ICAHN ENTERPRISES L.P.
Form 10-Q
August 04, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2016

(Commission File Number)	(Exact Name of Registrant as Specified in Its Charter) (Address of Principal Executive Offices) (Zip Code) (Telephone Number)	(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
1-9516	ICAHN ENTERPRISES L.P. 767 Fifth Avenue, Suite 4700 New York, NY 10153 (212) 702-4300	Delaware	13-3398766
333-118021-01	ICAHN ENTERPRISES HOLDINGS L.P. 767 Fifth Avenue, Suite 4700 New York, NY 10153 (212) 702-4300	Delaware	13-3398767

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (Check One):

Icahn Enterprises L.P.		Icahn Enterprises Holdings L.P.	
Large Accelerated Filer x	Accelerated Filer o	Large Accelerated Filer o	Accelerated Filer o
Non-accelerated Filer o	Smaller Reporting Company o	Non-accelerated Filer x	Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Icahn Enterprises L.P. Yes o No x Icahn Enterprises Holdings L.P. Yes o No x

As of August 3, 2016, there were 138,107,588 of Icahn Enterprises' depositary units outstanding.

ICAHN ENTERPRISES L.P.
ICAHN ENTERPRISES HOLDINGS L.P.
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EXPLANATORY NOTE

This Quarterly Report on Form 10-Q (this "Report") is a joint report being filed by Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P. Each registrant hereto is filing on its own behalf all of the information contained in this Report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except unit amounts)

	June 30, 2016	December 31, 2015
ASSETS	(Unaudited)	
Cash and cash equivalents	$ 1,920	$ 2,078
Cash held at consolidated affiliated partnerships and restricted cash	694	1,282
Investments	9,875	15,351
Accounts receivable, net	1,796	1,685
Inventories, net	2,861	2,259
Property, plant and equipment, net	11,442	9,535
Goodwill	1,188	1,504
Intangible assets, net	1,138	1,108
Other assets	1,636	1,601
Total Assets	$ 32,550	$ 36,403
LIABILITIES AND EQUITY		
Accounts payable	$ 1,763	$ 1,416
Accrued expenses and other liabilities	2,578	1,828
Deferred tax liability	1,677	1,197
Securities sold, not yet purchased, at fair value	1,306	794
Due to brokers	2,447	7,317
Post-employment benefit liability	1,212	1,224
Debt	12,969	12,594
Total liabilities	23,952	26,370
Commitments and contingencies (Note 17)		
Equity:		
Limited partners: Depositary units: 138,107,588 units issued and outstanding at June 30, 2016 and 131,481,059 units issued and outstanding at December 31, 2015	2,812	4,244
General partner	(286)	(257)
Equity attributable to Icahn Enterprises	2,526	3,987
Equity attributable to non-controlling interests	6,072	6,046
Total equity	8,598	10,033
Total Liabilities and Equity	$ 32,550	$ 36,403

See notes to condensed consolidated financial statements.

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ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per unit amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:	(Unaudited)			
Net sales	$4,094	$3,979	$7,642	$7,544
Other revenues from operations	523	347	969	676
Net (loss) gain from investment activities	(308)	592	(1,244)	1,183
Interest and dividend income	28	47	70	100
Other income (loss), net	13	19	40	(8)
	4,350	4,984	7,477	9,495
Expenses:				
Cost of goods sold	3,448	3,324	6,571	6,449
Other expenses from operations	314	161	560	316
Selling, general and administrative	615	528	1,133	1,005
Restructuring	6	27	21	39
Impairment	—	3	577	4
Interest expense	202	287	443	557
	4,585	4,330	9,305	8,370
(Loss) income before income tax expense	(235)	654	(1,828)	1,125
Income tax expense	(50)	(113)	(66)	(162)
Net (loss) income	(285)	541	(1,894)	963
Less: net loss (income) attributable to non-controlling interests	216	(329)	988	(590)
Net (loss) income attributable to Icahn Enterprises	$(69)	$212	$(906)	$373
Net (loss) income attributable to Icahn Enterprises allocable to:				
Limited partners	$(68)	$208	$(888)	$366
General partner	(1)	4	(18)	7
	$(69)	$212	$(906)	$373
Basic and diluted (loss) income per LP unit	$(0.50)	$1.68	$(6.68)	$2.95
Basic and diluted weighted average LP units outstanding	135	124	133	124
Cash distributions declared per LP unit	$1.50	$1.50	$3.00	$3.00

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(Unaudited)			
Net (loss) income	$(285)	$541	$(1,894)	$963
Other comprehensive income (loss), net of tax:				
Post-employment benefits	4	2	10	24
Hedge instruments	1	(2)	1	(1)
Translation adjustments and other	(60)	25	(13)	(103)
Other comprehensive (loss) income, net of tax	(55)	25	(2)	(80)
Comprehensive (loss) income	(340)	566	(1,896)	883
Less: Comprehensive loss (income) attributable to non-controlling interests	224	(333)	984	(572)
Comprehensive income (loss) attributable to Icahn Enterprises	$(116)	$233	$(912)	$311
Comprehensive (loss) income attributable to Icahn Enterprises allocable to:				
Limited partners	$(114)	$229	$(894)	$305
General partner	(2)	4	(18)	6
	$(116)	$233	$(912)	$311

Accumulated other comprehensive loss was $1,459 million and $1,457 million at June 30, 2016 and December 31, 2015, respectively.

See notes to condensed consolidated financial statements.

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ICAHN ENTERPRISES L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In millions, Unaudited)

	Equity Attributable to Icahn Enterprises				
	General Partner's (Deficit) Equity	Limited Partners' Equity	Total Partners' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2015	$(257)	$4,244	$3,987	$ 6,046	$10,033
Net loss	(18)	(888)	(906)	(988)	(1,894)
Other comprehensive income	—	(6)	(6)	4	(2)
Partnership distributions	(1)	(53)	(54)	—	(54)
Partnership contribution	1	—	1	—	1
Investment segment contributions	—	—	—	490	490
Dividends and distributions to non-controlling interests in subsidiaries	—	—	—	(51)	(51)
Acquisitions	(11)	(519)	(530)	590	60
LP unit issuance	—	35	35	—	35
Changes in subsidiary equity and other	—	(1)	(1)	(19)	(20)
Balance, June 30, 2016	$(286)	$2,812	$2,526	$ 6,072	$8,598

	Equity Attributable to Icahn Enterprises				
	General Partner's (Deficit) Equity	Limited Partners' Equity	Total Partners' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2014	$(229)	$5,672	$5,443	$ 6,947	$12,390
Net income	7	366	373	590	963
Other comprehensive loss	(1)	(61)	(62)	(18)	(80)
Partnership distributions	(1)	(57)	(58)	—	(58)
Investment segment contributions	—	—	—	245	245
Dividends and distributions to non-controlling interests in subsidiaries	—	—	—	(115)	(115)
Proceeds from subsidiary equity offering	—	—	—	31	31
Acquisitions	—	—	—	65	65
Changes in subsidiary equity and other	—	(9)	(9)	10	1
Balance, June 30, 2015	$(224)	$5,911	$5,687	$ 7,755	$13,442

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Six Months Ended June 30, 2016			2015		
	(Unaudited)					
Cash flows from operating activities:						
Net (loss) income	$	(1,894	)	$	963	
Adjustments to reconcile net (loss) income to net cash provided by operating activities:						
Net loss (gain) from securities transactions	627			(1,020		)
Purchases of securities	(1,211		)	(542		)
Proceeds from sales of securities	5,880			1,515		
Purchases to cover securities sold, not yet purchased	(42		)	(186		)
Proceeds from securities sold, not yet purchased	475			895		
Changes in receivables and payables relating to securities transactions	(5,046		)	(1,463		)
Depreciation and amortization	489			419		
Impairment	577			4		
Equity earnings from non-consolidated affiliates	(36		)	(32		)
Deferred taxes	4			75		
Other, net	63			(14		)
Changes in cash held at consolidated affiliated partnerships and restricted cash	589			(322		)
Changes in other operating assets and liabilities	517			(139		)
Net cash provided by operating activities	992			153		
Cash flows from investing activities:						
Capital expenditures	(421		)	(729		)
Acquisition of businesses, net of cash acquired	(1,042		)	(786		)
Purchases of investments	(75		)	(107		)
Proceeds from sale of investments	46			68		

Other, net	10		61	
Net cash used in investing activities	(1,482	)	(1,493	)
Cash flows from financing activities:				
Capital contributions by non-controlling interests	490		245	
Partnership distributions	(54	)	(58	)
Proceeds from offering of subsidiary equity	—		31	
Dividends and distributions to non-controlling interests in subsidiaries	(51	)	(115	)
Proceeds from other borrowings	1,368		1,122	
Repayments of other borrowings	(1,399	)	(643	)
Other, net	(16	)	(15	)
Net cash provided by financing activities	338		567	
Effect of exchange rate changes on cash and cash equivalents	(18	)	15	
Net change in cash of assets held for sale	12		—	
Net decrease in cash and cash equivalents	(158	)	(758	)
Cash and cash equivalents, beginning of period	2,078		2,912	
Cash and cash equivalents, end of period	$ 1,920		$ 2,154	

Supplemental information:		
Cash payments for interest, net of amounts capitalized	$318	$312
Net cash payments (refunds) for income taxes	$52	$(14)
Investment in Pep Boys prior to acquiring a controlling interest	$160	$—
Investment in Trump prior to acquiring a controlling interest	$126	$—
LP unit issuance for remaining 25% interest in ARL	$35	$—
Subsidiary common unit issuance for acquisition of CVR Nitrogen	$336	$—
Investment in Ferrous Resources prior to acquiring a controlling interest	$—	$36
Changes in liabilities from non-cash acquisitions of property, plant and equipment	$18	$26

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	June 30, 2016	December 31, 2015
ASSETS	(Unaudited)	
Cash and cash equivalents	$ 1,920	$ 2,078
Cash held at consolidated affiliated partnerships and restricted cash	694	1,282
Investments	9,875	15,351
Accounts receivable, net	1,796	1,685
Inventories, net	2,861	2,259
Property, plant and equipment, net	11,442	9,535
Goodwill	1,188	1,504
Intangible assets, net	1,138	1,108
Other assets	1,661	1,625
Total Assets	$ 32,575	$ 36,427
LIABILITIES AND EQUITY		
Accounts payable	$ 1,763	$ 1,416
Accrued expenses and other liabilities	2,578	1,828
Deferred tax liability	1,677	1,197
Securities sold, not yet purchased, at fair value	1,306	794
Due to brokers	2,447	7,317
Post-employment benefit liability	1,212	1,224
Debt	12,969	12,594
Total liabilities	23,952	26,370
Commitments and contingencies (Note 17)		
Equity:		
Limited partner	2,864	4,310
General partner	(313)	(299)
Equity attributable to Icahn Enterprises Holdings	2,551	4,011
Equity attributable to non-controlling interests	6,072	6,046
Total equity	8,623	10,057
Total Liabilities and Equity	$ 32,575	$ 36,427

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:	(Unaudited)			
Net sales	$4,094	$3,979	$7,642	$7,544
Other revenues from operations	523	347	969	676
Net (loss) gain from investment activities	(308)	592	(1,244)	1,183
Interest and dividend income	28	47	70	100
Other income (loss), net	13	19	40	(8)
	4,350	4,984	7,477	9,495
Expenses:				
Cost of goods sold	3,448	3,324	6,571	6,449
Other expenses from operations	314	161	560	316
Selling, general and administrative	615	528	1,133	1,005
Restructuring	6	27	21	39
Impairment	—	3	577	4
Interest expense	201	286	442	556
	4,584	4,329	9,304	8,369
(Loss) income before income tax expense	(234)	655	(1,827)	1,126
Income tax expense	(50)	(113)	(66)	(162)
Net (loss) income	(284)	542	(1,893)	964
Less: net loss (income) attributable to non-controlling interests	216	(329)	988	(590)
Net (loss) income attributable to Icahn Enterprises Holdings	$(68)	$213	$(905)	$374
Net (loss) income attributable to Icahn Enterprises Holdings allocable to:				
Limited partner	$(67)	$211	$(896)	$370
General partner	(1)	2	(9)	4
	$(68)	$213	$(905)	$374

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(Unaudited)			
Net (loss) income	$(284)	$542	$(1,893)	$964
Other comprehensive income (loss), net of tax:				
Post-employment benefits	4	2	10	24
Hedge instruments	1	(2)	1	(1)
Translation adjustments and other	(60)	25	(13)	(103)
Other comprehensive (loss) income, net of tax	(55)	25	(2)	(80)
Comprehensive (loss) income	(339)	567	(1,895)	884
Less: Comprehensive loss (income) attributable to non-controlling interests	224	(333)	984	(572)
Comprehensive income (loss) attributable to Icahn Enterprises Holdings	$(115)	$234	$(911)	$312
Comprehensive (loss) income attributable to Icahn Enterprises Holdings allocable to:				
Limited partner	$(114)	$232	$(902)	$309
General partner	(1)	2	(9)	3
	$(115)	$234	$(911)	$312

Accumulated other comprehensive loss was $1,459 million and $1,457 million at June 30, 2016 and December 31, 2015, respectively.

See notes to condensed consolidated financial statements.

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ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In millions, Unaudited)

	Equity Attributable to Icahn Enterprises Holdings				
	General Partner's Equity (Deficit)	Limited Partner's Equity	Total Partners' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2015	$(299)	$4,310	$4,011	$ 6,046	$10,057
Net loss	(9)	(896)	(905)	(988)	(1,893)
Other comprehensive income	—	(6)	(6)	4	(2)
Partnership distributions	(1)	(53)	(54)	—	(54)
Partnership contribution	1	—	1	—	1
Investment segment contributions	—	—	—	490	490
Dividends and distributions to non-controlling interests in subsidiaries	—	—	—	(51)	(51)
Acquisitions	(5)	(525)	(530)	590	60
LP unit issuance	—	35	35	—	35
Changes in subsidiary equity and other	—	(1)	(1)	(19)	(20)
Balance, June 30, 2016	$(313)	$2,864	$2,551	$ 6,072	$8,623

	Equity Attributable to Icahn Enterprises Holdings				
	General Partner's Equity (Deficit)	Limited Partner's Equity	Total Partners' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2014	$(285)	$5,751	$5,466	$ 6,947	$12,413
Net income	4	370	374	590	964
Other comprehensive loss	(1)	(61)	(62)	(18)	(80)
Partnership distributions	(1)	(57)	(58)	—	(58)
Investment segment contributions	—	—	—	245	245
Dividends and distributions to non-controlling interests in subsidiaries	—	—	—	(115)	(115)
Proceeds from subsidiary equity offering	—	—	—	31	31
Acquisitions	—	—	—	65	65
Changes in subsidiary equity and other	—	(9)	(9)	10	1
Balance, June 30, 2015	$(283)	$5,994	$5,711	$ 7,755	$13,466

See notes to condensed consolidated financial statements.

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ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Six Months Ended June 30, 2016 (Unaudited)			2015		
Cash flows from operating activities:						
Net (loss) income	$	(1,893	)	$	964	
Adjustments to reconcile net (loss) income to net cash provided by operating activities:						
Net loss (gain) from securities transactions	627			(1,020		)
Purchases of securities	(1,211		)	(542		)
Proceeds from sales of securities	5,880			1,515		
Purchases to cover securities sold, not yet purchased	(42		)	(186		)
Proceeds from securities sold, not yet purchased	475			895		
Changes in receivables and payables relating to securities transactions	(5,046		)	(1,463		)
Depreciation and amortization	488			418		
Impairment	577			4		
Equity earnings from non-consolidated affiliates	(36		)	(32		)
Deferred taxes	4			75		
Other, net	63			(14		)
Changes in cash held at consolidated affiliated partnerships and restricted cash	589			(322		)
Changes in other operating assets and liabilities	517			(139		)
Net cash provided by operating activities	992			153		
Cash flows from investing activities:						
Capital expenditures	(421		)	(729		)
Acquisition of businesses, net of cash acquired	(1,042		)	(786		)
Purchases of investments	(75		)	(107		)
Proceeds from sale of investments	46			68		

Other, net	10		61	
Net cash used in investing activities	(1,482	)	(1,493	)
Cash flows from financing activities:				
Capital contribution by non-controlling interests	490		245	
Partnership distributions	(54	)	(58	)
Proceeds from offering of subsidiary equity	—		31	
Distributions to non-controlling interests in subsidiaries	(51	)	(115	)
Proceeds from other borrowings	1,368		1,122	
Repayments of other borrowings	(1,399	)	(643	)
Other, net	(16	)	(15	)
Net cash provided by financing activities	338		567	
Effect of exchange rate changes on cash and cash equivalents	(18	)	15	
Net change in cash of assets held for sale	12		—	
Net decrease in cash and cash equivalents	(158	)	(758	)
Cash and cash equivalents, beginning of period	2,078		2,912	
Cash and cash equivalents, end of period	$ 1,920		$ 2,154	

Supplemental information:		
Cash payments for interest, net of amounts capitalized	$318	$312
Net cash payments (refunds) for income taxes	$52	$(14)
Investment in Pep Boys prior to acquiring a controlling interest	$160	$—
Investment in Trump prior to acquiring a controlling interest	$126	$—
LP unit issuance for remaining 25% interest in ARL	$35	$—
Subsidiary common unit issuance for acquisition of CVR Nitrogen	$336	$—
Investment in Ferrous Resources prior to acquiring a controlling interest	$—	$36
Changes in liabilities from non-cash acquisitions of property, plant and equipment	$18	$26

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES
ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
June 30, 2016 (Unaudited)

1. Description of Business and Basis of Presentation.

General

Icahn Enterprises L.P. ("Icahn Enterprises") is a master limited partnership formed in Delaware on February 17, 1987. Icahn Enterprises Holdings L.P. ("Icahn Enterprises Holdings") is a limited partnership formed in Delaware on February 17, 1987. References to "we," "our" or "us" herein include both Icahn Enterprises and Icahn Enterprises Holdings and their subsidiaries, unless the context otherwise requires.

Icahn Enterprises owns a 99% limited partner interest in Icahn Enterprises Holdings. Icahn Enterprises G.P. Inc. ("Icahn Enterprises GP"), which is owned and controlled by Mr. Carl C. Icahn, owns a 1% general partner interest in each of Icahn Enterprises and Icahn Enterprises Holdings as of June 30, 2016. Icahn Enterprises Holdings and its subsidiaries own substantially all of our assets and liabilities and conduct substantially all of our operations. Therefore, the financial results of Icahn Enterprises and Icahn Enterprises Holdings are substantially the same, with differences relating primarily to debt, as discussed further in Note 10, "Debt," and to the allocation of the general partner interest, which is reflected as an aggregate 1.99% general partner interest in the financial statements of Icahn Enterprises. In addition to the above, Mr. Icahn and his affiliates owned approximately 89.5% of Icahn Enterprises' outstanding depositary units as of June 30, 2016.

We are a diversified holding company owning subsidiaries currently engaged in the following continuing operating businesses: Investment, Automotive, Energy, Metals, Railcar, Gaming, Mining, Food Packaging, Real Estate and Home Fashion. We also report the results of our Holding Company, which includes the results of certain subsidiaries of Icahn Enterprises and Icahn Enterprises Holdings (unless otherwise noted), and investment activity and expenses associated with the Holding Company. Further information regarding our reporting segments is contained in Note 2, "Operating Units," and Note 13, "Segment Reporting."

We conduct and plan to continue to conduct our activities in such a manner as not to be deemed an investment company under the Investment Company Act of 1940, as amended (the "'40 Act"). Therefore, no more than 40% of our total assets can be invested in investment securities, as such term is defined in the '40 Act. In addition, we do not invest or intend to invest in securities as our primary business. We intend to structure our investments to continue to be taxed as a partnership rather than as a corporation under the applicable publicly traded partnership rules of the Internal Revenue Code, as amended.

The accompanying condensed consolidated financial statements and related notes should be read in conjunction with our consolidated financial statements and related notes contained in our Annual Report on Form 10-K for the year ended December 31, 2015. The condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") related to interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. The financial information contained herein is unaudited; however, management believes all adjustments have been made that are necessary to present fairly the results for the interim periods. All such adjustments are of a normal and recurring nature.

Reclassifications

Certain reclassifications from the prior year presentation have been made to conform to the current year presentation.

Principles of Consolidation

As of June 30, 2016, our condensed consolidated financial statements include the accounts of (i) Icahn Enterprises and Icahn Enterprises Holdings and (ii) the wholly and majority owned subsidiaries of Icahn Enterprises and Icahn Enterprises Holdings, in addition to variable interest entities ("VIEs") in which we are the primary beneficiary. In evaluating whether we have a controlling financial interest in entities that we consolidate, we consider the following: (1) for voting interest entities, including limited partnerships and similar entities that are not VIEs, we consolidate these entities in which we own a majority of the voting interests; and (2) for VIEs, we consolidate these entities in which we are the primary beneficiary. See below for a discussion of our VIEs. Kick-out rights (which are the rights underlying the limited partners' ability to dissolve the limited partnership or otherwise remove the general partners and which are collectively referred to as "kick-out" rights) held through voting interests of partnerships and similar entities that are not VIEs are considered the equivalent of the equity interests of corporations that are not VIEs. All material intercompany accounts and transactions have been eliminated in consolidation.

Except for our Investment segment, for those investments in which we own 50% or less but greater than 20%, we generally account for such investments using the equity method, while investments in affiliates of 20% or less are accounted for under the cost method.

Variable Interest Entities

As further discussed below, the Financial Statement Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2015-02 became effective during the first quarter of 2016. ASU No. 2015-02 amends the current consolidation guidance, including introducing a separate consolidation analysis specific to limited partnerships and other similar entities. Specifically, under the revised consolidation analysis, limited partnerships and other similar entities are considered VIEs unless the limited partners hold substantive kick-out rights or participating rights. Although ASU No. 2015-02 changed the status of certain of our limited partnership entities as VIEs (as discussed below), we continue to consolidate these entities because we are the primary beneficiaries of such entities.

Investment

Our Investment segment is comprised of various private investment funds, including Icahn Partners L.P. ("Icahn Partners") and Icahn Partners Master Fund LP ("Master Fund") (collectively, the "Investment Funds"), through which we invest our proprietary capital. See Note 2, "Operating Unit - Investment," for further discussion regarding our Investment segment's business.

We determined that each of the Investment Funds are considered VIEs because these limited partnerships lack both substantive kick-out and participating rights. Because we are the general partner in each of the Investment Funds and have significant limited partner interests in each of the Investment Funds, coupled with our significant exposure to losses and benefits in each of the Investment Funds, we are the primary beneficiary of each of the Investment Funds and therefore continue to consolidate each of the Investment Funds. Substantially all of the assets and liabilities of our Investment segment pertain to the Investment Funds. See Note 13, "Segment Reporting," for details of our condensed balance sheets for our Investment segment.

Energy

We conduct our Energy segment through our majority ownership in CVR Energy Inc. ("CVR"). CVR owns petroleum refining and nitrogen fertilizer manufacturing businesses held through CVR Refining, LP (“CVR Refining”) and CVR Partners, LP (“CVR Partners”), respectively, and each are considered VIEs. See Note 2, "Operating Unit - Energy," for further discussion regarding our Energy segment's business.

Our Energy segment determined that CVR Refining and CVR Partners are each considered VIEs because each of these limited partnerships lack both substantive kick-out and participating rights. In addition, our Energy segment also concluded that based upon its general partner's roles and rights in CVR Refining and CVR Partners as afforded by their respective partnership agreements, coupled with its exposure to losses and benefits in each of CVR Refining and CVR Partners through its significant limited partner interests, intercompany credit facilities and services agreements, CVR determined that it is the primary beneficiary of both CVR Refining and CVR Partners. Based upon this evaluation, CVR continues to consolidate both CVR Refining and CVR Partners. The assets and liabilities of our Energy segment that are directly related to CVR Refining and CVR Partners included in our condensed consolidated balance sheets are as follows:

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	June 30, 2016	December 31, 2015
	(in millions)	
Cash and cash equivalents	$236	$ 237
Property, plant and equipment, net	3,408	2,674
Inventories	325	290
Goodwill	—	574
Intangible assets, net	328	337
Other assets	94	102
Accounts payable, accrued expenses and other liabilities	364	333
Debt	1,167	667

Icahn Enterprises Holdings

As discussed above, Icahn Enterprises Holdings and its subsidiaries own substantially all of our assets and liabilities and conduct substantially all of our operations. We determined that Icahn Enterprises Holdings is a VIE because it lacks both substantive kick-out and participating rights. Icahn Enterprises is the primary beneficiary of Icahn Enterprises Holdings principally based on its 99% limited partner interest in Icahn Enterprises Holdings and therefore continues to consolidate Icahn Enterprises Holdings. The condensed consolidated financial statements of Icahn Enterprises Holdings are included in this Report.

Fair Value of Financial Instruments

The carrying values of cash and cash equivalents, cash held at consolidated affiliated partnerships and restricted cash, accounts receivable, due from brokers, accounts payable, accrued expenses and other liabilities and due to brokers are deemed to be reasonable estimates of their fair values because of their short-term nature.

See Note 4, “Investments and Related Matters,” and Note 5, “Fair Value Measurements,” for a detailed discussion of our investments.

The fair value of our long-term debt is based on the quoted market prices for the same or similar issues or on the current rates offered to us for debt of the same remaining maturities. The carrying value and estimated fair value of our long-term debt as of June 30, 2016 was approximately $13.0 billion and $12.6 billion, respectively. The carrying value and estimated fair value of our long-term debt as of December 31, 2015 was approximately $12.6 billion and $12.2 billion, respectively.

Restricted Cash

Our restricted cash balance was $507 million and $966 million as of June 30, 2016 and December 31, 2015, respectively.

Inventories

As further discussed in Note 2, "Operating Units - Automotive," we acquired Pep Boys - Manny, Moe and Jack ("Pep Boys") on February 3, 2016. Pep Boys' inventories are valued at lower of cost or market and cost of goods sold is determined using the last-in, first-out ("LIFO") method. Pep Boys is currently the only subsidiary of ours that uses LIFO in determining cost of goods sold. As inventories of Pep Boys have been revalued to fair value as a result of our acquisition on February 3, 2016, there are immaterial differences between inventory balances calculated using LIFO as compared to inventory balances calculated using first-in, first-out as of June 30, 2016.

Adoption of New Accounting Standards

In February 2015, the FASB issued ASU No. 2015-02, which amends FASB ASC Topic 810, Consolidations. This ASU amends the current consolidation guidance, including introducing a separate consolidation analysis specific to limited partnerships and other similar entities. This ASU requires that limited partnerships and similar legal entities provide partners with either substantive kick-out rights or substantive participating rights over the general partner in order to be considered a voting interest entity. The specialized consolidation model and guidance for limited partnerships and similar legal entities have been eliminated. There is no longer a presumption that a general partner should consolidate a limited partnership. For limited partnerships and similar legal entities that qualify as voting interest entities, a limited partner with a controlling financial

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interest should consolidate a limited partnership. A controlling financial interest may be achieved through holding a limited partner interest that provides substantive kick-out rights. The standard is effective for annual periods beginning after December 15, 2015. As a result of adopting this guidance in the first quarter of 2016, while certain of our limited partnership entities are now considered VIEs, we continue to consolidate these limited partnerships. See above for further discussion regarding our VIEs.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which amends FASB ASC Subtopic 835-30, Interest - Imputation of Interest. The new standard requires that all costs incurred to issue debt be presented in the balance sheet as a direct deduction from the carrying value of the debt. Given the absence of authoritative guidance within this ASU regarding debt issuance costs related to line-of-credit, the SEC staff has stated that it would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred issuance costs ratably over the term of the line-of-credit arrangement. The standard is effective for interim and annual periods beginning after December 15, 2015 and is required to be applied on a retrospective basis. Early adoption is permitted. The adoption of this guidance resulted in a reclassification of debt issuance costs on our condensed consolidated balance sheets to debt in the amount of $39 million as of December 31, 2015.

In September 2015, the FASB issued ASU No. 2015-16, Simplifying the Accounting for Measurement-Period Adjustments, which amends FASB ASC Topic 805, Business Combinations. This ASU eliminates the requirement to retrospectively adjust provisional amounts recognized at the acquisition dates of business combinations. Rather, this ASU requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. This ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments in this ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date with earlier application permitted for financial statements that have not been issued. The adoption of this guidance in the first quarter of 2016 did not have a material impact on our condensed consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

Recently Issued Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, creating a new topic, FASB ASC Topic 606, Revenue from Contracts with Customers, superseding revenue recognition requirements in FASB ASC Topic 605, Revenue Recognition. This ASU requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. In addition, an entity is required to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This ASU was amended by ASU No. 2015-14, issued in August 2015, which deferred the original effective date by one year; the effective date of this ASU is for fiscal years, and interim reporting periods within those years, beginning after December 15, 2017, using one of two retrospective application methods. In addition, the FASB issued other amendments during 2016 to FASB ASC Topic 606, Revenue from Contracts with Customers, that include implementation guidance to principal versus agent considerations, guidance to identifying performance obligations and licensing guidance and other narrow scope improvements. Early adoption is permitted only as of the annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. We are currently evaluating the impact of these guidance on our consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

In July 2015, the FASB issued ASU No. 2015-11, Simplifying the Measurement of Inventory, which amends FASB ASC Topic 330, Inventory. This ASU requires entities to measure inventory at the lower of cost or net realizable value and eliminates the option that currently exists for measuring inventory at market value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This ASU is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. This ASU should be applied prospectively with earlier application permitted as of the beginning of an interim period or annual reporting period. We anticipate that the adoption of this guidance will have minimal impact on our consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall, which amends FASB ASC Topic 825, Financial Instruments. This ASU requires that equity investments (except those accounted for under the equity method of accounting or those that result in the consolidation of the investee) to be measured at fair value with changes recognized in earnings. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment. In addition, there were other amendments to certain disclosure and presentation matters pertaining to financial instruments, including the requirement of an entity to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendments in this ASU should be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values should be applied prospectively to equity investments that exist as of the date of adoption. Early application is permitted for certain matters only. We are currently evaluating the impact of this guidance on our consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which supersedes FASB ASC Topic 840, Leases. This ASU requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous guidance. In addition, among other changes to the accounting for leases, this ASU retains the distinction between finance leases and operating leases. The classification criteria for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the previous guidance. This ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The amendments in this ASU should be applied using a modified retrospective approach. Early application is permitted. We are currently evaluating the impact of this guidance on our consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

In March 2016, the FASB issued ASU No. 2016-07, Simplifying the transition to equity method of accounting, which amends FASB ASC Topic 323, Investments - Equity Method and Joint Ventures. This ASU eliminates the retroactive adjustment of an investment that qualifies for the equity method as a result of an increase in the level of ownership or degree of influence as if the equity method had been in effect during all previous periods that the investment had been held. The amendments in this ASU are effective for interim and annual fiscal years beginning after December 15, 2016. Earlier application is permitted. We anticipate that the adoption of this guidance will have minimal impact on our consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

In June 2016, the FASB issued ASU No. 2016-13, Measurement of credit losses on financial instruments, which amends FASB ASC Topic 326, Financial Instruments - Credit Losses. This ASU requires financial assets measured at amortized cost to be presented at the net amount to be collected and broadens the information, including forecasted information incorporating more timely information, that an entity must consider in developing its expected credit loss estimate for assets measured. We are currently evaluating the impact of this guidance on our consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

Filing Status of Subsidiaries

Federal-Mogul Holdings Corporation (“Federal-Mogul”), CVR Energy, Inc. ("CVR"), American Railcar Industries, Inc. (“ARI”) and Tropicana Entertainment Inc. (“Tropicana”) are each a public reporting entity under the Securities Exchange Act of 1934, as amended, and file annual, quarterly and current reports and proxy and information statements with the SEC. Each of these reports is publicly available at www.sec.gov.

2. Operating Units.

Investment

Our Investment segment is comprised of various private investment funds, including the Investment Funds, through which we invest our proprietary capital. We and certain of Mr. Icahn's wholly owned affiliates are the sole investors in the Investment Funds. Icahn Onshore LP and Icahn Offshore LP (together, the "General Partners") act as the general partner of Icahn Partners and the Master Fund, respectively. The General Partners provide investment advisory and certain administrative and back office services to the Investment Funds but do not provide such services to any other

entities, individuals or accounts. Interests in the Investment Funds are not offered to outside investors.
We had interests in the Investment Funds with a fair value of approximately $1.7 billion and $3.4 billion as of June 30, 2016 and December 31, 2015, respectively.

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Automotive

We conduct our Automotive segment through our majority ownership in Federal-Mogul Holdings Corporation ("Federal-Mogul"), our wholly owned subsidiary IEH Auto Parts Holding LLC ("IEH Auto"), effective June 1, 2015, and our wholly owned subsidiary Pep Boys, effective February 3, 2016 (see "Pep Boys Acquisition" below).

Federal-Mogul is a leading global supplier of a broad range of components, accessories and systems to the automotive, small engine, heavy-duty, marine, railroad, agricultural, off-road, aerospace and energy, industrial and transport markets, including customers in both the original equipment manufacturers and servicers (“OE”) market and the replacement market (“aftermarket”). Federal-Mogul’s customers include the world’s largest automotive OEs and major distributors and retailers in the independent aftermarket.

Federal-Mogul operates with two end-customer focused businesses. The Powertrain business unit focuses on original equipment products for automotive, heavy duty and industrial applications. The Motorparts business unit sells and distributes a broad portfolio of products in the global aftermarket, while also serving original equipment manufacturers with products including braking, chassis, wipers and other vehicle components.

As of June 30, 2016, we owned approximately 82.0% of the total outstanding common stock of Federal-Mogul.

On February 28, 2016, Icahn Enterprises issued a proposal to the board of directors of Federal-Mogul to purchase the remaining shares of Federal-Mogul common stock not owned by us in a merger transaction pursuant to which Federal-Mogul shareholders would receive $7.00 per share in cash for their shares of Federal-Mogul common stock. Federal-Mogul’s board of directors subsequently authorized the formation of a special committee that has been charged with the review and evaluation of Icahn Enterprises' proposal and alternatives thereto. Subsequent to submitting its proposal, Icahn Enterprises advised Federal-Mogul's board of directors that it was not considering selling its stake in Federal-Mogul at the current time.

On June 17, 2016, Icahn Enterprises issued a revised proposal to the board of directors of Federal-Mogul to purchase the remaining shares of Federal-Mogul common stock not owned by us in a merger transaction pursuant to which Federal-Mogul shareholders would receive $8.00 per share in cash for their shares of Federal-Mogul common stock, an increase from the previous offer, as discussed above, of $7.00 in cash per share. The proposed merger process is ongoing as of the date of this Report.

Pep Boys has 805 locations in the automotive aftermarket industry located throughout the United States and Puerto Rico. Pep Boys stores are organized into a hub and spoke network consisting of Supercenters and Service & Tire Centers. Supercenters average approximately 20,000 square feet and combine a parts and accessories store with professional service centers that perform a full range of automotive maintenance and repair services. Most of the Pep Boys Supercenters also have a commercial sales program that provides prompt delivery of parts, tires and equipment to automotive repair shops and dealers. Service & Tire Centers, which average approximately 6,000 square feet, provide automotive maintenance and repair services in neighborhood locations that are conveniently located where our customers live or work.

IEH Auto has 21 distribution centers and 277 corporate-owned jobber stores (including 11 satellite locations) in the United States and supports a network of more than 2,000 independent wholesalers. Through its banner and technical support programs as well as its offering of premium auto parts, IEH Auto has built its reputation on being the partner of choice for independent entrepreneurs eager to tap into the strength of large network.

Pep Boys and IEH Auto are being operated together in order to grow their sales to do-it-for-me ("DIFM") distributors and DIFM service professionals, to grow their automotive service business, and to maintain their do-it-yourself customer bases by offering the newest and broadest product assortment in the automotive aftermarket.

In addition, Federal-Mogul is operated independently from Pep Boys and IEH Auto. Transactions among Federal-Mogul, Pep Boys and IEH Auto have been eliminated in consolidation.

Pep Boys Acquisition

On February 3, 2016, pursuant to a tender offer, Icahn Enterprises acquired a majority of the outstanding shares of Pep Boys. On February 4, 2016, Icahn Enterprises completed the acquisition of the remaining outstanding shares of Pep Boys and our wholly owned subsidiary, IEP Parts Acquisition LLC, merged with and into Pep Boys, with Pep Boys surviving the merger as a wholly owned subsidiary of Icahn Enterprises Holdings. The total value for the acquisition of Pep Boys was approximately $1.2 billion, including the fair value of our equity interest in Pep Boys just prior to our acquisition of a controlling interest.

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Prior to obtaining a controlling interest, we remeasured our equity interest in Pep Boys to its acquisition-date fair value of $121 million. The difference between the carrying value and the acquisition-date fair value of our equity interest in Pep Boys was immaterial.

A preliminary valuation of the net assets of the Pep Boys acquisition resulted in $950 million allocated to tangible net assets and $253 million allocated to goodwill and other intangible net assets as of the acquisition date. Our allocation to other intangible net assets includes $59 million allocated to unfavorable leases liability which is included in accrued expenses and other liabilities on the condensed consolidated balance sheets. We are in the process of valuing the Pep Boys acquisition and have recorded provisional amounts based on preliminary estimates of fair value of net assets acquired, including goodwill. The provisional measurements of net assets are subject to change as we finalize the purchase price allocation.

During the first half of 2016, the acquisitions of Pep Boys, CVR Nitrogen (as defined below), Trump (as defined below), and other miscellaneous acquisitions, as described below, were not material, individually or in the aggregate, to our condensed consolidated financial statements.

Other Acquisition

On May 26, 2016, Federal-Mogul completed the acquisition of the assets of a filter manufacturing business in Mexico, which primarily serves the Mexican market, for a purchase price of $25 million, net of cash acquired. The estimated fair value of net assets acquired at the acquisition date is $25 million. Federal-Mogul is in the process of finalizing certain customary post-closing adjustments which could affect the estimated fair value of assets acquired and liabilities assumed.

Accounts Receivable, net

Federal-Mogul's subsidiaries in Brazil, France, Germany, Italy, Canada and the United States are party to accounts receivable factoring and securitization facilities. Gross accounts receivable transferred under these facilities were $566 million and $408 million as of June 30, 2016 and December 31, 2015, respectively. Of those gross amounts, $556 million and $401 million, respectively, qualify as sales as defined in FASB ASC Topic 860, Transfers and Servicing. The remaining transferred receivables were pledged as collateral and accounted for as secured borrowings and recorded in the condensed consolidated balance sheets within accounts receivable, net and debt. Under the terms of these facilities, Federal-Mogul is not obligated to draw cash immediately upon the transfer of accounts receivable. As of June 30, 2016 and December 31, 2015, Federal-Mogul had withdrawn cash related to such transferred receivables of $1 million and $1 million, respectively. Proceeds from the transfers of accounts receivable qualifying as sales were $429 million and $410 million for the three months ended June 30, 2016 and 2015, respectively, and $842 million and $800 million for the six months ended June 30, 2016 and 2015, respectively.

Expenses associated with transfers of receivables were $4 million and $2 million for the three months ended June 30, 2016 and 2015, respectively, and $7 million and $4 million for the six months ended June 30, 2016 and 2015, respectively. Such expenses were recorded in the condensed consolidated statements of operations within other income (loss), net. Where Federal-Mogul receives a fee to service and monitor these transferred receivables, such fees are sufficient to offset the costs and as such, a servicing asset or liability is not incurred as a result of such activities. Certain of the facilities contain terms that require Federal-Mogul to share in the credit risk of the sold receivables. The maximum exposure to Federal-Mogul associated with certain of these facilities' terms were $4 million and $11 million as of June 30, 2016 and December 31, 2015, respectively.

Restructuring

Federal-Mogul recorded restructuring expenses of $6 million and $27 million for the three months ended June 30, 2016 and 2015, respectively, and $21 million and $39 million for the six months ended June 30, 2016 and 2015, respectively. These restructuring expenses, primarily consisting of employee costs and headcount reductions, pertain to all restructuring programs that Federal-Mogul has initiated in order to improve its operating performance.

Federal-Mogul's restructuring expenses are aimed at optimizing its cost structure. Federal-Mogul expects to complete these programs in 2017 and incur additional restructuring and other charges of less than $1 million. For programs previously initiated in prior periods, Federal-Mogul expects to complete these programs in 2018 and incur additional restructuring charges of approximately $4 million.

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Energy

We conduct our Energy segment through our majority ownership in CVR. CVR is a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries through its holdings in CVR Refining and CVR Partners, respectively. CVR Refining is an independent petroleum refiner and marketer of high value transportation fuels. CVR Partners produces and markets nitrogen fertilizers in the form of urea ammonium nitrate ("UAN") and ammonia. As of June 30, 2016, CVR owned 100% of the general partners of CVR Refining and CVR Partners and approximately 66% of the common units of CVR Refining and approximately 34% of the common units of CVR Partners.

As of June 30, 2016, we owned approximately 82.0% of the total outstanding common stock of CVR. In addition, as of June 30, 2016, we owned approximately 4.0% of the total outstanding common units of CVR Refining directly.

CVR Nitrogen, LP Acquisition

On April 1, 2016, CVR Partners completed its acquisition of CVR Nitrogen, LP ("CVR Nitrogen") (formerly known as East Dubuque Nitrogen Partners, L.P. and also formerly known as Rentech Nitrogen Partners L.P.) and CVR Nitrogen GP, LLC ("CVR Nitrogen GP") (formerly known as East Dubuque Nitrogen GP, LLC and also formerly known as Rentech Nitrogen GP, LLC). In connection with this acquisition, CVR Partners issued approximately 40.2 million common units to CVR Nitrogen common unitholders with a fair market value of $336 million and paid $99 million in cash consideration and assumed $368 million fair value of debt. The total fair value of the purchase price consideration to be allocated was $440 million and the estimated fair value of net assets acquired at the acquisition date was $440 million. There were no identifiable intangible assets related to this acquisition. CVR Partners is in the process of finalizing certain customary post-closing adjustments which could affect the estimated fair value of assets acquired and liabilities assumed.

CVR Nitrogen's debt arrangements that remained in place after the closing date of the acquisition included $320 million of its 6.5% notes due 2021, the majority of which were purchased in June 2016, as discussed further in Note 10, "Debt." On April 1, 2016, in connection with the acquisition of CVR Nitrogen, CVR Partners entered into a new $320 million senior term loan facility with AEPC ("AEPC Facility"), a wholly owned subsidiary of Icahn Enterprises, as the lender. In connection with the repayment of the substantial majority of CVR Nitrogen's 6.5% notes due 2021, the AEPC Facility was terminated.

CVR Nitrogen, located in East Dubuque, Illinois, owns and operates a nitrogen fertilizer facility, producing primarily ammonia and UAN using natural gas as its facility's primary feedstock. The primary reasons for the mergers were to expand CVR Partners' geographical footprint, diversify its raw material feedstocks, widen its customer reach and increase its potential cash-flow generation.

Petroleum Business

CVR Refining's petroleum business includes a 115,000 barrels per calendar day ("bpcd") rated capacity complex full coking medium-sour crude oil refinery in Coffeyville, Kansas and a 70,000 bpcd rated capacity complex crude oil refinery in Wynnewood, Oklahoma. The Coffeyville refinery is situated on approximately 440 acres in southeast Kansas, approximately 100 miles from Cushing, Oklahoma, a major crude oil trading and storage hub. The Wynnewood refinery is situated on approximately 400 acres located approximately 65 miles south of Oklahoma City, Oklahoma and approximately 130 miles from Cushing, Oklahoma.

In addition to the refineries, CVR's petroleum business owns and operates the following: (i) a crude oil gathering system with a gathering capacity of over 65,000 barrels per day ("bpd") serving Kansas, Oklahoma, Missouri, Nebraska, Colorado and Texas; (ii) a 170,000 bpd pipeline system (supported by approximately 340 miles of active owned and leased pipeline) that transports crude oil to its Coffeyville refinery from its Broome Station facility near Caney, Kansas; (iii) approximately 6.4 million barrels of company owned and leased crude oil storage capacity; (iv) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville, Kansas and Wynnewood, Oklahoma and at throughput terminals on Magellan and NuStar

Energy, LP's ("NuStar") refined products distribution systems; and (v) over 4.5 million barrels of combined refinery related storage capacity.

Nitrogen Fertilizer Business

CVR Partners' nitrogen fertilizer business consists of a nitrogen fertilizer manufacturing facility located in Coffeyville, Kansas that utilizes a petroleum coke, or pet coke, gasification process to produce nitrogen fertilizer and a nitrogen fertilizer manufacturing facility located in East Dubuque, Illinois that uses natural gas to produce nitrogen fertilizer (as a result of the acquisition of CVR Nitrogen as discussed above). The facility in Coffeyville includes a 1,300 ton-per-day ammonia unit, a

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3,000 ton-per-day UAN unit and a gasifier complex having a capacity of 89 million standard cubic feet per day of hydrogen. The facility in East Dubuque includes a 1,025 ton-per-day ammonia unit and a 1,100 ton-per-day UAN unit.

Metals

We conduct our Metals segment through our indirect wholly owned subsidiary, PSC Metals, Inc. (“PSC Metals”). PSC Metals collects industrial and obsolete scrap metal, processes it into reusable forms and supplies the recycled metals to its customers, including electric-arc furnace mills, integrated steel mills, foundries, and secondary smelters and metals brokers. PSC Metals’ ferrous products include busheling, plate and structural, shredded, sheared and bundled scrap metal and other purchased scrap metal such as turnings (steel machining fragments), and cast furnace iron. PSC Metals processes the scrap into a size, density and purity required by customers to meet their production needs. PSC Metals also processes non-ferrous metals, including aluminum, copper, brass, stainless steel and nickel-bearing metals. Non-ferrous products are a significant raw material in the production of aluminum and copper alloys used in manufacturing. PSC Metals also operates a steel products business that includes the supply of secondary plate and structural grade pipe that is sold into niche markets for counterweights, piling and foundations, construction materials and infrastructure end-markets. PSC Metals also purchases end of life vehicles, dismantles those vehicles, resells valuable parts, and ships the resulting vehicle hulks to its shredder yards.

Railcar

We conduct our Railcar segment through our majority ownership interest in ARI and our wholly owned subsidiary American Railcar Leasing, LLC ("ARL").

ARI manufactures railcars that are offered for sale or lease, custom and standard railcar components and other industrial products, primarily aluminum and special alloy steel castings. These products are sold to various types of companies including shippers, leasing companies, industrial companies, and Class I railroads. ARI leases railcars that it manufactures to certain markets that include the chemical, mineral, petrochemical, food and agriculture, and energy industries. ARI provides railcar services consisting of railcar repair services, ranging from full to light repair, engineering and on-site repairs and maintenance through its various repair facilities, including mini repair shops and mobile repair units.

ARL is engaged in the business of leasing railcars to customers with specific requirements whose products require specialized railcars dedicated to transporting, storing, and preserving the integrity of their products. These products are primarily in the chemical, mineral, petrochemical, food and agriculture, and energy industries.

Transactions between ARI and ARL have been eliminated in consolidation.

As of June 30, 2016, we owned approximately 61.2% of the total outstanding common stock of ARI.

Gaming

We conduct our Gaming segment through our majority ownership in Tropicana and our wholly owned subsidiary, Trump Entertainment Resorts, Inc. (“Trump”) which owns and operates Trump Taj Mahal Casino Resort. As discussed below, we obtained control and began consolidating the results of Trump upon its emergence from bankruptcy on February 26, 2016.

Tropicana owns and operates a diversified, multi-jurisdictional collection of casino gaming properties. The eight casino facilities it operates feature approximately 392,000 square feet of gaming space with 8,000 slot machines, 280 table games and 5,500 hotel rooms with two casino facilities located in Nevada and one in each of Mississippi, Missouri, Indiana, Louisiana, New Jersey and Aruba.

Trump owns and operates Trump Taj Mahal Casino Resort ("Trump Taj Mahal") which is located in Atlantic City, New Jersey. Trump Taj Mahal features approximately 160,000 square feet of gaming space with 2,500 slot machines, 130 table games and 2,000 hotel rooms. In addition, Trump also owns an idled casino property in Atlantic City, New Jersey, Trump Plaza Hotel and Casino, which ceased operations in September 2014.

As of June 30, 2016, we owned approximately 68.5% of the total outstanding common stock of Tropicana.

Trump Acquisition

On September 9, 2014, Trump and its subsidiaries filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the District of Delaware in Wilmington, Delaware. On February 26, 2016 (the "Effective Date"), Trump emerged from bankruptcy. Icahn Enterprises was the sole holder of Trump's senior secured debt. On the Effective Date, among other things, the existing pre-petition senior secured debt with a face amount of $286 million held by Icahn Enterprises was extinguished and

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converted into 100% of Trump's New Common Stock (as defined in the bankruptcy plan). As a result, we became the 100% owner of Trump after reorganization and accordingly, obtained control and began consolidating the results of Trump on February 26, 2016. We accounted for this this acquisition as a business combination under FASB ASC Topic 805, Business Combinations.

Prior to obtaining a controlling interest in Trump upon its emergence from bankruptcy, we remeasured our interest in Trump to its acquisition-date fair value of $126 million, resulting in a $16 million gain on investment activities.

A preliminary valuation of the net assets of the Trump business resulted in $112 million allocated to tangible net assets and $14 million to intangible assets. We are in the process of valuing the Trump acquisition and have recorded provisional amounts based on preliminary estimates of fair value of net assets acquired. The provisional measurements of net assets are subject to change as we finalize the purchase price allocation. Additionally, at the acquisition date, Trump had a full valuation allowance on its deferred tax assets. We are in the process of obtaining the information necessary for evaluating the valuation allowance and deferred tax assets acquired. It is possible that a portion of the valuation allowance on the Trump deferred tax assets will be adjusted in future periods.

Mining

We conduct our Mining segment through our majority ownership in Ferrous Resources. We obtained control of and consolidated the results of Ferrous Resources during the second quarter of 2015.

Ferrous Resources acquired certain rights to iron ore mineral resources in Brazil and develops mining operations and related infrastructure to produce and sell iron ore products to the global steel industry. Ferrous Resources has acquired significant iron ore assets in the State of Minas Gerais, Brazil, known as Viga, Viga Norte, Esperança, Serrinha and Santanense. In addition, Ferrous Resources has acquired certain mineral rights near Jacuípe in the State of Bahia, Brazil. Of the assets acquired, Viga, Esperança and Santanense are already extracting and producing iron ore, while the other assets are at an early stage of exploration.

In response to the current depressed iron ore price environment, Ferrous Resources decided to temporarily suspend Esperança's and Santanense's operations during the first quarter of 2015 in order to study alternatives to further reduce cost of production and improve product quality and therefore to improve profitability and margin per metric ton.

As of June 30, 2016, we owned approximately 77.2% of the total outstanding common stock of Ferrous Resources.

Food Packaging

We conduct our Food Packaging segment through our majority ownership in Viskase Companies, Inc. ("Viskase"). Viskase is a worldwide leader in the production and sale of cellulosic, fibrous and plastic casings for the processed meat and poultry industry. Viskase currently operates nine manufacturing facilities, six distribution centers and three service centers throughout North America, Europe, South America and Asia and derived approximately 69% of its total net sales from customers located outside the United States for the six months ended June 30, 2016.

As of June 30, 2016, we owned approximately 73.3% of the total outstanding common stock of Viskase.

Real Estate

Our Real Estate segment consists of rental real estate, property development and club activities.

As of June 30, 2016, we owned 15 commercial rental real estate properties. Our property development operations are run primarily through Bayswater Development LLC, a real estate investment, management and development subsidiary that focuses primarily on the construction and sale of single-family and multi-family homes, lots in subdivisions and planned communities and raw land for residential development. Our New Seabury development property in Cape Cod, Massachusetts and our Grand Harbor development property in Vero Beach, Florida include land for future residential development of approximately 239 and 1,128 units of residential housing, respectively. Both our developments operate golf and club operations as well. In addition, our Real Estate segment owns an unfinished development property which is located on approximately 23 acres in Las Vegas, Nevada.

Home Fashion

We conduct our Home Fashion segment through our indirect wholly owned subsidiary, WestPoint Home LLC (“WPH”), a manufacturer and distributor of home fashion consumer products. WPH is engaged in the business of designing, marketing, manufacturing, sourcing, distributing and selling home fashion consumer products. WPH markets a broad range of manufactured and sourced bed, bath, basic bedding, and other textile products, including sheets, pillowcases, bedspreads,

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quilts, comforters and duvet covers, bath and beach towels, bath accessories, bed skirts, bed pillows, flocked blankets, woven blankets and throws and mattress pads. WPH recognizes revenue primarily through the sale of home fashion products to a variety of retail and institutional customers. In addition, WPH receives a small portion of its revenues through the licensing of its trademarks.

3. Related Party Transactions.

Our amended and restated agreement of limited partnership expressly permits us to enter into transactions with our general partner or any of its affiliates, including, without limitation, buying or selling properties from or to our general partner and any of its affiliates and borrowing and lending money from or to our general partner and any of its affiliates, subject to limitations contained in our partnership agreement and the Delaware Revised Uniform Limited Partnership Act. The indentures governing our indebtedness contain certain covenants applicable to transactions with affiliates.

Investment

Mr. Icahn, along with his affiliates (excluding Icahn Enterprises and Icahn Enterprises Holdings), makes investments in the Investment Funds. During the six months ended June 30, 2016 and 2015, affiliates of Mr. Icahn made investments aggregating $490 million and $245 million, respectively, in the Investment Funds. Subsequent to June 30, 2016, affiliates of Mr. Icahn made investments of $15 million in the Investment Funds and redeemed $7 million from the Investment Funds. As of June 30, 2016 and December 31, 2015, the total fair market value of investments in the Investment Funds made by Mr. Icahn and his affiliates (excluding Icahn Enterprises and Icahn Enterprises Holdings) was approximately $3.8 billion and $4.1 billion, respectively, representing approximately 69% and 55%, respectively, of the Investment Funds' assets under management.

Icahn Capital LP ("Icahn Capital") pays for expenses pertaining to the operation, administration and investment activities of our Investment segment for the benefit of the Investment Funds (including salaries, benefits and rent). Effective April 1, 2011, based on an expense-sharing arrangement, certain expenses borne by Icahn Capital are reimbursed by the Investment Funds. For the three months ended June 30, 2016 and 2015, $19 million and $130 million, respectively, was allocated to the Investment Funds based on this expense-sharing arrangement. For the six months ended June 30, 2016 and 2015, $7 million and $228 million, respectively, was allocated to the Investment Funds based on this expense-sharing arrangement.

Railcar

ARL Acquisition

On February 29, 2016, Icahn Enterprises entered into a contribution agreement with IRL Holding, LLC ("IRL"), an affiliate of Mr. Icahn, to acquire the remaining 25% economic interest in ARL not already owned by us. Pursuant to this contribution agreement, we contributed 685,367 newly issued depositary units of Icahn Enterprises to IRL in exchange for the remaining 25% economic interest in ARL. As a result of the transaction, we own a 100.0% economic interest in ARL. This transaction was authorized by the independent committee of the board of directors of the general partner of Icahn Enterprises. The independent committee was advised by independent counsel and retained an independent financial advisor which rendered a fairness opinion.

Agreements with ACF Industries LLC

ARI has from time to time purchased components from ACF Industries LLC ("ACF"), an affiliate of Mr. Icahn, under a long-term agreement, as well as on a purchase order basis. ACF is a manufacturer and fabricator of specialty railcar parts and miscellaneous steel products. Under the manufacturing services agreement entered into in 1994 and amended in 2005, ACF agreed to manufacture and distribute, at ARI’s instruction, various railcar components. In consideration for these services, ARI agreed to pay ACF based on agreed upon rates. The agreement automatically renews unless written notice is provided by ARI.

Also in April 2015, ARI entered into a parts purchasing and sale agreement with ACF. The agreement was unanimously approved by the independent directors of ARI's and Icahn Enterprises' audit committee. Under this agreement, ARI and ACF may, from time to time, purchase and sell to each other certain parts for railcars ("Railcar Parts"). ARI also provides a non-exclusive and non-assignable license of certain intellectual property related to the manufacture and sale of Railcar Parts to ARI. The buyer under the agreement must pay the market price of the parts as determined in the agreement or as stated on a public website for all ARI customers. ARI may provide designs, engineering and purchasing support, including all materials and components to ACF. Subject to certain early termination events, the agreement terminates on December 31, 2020.

ARI purchased $1 million and $7 million of components from ACF for the three months ended June 30, 2016 and 2015, respectively, and $3 million and $9 million of components from ACF for the six months ended June 30, 2016 and 2015, respectively.

In January 2013, ARI entered into a purchasing and engineering services agreement and license with ACF. The agreement was unanimously approved by the independent directors of ARI's and Icahn Enterprises' audit committee on the basis that the terms of the agreement were not materially less favorable to ARI than those that could have been obtained in a comparable transaction with an unrelated person. Under this agreement, ARI provides purchasing support and engineering services to ACF in connection with ACF's manufacture and sale of tank railcars at its facility in Milton, Pennsylvania. Additionally, ARI has granted ACF a nonexclusive, non-assignable license to certain of ARI's intellectual property, including certain designs, specifications, processes and manufacturing know-how required to manufacture and sell tank railcars during the term of the agreement. In November 2015, ARI and ACF amended this agreement to, among other provisions, extend the termination date to December 31, 2016 from December 31, 2015, subject to certain early termination events.

In consideration for the services and license provided by ARI to ACF in conjunction with the agreement, ACF pays ARI a royalty and, if any, a share of the net profits ("ACF Profits") earned on each railcar manufactured and sold by ACF under the agreement, in an aggregate amount equal to 30% of such ACF Profits, as calculated under the agreement. ACF Profits are net of certain of ACF's start-up and shutdown expenses and certain maintenance capital. If no ACF Profits are realized on a railcar manufactured and sold by ACF pursuant to the agreement, ARI will still be entitled to the royalty for such railcar and will not share in any losses incurred by ACF in connection therewith. In addition, any railcar components supplied by ARI to ACF for the manufacture of these railcars are provided at fair market value.

Under the agreement, ACF had the exclusive right to manufacture and sell subject tank railcars for any new orders scheduled for delivery to customers on or before January 31, 2014. ARI has the exclusive right to any sales opportunities for such tank railcars for any new orders scheduled for delivery after that date and through termination of the agreement. ARI also has the right to assign any sales opportunity to ACF, and ACF has the right, but not the obligation, to accept such sales opportunity. Any sales opportunity accepted by ACF will not be reflected in ARI's orders or backlog.

ARI's revenues under this agreement were less than $1 million and $4 million for the three months ended June 30, 2016 and 2015, respectively, and $1 million and $6 million for the six months ended June 30, 2016 and 2015, respectively. Such revenues were recorded for sales of railcar components to ACF and for royalties and profits on railcars sold by ACF.

In April 2015, ARI entered into a repair services and support agreement with ACF. The agreement was unanimously approved by the independent directors of ARI's and Icahn Enterprises' audit committee. Under this agreement, ARI provides certain sales and administrative and technical services, materials and purchasing support and engineering services to ACF to provide repair and retrofit services ("Repair Services"). Additionally, ARI provides a non-exclusive and non-assignable license of certain intellectual property related to the Repair Services for railcars. ARI receives 30% of the net profits (as defined in the agreement) for Repair Services related to all railcars not owned by ARL or its subsidiaries and 20% of the net profits for Repair Services related to all railcars owned by ARL or its subsidiaries, if any, but does not absorb any losses incurred by ACF.

Under the agreement, ARI has the exclusive right to sales opportunities related to Repair Services, except for any sales opportunity related to Repair Services presented to ACF by ARL with respect to ARL-owned railcars. ARI also has the right to assign any sales opportunities related to Repair Services to ACF, and ACF has the right, but not the obligation, to accept such sales opportunity. Subject to certain early termination events, the agreement terminates on December 31, 2020.

For each of the three and six months ended June 30, 2016, revenues of less than $1 million were recorded under this agreement. No revenues were recorded under this agreement for each of the three and six months ended June 30, 2015.

In April 2013, AEP Leasing LLC entered into an agreement (the "ACF Agreement") with ACF whereby AEP Leasing would purchase railcars from ACF. The ACF Agreement was assumed by ARL in connection with our purchase of economic interest in ARL. The ACF Agreement was unanimously approved by Icahn Enterprises' audit committee consisting of independent directors, who were advised by independent counsel and an independent financial advisor on the basis that the terms were not less favorable than those terms that could have been obtained in a comparable transaction with an unaffiliated third party. Under this agreement, purchases of railcars from ACF were $9 million for the six months ended June 30, 2015. There were no purchases of railcars from ACF under this agreement for the six months ended June 30, 2016.

In addition to the above purchases, on a contract-by-contract basis, ARL purchased $2 million and $21 million of railcars from ACF for the three months ended June 30, 2016 and 2015, respectively, and $14 million and $27 million of railcars from ACF for the six months ended June 30, 2016 and 2015, respectively.

Insight Portfolio Group LLC

Insight Portfolio Group LLC (“Insight Portfolio Group”) is an entity formed and controlled by Mr. Icahn in order to maximize the potential buying power of a group of entities with which Mr. Icahn has a relationship in negotiating with a wide range of suppliers of goods, services and tangible and intangible property at negotiated rates.

In 2013, Icahn Enterprises Holdings acquired a minority equity interest in Insight Portfolio Group and agreed to pay a portion of Insight Portfolio Group's operating expenses. In addition to the minority equity interest held by Icahn Enterprises Holdings, certain subsidiaries of Icahn Enterprises Holdings, including Federal-Mogul, CVR, PSC Metals, ARI, ARL, Tropicana, Viskase and WPH also acquired minority equity interests in Insight Portfolio Group and agreed to pay a portion of Insight Portfolio Group's operating expenses. A number of other entities with which Mr. Icahn has a relationship also acquired equity interests in Insight Portfolio Group and also agreed to pay certain of Insight Portfolio Group's operating expenses. For each of the three and six months ended June 30, 2016 and 2015, immaterial amounts were paid in respect to certain of Insight Portfolio Group's operating expenses.

4. Investments and Related Matters.

Investment

Investments, and securities sold, not yet purchased consist of equities, bonds, bank debt and other corporate obligations, all of which are reported at fair value in our condensed consolidated balance sheets. These investments are considered trading securities. In addition, our Investment segment has certain derivative transactions which are discussed in Note 6, "Financial Instruments - Investment." The carrying value and detail of security type and business sector with respect to investments and securities sold, not yet purchased held by our Investment segment consist of the following:

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	June 30, 2016	December 31, 2015
Assets	(in millions)	
Investments:		
Equity securities:		
Basic materials	$927	$ 563
Communications	187	407
Consumer, non-cyclical	3,010	3,684
Consumer, cyclical	152	115
Diversified	17	17
Energy	1,447	1,461
Financial	1,931	2,094
Industrial	256	188
Technology	1,022	5,795
	8,949	14,324
Corporate debt:		
Consumer, non-cyclical	98	—
Consumer, cyclical	152	55
Financial	4	4
Sovereign debt	—	13
Utilities	14	—
	268	72
Mortgage-backed securities:		
Financial	—	157
	$9,217	$ 14,553
Liabilities		
Securities sold, not yet purchased, at fair value:		
Equity securities:		
Consumer, non-cyclical	$4	$ 794
Consumer, cyclical	848	—
Energy	136	—
Financial	158	—