

ICAHN ENTERPRISES L.P.
 Form 10-Q
 November 09, 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 September 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 November 6, 2015, there were 128,953,091 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)

	September 30, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$2,041	\$2,912
Cash held at consolidated affiliated partnerships and restricted cash	1,441	1,435
Investments	13,661	14,500
Accounts receivable, net	1,876	1,691
Inventories, net	2,318	1,879
Property, plant and equipment, net	9,831	8,955
Goodwill	2,075	2,000
Intangible assets, net	1,132	1,088
Other assets	2,077	1,320
Total Assets	\$36,452	\$35,780
LIABILITIES AND EQUITY		
Accounts payable	\$1,536	\$1,387
Accrued expenses and other liabilities	2,057	2,235
Deferred tax liability	1,338	1,255
Securities sold, not yet purchased, at fair value	1,237	337
Due to brokers	4,504	5,197
Post-employment benefit liability	1,312	1,391
Debt	12,182	11,588
Total liabilities	24,166	23,390
Commitments and contingencies (Note 17)		
Equity:		
Limited partners: Depository units: 128,953,091 and 123,103,414 units issued and outstanding at September 30, 2015 and December 31, 2014, respectively	5,375	5,672
General partner	(235	) (229
Equity attributable to Icahn Enterprises	5,140	5,443
Equity attributable to non-controlling interests	7,146	6,947
Total equity	12,286	12,390
Total Liabilities and Equity	\$36,452	\$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 September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues:				
Net sales	\$3,720	\$4,557	\$11,264	\$14,090
Other revenues from operations	366	350	1,042	934
Net (loss) gain from investment activities	(947	) (592	) 236	509
Interest and dividend income	36	62	136	165
Other income, net	37	45	29	93
	3,212	4,422	12,707	15,791
Expenses:				
Cost of goods sold	3,224	4,218	9,673	12,687
Other expenses from operations	168	166	484	458
Selling, general and administrative	418	431	1,423	1,247
Restructuring	18	23	57	61
Impairment	6	4	10	6
Interest expense	296	226	853	593
	4,130	5,068	12,500	15,052
(Loss) income before income tax (expense) benefit	(918	) (646	) 207	739
Income tax (expense) benefit	(22	) 19	(184	) (166
Net (loss) income	(940	) (627	) 23	573
Less: net loss (income) attributable to non-controlling interests	500	272	(90	) (468
Net (loss) income attributable to Icahn Enterprises	\$(440	) \$(355	) \$(67	) \$105
Net (loss) income attributable to Icahn Enterprises allocable to:				
Limited partners	\$(432	) \$(348	) \$(66	) \$103
General partner	(8	) (7	) (1	) 2
	\$(440	) \$(355	) \$(67	) \$105
Basic and diluted (loss) income per LP unit	\$(3.40	) \$(2.90	) \$(0.53	) \$0.87
Basic and diluted weighted average LP units outstanding	127	120	125	118
Cash distributions declared per LP unit	\$1.50	\$1.50	\$4.50	\$4.50

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		Nine Months Ended September	
	September 30,		30,	
	2015	2014	2015	2014
Net (loss) income	\$ (940	) \$ (627	) \$ 23	\$ 573
Other comprehensive income (loss), net of tax:				
Post-employment benefits	10	8	34	13
Hedge instruments	—	1	(1	) 3
Translation adjustments and other	(97	) (132	) (200	) (134
Other comprehensive (loss) income, net of tax	(87	) (123	) (167	) (118
Comprehensive (loss) income	(1,027	) (750	) (144	) 455
Less: Comprehensive loss (income) attributable to non-controlling interests	519	299	(53	) (441
Comprehensive (loss) income attributable to Icahn Enterprises	\$ (508	) \$ (451	) \$ (197	) \$ 14
Comprehensive (loss) income attributable to Icahn Enterprises allocable to:				
Limited partners	\$ (498	) \$ (442	) \$ (193	) \$ 14
General partner	(10	) (9	) (4) —
	\$ (508	) \$ (451	) \$ (197	) \$ 14

Accumulated other comprehensive loss was \$1,460 million and \$1,293 million at September 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				Total Equity
	General Partner's (Deficit) Equity	Limited Partners' Equity	Total Partners' Equity	Non-controlling Interests	
Balance, December 31, 2014	\$ (229)	\$ 5,672	\$ 5,443	\$ 6,947	\$ 12,390
Net (loss) income	(1)	(66)	(67)	90	23
Other comprehensive loss	(3)	(127)	(130)	(37)	(167)
Partnership distributions	(2)	(85)	(87)	—	(87)
Investment segment contributions	—	—	—	246	246
Distributions to non-controlling interests in subsidiaries	—	—	—	(190)	(190)
Proceeds from subsidiary equity offerings	—	—	—	31	31
Acquisitions	—	—	—	90	90
Changes in subsidiary equity and other	—	(19)	(19)	(31)	(50)
Balance, September 30, 2015	\$ (235)	\$ 5,375	\$ 5,140	\$ 7,146	\$ 12,286

	Equity Attributable to Icahn Enterprises				Total Equity
	General Partner's (Deficit) Equity	Limited Partners' Equity	Total Partners' Equity	Non-controlling Interests	
Balance, December 31, 2013	\$ (216)	\$ 6,308	\$ 6,092	\$ 7,217	\$ 13,309
Net income	2	103	105	468	573
Other comprehensive loss	(2)	(89)	(91)	(27)	(118)
Partnership distributions	(2)	(94)	(96)	—	(96)
Investment segment contributions	—	—	—	500	500
Distributions to non-controlling interests in subsidiaries	—	—	—	(595)	(595)
Proceeds from subsidiary equity offering	—	10	10	150	160
Changes in subsidiary equity and other	3	136	139	—	139
Balance, September 30, 2014	\$ (215)	\$ 6,374	\$ 6,159	\$ 7,713	\$ 13,872

See notes to condensed consolidated financial statements.

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

	Nine Months Ended September	
	30,	2014
	2015	2014
Cash flows from operating activities:		
Net income	\$23	\$573
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Net loss (gain) from securities transactions	1,249	(1,005)
Purchases of securities	(3,753)	(6,121)
Proceeds from sales of securities	3,404	5,065
Purchases to cover securities sold, not yet purchased	(438)	(137)
Proceeds from securities sold, not yet purchased	1,261	328
Changes in receivables and payables relating to securities transactions	(598)	1,485
Loss on extinguishment of debt	2	162
Equity earnings from non-consolidated affiliates	(43)	(39)
Depreciation and amortization	641	601
Deferred taxes	58	18
Other, net	(20)	66
Changes in cash held at consolidated affiliated partnerships and restricted cash	3	(912)
Changes in other operating assets and liabilities	(1,279)	(703)
Net cash provided by (used in) operating activities	510	(619)
Cash flows from investing activities:		
Capital expenditures	(1,067)	(986)
Acquisition of business, net of cash acquired	(855)	(558)
Proceeds from sale of investments	68	—
Net proceeds from the sale and disposition of assets	80	—
Purchases of investments	(107)	(78)
Other, net	22	37
Net cash used in investing activities	(1,859)	(1,585)
Cash flows from financing activities:		
Capital contribution by non-controlling interests	246	500
Partnership distributions	(87)	(96)
Proceeds from offering of subsidiary equity	31	188
Distributions to non-controlling interests in subsidiaries	(190)	(595)
Proceeds from issuance of senior unsecured notes	—	4,991
Proceeds from other borrowings	1,284	4,689
Repayment of senior unsecured notes	—	(3,625)
Repayments of other borrowings	(737)	(3,997)
Purchase of treasury stock by subsidiary	(49)	—
Other, net	(20)	(42)
Net cash provided by financing activities	478	2,013
Effect of exchange rate changes on cash and cash equivalents	—	9
Net decrease in cash and cash equivalents	(871)	(182)
Cash and cash equivalents, beginning of period	2,912	3,262
Cash and cash equivalents, end of period	\$2,041	\$3,080

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Supplemental information:

Cash payments for interest, net of amounts capitalized	\$536	\$518	
Net cash payments for income taxes	\$13	\$81	
Fair value of investment in Ferrous Resources prior to acquisition of controlling interest	\$36	\$—	
Construction in progress additions included in accounts payable	\$43	\$25	
Changes in accounts payable related to construction in progress additions	\$15	\$(13)

See notes to condensed consolidated financial statements.

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ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)

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Property, plant and equipment, net	9,831	8,955
Goodwill	2,075	2,000
Intangible assets, net	1,132	1,088
Other assets	2,101	1,343