

ICAHN ENTERPRISES L.P.  
 Form 10-Q  
 August 06, 2015

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, 2015

(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 (IRS Employer Incorporation Identification or No.) Organization)	
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  No  Icahn Enterprises Holdings L.P. Yes  No

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  No  Icahn Enterprises Holdings L.P. Yes  No

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 <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>
Non-accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>	Non-accelerated Filer <input checked="" type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>

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  No  Icahn Enterprises Holdings L.P. Yes  No

As of August 5, 2015, there were 126,643,279 of Icahn Enterprises' depository units outstanding.

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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, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Cash and cash equivalents	\$2,154	\$2,912
Cash held at consolidated affiliated partnerships and restricted cash	1,770	1,435
Investments	14,466	14,500
Accounts receivable, net	2,027	1,691
Inventories, net	2,339	1,879
Property, plant and equipment, net	9,666	8,955
Goodwill	2,085	2,000
Intangible assets, net	1,140	1,088
Other assets	1,631	1,320
Total Assets	\$37,278	\$35,780
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$1,549	\$1,387
Accrued expenses and other liabilities	2,576	2,235
Deferred tax liability	1,327	1,255
Securities sold, not yet purchased, at fair value	977	337
Due to brokers	3,922	5,197
Post-employment benefit liability	1,365	1,391
Debt	12,120	11,588
Total liabilities	23,836	23,390
Commitments and contingencies (Note 17)		
Equity:		
Limited partners: Depositary units: 126,643,279 and 123,103,414 units issued and outstanding at June 30, 2015 and December 31, 2014, respectively	5,911	5,672
General partner	(224	) (229
Equity attributable to Icahn Enterprises	5,687	5,443
Equity attributable to non-controlling interests	7,755	6,947
Total equity	13,442	12,390
Total Liabilities and Equity	\$37,278	\$35,780

See notes to condensed consolidated financial statements.



## ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per unit amounts) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Net sales	\$3,979	\$4,867	\$7,544	\$9,533
Other revenues from operations	347	323	676	584
Net gain from investment activities	592	1,132	1,183	1,101
Interest and dividend income	47	44	100	103
Other income (loss), net	19	13	(8	) 48
	4,984	6,379	9,495	11,369
Expenses:				
Cost of goods sold	3,324	4,327	6,449	8,469
Other expenses from operations	161	163	316	292
Selling, general and administrative	528	456	1,005	816
Restructuring	27	30	39	38
Impairment	3	1	4	2
Interest expense	287	197	557	367
	4,330	5,174	8,370	9,984
Income before income tax expense	654	1,205	1,125	1,385
Income tax expense	(113	) (82	) (162	) (185
Net income	541	1,123	963	1,200
Less: net income attributable to non-controlling interests	(329	) (634	) (590	) (740
Net income attributable to Icahn Enterprises	\$212	\$489	\$373	\$460
Net income attributable to Icahn Enterprises allocable to:				
Limited partners	\$208	\$479	\$366	\$451
General partner	4	10	7	9
	\$212	\$489	\$373	\$460
Basic and diluted income per LP unit	\$1.68	\$4.06	\$2.95	\$3.85
Basic and diluted weighted average LP units outstanding	124	118	124	117
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) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	\$541	\$1,123	\$963	\$1,200
Other comprehensive income (loss), net of tax:				
Post-employment benefits	2	3	24	5
Hedge instruments	(2	) 2	(1	) 2
Translation adjustments and other	25	3	(103	) (2
Other comprehensive income (loss), net of tax	25	8	(80	) 5
Comprehensive income	566	1,131	883	1,205
Less: Comprehensive income attributable to non-controlling interests	(333	) (635	) (572	) (740
Comprehensive income attributable to Icahn Enterprises	\$233	\$496	\$311	\$465
Comprehensive income attributable to Icahn Enterprises allocable to:				
Limited partners	\$229	\$486	\$305	\$456
General partner	4	10	6	9
	\$233	\$496	\$311	\$465

Accumulated other comprehensive loss was \$1,373 million and \$1,293 million at June 30, 2015 and December 31, 2014, respectively.

See notes to condensed consolidated financial statements.





ICAHN ENTERPRISES L.P. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS 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, 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
Distributions to non-controlling interests in subsidiaries	—	—	—	(115 )	(115 )
Proceeds from subsidiary equity offerings	—	—	—	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

	Equity Attributable to Icahn Enterprises				
	General Partner's (Deficit) Equity	Limited Partners' Equity	Total Partners' Equity	Non-controlling Interests	Total Equity
Balance, December 31, 2013	\$ (216 )	\$ 6,308	\$ 6,092	\$ 7,217	\$ 13,309
Net income	9	451	460	740	1,200
Other comprehensive loss	—	5	5	—	5
Partnership distributions	(1 )	(71 )	(72 )	—	(72 )
Investment segment contributions	—	—	—	500	500
Distributions to non-controlling interests in subsidiaries	—	—	—	(493 )	(493 )
Proceeds from subsidiary equity offering	—	9	9	131	140
Changes in subsidiary equity and other	3	134	137	1	138
Balance, June 30, 2014	\$ (205 )	\$ 6,836	\$ 6,631	\$ 8,096	\$ 14,727

See notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income	\$963	\$1,200
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net gain from securities transactions	(1,020)	(1,849)
Purchases of securities	(542)	(4,005)
Proceeds from sales of securities	1,515	1,074
Purchases to cover securities sold, not yet purchased	(186)	(83)
Proceeds from securities sold, not yet purchased	895	54
Changes in receivables and payables relating to securities transactions	(1,463)	2,299
Loss on extinguishment of debt	2	162
Equity earnings from non-consolidated affiliates	(32)	(26)
Depreciation and amortization	419	395
Deferred taxes	75	90
Other, net	(12)	29
Changes in cash held at consolidated affiliated partnerships and restricted cash	(322)	(898)
Changes in other operating assets and liabilities	(139)	720
Net cash provided by (used in) operating activities	153	(838)
Cash flows from investing activities:		
Capital expenditures	(729)	(587)
Acquisition of business, net of cash acquired	(786)	(402)
Proceeds from sale of investments	68	—
Net proceeds from the sale and disposition of assets	54	—
Purchases of investments	(107)	(78)
Other, net	7	19
Net cash used in investing activities	(1,493)	(1,048)
Cash flows from financing activities:		
Capital contribution by non-controlling interests	245	500
Partnership distributions	(58)	(72)
Proceeds from offering of subsidiary equity	31	164
Distributions to non-controlling interests in subsidiaries	(115)	(493)
Proceeds from issuance of senior unsecured notes	—	4,991
Proceeds from other borrowings	1,122	4,242
Repayment of senior unsecured notes	—	(3,625)
Repayments of other borrowings	(643)	(3,730)
Other, net	(15)	(24)
Net cash provided by financing activities	567	1,953
Effect of exchange rate changes on cash and cash equivalents	15	4
Net (decrease) increase in cash and cash equivalents	(758)	71
Cash and cash equivalents, beginning of period	2,912	3,262
Cash and cash equivalents, end of period	\$2,154	\$3,333



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Supplemental information:

Cash payments for interest, net of amounts capitalized	\$312	\$300
Net cash (refunds) payments for income taxes	\$(14	) \$57
Fair value of investment in Ferrous Resources prior to acquisition of controlling interest	\$36	\$—
Construction in progress additions included in accounts payable	\$26	\$24
Changes in accounts payable related to construction in progress additions	\$—	\$(9 )

See notes to condensed consolidated financial statements.

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## ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)

	June 30, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Cash and cash equivalents	\$2,154	\$2,912
Cash held at consolidated affiliated partnerships and restricted cash	1,770	1,435
Investments	14,466	14,500
Accounts receivable, net	2,027	1,691
Inventories, net	2,339	1,879
Property, plant and equipment, net	9,666	8,955
Goodwill	2,085	2,000
Intangible assets, net	1,140	1,088
Other assets	1,655	1,343
Total Assets	\$37,302	\$35,803
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$1,549	\$1,387
Accrued expenses and other liabilities	2,576	2,235
Deferred tax liability	1,327	1,255
Securities sold, not yet purchased, at fair value	977	337
Due to brokers	3,922	5,197
Post-employment benefit liability	1,365	1,391
Debt	12,120	11,588
Total liabilities	23,836	23,390
Commitments and contingencies (Note 17)		
Equity:		
Limited partner	5,994	5,751
General partner	(283	) (285
Equity attributable to Icahn Enterprises Holdings	5,711	5,466
Equity attributable to non-controlling interests	7,755	6,947
Total equity	13,466	12,413
Total Liabilities and Equity	\$37,302	\$35,803

See notes to condensed consolidated financial statements.



## ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
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<b>Expenses:</b>				
Cost of goods sold	3,324	4,327	6,449	8,469
Other expenses from operations	161	163	316	292
Selling, general and administrative	528	456	1,005	816
Restructuring	27	30	39	38
Impairment	3	1	4	2
Interest expense	286	196	556	366
	4,329	5,173	8,369	9,983
Income before income tax expense	655	1,206	1,126	1,386
Income tax expense	(113	) (82	) (162	) (185
Net income	542	1,124	964	1,201
Less: net income attributable to non-controlling interests	(329	) (634	) (590	) (740
Net income attributable to Icahn Enterprises Holdings	\$213	\$490	\$374	\$461
<b>Net income attributable to Icahn Enterprises Holdings allocable to:</b>				
Limited partner	\$211	\$485	\$370	\$456
General partner	2	5	4	5
	\$213	\$490	\$374	\$461

See notes to condensed consolidated financial statements.

## ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		
	2015	2014	2015	2014	
Net income	\$542	\$1,124	\$964	\$1,201	
Other comprehensive income (loss), net of tax:					
Post-employment benefits	2	3	24	5	
Hedge instruments	(2	) 2	(1	) 2	
Translation adjustments and other	25	3	(103	) (2	)
Other comprehensive income (loss), net of tax	25	8	(80	) 5	
Comprehensive income	567	1,132	884	1,206	
Less: Comprehensive income attributable to non-controlling interests	(333	) (635	) (572	) (740	)
Comprehensive income attributable to Icahn Enterprises Holdings	\$234	\$497	\$312	\$466	