



Celanese Canada achieved a major earnings turnaround in 1983 with the strong support of its employees. With the implementation of our Quality Management program, we are confident that we can meet the challenges of the future.

## Financial Highlights 1982-1983

Year	1983	1982
(millions, except per share amounts)		
Net sales	<b>\$398.4</b>	\$323.9
Net income (loss)	<b>9.0</b>	(5.6)
Depreciation	<b>26.0</b>	16.9
Capital expenditures	<b>12.3</b>	59.8
Per common share:		
Net income (loss)	<b>0.61</b>	(0.47)
Shareholders' equity	<b>8.84</b>	8.28

### Quarters

(millions, except per share amounts)

Quarter	Net sales		Net income(loss)		Net income (loss) per common share	
	1983	1982	1983	1982	1983	1982
1st	<b>\$ 94.1</b>	\$ 79.0	<b>\$1.5</b>	\$ 0.9	<b>\$0.10</b>	\$ 0.05
2nd	<b>99.4</b>	76.7	<b>2.2</b>	(3.4)	<b>0.15</b>	(0.27)
3rd	<b>91.0</b>	75.1	<b>1.5</b>	(3.4)	<b>0.10</b>	(0.27)
4th	<b>113.9</b>	93.1	<b>3.8</b>	0.3	<b>0.26</b>	0.02
Year	<b>\$398.4</b>	\$323.9	<b>\$9.0</b>	\$(5.6)	<b>\$0.61</b>	\$(0.47)

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

### Date and Place of Annual Meeting

The Annual Meeting of Shareholders will be held in the Salon Or et Gris of the Ritz-Carlton hotel, 1228 Sherbrooke Street West, Montreal, at 11:00 a.m. on May 9, 1984.

## To Our Shareholders and Employees



Ernest H. Drew,  
President and Chief Executive Officer  
Pierre Côté,  
Chairman

Celanese Canada achieved a major turnaround in 1983. Sales increased 23 per cent over 1982, reflecting the general economic recovery and the addition of methanol sales from the new Edmonton unit. Earnings increased throughout the year, with a strong fourth quarter pushing income for the year to 61 cents per common share as compared with a loss of 47 cents per share in 1982.

Both the Polyester and Industrial Products Divisions showed particularly strong gains in sales and earnings. The most dramatic turnaround occurred in the Cellulosic Fibres and Fabrics Division which went from a divisional operating loss of \$5.7 million in 1982 to an income of \$3.4 million in 1983.

Celanese Canada's earnings performance was accomplished despite depressed pricing in methanol and a relatively strong Canadian dollar against European currencies. This currency relationship severely eroded margins in export sales, which account for approximately 30 per cent of our total volume. Pricing in domestic markets improved over 1982 but, for the most part, was still below 1981 levels.

A significant portion of the improvement in earnings came from employee actions that resulted in increased productivity, improved cost control and better management of working capital. Cost improvement programs initiated in 1982 had a major effect in reducing our cost of doing business in 1983. For example, selling and administrative costs in 1983 were \$20.8 million, or 5.2 per cent of sales, almost \$7 million below 1982. Productivity increased 20 per cent, using the number of units produced per employee as the measure.

Introduction of a Quality Management program throughout Celanese Canada during 1983 solidified these gains and

provided a more open, participatory type of organization which is committed to "Do the Right Thing Right, Every Time".

Operating highlights of 1983 included the sustained commercial operation of the world-scale joint venture methanol unit in Edmonton and the expansions in polyester staple and textured filament at Millhaven.

A major health and safety program was initiated in our operating divisions, starting at our Drummondville plant. Celanese Canada is investing over \$3 million in the implementation of this program to monitor the health and working environment of our employees.

Consistent with the strategy developed last year, support functions were decentralized into two operating groups, each headed by a president. These groups have been structured to ensure the long-term competitiveness of our existing businesses. The head office staff in Montreal will now focus on policy, financial investments and diversification beyond our core

businesses. We firmly believe that this type of structure will promote responsive and efficient operations to support the continued growth of Celanese Canada.

Funds from operations in 1983 exceeded capital expenditures by \$11 million, permitting the redemption of all the outstanding preferred shares of the corporation's polyester unit for \$10 million. The corporation's debt to total capitalization ratio declined from 41 per cent at year end 1982 to 40 per cent at year end 1983. A larger reduction in our debt level is expected in 1984.

Celanese Canada's sales and earnings in 1984 are expected to increase as the economic recovery continues. The magnitude of the gain, however, will be affected by the strength of the Canadian dollar vis-à-vis European currencies, methanol pricing and the level of textile and garment imports. With the continued strong support of our employees, we will be able to achieve our strategic objectives of a strong and flexible financial foundation, world-competitive business units and a broader business base.

A handwritten signature in dark ink that reads "Ernest H. Drew". The signature is fluid and cursive.

Ernest H. Drew  
President and  
Chief Executive Officer

A handwritten signature in dark ink that reads "P. Côté". The signature is stylized and cursive.

Pierre Côté  
Chairman

## Textile Group

The results of all divisions in the Textile Group showed substantial improvement in 1983.

The Cellulosic Fibres and Fabrics Division returned to profitability in 1983 despite persistently weak export markets and only a modest recovery in domestic markets. Acetate fibre sales volumes improved by 20 per cent for an average capacity utilization of 80 per cent. Expectations for 1984 call for increased volumes and a firming of export selling prices.

In the fabrics business, domestic volumes improved by more than 20 per cent. Especially significant was the profitability of new specialty products which have a very significant growth potential and are expected to double in volume in 1984. The slow economic recovery outside of North America took its toll on export fabrics sales. While export volume declined, the Division broadened its focus resulting in rapid sales growth in the Hong Kong market.

The Polyester Division also experienced a marked improvement over 1982. Demand for industrial filament, of which 30 per cent is sold in export markets, and for staple fibre was consistently high during the year. Although activity in the textile filament market showed signs of softening during the fourth quarter, volume for this product line was 60 per cent above 1982 levels.

While demand for all products was strong, margins for staple fibre and textile filament yarn were difficult to maintain with pricing still below 1981 levels.

The final phases of the expansions at the Millhaven plant were brought on stream during the summer, increasing capacity in staple fibre by 10,000 tonnes and in textured filament by 4,000 tonnes.

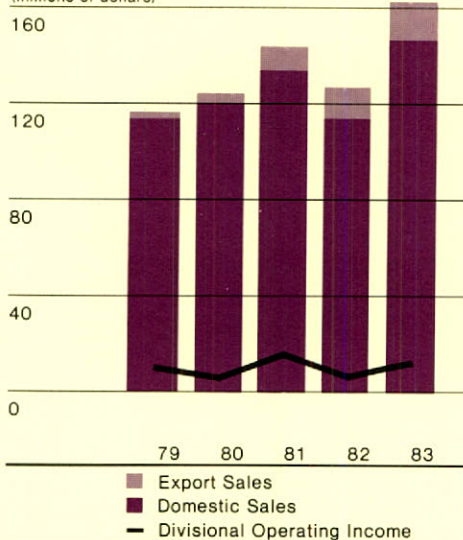
The Polypropylene Division enjoyed improved performance in a number of sectors in 1983. Business in the carpet market recovered to exceed pre-recession levels and consumption of yarn in the manufacture of window channelling was doubled. The program to increase export sales was expanded and now exports represent 30 per cent of the volume of shipments. These advances offset a decline in the handknitting market. Prospects for future growth for staple fibre include its use in the manufacture of thermally bonded non-woven fabrics for disposable diapers and other personal hygiene products.

Improvements were achieved during the year in operating efficiencies of the new equipment brought on stream at the end of 1982, and further gains will be made as capacity utilization increases with the economic recovery.

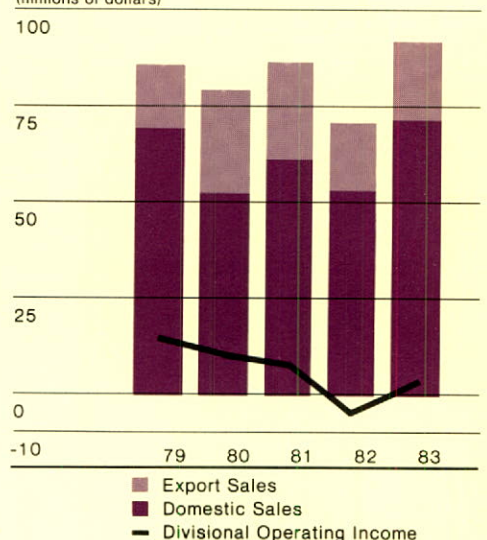
A major emphasis was placed by all divisions on improving working conditions and health and safety. There can be little doubt as to the effectiveness of the ongoing Quality Management program and cost reduction programs, as evidenced by the improved profit results over 1982. Other measures instituted in 1982, such as the tight control of working capital, were continued in 1983 and will be a permanent feature of all operations in the future.

Garment imports from countries with low-cost labour continue to improve their market share in Canada and will have a detrimental effect on the domestic manufacturing industry if this trend continues. Nonetheless, the outlook for 1984 reflects a continuation of the improvements experienced in 1983, with higher volumes and some favourable selling prices, especially in the polyester area.

**Polyester and Polypropylene**  
Net Sales (excluding inter-segment sales)  
and Divisional Operating Income  
(millions of dollars)



**Cellulosic Fibres and Fabrics**  
Net Sales (excluding inter-segment sales)  
and Divisional Operating Income  
(millions of dollars)





When Celanese Canada committed \$11 million to the expansion and modernization of its staple fibre operation at the Millhaven plant in 1981, a major commitment was made to polyester carpet fibre. This commitment has paid substantial dividends, as sales volumes for this end use in 1983 were more than double those of 1982, significantly outpacing the industry-wide recovery.

The corporation attributes this success in the marketplace to a dedicated team of development, manufacturing and marketing personnel who worked closely together to achieve these favourable results.

The marketing philosophy had been well researched before implementation and was designed to build consumer and industry confidence in polyester for carpets. Presentations, made to all of the major Canadian carpet manufacturers, included carpet fibre economics, technical information on fibre properties and processing techniques, a range of finished carpet samples, and details of a comprehensive marketing program.

Today's fibre has been specially engineered to take full advantage of the latest continuous heat setting, dyeing and printing techniques. As a result, the carpet fibre produced at Millhaven is far superior to the polyester fibre sold for carpets in the early 70's.

As part of the marketing strategy, standards were established for finished carpets made from Celanese Canada's new carpet fibre. These carpets bear the certification mark Celesta\*, which is affixed only to those carpet styles which have been tested and approved at our laboratory in Millhaven. Carpet samples undergo 11 tests including appearance retention, colour fastness, abrasion resistance and flammability in order to ensure consumer acceptance and satisfaction.

As consumer spending is expected to take on renewed confidence, Celanese Canada is well prepared to meet market demand. The outlook for 1984 looks promising as we continue to fulfill our mandate to improve our market share worldwide.

Top of page: Ross Morton, Staple Production Superintendent and Warren Ferguson, Drawframe Operator, verify current operating conditions against standard specifications for polyester at Millhaven.

Above: Ian Slack, Carpet Staple Development Manager, discusses tests which finished carpet samples must undergo before bearing the Celesta\* certification mark.

## Chemicals and Industrial Products Group

Performance of the Chemicals and Industrial Products Group improved considerably in 1983 despite a general weakness in petrochemical markets. Cost reduction measures in 1982, combined with a modest economic recovery in the last half of 1983, contributed to the Group's increased profitability.

The performance of the new world-scale methanol unit, which completed its first year of operation, was the highlight of 1983. The unit ran efficiently throughout the year, including one continuous period of 249 days — an exceptional achievement. Rigorous quality control and the use of a dedicated ocean vessel and terminal tanks have contributed to a world standard of excellence for methanol quality.

As 1983 progressed, methanol prices came under increasingly severe downward pressure as a result of world overcapacity. It is anticipated that this will persist throughout 1984 as several new world-scale units are scheduled to come on stream. Many of these facilities are government-owned, with economics based on low gas feedstock costs. To help offset this situation, Celanese Canada has embarked on a major program to develop a market for methanol in domestic transportation fuel. This program is highlighted on page 5.

Demand for the Group's other chemical products improved over the depressed levels of 1982 but did not recover to 1981 levels. In exports, which account for about one half of chemical sales, weak European currencies had a significant effect on profitability. As the effects of the recession waned by the end of the fourth quarter, some improvement in prices was evident, particularly for vinyl acetate monomer.

In 1983, industrial products were the major profit contributors for the Group. Demand and prices for cigarette tow and cellulose acetate flake remained relatively stable throughout the year. Excellent progress was made in improving the quality of cigarette tow produced in Edmonton. As a result, new export markets were developed for this product, especially in the Far East, offsetting a modest decline in domestic demand.

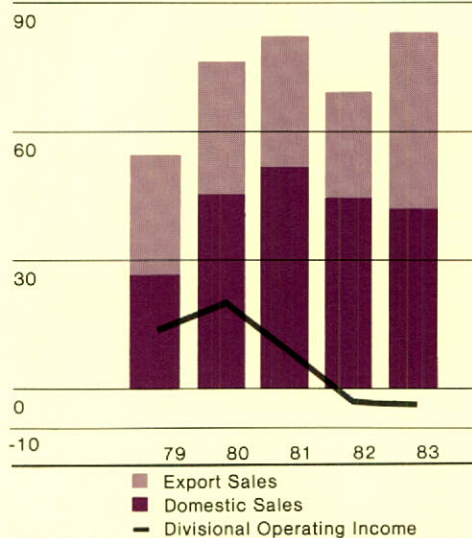
The cellulose acetate flake unit operated at capacity through most of the year and now supplies all of the requirements for the corporation's acetate filament operations in Drummondville, Quebec.

Working capital levels and operating costs were strictly controlled throughout the year. Plant efficiencies improved considerably and the renegotiation of several contracts helped keep gas and other raw material costs relatively stable. Capital expenditures were kept to a minimum other than those required for environmental concerns or improved productivity. The Quality Management program played a major role in all these activities.

The world overcapacity in methanol will temper the Group's growth in profitability in the short term. However, with improving world economic conditions, we are optimistic about the outlook for both the Chemicals and Industrial Products Divisions.

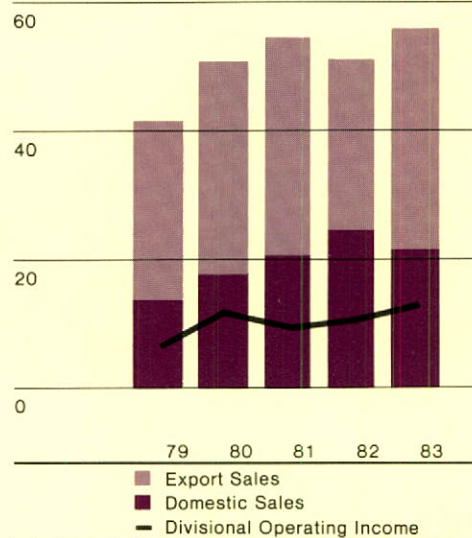
### Chemicals

Net Sales (excluding inter-segment sales) and Divisional Operating Income (millions of dollars)



### Industrial Products

Net Sales (excluding inter-segment sales) and Divisional Operating Income (millions of dollars)





The greatest potential growth area for methanol is as a replacement for gasoline.

Less expensive to produce than gasoline, methanol can be used either in a nearly pure form as a substitute fuel or as an inexpensive octane enhancer for blending with either leaded or unleaded gasoline.

Celanese Canada has just completed participating in a year-long test of 36 automobiles that used a blended fuel including five per cent methanol and formulated to meet unleaded gasoline specifications. The test was jointly funded by Celanese Canada and the governments of Canada and Ontario with the participation of the Ontario Energy Corporation. The validity of the test program was enhanced by the cooperation of a major North American car manufacturer, two oil refiners and the independent testing of the Ontario Research Foundation and Kaptest Engineering Ltd.

The results showed that fuel performance was in every way equivalent to unleaded gasoline and that there were no adverse effects on either the engines or fuel systems after more than 100,000 kilometres of hard service.

The federal government decision to require a 60 per cent reduction in lead levels for passenger cars by 1987 enhances the potential for methanol which represents the most economical alternate source of octane. Since methanol is made from natural gas indigenous to Canada, it offers Canadians the opportunity for increased energy self-sufficiency and long-term independence from imported fuels.

As a result of its comprehensive fuel program, Celanese Canada is ready to play a major role as a supplier of methanol to the transportation fuel market.



Top of page: One of 25 test vehicles in the Toronto area currently running on 90% methanol in a new program to develop neat methanol as an alternate fuel for gasoline replacement.

Above: A 22-car taxi fleet in Montreal participated in the year-long test program which showed that methanol has an immediate place as an octane enhancer in low-percentage blends with gasoline.



Quality Management, which is both a program and a process, has been implemented throughout the corporation to meet the challenges of the vastly changed post-recession marketplace. While the program certainly addresses product quality, it also focuses attention on management systems, administrative procedures and the measurement process. Quality Management is also a means of opening channels of communication among all employees.

The overall goal of Quality Management is to create a climate wherein every employee of Celanese Canada is motivated and able to identify, prevent or correct situations that do not conform to specified requirements. The theme of this long-term program is "Doing the Right Thing Right, Every Time".

Two of the four phases, designed to implement the Quality Management program over a period of three years, were completed in 1983. The first phase was to ensure company-wide understanding of the corporation's strategic and operational goals, while the second phase was to emphasize the need for Quality Management and the commitment required to take action.

The third phase, currently underway, is a crucial one, as it will ensure the integration of the Quality Management approach into every aspect of our management process. The fourth phase will stress, to employees at all levels, the need for excellence and, to this end, will provide the tools, training and resources for sustained excellence in all operations.

The results of the program to date are encouraging. Here are four examples of what Quality Management has accomplished at Celanese Canada.

### **Millhaven, our polyester plant:**

Historically, the tire yarn operations at the Millhaven plant achieved about 85 per cent net good conversion, which is saleable product produced from raw materials. A decision was made in 1982 to improve the technology, equipment and control mechanisms, to build a cohesive and motivated team, to improve communications and to continually monitor progress.

The results were, and continue to be, extraordinary. Net good conversion was 94.7 per cent by year end 1983 and first quality levels averaged 90.9 per cent. A record month was achieved in June when net good conversion and first quality levels were 95.5 and 95.2 per cent respectively.

### **Two office examples: Montreal and Mississauga**

The Quality Management program has been effective in increasing employee initiative at all levels.

For example, the Montreal Head Office mailroom had been receiving complaints concerning late mail delivery.

As a result of being involved in the Quality Management program, the mailroom employees used their own initiative to solve the problem by selecting a different messenger service that now arrives earlier. This simple initiative allows all departments to function more effectively and, moreover, the new messenger service is significantly less expensive.

At the Mississauga headquarters of our Chemicals and Industrial Products Group, decentralization, the addition of large methanol sales volumes and subsequent system changes created problems which required a significant review of methods and procedures in the accounts receivable and credit areas. Using the Quality Management approach, a Corrective Action Team was set up to develop, document and implement appropriate new policies, procedures and methods.

Of the 15 items identified in this Team's action plan, 10 were completed prior to year end and the balance shortly thereafter. Accomplishment of these action items has resulted in a greater



degree of efficiency in the accounts receivable area, facilitating the attainment of collection goals.

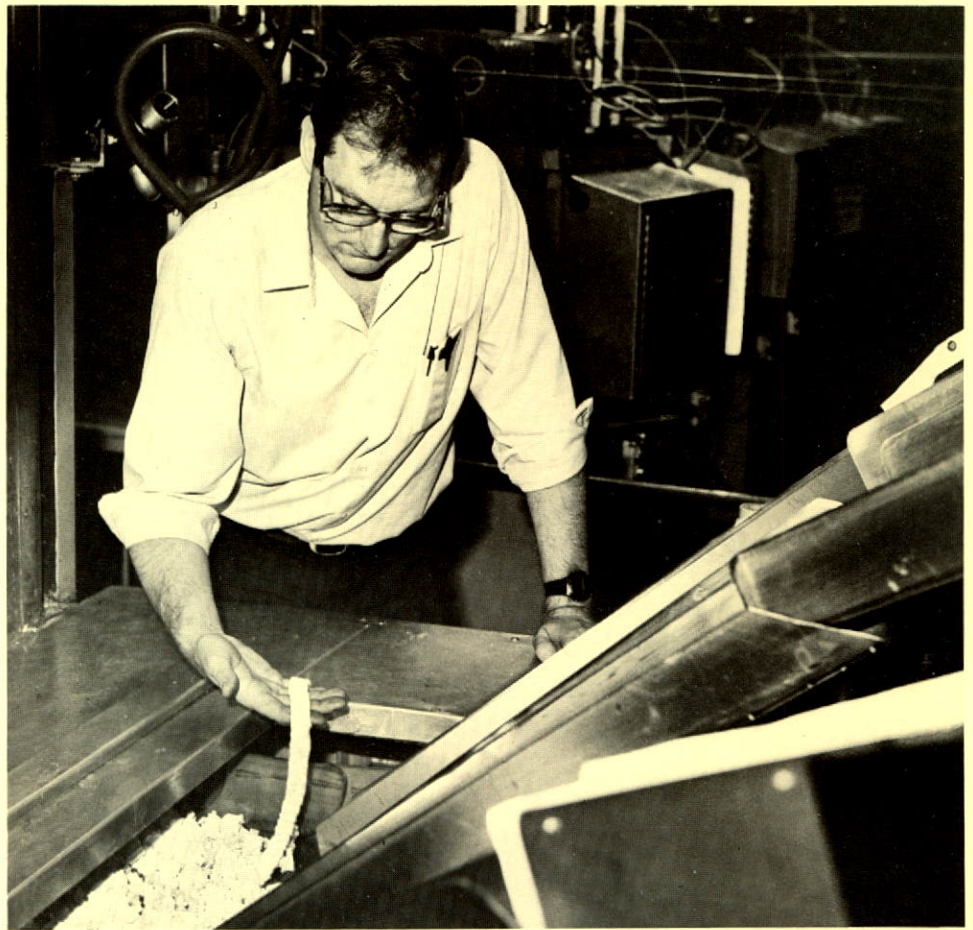
Following the implementation of the program, the Group achieved a decrease of three days in the average number of Days Sales Outstanding, resulting in lower working capital requirements.

**Edmonton plant, our chemicals and industrial products operations:**

In May 1983, a Corrective Action Team was set up to solve problems associated with the cigarette tow department's process known as "crimping". Basically, the tow is crimped to provide more effective filter material for the cigarette, improving its capability to remove impurities.

After an in-depth study by the group, it was determined that a basic design fault existed in the crimpers. Initial modifications to the crimpers did not completely resolve the problem, necessitating a major redesign. Tow quality from this new design is excellent. Not only was the crimping process improved, resulting in better quality cigarette tow for our customers, but the task force also experienced excellent cooperation and communications with employees involved in project engineering, maintenance and cigarette tow operations.

These are good examples of what can be accomplished by groups of committed, knowledgeable people cooperating to achieve a common goal. Many more examples are available. The corporation believes that the Quality Management program is in the common interest of all employees. The ultimate objective is to achieve a level of excellence that will ensure stability and growth of our businesses, markets and job opportunities.



Opposite page: Kevin Mills, Assistant Superintendent, and Mel Hazell, Superintendent, regularly monitor the beaming operation, one of the critical indicators of overall quality for the industrial yarn product line at Millhaven.

Top of page: Phil Wright, who led the task force to improve cigarette tow quality at Edmonton, evaluates the results of a newly designed crimper.

Middle: Emile J. Carrière, Chairman of the Quality Management Task Force at a meeting with the corporation's senior managers who play key roles in the ongoing program.

At left: Office Services employees Jamie Zeeman and Eric Davison ensure that all incoming and outgoing mail is handled efficiently.

## Management Responsibility for Financial Reports

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Management has prepared and is responsible for the consolidated financial statements of Celanese Canada Inc. These statements and other financial information contained in this report have been prepared in accordance with generally accepted accounting principles 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 17.

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

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The Audit Committee of the Board of Directors 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:

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

# Financial Review

## Operating Results

Net income per common share improved by \$1.08 in 1983, including a volume improvement of 36 cents per share and reduced selling and administrative expenses of 30 cents per share. These expenses declined from 8.5% of sales in 1982 to 5.2% in 1983, reflecting the full-year effect of the cost reduction programs implemented in 1982. Research and development costs were lower by 9 cents per share. Price increases of 20 cents per share were relatively low due to the slow economic improvement and the strength of the Canadian dollar versus European currencies and were largely offset by cost increases.

Interest and debt expense increased by 27 cents per share due to the discontinuation of interest capitalization on debt relating to the methanol joint venture. Other income and expense was favourable by 45 cents per share, primarily due to the facilities use fee revenue from the methanol joint venture, and is after a 7 cent per share charge for business rationalization and reorganization programs. A 10 cent per share tax adjustment contributed to lowering the corporation's effective tax rate from 46.8% in 1982 to 26.4% in 1983. The minority interest was lower by 5 cents per share.

## Capital Expenditures

Capital expenditures declined by \$47.5 million in 1983, almost entirely due to the completion of the methanol unit and minimal spending on expansions. The lack of significant price recovery and the accompanying mediocre profitability mean that expansion spending in the existing product groups will be minimal in 1984 as well. Overall capital expenditures in 1984 are expected to be less than \$20 million, with most of the increase from 1983 spending occurring in environmental, cost reduction and maintenance of business projects.

## Capitalization

Long-term debt increased by \$2 million, but short-term debt declined by a like amount. The debt to total capitalization ratio of 40% remains higher than what management believes is appropriate for the corporation's existing mix of cyclical businesses. A substantial reduction is anticipated in 1984.

## Dividends

The corporation reinstated common share dividends with the payment of 5 cents per share in the fourth quarter. The resumption of common dividends reflects management's belief that the corporation's cost of doing business has been lowered sufficiently so that profitability can be sustained in today's economic climate.

## Net Sales from Continuing Operations

	% Increase (decrease) from Prior Year				
	1983	1982	1981	1980	1979
Volume	21	(14)	1	(6)	7
Price	2	1	10	16	16
Total	23	(13)	11	10	23

## Capital Expenditures by Type

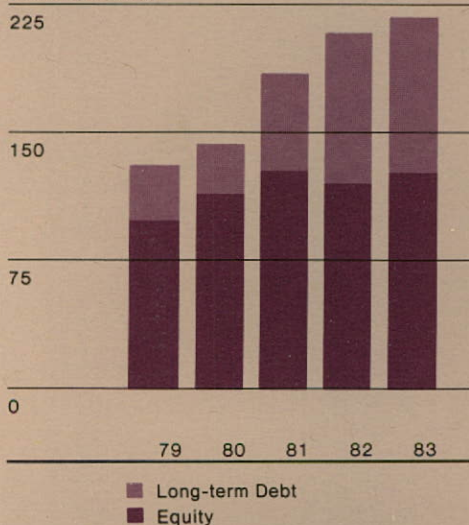
	(millions of dollars)				
	1983	1982	1981	1980	1979
Expansion	1.9	22.6	14.3	1.9	13.2
Cost Reduction and Energy Savings	1.2	2.3	12.9	7.8	3.7
Maintenance of Business	5.6	7.0	7.2	4.5	4.9
Environment	2.4	1.0	2.3	0.9	1.8
Methanol	1.2	26.9	51.0	40.0	—
Total	12.3	59.8	87.7	55.1	23.6

## Capital Expenditures by Product Group

	(millions of dollars)				
	1983	1982	1981	1980	1979
Polyester and Polypropylene	5.5	13.3	11.9	3.5	4.0
Cellulosic Fibres and Fabrics	1.9	3.2	7.3	6.4	1.7
Industrial Products	0.8	1.7	6.0	1.3	2.3
Chemicals	2.9	6.9	10.2	3.7	15.4
Methanol	1.2	26.9	51.0	40.0	—
Other	—	7.8	1.3	0.2	0.2
Total	12.3	59.8	87.7	55.1	23.6

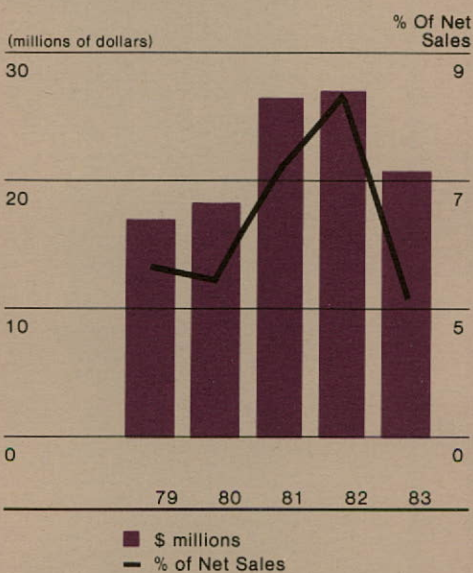
## Capitalization

(millions of dollars)



## Selling and Administrative Costs

(millions of dollars)



## Consolidated Statement of Income

For the year ended December 31

	(thousands, except per share amounts)	
	1983	1982
<b>Net sales</b>	<b>\$398,366</b>	\$323,907
Operating costs:		
Cost of goods sold	360,094	293,985
Selling and administrative	20,806	27,518
Research and development	2,815	4,782
Total operating costs	<u>383,715</u>	<u>326,285</u>
<b>Operating income (loss)</b>	<b>14,651</b>	(2,378)
Interest and debt expense	(8,316)	(2,322)
Other income and expense	6,535	(3,690)
Income (loss) before income taxes	<u>12,870</u>	<u>(8,390)</u>
Income taxes (note 4)	3,401	(3,928)
Income (loss) including interest of others in subsidiary	<u>9,469</u>	<u>(4,462)</u>
Interest of others in subsidiary (note 5)	(472)	(1,117)
<b>Net income (loss)</b>	<u><b>\$ 8,997</b></u>	<u>\$ (5,579)</u>
<b>Per common share:</b>		
Net income (loss)	<b>\$ 0.61</b>	\$ (0.47)
Average common shares outstanding during year	<u>13,531</u>	<u>13,414</u>

## Consolidated Statement of Retained Income

For the year ended December 31

	(thousands)	
	1983	1982
Retained income at beginning of year	<b>\$62,499</b>	\$70,881
Net income (loss)	8,997	(5,579)
	<u>71,496</u>	<u>65,302</u>
Dividends:		
Cash	1,468	2,153
Stock	—	650
Total dividends	<u>1,468</u>	<u>2,803</u>
Retained income at end of year	<u><b>\$70,028</b></u>	<u>\$62,499</u>

The accompanying notes and the information presented on pages 13 to 18 are integral parts of these financial statements.

# Consolidated Balance Sheet

As at December 31

	(thousands)	
	1983	1982
<b>Assets</b>		
Current assets:		
Cash and short-term investments	\$ 39	\$ 109
Receivables, less allowance for doubtful accounts	65,470	58,794
Inventories (note 6)	53,923	39,345
Deferred income taxes (note 4)	15,349	17,860
Other current assets	2,625	1,445
Total current assets	<u>137,406</u>	<u>117,553</u>
Property, plant and equipment, at cost (note 7)	478,320	470,491
Accumulated depreciation	306,577	282,713
Net property, plant and equipment	<u>171,743</u>	<u>187,778</u>
Other assets	11,008	11,711
Total assets	<u>\$320,157</u>	<u>\$317,042</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Bank loans	\$ 1,709	\$ 3,800
Accounts payable and accrued liabilities	62,111	57,537
Income taxes	268	4,801
Long-term debt due within one year, less amount held by trustees	3,646	3,439
Total current liabilities	<u>67,734</u>	<u>69,577</u>
Unrealized gain (note 3)	5,829	5,829
Long-term debt (note 8)	87,954	85,827
Deferred income taxes (note 4)	26,628	21,205
Interest of others in subsidiary (note 5)	—	10,213
Shareholders' equity:		
Capital stock (note 9)	61,984	61,892
Retained income	70,028	62,499
Total shareholders' equity	<u>132,012</u>	<u>124,391</u>
Total liabilities and shareholders' equity	<u>\$320,157</u>	<u>\$317,042</u>

The accompanying notes and the information presented on pages 13 to 18 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)	
	1983	1982
<b>Funds from operations:</b>		
Net income (loss)	\$ 8,997	\$ (5,579)
Depreciation and amortization (note 13)	26,909	17,414
Tax provision net of taxes paid or recovered (note 4)	3,401	449
Changes in — accounts receivable	(6,676)	966
— inventories	(14,578)	5,033
— accounts payable and accrued liabilities	4,574	10,487
— other current assets	(1,180)	868
<b>Net funds from operations</b>	<b>21,447</b>	<b>29,638</b>
<b>Investments and other transactions:</b>		
Additions to property, plant and equipment	(12,294)	(59,793)
Proceeds on disposal of property, plant and equipment	2,339	2,763
Other assets	(216)	(5,683)
<b>Net investments and other transactions</b>	<b>(10,171)</b>	<b>(62,713)</b>
<b>Financial transactions:</b>		
Cash dividends: Common	(677)	(1,362)
Preferred	(791)	(791)
Reduction of interest of others in subsidiary (note 5)	(10,213)	(3,537)
Short-term financing	(2,091)	3,800
Long-term debt, including current portion: (note 8)		
— additions	6,173	35,000
— repayments	(3,839)	(3,331)
Issue of common shares for cash (note 9)	92	97
<b>Total financial transactions</b>	<b>(11,346)</b>	<b>29,876</b>
Decrease in cash and short-term investments	(70)	(3,199)
<b>Cash and short-term investments:</b>		
at beginning of year	109	3,308
at end of year	<b>\$ 39</b>	<b>\$ 109</b>

The accompanying notes and the information presented on pages 13 to 18 are integral parts of these financial statements.

## Notes to Consolidated Financial Statements

December 31, 1983 (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 subsidiary, the common shares of which are wholly owned, is Celanese AG, formerly Chemcell S.A., Switzerland. Celanese Corporation, New York, owns 56.4% of the common shares of the corporation.

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Canada and conform in all material respects to historical cost 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, liabilities, revenues and expenses of a partnership.

### (2) Methanol joint venture:

In 1980, the corporation formed a partnership with Celanese Company of America, Inc. ("CCA"), 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. The corporation and PanCanadian each have a 35% participating interest in the facility and CCA has a 30% participating interest.

Sustained commercial production began in January, 1983. All prior year pre-production and start-up expenses, net of recoveries from sales, interest revenues and inventory have been assumed by the participants in proportion to their participation. These costs will be amortized over the useful life of the facility.

Methanol destined for international markets is sold initially to affiliates of the corporation at prices related to recent market prices but subject to adjustment when the methanol is eventually sold to a third party. These adjustments are recorded by the joint venture in the year in which the sale to the third party occurs. Methanol produced by the joint venture and other Celanese affiliates is allocated and distributed to international markets by affiliates of the corporation.

Assets, liabilities, revenues and expenses of the partnership included in the consolidated financial statements are summarized below:

	1983	1982
Property, plant and equipment, net	<b>\$80,090</b>	\$90,052
Other assets	<b>18,888</b>	6,513
Liabilities	<b>(10,292)</b>	(9,037)
Net investment	<b>\$88,686</b>	\$87,528
Net revenues	<b>\$21,880</b>	
Expenses	<b>28,926</b>	
Excess of expenses over revenues	<b>\$ (7,046)</b>	

Contractual agreements have been entered into between the participants for the provision of services to the joint venture and for the purchase of methanol. In accordance with the terms of some of these agreements, the corporation is reimbursed for management expenses as the operator of the joint venture and renders services to the joint venture for sales and for the use of common facilities. The corporation has recorded revenue of \$7,667 in 1983 for these services after elimination of its share of the related joint venture expense. Purchase of methanol for the corporation's own use in 1983 amounted to \$3,209. In addition, and in accordance with other agreements, the joint venture had business transactions with affiliates of the corporation. The corporation's share of these transactions and balances owing to or from these affiliates for the year ended December 31, 1983 were as follows:

Transactions during the year:	
Gross sales	<b>\$30,043</b>
Rentals	<b>550</b>
Technical fees	<b>197</b>
Marketing and distribution fees	<b>5,715</b>
Balances at end of year:	
Accounts receivable from affiliates	<b>\$ 5,673</b>
Accounts payable to affiliates	<b>50</b>

The joint venture leases tank cars with an annual minimum rental of \$5,203. 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 expiring from 1987 to 2002, with minimum payment obligations aggregating \$12,559 over the remaining terms of the contracts.

## 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:

The corporation's income tax provision is made up as follows:

	1983	1982
Provision for income taxes based on combined basic federal and provincial income tax rate of 46%	<b>\$ 5,920</b>	\$(3,859)
Increase (decrease) in taxes resulting from:		
Manufacturing and processing profits deduction	(772)	503
Inventory allowance	(620)	(713)
Reversal of prior years' estimates and other, net	(1,127)	141
Actual provision for income taxes	<b>\$ 3,401</b>	\$(3,928)
Income taxes:		
Current	<b>\$(4,533)</b>	\$ 1,782
Deferred — short-term	2,511	(2,425)
— long-term	5,423	(3,285)
Total	<b>\$ 3,401</b>	\$(3,928)

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. The net effect of unrecorded federal investment tax credits available to be claimed against taxes payable in future years amounts to \$6,929 at December 31, 1983.

Deferred income taxes result from timing differences of allowable depreciation, employee compensation costs and the LIFO method of valuing inventories. They are classified in the balance sheet based on the related assets and liabilities.

### (5) Interest of others in subsidiary:

During 1983, Celanese Canada (Millhaven) Inc. redeemed all its outstanding cumulative redeemable preferred shares and on December 31, 1983 was amalgamated with the corporation in accordance with the provisions of Section 178 of the Canada Business Corporations Act. The corporation's net income has been reduced by dividends on the preferred shares.

### (6) Inventories:

Substantially all inventories are 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:

	1983	1982
Raw materials	<b>\$ 6,362</b>	\$ 3,778
Work in process	10,635	7,134
Finished goods	25,925	20,229
Stores and supplies	11,001	8,204
Total	<b>\$53,923</b>	\$39,345

If inventories had been valued using the lower of average costs and net realizable values, total inventories would have been \$21,469 higher at December 31, 1983.

During 1983, 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 \$771.



## 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 generally is 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:

	1983		1982	
Machinery and equipment	\$262,242	9.6%	\$157,714	9.0%
Buildings and improvements	31,796	5.0%	55,323	5.8%
Depreciable assets	294,038	9.1%	213,037	8.2%
Fully depreciated facilities	175,002		140,027	
Land	2,735		2,772	
Construction in progress	6,545		114,655	
Total	\$478,320		\$470,491	
Expenditures for maintenance and repairs	\$ 24,063		\$ 22,377	

### (8) Long-term debt:

Exclusive of amounts due currently, long-term debt at December 31 was:

	Due	1983	1982
5¾% sinking fund debentures Series B (payable in U.S. \$)	Nov. 85	\$ 7,531	\$ 9,877
6½% sinking fund debentures Series C	Feb. 86	4,000	4,950
7½% bonds	Dec. 86	5,250	6,000
Revolving credit loans		71,173	65,000
Total		\$87,954	\$85,827

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 that relate to Canadian Bankers' Acceptance rates or U.S. dollar LIBOR rates. At December 31, 1983, the average interest rate on debt outstanding under this agreement was 9.96%.

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

	1984	1985	1986
	\$3,646	\$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 \$44,600 at December 31, 1983. Bonds, formerly those of Celanese Canada (Millhaven) Inc., are secured by a bank guarantee.

## Notes to Consolidated Financial Statements (Continued)

(dollar amounts in thousands)

### (9) Capital stock:

	Issued and outstanding at December 31,			
	1983		1982	
	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	13,528,199	49,529	13,409,829	48,782
Issued under employees' share purchase plans	8,873	92	18,050	97
Issued as stock dividend	—	—	100,320	650
Balance at end of year	13,537,072	49,621	13,528,199	49,529
Total		\$61,984		\$61,892

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 offers pension plans to employees. The contributions made by the corporation and its employees are deposited with trustees or insurance companies according to the terms of the plans. The actuaries determined that the aggregate of the plans' assets exceeded the liabilities as at January 1, 1983.

### (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 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 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:

	1983	1982
Transactions during the year:		
Sales of finished products	\$39,322	\$20,546
Purchases of materials and finished goods	33,068	22,719
Royalty and technical service fees	2,513	2,305
Balances at end of year:		
Accounts receivable from affiliates	\$ 7,833	\$ 7,428
Accounts payable to affiliates	6,639	4,433

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 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:

	1983	1982
Depreciation	\$25,990	\$16,866
Amortization of — foreign exchange loss	300	548
— deferred methanol costs	619	—
Total depreciation and amortization	\$26,909	\$17,414
Interest expense on long-term debt (1982 — after capitalized portion)	\$ 7,870	\$ 1,635

(b) During 1983, \$1,700 (\$986 after taxes) has been provided for rationalization and reorganization programs in respect to various business units.

### (14) Commitments and contingent liabilities:

(a) At December 31, 1983, there were contractual obligations outstanding of approximately \$3,185 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 \$5,650. 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 issued a notice of assessment for 1978 and indicated that it is considering assessments for other years in the 1974—1980 period with respect to sales to the corporation's Swiss subsidiary. At the present time, the amount of any additional income taxes cannot be determined. The corporation will object to the 1978 assessment and believes that any assessments will not have a significant effect on future financial statements.

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

## Auditors' Report

To the Shareholders of Celanese Canada Inc.

We have examined the consolidated balance sheet of Celanese Canada Inc. as at December 31, 1983 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, 1983 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 applied on a basis consistent with that of the preceding year.

Montreal, Canada  
January 24, 1984

*Peat Marwick Mitchell & Co*  
Chartered Accountants

## Segmented Information

(in thousands)

	Polyester and Polypropylene	Cellulosic Fibres and Fabrics	Industrial Products	Chemicals	Corporate & Inter-segment Transactions	Consolidated
<b>Year ended December 31, 1983:</b>						
Sales to customers outside the corporation:						
— domestic	\$146,944	73,216	21,733	42,666	3,687	288,246
— export	15,597	19,473	34,183	40,867	—	110,120
Inter-segment sales	9,179	—	12,264	14,821	(36,264)	—
Total net sales	\$171,720	92,689	68,180	98,354	(32,577)	398,366
Divisional operating income (loss)	\$ 11,524	3,362	12,550	(3,793)	(8,992)	14,651
Net operating income (loss) (1)	\$ 8,499	1,492	11,281	(6,621)	—	14,651
Net income (loss) (2)	\$ 4,490	(954)	7,853	(2,392)	—	8,997
Total assets	\$ 68,960	44,182	13,460	168,740	24,815	320,157
Capital expenditures	\$ 5,452	1,885	853	4,099	5	12,294
Depreciation	\$ 7,903	2,318	1,461	14,219	89	25,990

### Year ended December 31, 1982: (3)

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
Divisional operating income (loss)	\$ 6,189	(5,721)	10,421	(2,348)	(10,919)	(2,378)
Net operating income (loss) (1)	\$ 2,051	(8,287)	8,696	(4,838)	—	(2,378)
Net income (loss) (2)	\$ (517)	(4,712)	4,455	(4,805)	—	(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

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

(1) Net operating income (loss) reflects the allocation of general corporate expenses to each segment on the basis of relative gross assets and net sales.

(2) Net income (loss) reflects the allocation of interest, debt expense, and other income and expense on the basis of relative net assets. Fees earned from the methanol joint venture are assigned directly to affected business segments.

(3) Restated to conform to 1983 presentation.

## Five-Year Statistical Summary

For the years ended December 31

	(dollar amounts in millions, except per share amounts)				
	1983	1982	1981	1980	1979
<b>Operations</b>					
Continuing operations					
Net sales	<b>\$398.4</b>	323.9	373.0	336.2	305.3
Net operating income (loss)	<b>14.7</b>	(2.4)	33.6	40.9	37.7
Income (loss) before taxes	<b>12.9</b>	(8.4)	35.9	41.7	38.1
Provision for taxes	<b>3.4</b>	(3.9)	14.1	16.0	14.9
Interest of others in subsidiary	<b>0.5</b>	(1.1)	(1.3)	(1.4)	(2.0)
Income (loss) from continuing operations	<b>9.0</b>	(5.6)	20.4	24.2	21.2
Loss from discontinued operations	—	—	(4.5)	(2.2)	(1.2)
Extraordinary items, net of taxes	—	—	4.4	—	(1.8)
Net income (loss)	<b>9.0</b>	(5.6)	20.3	22.0	18.2
Dividends — common	<b>0.7</b>	2.0	5.4	5.3	2.7
— preferred	<b>0.8</b>	0.8	0.8	0.8	0.8
Capital expenditures on continuing operations	<b>\$ 12.3</b>	59.8	87.7	55.1	23.6
Depreciation from continuing operations	<b>26.0</b>	16.9	13.3	16.0	18.5
<b>Per common share</b>					
Income (loss) from continuing operations	<b>\$ 0.61</b>	(0.47)	1.47	1.74	1.53
Loss from discontinued operations	—	—	(0.33)	(0.16)	(0.09)
Income (loss) before extraordinary items	<b>0.61</b>	(0.47)	1.14	1.58	1.44
Net income (loss)	<b>0.61</b>	(0.47)	1.46	1.58	1.30
Dividends	<b>0.05</b>	0.15	0.40	0.40	0.20
Equity	<b>8.84</b>	8.28	8.92	7.86	6.67
<b>Balance sheet data (1)</b>					
Current assets	<b>\$137.4</b>	117.6	125.2	130.4	141.3
Property, plant and equipment — total	<b>478.3</b>	470.5	416.9	354.8	348.2
— net	<b>171.7</b>	187.8	147.6	65.3	68.6
Total assets	<b>320.2</b>	317.0	279.4	224.1	212.3
Current liabilities	<b>67.7</b>	69.6	48.9	56.4	62.7
Long-term debt	<b>88.0</b>	85.8	54.4	28.3	31.5
Deferred income taxes	<b>26.6</b>	21.2	24.5	6.3	0.8
Total shareholders' equity	<b>132.0</b>	124.4	132.0	117.7	101.7
<b>Financial ratios and other</b>					
Net operating income as a per cent of sales					
of continuing operations — %	<b>3.7</b>	Neg.	9.0	12.2	12.3
Return on common equity — %	<b>7.1</b>	Neg.	17.4	21.8	21.2
Common dividend payout — %	<b>0.8</b>	N/A	27	25	15
Long-term debt to total capitalization — %	<b>40</b>	41	29	19	24
Current ratio	<b>2.0</b>	1.7	2.6	2.3	2.3
Number of employees (year end)	<b>3,441</b>	3,435	3,469	4,243	4,428

(1) 1980-1979 not adjusted for operations discontinued in 1981.

## Directors and Management

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During 1983, two members of our Board resigned.

Robert W. Campbell, who resigned in July, had served on the Board and was a member of the Audit Committee since March, 1974.

In September, Allan R. Dragone, a director since August, 1974 and a member of the Board's Executive Committee between 1975 and 1979, resigned.

The corporation wishes to thank Mr. Campbell and Mr. Dragone for their administrative expertise, counsel and strong contribution to the Board over the past nine years.

In recognition of the increased responsibility resulting from the corporate decentralization, the Board approved major management appointments in May, 1983. Raymond A. Chevrier was appointed President of the Textile Group, and Neil Martin and

Donald J. McLeod were appointed President and Vice-President, Operations respectively of the Chemicals and Industrial Products Group.

In September, Mr. Martin was transferred to a senior position within Celanese Specialty Operations in the United States and Mr. McLeod was appointed Vice-President and General Manager of the Group.

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### Directors

**C. Eugene Anderson**, <sup>1,3,4,6</sup>  
President, Celanese International Company;  
Vice-President, Celanese Corporation;

**Laurent Beaudoin**, <sup>1</sup>  
Chairman and Chief Executive Officer, Bombardier Inc.;

President, Bombardier-Rotax G.m.b.H.;  
Chairman, Les Entreprises de J. Armand Bombardier Ltée.;

**Marcel Bélanger**, <sup>2,5</sup>  
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**, <sup>5,6</sup>  
General Counsel and Secretary, Celanese Canada Inc.;

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

**Arthur A. Cooksey**, <sup>2</sup>  
Vice-President and Controller, Celanese Corporation;

**Pierre Côté**, <sup>1,3,4,6</sup>  
Chairman of the Board, Celanese Canada Inc.;

**Ernest H. Drew**, <sup>1,5,6</sup>  
President and Chief Executive Officer, Celanese Canada Inc.;

**Robert L. Mitchell**,  
Vice-Chairman,  
Celanese Corporation;

**Thomas H.B. Symons**, <sup>6</sup>  
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.**, <sup>1,3,4</sup>  
Chairman and Chief Executive Officer, Consolidated-Bathurst Inc.;

Chairman of the Executive Committee of the British-North American Committee;

**Mrs. Jean Casselman Wadds**, <sup>2</sup>  
Commissioner, Royal Commission on the Economic Union and Development Prospects for Canada.

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### Officers

**Jacques Binette**,  
Treasurer

**Pierre G. Bourgeau**,  
General Counsel and Secretary

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

**Raymond A. Chevrier**,  
President, Textile Group

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

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

**Donald J. McLeod**,  
Vice-President and General Manager, Chemicals and Industrial Products Group

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### Other Members of Management

\***Andrew B. Hughes**,  
Vice-President, Finance, Textile Group

**James K. Lambie**,  
Vice-President, Planning and Business Development, Chemicals and Industrial Products Group

**Robert J.I. Leggett**,  
Vice-President and General Manager, Polypropylene Division, Textile Group

**Luis G. Monton**,  
Vice-President and General Manager, Cellulosic Fibres and Fabrics Division, Textile Group

\***George A. Wrixon**,  
Controller until February 1984.  
Vice-President, Finance, Chemicals and Industrial Products Group

\* Appointed in 1984

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<sup>1</sup> Member of the Executive Committee

<sup>2</sup> Member of the Audit Committee

<sup>3</sup> Member of the Compensation Committee

<sup>4</sup> Member of the Nominating Committee

<sup>5</sup> Member of the Pension Committee

<sup>6</sup> Member of the Social Responsibility Committee

# Celanese Canada Inc.

## Products Manufactured by the Textile Group:

Cellulosic Fibres and Fabrics Division at Drummondville and Coaticook:

*acetate filament yarn*  
*100% acetate fabrics*  
*100% polyester textured woven fabrics*  
*polyester filament and spun blend fabrics,*  
*such as polyester/acrylic, polyester/wool, polyester/cotton*  
*cotton/nylon fabrics*

Polyester Division at Millhaven:

*polyester staple fibre*  
*polyester textile filament yarn*  
*polyester industrial yarn*  
*polyester tire yarn*

Polypropylene Division at Saint-Jean:

*polypropylene staple fibre*  
*polypropylene continuous filament yarn (bulk and non-textured)*

## Products Manufactured by the Chemicals and Industrial Products Group:

Chemicals Division at Edmonton:

*acetic acid*  
*acetic anhydride*  
*formaldehyde*  
*methanol*  
*pentaerythritol*  
*solvents*  
*vinyl acetate monomer*

Industrial Products Division at Edmonton:

*cellulose acetate flake*  
*cigarette tow*

## 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

## Fibres and Yarns Sales Offices

Cellulosics and Polyester  
 Montreal, Quebec (514) 871-5511  
 Cambridge, Ontario (519) 623-6029

## Polypropylene

Saint-Jean, Quebec (514) 348-3881

## Fabrics Sales Offices

Montreal, Quebec (514) 871-5511  
 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 Subsidiary

### Celanese AG

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 values 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, 1983)

### Preferred Shares:

\$1.75 Series 1,008

\$1.00 Series 387

Common Shares 6,639

