.09)	(0.16)
Income (loss) before extraordinary items	**(0.47)**	1.14	1.58	1.44	0.43
Net income (loss)	**(0.47)**	1.46	1.58	1.30	0.47
Dividends	**0.15**	0.40	0.40	0.20	—
Equity	**8.28**	8.92	7.86	6.67	5.57
Balance sheet data (1)					
Current assets	**$117.6**	125.2	130.4	141.3	115.3
Property, plant and equipment — total	**470.5**	416.9	354.8	348.2	325.2
— net	**187.8**	147.6	65.3	68.6	66.0
Total assets	**317.0**	279.4	224.1	212.3	188.4
Current liabilities	**69.6**	48.9	56.4	62.7	47.1
Long-term debt	**85.8**	54.4	28.3	31.5	37.3
Deferred income taxes	**21.2**	24.5	6.3	0.8	(1.1)
Total shareholders' equity	**124.4**	132.0	117.7	101.7	86.9
Financial ratios					
Operating income as a percent of sales of continuing operations — %	**Neg.**	9.0	12.2	12.3	6.0
Return on common equity — %	**Neg.**	17.4	21.8	21.2	8.8
Common dividend payout — %	**N/A**	27	25	15	N/A
Long-term debt to total capitalization — %	**41**	29	19	24	30
Current ratio	**1.7**	2.6	2.3	2.3	2.4
Number of employees (year-end)	**3,435**	3,469	4,243	4,428	4,598

(1) 1980-1978 not adjusted for operations discontinued in 1981.

Directors and Management

Several changes were made to the Board during 1982.

At the Annual Shareholders' Meeting held on May 12, 1982, Dr. Richard A. Daniel and Messrs. Stanley E. Nixon and Robert A. Longman did not stand for re-election. The Board acknowledged with sincere regret the departure of Mr. Nixon, who had greatly served the Board for 11 years and who had reached the mandatory age of retirement.

Dr. Daniel had served as a member of the Executive Committee during his one year as a director. Mr. Longman, who had joined the Board in April 1979, served as a member of the Pension Committee for two years. The corporation expresses its appreciation to both for their counsel and valuable contribution.

At the same meeting, Messrs. C. Eugene Anderson, James J. Bigham, Pierre G. Bourgeau and Dr. Ernest H. Drew were elected directors to fill the vacancies.

At the Board of Directors' Meeting on September 8, 1982, Dr. Richard O. Steele resigned as director, having served on the Board for two years. Dr. Steele was a member of the Executive, Compensation and Nominating Committees and the corporation is most grateful to him.

On November 10, 1982, Mrs. Jean Casselman Wadds was appointed to the Board to fill this vacancy.

[1]Member of the Executive Committee
[2]Member of the Audit Committee
[3]Member of the Compensation Committee
[4]Member of the Nominating Committee
[5]Member of the Pension Committee
[6]Member of the Social Responsibility Committee

Directors

C. Eugene Anderson, [1,3,4,6]
President, Celanese International Company;
Vice-President, Celanese Corporation;

Laurent Beaudoin, [1]
Chairman and Chief Executive Officer, Bombardier Inc.;
President, Bombardier-Rotax G.m.b.H.;
Chairman, Les Entreprises de J. Armand Bombardier Ltée.;

Marcel Bélanger, [2,5]
President, Gagnon et Bélanger Inc., Management Consultants;

James J. Bigham,
Vice-President, Finance and Planning, Celanese International Company;
Vice-President, Celanese Corporation;

Pierre G. Bourgeau, [5,6]
General Counsel and Secretary, Celanese Canada Inc.;

Robert W. Campbell, [2]
Vice-Chairman of the Board and Chief Executive Officer, Canadian Pacific Enterprises Ltd.;
Chairman of the Board, PanCanadian Petroleum Limited;

Richard M. Clarke,
President, Celanese Specialty Operations;
Vice-President, Celanese Corporation;

Arthur A. Cooksey, [2]
Vice-President and Controller, Celanese Corporation;

Pierre Côté, [1,3,4,6]
Chairman of the Board, Celanese Canada Inc.;

Allan R. Dragone,
President and Chief Operating Officer and a director, Celanese Corporation;

Ernest H. Drew, [1,5,6]
President and Chief Executive Officer, Celanese Canada Inc.;

Robert L. Mitchell,
Vice-Chairman and a director, Celanese Corporation;

Thomas H.B. Symons, [6]
Vanier Professor, Trent University;
Vice-President of the Social Sciences and Humanities Research Council of Canada;
Chairman of the International Board of United World Colleges;

William I.M. Turner, Jr., [1,3,4]
Chairman, Chief Executive Officer and a director, Consolidated-Bathurst Inc.;
Chairman of the Executive Committee of the British-North American Committee;

Mrs. Jean Casselman Wadds,
Member of the Royal Commission of the Economic Union and Development Prospects for Canada.

Officers

Pierre G. Bourgeau,
General Counsel and Secretary

Emile J. Carrière,
Vice-President, Human Resources and Public Affairs

Raymond A. Chevrier,
Vice-President, Textile Group

***Ernest H. Drew,**
President and Chief Executive Officer

Donald D. Epp,
Vice-President

***William B. Harris,**
Vice-President, Finance

***Andrew B. Hughes,**
Treasurer

Neil Martin,
Vice-President, Chemicals and Industrial Products Group

George A. Wrixon,
Controller

Other Members of Management

Robert J.I. Leggett,
General Manager, Polypropylene Division

***Luis G. Monton,**
General Manager, Cellulosic Fibres and Fabrics Division

*Appointed in 1982

Celanese Canada Inc.

Head Office
800 Dorchester Boulevard West,
Montreal, Quebec H3C 3K8
(514) 871-5511

Textile Group
800 Dorchester Boulevard West,
Montreal, Quebec H3C 3K8
(514) 871-5511

Plants

Drummondville, Quebec	(819) 478-1451
Coaticook, Quebec	(819) 849-2734
Saint-Jean, Quebec	(514) 348-3881
Millhaven, Ontario	(613) 389-2210

Fabrics Sales Offices

Richmond, British Columbia	(604) 274-1311
Winnipeg, Manitoba	(204) 943-5564
Toronto, Ontario	(416) 596-8555

Chemicals and Industrial Products Group
2 Robert Speck Parkway,
Mississauga, Ontario L4Z 1H8
(416) 276-9333

Plant

Edmonton, Alberta	(403) 471-0511

Sales Offices

Mississauga, Ontario	(416) 276-9333
Montreal, Quebec	(514) 871-5584
Edmonton, Alberta	(403) 471-0546

Plastics Division

Sales Offices

Montreal, Quebec	(514) 878-1087
Toronto, Ontario	(416) 291-8169

Principal Subsidiaries

Celanese Canada (Millhaven) Inc.
Montreal, Quebec (514) 871-5511

Chemcell S.A.
Baar, Switzerland (042) 33 24 45

Stock Exchanges

The common and preferred shares of Celanese Canada Inc. are listed on the Montreal, Toronto and Vancouver Stock Exchanges.

Transfer Agents

Montreal Trust Company
Edmonton, Montreal, Toronto, Vancouver,
for common and preferred shares.
Bradford Trust Company, New York,
for common shares only.

Registrars

The Royal Trust Company
Edmonton, Montreal, Toronto, Vancouver,
for common and preferred shares.
The Chase Manhattan Bank, New York,
for common shares only.

Valuation Day

For Canadian capital gains tax purposes, the Valuation Day value of Celanese Canada Inc. securities on December 22, 1971, as established by the Department of National Revenue, were the following:

Debentures:	
6½% due February 1, 1986	$86.50
Preferred Shares:	
$1.75 Series	$19.75
$1.00 Series	$12.50
Common Shares	$ 4.35

Number of Shareholders
(December 31, 1982)

Preferred Shares:	
$1.75 Series	1,161
$1.00 Series	429
Common Shares	7,394

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Celanese Canada Inc.
Legal Deposit 2nd Quarter 1983
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Celanese Canada Inc.

Plants, Sales and Administration Offices	**Products Manufactured**	Principal End Uses
Chemicals and Industrial Products Group:		
Industrial Products Division	**cellulose acetate flake**	acetate filament yarn, cigarette filter tow
	cigarette tow	cigarette filters
Chemicals Division	**acetic acid, acetic anhydride**	cellulose acetate flake, vinyl acetate monomer, textile finishing, pharmaceuticals, explosives
Chemicals and Industrial Products Group: Plant: Edmonton, Alberta Sales & Administration: Mississauga, Ontario Sales Offices are also located in Montreal, Quebec and Edmonton, Alberta	**formaldehyde**	pentaerythritol, wood products resins, glasswool insulation binder, fertilizer coatings
	methanol	windshield washer fluid, carburator deicer, formaldehyde, acetic acid, alternate fuels
	pentaerythritol	alkyd paints and resins, synthetic lubricants, explosives
	solvents	vinyl and nitrocellulose lacquers
	vinyl acetate monomer	water-based paints, textile and paper coating applications, glues and adhesives
Textile Group:		
Cellulosic Fibres and Fabrics Division	**acetate filament yarn**	apparel and home furnishing fabrics
Plants: Drummondville & Coaticook, Quebec Sales & Administration: Montreal, Quebec Fabric Sales Offices are also located in Richmond, British Columbia, Winnipeg, Manitoba and Toronto, Ontario	**100% acetate fabrics**	linings for apparel, draperies, comforters, luggage, dresses
	100% polyester textured woven fabrics	apparel: suits, pants, dresses, outerwear, blouses as well as in linings and home furnishings
	polyester filament and spun blends, such as polyester/acrylic, polyester/wool, polyester/cotton fabrics	apparel: suits, co-ordinates, blouses
	cotton/nylon fabric	weather-resistant jackets and coats
Polyester Division	**polyester staple fibre**	blended with cotton or wool for women's and men's apparel, sheets and pillowcases. Also used in 100% form in blankets and carpets as well as a filling for skiwear, jackets, coats, quilted loungewear, and in sleeping bags, comforters and pillows. Typical industrial applications include automobile interior trim and road stabilization fabrics
Plant: Millhaven, Ontario Sales & Administration: Montreal, Quebec	**polyester textile filament yarn**	textured woven and knit fabrics for apparel: sportswear, suits, dresses, pants
	polyester industrial yarn	netting, felts, ropes, V-belts
	polyester tire yarn	tires
Polypropylene Division	**polypropylene staple fibres**	carpets, handicraft yarn, needlepunched floor coverings
Plant: Saint-Jean, Quebec Sales & Administration: Saint-Jean, Quebec	**polypropylene continuous filament yarn (bulked and non-textured)**	upholstery fabrics, handicraft yarns, carpets