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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-K**

(Mark one)

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

**For the Fiscal Year Ended December 31, 2019**

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

**For the Transition Period from to**

|  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |  |
| (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.) | | |
| **001-09516** | | | **ICAHN ENTERPRISES L.P.** | | | **Delaware** | | | **13-3398766** | | |

**767 Fifth Avenue, Suite 4700**

**New York, NY 10153**

**(212) 702-4300**

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| **333-118021-01** | | | **ICAHN ENTERPRISES HOLDINGS L.P.** | | | **Delaware** | | | **13-3398767** | | |

**767 Fifth Avenue, Suite 4700**

**New York, NY 10153**

**(212) 702-4300**

Securities registered pursuant to Section 12(b) of the Act:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **Title of Each Class** | | |  | | | **Trading Symbol(s)** | | |  | | | **Name of Each Exchange on Which Registered** | | | | | |  | | |
| Depositary Units of Icahn Enterprises L.P.  Representing Limited Partner Interests | | |  | | | IEP | | |  | | | NASDAQ | | | Global Select Market | | |  |  |  |

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act.

Icahn Enterprises L.P. Yes ☒ No ☐    Icahn Enterprises Holdings L.P. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Icahn Enterprises L.P. Yes ☐ No ☒    Icahn Enterprises Holdings L.P. Yes ☐ No ☒

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 every Interactive Data File required to be submitted 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 or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act (Check One):

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| Icahn Enterprises L.P. | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | Icahn Enterprises Holdings L.P. | | | | | | | | | | | |  |
| Large Accelerated Filer | | | | | |  | | | **☒** | | | Accelerated Filer | | | | | |  | | | **☐** | | |  | | |  | | | Large Accelerated Filer | | | | | |  | | | **☐** | | | Accelerated Filer | | | |  | **☐** |  |  |  |  |  |  |  |
| Non-accelerated Filer | | | | | |  | | | **☐** | | | Smaller Reporting Company | | | | | | | | |  | | |  | | | **☐** | | |  | | | Non-accelerated Filer | | | | | |  | | | ☒ | | | Smaller Reporting Company | | |  |  | | | **☐** | |  |
|  | | | Emerging Growth Company | | | | | | | | |  | | |  | | | **☐** | | |  | | |  | | |  | | |  | | | Emerging Growth Company | | | | | | | | |  | | |  | **☐** |  |  |  |  |  |  |  |  |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. 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 ☐ No ☒    Icahn Enterprises Holdings L.P. Yes ☐ No ☒

The aggregate market value of Icahn Enterprises’ depositary units held by non-affiliates of the registrant as of June 28, 2019, the last business day of the registrant’s most recently completed second fiscal quarter, based upon the closing price of depositary units on the Nasdaq Global Select Market on such date was $1,174 million. As of February 28, 2020, there were 214,078,558 of Icahn Enterprises’ depositary units outstanding.

**ICAHN ENTERPRISES L.P.**

**ICAHN ENTERPRISES HOLDINGS L.P.**

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**EXPLANATORY NOTE**

This Annual Report on Form 10-K (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.

**FORWARD-LOOKING STATEMENTS**

This Report contains certain statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (“the Exchange Act”), or by Public Law 104-67. All statements included in this Report, other than statements that relate solely to historical fact, are “forward-looking statements.” Such statements include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events, or any statement that may relate to strategies, plans or objectives for, or potential results of, future operations, financial results, financial condition, business prospects, growth strategy or liquidity, and are based upon management’s current plans and beliefs or current estimates of future results or trends. Forward-looking statements can generally be identified by phrases such as “believes,” “expects,” “potential,” “continues,” “may,” “should,” “seeks,” “predicts,” “anticipates,” “intends,” “projects,” “estimates,” “plans,” “could,” “designed,” “should be” and other similar expressions that denote expectations of future or conditional events rather than statements of fact.

Forward-looking statements include certain statements made under the caption, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” under Item 7 of this Report, but also forward-looking statements that appear in other parts of this Report. Forward-looking statements reflect our current views with respect to future events and are based on certain assumptions and are subject to risks and uncertainties that could cause our actual results to differ materially from trends, plans, or expectations set forth in the forward-looking statements. These risks and uncertainties may include the risks and uncertainties described elsewhere in this Report, including under the caption “Risk Factors,” under Item 1A of this Report. Additionally, there may be other factors not presently known to us or which we currently consider to be immaterial that may cause our actual results to differ materially from the forward-looking statements.

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**PART I**

**Item 1. Business.**

**Business Overview**

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. Icahn Enterprises and Icahn Enterprises Holdings are headquartered in New York, NY. Effective March 2020, Icahn Enterprises and Icahn Enterprises Holdings will be headquartered in Sunny Isle Beach, FL and will no longer have offices in New York, NY. 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 indirectly 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 December 31, 2019. 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 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. Mr. Icahn and his affiliates owned approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of February 28, 2020.

Mr. Icahn’s estate has been designed to assure the stability and continuation of Icahn Enterprises with no need to monetize his interests for estate tax or other purposes. In the event of Mr. Icahn’s death, control of Mr. Icahn’s interests in Icahn Enterprises and its general partner will be placed in charitable and other trusts under the control of senior Icahn Enterprises executives and family members.

We are a diversified holding company owning subsidiaries engaged in the following operating businesses: Investment, Energy, Automotive, Food Packaging, Metals, Real Estate and Home Fashion. In addition, as discussed further below, prior to August 2019, we operated a Mining segment and prior to September 2018, we operated a Railcar segment.

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 “Investment Company Act”). Therefore, no more than 40% of our total assets can be invested in investment securities, as such term is defined in the Investment Company 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.

**Business Strategy and Core Strengths**

***The Icahn Strategy***

Across all of our businesses, our success is based on a simple formula: we seek to find undervalued companies in the Graham & Dodd tradition, a methodology for valuing stocks that primarily looks for deeply depressed prices. However, while the typical Graham & Dodd value investor purchases undervalued securities and waits for results, we often become actively involved in the companies we target. That activity may involve a broad range of approaches, from influencing the management of a target to take steps to improve shareholder value, to acquiring a controlling interest or outright ownership of the target company in order to implement changes that we believe are required to improve its business, and then operating and expanding that business. This activism has typically brought about very strong returns over the years.

Today, we are a diversified holding company owning subsidiaries engaged in seven diversified reporting segments. As of December 31, 2019, through our Investment segment, we have significant positions in various investments, which include Herbalife Ltd. (HLF), Caesars Entertainment Corporation (CZR), HP Inc. (HPQ), Cheniere Energy Inc. (LNG), Occidental Petroleum Corporation (OXY), Xerox Corporation (XRX), Newell Brands, Inc. (NWL), Hertz Global Holdings, Inc. (HTZ) and Cloudera, Inc. (CLDR).

Several of our operating businesses started out as investment positions in debt or equity securities, held either directly by us or Mr. Icahn. Those positions ultimately resulted in control or complete ownership of the target company. For example, in 2012, we acquired a controlling interest in CVR Energy, Inc. (‘‘CVR Energy’’), which started out as a position in our Investment segment and is now an operating subsidiary that comprises our Energy segment. The acquisition of CVR Energy, like our other operating subsidiaries, reflects our opportunistic approach to value creation, through which returns may be obtained by, among other things, promoting change through minority positions at targeted companies in our Investment segment or by acquiring control of those target companies that we believe we could run more profitably ourselves.

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During the next several years, we see a favorable opportunity to follow an activist strategy that centers on the purchase of target stock and the subsequent removal of any barriers that might interfere with a friendly purchase offer from a strong buyer. Alternatively, in appropriate circumstances, we or our subsidiaries may become the buyer of target companies, adding them to our portfolio of operating subsidiaries, thereby expanding our operations through such opportunistic acquisitions. We believe that the companies that we target for our activist activities are undervalued for many reasons, often including inept management. Unfortunately for the individual investor, in particular, and the economy, in general, many poor management teams are often unaccountable and very difficult to remove.

Unlike the individual investor, we have the wherewithal to purchase companies that we feel we can operate more effectively than incumbent management. In addition, through our Investment segment, we are in a position to pursue our activist strategy by purchasing stock or debt positions and trying to promulgate change through a variety of activist approaches, ranging from speaking and negotiating with Boards of Directors and Chief Executive Officers (“CEOs”) to proxy fights, tender offers and acquiring control. We work diligently to enhance value for all shareholders and we believe that the best way to do this is to make underperforming management teams and Boards of Directors accountable or to replace them.

The Chairman of the Board of Directors of our general partner, Carl C. Icahn, has been an activist investor since 1980. Mr. Icahn believes that the current environment continues to be conducive to activism. Many major companies have substantial amounts of cash. We believe that they are hoarding cash, rather than spending it, because they do not believe investments in their business will translate to earnings.

We believe that one of the best ways for many cash-rich companies to achieve increased earnings is to use their large amounts of excess cash, together with advantageous borrowing opportunities, to purchase other companies in their industries and take advantage of the meaningful synergies that could result. In our opinion, the CEOs and Boards of Directors of undervalued companies that would be acquisition targets are the major road blocks to this logical use of assets to increase value, because we believe those CEOs and Boards of Directors are not willing to give up their power and perquisites, even if they have done a poor job in administering the companies they have been running. In addition, acquirers are often unwilling to undertake the arduous task of launching a hostile campaign. This is precisely the situation in which we believe a strong activist catalyst is necessary.

We believe that the activist catalyst adds value because, for companies with strong balance sheets, acquisitions of their weaker industry rivals is often extremely compelling financially. We further believe that there are many transactions that make economic sense, even at a large premium over market. Acquirers can use their excess cash, that is earning a very low return, and/or borrow at the advantageous interest rates now available, to acquire a target company. In either case, an acquirer can add the target company’s earnings and the income from synergies to the acquirer’s bottom line, at a relatively low cost. But for these potential acquirers to act, the target company must be willing to at least entertain an offer. We believe that often the activist can step in and remove the obstacles that a target generally may seek to use to prevent an acquisition.

It is our belief that our strategy will continue to produce strong results into the future. We believe that the strong cash flow and asset coverage from our operating subsidiaries will allow us to maintain a strong balance sheet and ample liquidity.

***Core Strengths***

We believe that our core strengths include: identifying and acquiring undervalued assets and businesses, often through the purchase of distressed securities; increasing value through management, financial or other operational changes; and managing complex legal, regulatory or financial issues, which may include bankruptcy or insolvency, environmental, zoning, permitting and licensing issues.

The key elements of our business strategy include the following:

*Capitalize on Growth Opportunities in our Existing Businesses*.  We believe that we have developed a strong portfolio of businesses with experienced management teams. We may expand our existing businesses if appropriate opportunities are identified, as well as use our established businesses as a platform for additional acquisitions in the same or related areas.

*Drive Accountability and Financial Discipline in the Management of our Business.*  Our CEO is accountable directly to our Board of Directors of our general partner, including the Chairman, Carl C. Icahn, and has day-to-day responsibility, in consultation with our Chairman, for general oversight of our business segments. We continually evaluate our operating subsidiaries with a view towards maximizing value and cost efficiencies, bringing an owner’s perspective to our operating businesses. In each of these businesses, we assemble senior management teams with the expertise to run their businesses and boards of directors to oversee the management of those businesses. Each management team is responsible for the day-to-day operations of its businesses and directly accountable to its board of directors.

*Seek to Acquire Undervalued Assets*.  We intend to continue to make investments in businesses that we believe are undervalued and have potential for growth. We also seek to capitalize on investment opportunities arising from market inefficiencies, economic or market trends that have not been identified and reflected in market value, or complex or special

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situations. Certain opportunities may arise from companies that experience disappointing financial results, liquidity or capital needs, lowered credit ratings, revised industry forecasts or legal complications. We may acquire businesses or assets directly or we may establish an ownership position through the purchase of debt or equity securities in the open market or in privately negotiated transactions.

*Use Activism to Unlock Value.* As described above, we become actively involved in companies in which we invest. Such activism may involve a broad range of activities, from trying to influence management in a proxy fight, to taking outright control of a company in order to bring about the change we think is required to unlock value. The key is flexibility, permanent capital and the willingness and ability to have a long-term investment horizon.

**Business Description**

Icahn Enterprises began as American Real Estate Partners L.P. in 1987 and currently operates a portfolio of seven diversified reporting segments. With the exception of our Investment segment, our operating segments primarily comprise independently operated businesses that we have obtained a controlling interest in through execution of our business strategy. Our Investment segment derives revenues from gains and losses from investment transactions. Our other operating segments derive revenues principally from net sales of various products, primarily within our Energy and Automotive segments, which together accounted for the significant majority of our consolidated net sales for each of the three years in the period ended December 31, 2019. Our other operating segments’ revenues are also derived through various other revenue streams which primarily consists of automotive services and real estate leasing operations. The majority of our consolidated revenues are derived from customers in the United States. Our Food Packaging segment, and prior to August 2019, our Mining segment, accounted for the majority of our consolidated revenues derived from customers outside the United States.

***Investment***

Our Investment segment is comprised of various private investment funds (“Investment Funds”) in which we have general partner interests and 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. As general partner, we 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.

*Investment Strategy*

The investment strategy of the Investment Funds is set and led by Mr. Icahn. The Investment Funds seek to acquire securities in companies that trade at a discount to inherent value as determined by various metrics, including replacement cost, break-up value, cash flow and earnings power and liquidation value.

The Investment Funds utilize a process-oriented, research-intensive, value-based investment approach. This approach generally involves three critical steps: (i) fundamental credit, valuation and capital structure analysis; (ii) intense legal and tax analysis of fulcrum issues such as litigation and regulation that often affect valuation; and (iii) combined business valuation analysis and legal and tax review to establish a strategy for gaining an attractive risk-adjusted investment position. This approach focuses on exploiting market dislocations or misjudgments that may result from market euphoria, litigation, complex contingent liabilities, corporate malfeasance and weak corporate governance, general economic conditions or market cycles and complex and inappropriate capital structures.

The Investment Funds are often act as activist investors ready to take the steps necessary to seek to unlock value, including through tender offers, proxy contests and demands for management accountability. The Investment Funds may employ a number of strategies and are permitted to invest across a variety of industries and types of securities, including long and short equities, long and short bonds, bank debt and other corporate obligations,options, swaps and other derivative instruments thereof, risk arbitrage and capital structure arbitrage and other special situations. The Investment Funds invest a material portion of their capital in publicly traded equity and debt securities of companies that they believe to be undervalued by the marketplace. The Investment Funds often take significant positions in the companies in which they invest.

*Income*

Our Investment segment’s income or loss is driven by the amount of funds allocated to the Investment Funds and the performance of the underlying investments in the Investment Funds. Funds allocated to the Investment Funds are based on the net contributions and redemptions by our Holding Company and by Mr. Icahn and his affiliates.

*Affiliate Investments*

We and Mr. Icahn, along with the Investment Funds, have entered into a covered affiliate agreement, which was amended on March 31, 2011, pursuant to which Mr. Icahn agreed (on behalf of himself and certain of his affiliates, excluding Icahn Enterprises, Icahn Enterprises Holdings and their subsidiaries) to be bound by certain restrictions on their investments in any

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assets that we deem suitable for the Investment Funds, other than government and agency bonds and cash equivalents, unless otherwise approved by our Audit Committee. In addition, Mr. Icahn and such affiliates continue to have the right to co-invest with the Investment Funds. We have no interest in, nor do we generate any income from, any such co-investments, which have been and may continue to be substantial.

***Energy***

We conduct our Energy segment through our majority owned subsidiary, CVR Energy. CVR Energy is headquartered in Sugar Land, Texas. We acquired a controlling interest in CVR Energy in 2012 through a cash tender offer for outstanding shares of CVR Energy common stock. CVR Energy is a reporting company under the Securities Exchange Act of 1934, as amended, and files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (“SEC”) that are publicly available.

CVR Energy is a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing businesses through its holdings in CVR Refining, LP (“CVR Refining”) and CVR Partners, LP (“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 ammonia and urea ammonium nitrate (“UAN”). CVR Energy has a general partner interest in each of CVR Refining and CVR Partners. In addition, CVR Energy is the sole limited partner of CVR Refining and owns 34.4% of the outstanding common units of CVR Partners as of December 31, 2019.

As of December 31, 2019, we owned approximately 70.8% of the total outstanding common stock of CVR Energy.

On August 1, 2018, CVR Energy completed an exchange offer whereby CVR Refining’s public unitholders tendered a total of 21,625,106 common units of CVR Refining in exchange for 13,699,549 shares of CVR Energy common stock. On January 29, 2019, CVR Energy, pursuant to the exercise of its right to purchase all of the issued and outstanding common units in CVR Refining, purchased the remaining common units of CVR Refining not already owned by CVR Energy, including the purchase of CVR Refining common units owned directly by us. Prior to this, CVR Energy owned approximately 80.6% of the common units of CVR Refining and we directly owned approximately 3.9% of the common units of CVR Refining. As a result of exercising its purchase right, as of January 29, 2019, CVR Energy owns all of the common units of CVR Refining and we no longer have any direct ownership in CVR Refining. In addition, the common units of CVR Refining have subsequently ceased to be publicly traded or listed on the New York Stock Exchange or any other national securities exchange.

Our Energy segment’s net sales for the years ended December 31, 2019, 2018 and 2017 represented approximately 65%, 67% and 64%, respectively, of our consolidated net sales, primarily from the sale of its petroleum products.

*Products, Raw Materials and Supply*

CVR Refining has the capability to process a variety of crude oil blends. CVR Refining’s oil refineries in Coffeyville, Kansas and Wynnewood, Oklahoma have a combined capacity of 206,500 barrels per day. In addition to the use of third-party pipelines for the supply of crude oil, CVR Refining has an extensive gathering system consisting of logistics assets that are owned, leased or part of a joint venture operation. Petroleum refining product yield includes gasoline, diesel fuel, pet coke and other refined products such as natural gas liquids, asphalt and jet fuel among other products.

CVR Partners produces and distributes nitrogen fertilizer products, which are used by farmers to improve the yield and quality of their crops. The principal products are UAN and ammonia. CVR Partners’ Coffeyville, Kansas facility uses pet coke to produce nitrogen fertilizer and is supplied primarily by its adjacent crude oil refinery pursuant to a renewable long-term agreement with CVR Refining. Historically, the Coffeyville nitrogen fertilizer plant has obtained the remainder of its pet coke requirements from third parties such as other Midwestern refineries or pet coke brokers at spot-prices. CVR Partners’ East Dubuque, Illinois facility uses natural gas to produce nitrogen fertilizer. The East Dubuque facility is able to purchase natural gas at competitive prices due to its connection to the Norther Natural Gas interstate pipeline system, which is within one mile of the facility, and the ANR Pipeline Company pipeline.

*Customers, Marketing and Distribution*

Customers for CVR Refining’s products primarily include retailers, railroads, and farm cooperatives and other refiners/marketers in Group 3 of the PADD II region because of their relative proximity to the refineries and pipeline access. CVR Refining sells bulk products to long-standing customers at spot market prices based on a Group 3 basis differential to prices quoted on the New York Mercantile Exchange, which are reported by industry market-related indices such as Platts and Oil Price Information Service. CVR Refining’s rack sales are at posted prices that are influenced by competitor pricing and Group 3 spot market differentials. Additionally, CVR Refining supplies jet fuel to the U.S. Department of Defense. For the year ended December 31, 2019, two customers accounted for 25% of CVR Refining’s net sales.

CVR Refining focuses its marketing efforts in the central mid-continent area because of its relative proximity to its refineries and pipeline access. CVR Refining engages in rack marketing, which is the supply of product through tanker trucks

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and railcars directly to customers located in close geographic proximity to its refineries and to customers at throughput terminals on third-party refined products distribution systems. CVR Refining also makes bulk sales (sales into third-party pipelines) into mid-continent markets and other destinations utilizing third-party product pipeline networks.

CVR Partners sells UAN products to retailers and distributors and ammonia to agricultural and industrial customers. Its products are primarily distributed by truck or by railcar. Given the nature of its business, and consistent with industry practice, CVR Partners does not have long-term minimum purchase contracts with most of its agricultural customers.

*Competition*

CVR Energy’s petroleum business competes primarily on the basis of price, reliability of supply, availability of multiple grades of products and location. The principal competitive factors affecting its refining operations are cost of crude oil and other feedstocks, refinery complexity, refinery efficiency, refinery product mix and product distribution and transportation costs. The location of refineries provides the petroleum business with a reliable supply of crude oil and a transportation cost advantage over its competitors. The petroleum business primarily competes against five refineries operated in the mid-continent region. In addition to these refineries, the refineries compete against trading companies, as well as other refineries located outside the region that are linked to the mid-continent market through an extensive product pipeline system. These competitors include refineries located near the Gulf Coast, the Great Lakes and the Texas panhandle regions.

The nitrogen fertilizer business has experienced, and CVR Partners expects to continue to meet, significant levels of competition from current and potential competitors, many of whom have significantly greater financial and other resources. Competition in the nitrogen fertilizer industry is dominated by price considerations. However, during the spring and fall application seasons, farming activities intensify and delivery capacity is a significant competitive factor. Domestic competition is intense due to customers’ sophisticated buying tendencies and competitor strategies that focus on cost and service. The nitrogen fertilizer business also encounters competition from producers of fertilizer products manufactured in foreign countries. In certain cases, foreign producers of fertilizer who export to the United States may be subsidized by their respective governments.

*Environmental Regulations*

CVR Energy’s petroleum and nitrogen fertilizer businesses are subject to extensive and frequently changing federal, state and local, environmental, health and safety laws and regulations governing the emission and release of hazardous substances into the environment, the treatment and discharge of waste water, and the storage, handling, use and transportation of petroleum and nitrogen products, and the characteristics and composition of gasoline, diesel fuels, UAN and ammonia. These laws and regulations, their underlying regulatory requirements, and the enforcement thereof, impact the petroleum business and operations and the nitrogen fertilizer business and operations by imposing:

•restrictions on operations or the need to install enhanced or additional controls;

•liability for the investigation and remediation of contaminated soil and groundwater at current and former facilities (if any) and for off-site waste disposal locations; and

•specifications for the products marketed by the petroleum business and the nitrogen fertilizer business, primarily gasoline, diesel fuel, UAN and ammonia.

CVR Energy’s operations require numerous permits, licenses and authorizations. Failure to comply with these permits or environmental laws and regulations could result in fines, penalties or other sanctions or a revocation of CVR Energy’s permits. In addition, the laws and regulations to which CVR Energy is subject to are often evolving and many of them have become more stringent or have become subject to more stringent interpretation or enforcement by federal or state agencies. These laws and regulations could result in increased capital, operating and compliance costs.

CVR Energy’s businesses are also subject to, or impacted by, various other environmental laws and regulations such as the federal Clean Air Act, the federal Clean Water Act, release reporting requirements relating to the release of hazardous substances into the environment, certain fuel regulations, renewable fuel standards, as discussed below, and various other laws and regulations.

*Renewable Fuel Standards*

CVR Refining is subject to the renewable fuel standards which requires refiners to either blend “renewable fuels” with their transportation fuels or purchase renewable fuel credits, known as renewable identification numbers, in lieu of blending. See Item 1A, “Risk Factors” and Note 18, “Commitments and Contingencies,” to the consolidated financial statements for further discussion.

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*Health, Safety and Security Matters*

CVR Energy is subject to a number of federal and state laws and regulations related to safety, including the Occupational Safety and Health Act ("OSHA") and comparable state statutes, the purpose of which are to protect the health and safety of workers. CVR Energy is also subject to OSHA Process Safety Management regulations, which are designed to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals.

CVR Energy operates a comprehensive safety, health and security program, with participation by employees at all levels of the organization. They have developed comprehensive safety programs aimed at preventing OSHA recordable incidents. Despite CVR Energy’s efforts to achieve excellence in its safety and health performance, there can be no assurances that there will not be accidents resulting in injuries or even fatalities. CVR Energy routinely audits its programs and considers improvements in its management systems.

***Automotive***

We conduct our Automotive segment through our wholly owned subsidiary, Icahn Automotive Group LLC (“Icahn Automotive”). Icahn Automotive is headquartered in Kennesaw, Georgia.

Icahn Automotive was formed by us to invest in and operate businesses involved in automotive repair and maintenance services (“automotive services”) as well as the distribution and sale of automotive aftermarket parts and accessories to end-user do-it-yourself customers, wholesale distributors, and professional auto mechanics (“aftermarket parts”). Icahn Automotive acquired IEH Auto Parts Holding LLC in 2015, The Pep Boys - Manny, Moe & Jack in 2016, the franchise businesses of Precision Tune Auto Care and American Driveline Systems, the franchisor of AAMCO and Cottman Transmission service centers, in 2017, and various other businesses in recent years.

Icahn Automotive’s automotive services and aftermarket parts businesses serve different customer channels and have distinct strategies, opportunities and requirements. As a result, the board of directors of Icahn Automotive has approved the separation of its aftermarket parts and automotive services businesses into two independent operating companies, each with its own Chief Executive Officer and management teams, and both of which are supported by a central shared service group. Our Automotive segment also includes our separate equity method investment in 767 Auto Leasing LLC (“767 Leasing”), a joint venture created by us to purchase vehicles for lease. Although 767 Leasing is separate from Icahn Automotive, we include it as a component of our Automotive segment due to the nature of the joint venture activities.

Our Automotive segment’s net sales for the years ended December 31, 2019, 2018 and 2017 represented approximately 24%, 22% and 24%, respectively, of our consolidated net sales.

*Products, Services and Customers*

The automotive aftermarket industry is in the mature stage of its life cycle. Over the past decade, consumers have moved away from do-it-yourself (retail) toward do-it-for-me (services) due to increasing vehicle complexity and electronic content, as well as decreasing availability of diagnostic equipment and know-how. Consistent with this long-term trend, Icahn Automotive’s long-term strategy is to grow its commercial parts sales to automotive services businesses as well to grow its own automotive service business, while maintaining its retail parts customer bases by offering the newest and broadest product assortment in the automotive aftermarket. Icahn Automotive provides its customers with access to over two million replacement parts for domestic and imported vehicles through an extensive network of suppliers. Icahn Automotive seeks to provide (i) an extensive selection of product offerings, (ii) competitive pricing, (iii) exceptional in-store service experience and (iv) superior delivery to its customers.

*Suppliers*

Icahn Automotive purchases parts from manufacturers and other distributors for sale in the aftermarket. Purchases are made based on current inventory or operational needs and are fulfilled by suppliers within short periods of time. During 2019, Icahn Automotive’s ten largest suppliers accounted for approximately 46% of the merchandise purchased and two supplier accounted for more than 22% of the merchandise purchased. Icahn Automotive believes that the relationships that it has established with its suppliers are generally positive. In the past, Icahn Automotive has not experienced difficulty in obtaining satisfactory sources of supply and it believes that adequate alternative sources of supply exist, at similar cost, for the types of merchandise sold in its stores.

*Competition*

Icahn Automotive operates in a highly competitive environment. Icahn Automotive’s competitors for automotive service include national and regional chains, automotive dealerships, and local independent service providers. Its competitors for distribution and sales of auto parts and accessories include general, full range and discount retailers, national and regional auto parts retailers, and online retailers which carry automotive parts and accessories. Icahn Automotive believes that its operations in both do-it-for-me and do-it-yourself differentiates it from most of its competitors.

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***Food Packaging***

We conduct our Food Packaging segment through our majority owned subsidiary, Viskase Companies, Inc. (“Viskase”). Viskase is headquartered in Lombard, Illinois. We acquired a controlling interest in Viskase in 2010 from affiliates of Mr. Icahn in a common control transaction. In January 2018, we increased our ownership in Viskase as a result of a rights offering and as of December 31, 2019, we owned approximately 78.6% of the total outstanding common stock of Viskase. Viskase is a producer of cellulosic, fibrous and plastic casings used to prepare and package processed meat products. Approximately 69% of Viskase’s net sales during 2019 were derived from customers outside the United States.

***Metals***

We conduct our Metals segment through our wholly owned subsidiary, PSC Metals, LLC (“PSC Metals”). PSC Metals is headquartered in Mayfield Heights, Ohio. We acquired PSC Metals in 2007 from affiliates of Mr. Icahn in a common control transaction. PSC Metals is principally engaged in the business of collecting, processing and selling ferrous and non-ferrous metals, as well as the processing and distribution of steel pipe and plate products. PSC Metals collects industrial and obsolete scrap metal, processes it into reusable forms and supplies the recycled metals to its customers*.*

***Real Estate***

Our Real Estate segment is headquartered in New York, New York. Our Real Estate operations consist primarily of rental real estate, property development and associated club activities. Our rental real estate operations consist primarily of office and industrial properties leased to single corporate tenants. Our property development operations are run primarily through 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 property development locations also operate golf and club operations. In addition, our Real Estate operations also includes a hotel, timeshare and casino resort property in Aruba as well as a casino property in Atlantic City, New Jersey, which ceased operations in 2014 prior to our obtaining control of the property.

***Home Fashion***

We conduct our Home Fashion segment through our wholly owned subsidiary, WestPoint Home LLC (“WPH”). WPH is headquartered in New York, New York. We acquired a controlling interest in WPH out of bankruptcy in 2005 and became sole owner of WPH in 2011. WPH’s business consists of manufacturing, sourcing, marketing, distributing and selling home fashion consumer products.

***Mining***

We conducted our Mining segment through our majority owned subsidiary, Ferrous Resources Ltd (“Ferrous Resources”). We acquired a controlling interest in Ferrous Resources in 2015 through a cash tender offer for outstanding shares of Ferrous Resources common stock.

On August 1, 2019, we closed on the sale of Ferrous Resources. As a result, we no longer operate an active Mining segment.

***Railcar***

We conducted our Railcar segment through our wholly owned subsidiary, American Railcar Leasing, LLC (“ARL”). We acquired a controlling interest in ARL in 2010 from affiliates of Mr. Icahn in a common control transaction and acquired the remaining interests in ARL in 2016 from affiliates of Mr. Icahn. ARL operated a leasing business consisting of purchased railcars leased to third parties under operating leases.

On June 1, 2017 we sold ARL along with a majority of its railcar lease fleet. We sold the remaining railcars previously owned by ARL throughout the remainder of 2017 and the first nine months of 2018. As a result, we no longer operate an active Railcar segment.

***Discontinued Operations***

In addition to certain dispositions described above, the following businesses were sold in 2018 and reclassified as discontinued operations.

**Federal-Mogul LLC**

Federal-Mogul LLC (“Federal-Mogul”) is a diversified, global supplier of automotive products to a variety of end markets. Federal-Mogul was previously reported within our Automotive segment prior to its reclassification as discontinued operations in the second quarter of 2018. In January 2017, we increased our ownership in Federal-Mogul to 100%. In February 2017,

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Federal-Mogul was converted from a Delaware corporation to a Delaware limited liability company. Prior to this, Federal-Mogul was a majority owned subsidiary of ours with publicly traded common stock. In April 2018, we entered into an agreement to sell Federal-Mogul to Tenneco Inc. (“Tenneco”). On October 1, 2018, we closed on the sale of Federal-Mogul to Tenneco for cash and shares of Tenneco common stock, which includes a 9.9% voting interest in Tenneco in addition to a non-voting interest in Tenneco.

**Tropicana Entertainment, Inc.**

Tropicana Entertainment, Inc. (“Tropicana”) is an owner and operator of regional casino and entertainment properties. Tropicana was previously reported within our former Gaming segment prior to its reclassification as discontinued operations in the second quarter of 2018. During August 2017, we increased our ownership in Tropicana from 72.5% to 83.9% through a tender offer for additional shares of Tropicana common stock not already owned by us. Tropicana was a majority owned subsidiary of ours with publicly traded common stock. In April 2018, we entered into an agreement to sell Tropicana’s real estate to Gaming and Leisure Properties, Inc. and to merge Tropicana’s gaming and hotel operations into Eldorado Resorts, Inc. The transaction did not include Tropicana’s Aruba assets. On October 1, 2018, we closed on the Tropicana transaction.

**American Railcar Industries, Inc.**

American Railcar Industries, Inc. (“ARI”) is a prominent North American designer and manufacturer of hopper and tank railcars that provides its railcar customers with integrated solutions through a comprehensive set of high-quality products and related services through its railcar manufacturing, railcar leasing and railcar repair operations. ARI was previously reported within our Railcar segment prior to its reclassification as discontinued operations in the fourth quarter of 2018. ARI was a majority owned subsidiary of ours with publicly traded common stock. In October 2018, we entered into an agreement to sell ARI to ITE Rail Fund L.P. On December 5, 2018, we closed on the sale of ARI.

***Holding Company***

We seek to invest our available cash and cash equivalents in liquid investments with a view to enhancing returns as we continue to assess further acquisitions of, or investments in, operating businesses. As of December 31, 2019, we had investments with a fair market value of approximately $4.3 billion in the Investment Funds. In addition, as of December 31, 2019, our Holding Company had various other investments, primarily equity investments, with a fair market value of $522 million.

**Employees**

We have an aggregate of 33 employees at our Holding Company and Investment segment. Our other reporting segments employ an aggregate of approximately 28,000 employees, of which approximately 74% are employed within our Automotive segment and less than 10% at each of our other segments. Approximately 14% of our employees are employed internationally, primarily within our Food Packaging and Home Fashion segments.

**Available Information**

Icahn Enterprises maintains a website at *www.ielp.com*. We provide access to our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports free of charge through this website as soon as reasonably practicable after such material is electronically filed with the SEC. Paper copies of annual and periodic reports filed with the SEC may be obtained free of charge upon written request by contacting our headquarters at the address located on the front cover of this report or under Investor Relations on our website. In addition, our corporate governance guidelines, including Code of Ethics and Business Conduct and Audit Committee Charter, are available on our website (under Corporate Governance) and are available in print without charge to any stockholder requesting them. You may obtain and copy any document we furnish or file with the SEC at the SEC’s public reference room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the SEC’s public reference facilities by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, information statements, and other information regarding issuers like us who file electronically with the SEC. The SEC’s website is located at *www.sec.gov*.

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**Item 1A. Risk Factors.**

We and our subsidiaries are subject to certain risks and uncertainties which are described below. The risks and uncertainties described below are not the only risks that affect our businesses. Additional risks and uncertainties that are unknown or not deemed significant may also have a negative impact on our businesses.

**Risks Relating to Our Structure**

***Our general partner, and its control person, has significant influence over us.***

Mr. Icahn, through affiliates, owns 100% of Icahn Enterprises GP, the general partner of Icahn Enterprises and Icahn Enterprises Holdings, and approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of December 31, 2019, and, as a result, has the ability to influence many aspects of our operations and affairs.

Mr. Icahn’s estate has been designed to assure the stability and continuation of Icahn Enterprises with no need to monetize his interests for estate tax or other purposes. In the event of Mr. Icahn’s death, control of Mr. Icahn’s interests in Icahn Enterprises and its general partner will be placed in charitable and other trusts under the control of senior Icahn Enterprises’ executives and Icahn family members. However, there can be no assurance that such planning will be effective.

***We have engaged, and in the future may engage, in transactions with our affiliates.***

We have invested and may in the future invest in entities in which Mr. Icahn also invests. We also have purchased and may in the future purchase entities or investments from him or his affiliates. Although Icahn Enterprises GP has never received fees in connection with our investments, our partnership agreement allows for the payment of these fees. Mr. Icahn may pursue other business opportunities in industries in which we compete and there is no requirement that any additional business opportunities be presented to us. We continuously identify, evaluate and engage in discussions concerning potential investments and acquisitions, including potential investments in and acquisitions of affiliates of Mr. Icahn. There cannot be any assurance that any potential transactions that we consider will be completed.

***We are subject to the risk of becoming an investment company.***

Because we are a holding company and a significant portion of our assets may, from time to time, consist of investments in companies in which we own less than a 50% interest, we run the risk of inadvertently becoming an investment company that is required to register under the Investment Company Act. Events beyond our control, including significant appreciation or depreciation in the market value of certain of our publicly traded holdings or adverse developments with respect to our ownership of certain of our subsidiaries, could result in our inadvertently becoming an investment company that is required to register under the Investment Company Act. Our recent sales of businesses, including Federal-Mogul, Tropicana and ARI, did not result in our being considered an investment company. However, additional transactions involving the sale of certain assets could result in our being considered an investment company. Following such events or transactions, an exemption under the Investment Company Act would provide us up to one year to take steps to avoid becoming classified as an investment company. We expect to take steps to avoid becoming classified as an investment company, but no assurance can be made that we will successfully be able to take the steps necessary to avoid becoming classified as an investment company.

If we are unsuccessful, then we will be required to register as a registered investment company and will be subject to extensive, restrictive and potentially adverse regulations relating to, among other things, operating methods, management, capital structure, dividends and transactions with affiliates. Registered investment companies are not permitted to operate their business in the manner in which we currently operate our business, nor are registered investment companies permitted to have many of the relationships that we have with our affiliated companies. In addition, if we become required to register under the Investment Company Act, it is likely that we would be treated as a corporation for U.S. federal income tax purposes and would be subject to the tax consequences described below under the caption, “We may become taxable as a corporation if we are no longer treated as a partnership for federal income tax purposes.”

If it were established that we were an investment company and did not register as an investment company when required to do so, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, in an action brought by the SEC, that we would be unable to enforce contracts with third parties or that third parties could seek to obtain rescission of transactions with us undertaken during the period it was established that we were an unregistered investment company.

***We may structure transactions in a less advantageous manner to avoid becoming subject to the Investment Company Act.***

In order not to become an investment company required to register under the Investment Company Act, we monitor the value of our investments and structure transactions with an eye toward the Investment Company Act. As a result, we may structure transactions in a less advantageous manner than if we did not have Investment Company Act concerns, or we may avoid otherwise economically desirable transactions due to those concerns.

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***We may become taxable as a corporation if we are no longer treated as a partnership for U.S. federal income tax purposes.***

We believe that we have been and are properly treated as a partnership for U.S. federal income tax purposes. This allows us to pass through our income and deductions to our partners. However, the Internal Revenue Service (“IRS”)could challenge our partnership status and we could fail to qualify as a partnership for past years as well as future years. Qualification as a partnership involves the application of highly technical and complex provisions of the Internal Revenue Code, as amended. For example, a publicly traded partnership is generally taxable as a corporation unless 90% or more of its gross income is “qualifying” income, which includes interest, dividends, oil and gas revenues, real property rents, gains from the sale or other disposition of real property, gain from the sale or other disposition of capital assets held for the production of interest or dividends, and certain other items. We believe that in all prior years of our existence at least 90% of our gross income was “qualifying” income and we intend to structure our business in a manner such that at least 90% of our gross income will constitute “qualifying” income this year and in the future. However, there can be no assurance that such structuring will be effective in all events to avoid the receipt of more than 10% of non-qualifying income. If less than 90% of our gross income constitutes “qualifying” income, we may be subject to corporate tax on our net income plus possible state taxes. Further, if less than 90% of our gross income constituted “qualifying” income for past years, we may be subject to corporate level tax plus interest and possibly penalties. In addition, if we become required to register under the Investment Company Act, it is likely that we would be treated as a corporation for U.S. federal income tax purposes. The cost of paying federal and possibly state income tax, either for past years or going forward could be a significant liability and would reduce our funds available to make distributions to holders of units, and to make interest and principal payments on our debt securities. To meet the “qualifying” income test, we may structure transactions in a manner which is less advantageous than if this were not a consideration, or we may avoid otherwise economically desirable transactions.

***We may be negatively impacted by the potential for changes in tax laws.***

Our investment strategy considers various tax related impacts. Past or future legislative proposals have been or may be introduced that, if enacted, could have a material and adverse effect on us. For example, past proposals have included taxing publicly traded partnerships, such as us, as corporations and introducing substantive changes to the definition of “qualifying” income, which could make it more difficult or impossible to for us to meet the exception that allows publicly traded partnerships generating “qualifying” income to be treated as partnerships (rather than corporations) for U.S. federal income tax purposes. We currently cannot predict the outcome of such legislative proposals, including, if enacted, their impact on our operations and financial position.

***Holders of depositary units may be required to pay tax on their share of our income even if they did not receive cash distributions from us.***

Because we are treated as a partnership for income tax purposes, unitholders generally are required to pay U.S. federal income tax, and, in some cases, state or local income tax, on the portion of our taxable income allocated to them, whether or not such income is distributed. Accordingly, it is possible that holders of depositary units may not receive cash distributions from us equal to their share of our taxable income, or even equal to their tax liability on the portion of our income allocated to them.

***Tax gain or loss on the disposition of our depositary units could be more or less than expected.***

If our unitholders sell their units, they will recognize a gain or loss equal to the difference between the amount realized and their tax basis in those units. Prior distributions to our unitholders in excess of the total net taxable income our unitholders were allocated for a unit, which decreased their tax basis in that unit. As a result of the reduced basis, a unitholder will recognize a greater amount of income if the unit is later sold for an amount greater than such unit’s basis. A portion of the amount realized, whether or not representing gain, may be ordinary income to the selling unitholder due to potential recapture items. In addition, because the amount realized includes a unitholder’s share of our nonrecourse liabilities, a unitholder who sells units may incur a tax liability in excess of the amount of cash received from the sale.

***Tax-exempt entities may recognize unrelated business taxable income they receive from holding our units, and may face other unique issues specific to their U.S. federal income tax classification.***

Investment in units by tax-exempt entities, such as individual retirement accounts (known as IRAs), pension plans, and non-U.S. persons raises issues unique to them. For example, some portion of our income allocated to organizations exempt from U.S. federal income tax, particularly income arising from our debt-financed transactions, will likely be unrelated business taxable income and will be taxable to them.

***Non-U.S. persons face unique tax issues from owning units that may result in adverse tax consequences to them, including being subject to withholding regimes and U.S. federal income tax on certain income they may earn from holding our units.***

Distributions to non-U.S. persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons will be required to file U.S. federal income tax returns and pay tax on their share of our taxable income.

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In addition, under proposed Treasury regulations that are not currently applicable to us, the transferee of depositary units may be required to deduct and withhold a tax equal to 10% of the amount realized (or deemed realized) on the sale or exchange of such depositary units. The IRS had released a notice suspending the withholding requirements described above for shares of publicly traded partnerships, such as us, until such time as regulations or other guidance have been issued. In May 2019, however, the IRS issued proposed regulations (the “Proposed Regulations”) that would, if finalized, end the suspension of withholding rules with respect to the disposition of units in publicly traded partnerships by non-U.S. unitholders. Taxpayers are permitted to rely on the suspension provided by the earlier notice until finalized regulations are put into effect. We cannot predict when or if the IRS will finalize the Proposed Regulations or release other guidance or what the finalized regulations or other guidance will say. If the Proposed Regulations are finalized in their current form, the recipient of the units being transferred, or the broker through which such transfer is effected, generally will be required to withhold 10% of the amount realized by the transferring unitholder, unless the transferring unitholder provides the recipient unitholder (or the broker, as applicable) with either proper documentation proving that the transferring unitholder is not a nonresident alien individual or foreign corporation, or with certain other statements or certifications described in the Proposed Regulations that limit or relieve the recipient unitholder’s (or the broker’s, as applicable) withholding obligation. If the recipient unitholder (or the broker, as applicable) fails to properly withhold, then we generally would be obligated to deduct and withhold from distributions to the recipient unitholder a tax in an amount equal to the amount the transferring unitholder (or the broker, as applicable) failed to withhold (plus interest). If a potential unitholder is a tax-exempt entity or a non-U.S. person, it should consult its tax advisor before investing in our units.

***Our unitholders likely will be subject to state and local taxes and return filing or withholding requirements in states in which they do not live as a result of investing in our units.***

In addition to U.S. federal income taxes, our unitholders will likely be subject to other taxes, such as state and local income taxes, unincorporated business taxes and estate, inheritance, or intangible taxes that are imposed by the various jurisdictions in which we do business or own property. Our unitholders may be required to file state and local income tax returns and pay state and local income taxes in certain of these various jurisdictions. Further, our unitholders may be subject to penalties for failure to comply with those requirements. We own property and conduct business in Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Massachusetts, Missouri, Nebraska, Nevada, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island and Texas. It is each unitholder’s responsibility to file all federal, state and local tax returns. Our counsel has not rendered an opinion on the state and local tax consequences of an investment in our units.

***We prorate our items of income, gain, loss and deduction between transferors and transferees of our units based upon the ownership of our units at the close of business on the last day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.***

We prorate our items of income, gain, loss and deduction between transferors and transferees of our units based upon the ownership of our units on the first business day of each month, instead of on the basis of the date a particular unit is transferred. The U.S. Treasury Department adopted final Treasury regulations that provide that publicly traded partnerships may use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders. Nonetheless, the final regulations do not specifically authorize the use of the proration method we have adopted. If the IRS were to challenge this method, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

***A unitholder whose units are loaned to a “short seller” to cover a short sale of units may be considered as having disposed of those units. If so, such unitholder would no longer be treated for U.S. federal income tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition.***

Because a unitholder whose units are loaned to a “short seller” to cover a short sale of units may be considered as having disposed of the loaned units, he or she may no longer be treated for U.S. federal income tax purposes as a partner with respect to those units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan to the short seller, any of our income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Our counsel has not rendered an opinion regarding the treatment of a unitholder where units are loaned to a short seller to cover a short sale of units; therefore, unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller are urged to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

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***If the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it (and some states) may collect any resulting taxes (including any applicable penalties and interest) directly from us, in which case our cash available to service debt or pay distributions to our unitholders, if and when resumed, could be substantially reduced.***

With respect to tax years beginning after December 31, 2017, if the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any resulting taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us. Generally, we will have the option to seek to collect tax liability from our unitholders in accordance with their percentage interests during the year under audit, but there can be no assurance that we will elect to do so or be able to do so under all circumstances. If we do not collect such tax liability from our unitholders in accordance with their percentage interests in the tax year under audit, our net income and the available cash for quarterly distributions to current unitholders may be substantially reduced. Accordingly, our current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own units during the tax year under audit. In particular, as a publicly traded partnership, our Partnership Representative (as defined below) may, in certain instances, request that any “imputed underpayment” resulting from an audit be adjusted by amounts of certain of our passive losses. If we successfully make such a request, we would have to reduce suspended passive loss carryovers in a manner which is binding on the partners.

We are required to and have designated a partner, or other person, with a substantial presence in the United States as the partnership representative (“Partnership Representative”). The Partnership Representative will have the sole authority to act on our behalf for purposes of, among other things, U.S. federal income tax audits and judicial review of administrative adjustments by the IRS. Any actions taken by us or by the Partnership Representative on our behalf with respect to, among other things, U.S. federal income tax audits and judicial review of administrative adjustments by the IRS, will be binding on us and our unitholders.

***We may be subject to the pension liabilities of our affiliates.***

Mr. Icahn, through certain affiliates, owns 100% of Icahn Enterprises GP and approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of December 31, 2019. Applicable pension and tax laws make each member of a “controlled group” of entities, generally defined as entities in which there is at least an 80% common ownership interest, jointly and severally liable for certain pension plan obligations of any member of the controlled group. These pension obligations include ongoing contributions to fund the plan, as well as liability for any unfunded liabilities that may exist at the time the plan is terminated. In addition, the failure to pay these pension obligations when due may result in the creation of liens in favor of the pension plan or the Pension Benefit Guaranty Corporation (the “PBGC”) against the assets of each member of the controlled group.

As a result of the more than 80% ownership interest in us by Mr. Icahn’s affiliates, we and our subsidiaries are subject to the pension liabilities of entities in which Mr. Icahn has a direct or indirect ownership interest of at least 80%, which includes the liabilities of pension plans sponsored by ACF Industries LLC (“ACF”). All the minimum funding requirements of the Internal Revenue Code, as amended, and the Employee Retirement Income Security Act of 1974, as amended, for the ACF plans have been met as of December 31, 2019. If the plans were voluntarily terminated, they would be underfunded by approximately $71 million as of December 31, 2019. These results are based on the most recent information provided by the plans’ actuary. These liabilities could increase or decrease, depending on a number of factors, including future changes in benefits, investment returns, and the assumptions used to calculate the liability. As members of the controlled group, we would be liable for any failure of ACF to make ongoing pension contributions or to pay the unfunded liabilities upon a termination of the ACF pension plans. In addition, other entities now or in the future within the controlled group in which we are included may have pension plan obligations that are, or may become, underfunded and we would be liable for any failure of such entities to make ongoing pension contributions or to pay the unfunded liabilities upon termination of such plans.

The current underfunded status of the ACF pension plans requires them to notify the PBGC of certain “reportable events,” such as if we cease to be a member of the ACF controlled group, or if we make certain extraordinary dividends or stock redemptions. The obligation to report could cause us to seek to delay or reconsider the occurrence of such reportable events.

Starfire Holding Corporation (“Starfire”), which is 99.6% owned by Mr. Icahn, has undertaken to indemnify us and our subsidiaries from losses resulting from any imposition of certain pension funding or termination liabilities that may be imposed on us and our subsidiaries or our assets as a result of being a member of the Icahn controlled group, including ACF. The Starfire indemnity provides, among other things, that so long as such contingent liabilities exist and could be imposed on us, Starfire will not make any distributions to its stockholders that would reduce its net worth to below $250 million. Nonetheless, Starfire may not be able to fund its indemnification obligations to us.

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***We are a limited partnership and a ‘‘controlled company’’ within the meaning of the NASDAQ rules and as such are exempt from certain corporate governance requirements.***

We are a limited partnership and ‘‘controlled company’’ pursuant to Rule 5615(c) of the NASDAQ listing rules. As such we have elected, and intend to continue to elect, not to comply with certain corporate governance requirements of the NASDAQ listing rules, including the requirements that a majority of the board of directors consist of independent directors and that independent directors determine the compensation of executive officers and the selection of nominees to the board of directors. We do not maintain a compensation or nominating committee and do not have a majority of independent directors. Accordingly, while we remain a controlled company and during any transition period following a time when we are no longer a controlled company, the NASDAQ listing rules do not provide the same corporate governance protections applicable to stockholders of companies that are subject to all of the NASDAQ listing requirements.

***Certain members of our management team may be involved in other business activities that may involve conflicts of interest.***

Certain individual members of our management team may, from time to time, be involved in the management of other businesses, including those owned or controlled by Mr. Icahn and his affiliates. Accordingly, these individuals may focus a portion of their time and attention on managing these other businesses. Conflicts may arise in the future between our interests and the interests of the other entities and business activities in which such individuals are involved.

***Holders of Icahn Enterprises’ depositary units have limited voting rights, including rights to participate in our management.***

Our general partner manages and operates Icahn Enterprises. Unlike the holders of common stock in a corporation, holders of Icahn Enterprises’ outstanding depositary units have only limited voting rights on matters affecting our business. Holders of depositary units have no right to elect the general partner on an annual or other continuing basis, and our general partner generally may not be removed except pursuant to the vote of the holders of not less than 75% of the outstanding depositary units. In addition, removal of the general partner may result in a default under the indentures governing our senior notes. As a result, holders of our depositary units have limited say in matters affecting our operations and others may find it difficult to attempt to gain control or influence our activities.

***Holders of Icahn Enterprises’ depositary units may not have limited liability in certain circumstances and may be personally liable for the return of distributions that cause our liabilities to exceed our assets.***

We conduct our businesses through Icahn Enterprises Holdings in several states. Maintenance of limited liability will require compliance with legal requirements of those states. We are the sole limited partner of Icahn Enterprises Holdings. Limitations on the liability of a limited partner for the obligations of a limited partnership have not clearly been established in several states. If it were determined that Icahn Enterprises Holdings has been conducting business in any state without compliance with the applicable limited partnership statute or the possession or exercise of the right by the partnership, as limited partner of Icahn Enterprises Holdings, to remove its general partner, to approve certain amendments to the Icahn Enterprises Holdings partnership agreement or to take other action pursuant to the Icahn Enterprises Holdings partnership agreement, constituted “control” of Icahn Enterprises Holdings’ business for the purposes of the statutes of any relevant state, Icahn Enterprises and/or its unitholders, under certain circumstances, might be held personally liable for Icahn Enterprises Holdings’ obligations to the same extent as our general partner. Further, under the laws of certain states, Icahn Enterprises might be liable for the amount of distributions made to Icahn Enterprises by Icahn Enterprises Holdings.

Holders of Icahn Enterprises’ depositary units may also be required to repay Icahn Enterprises amounts wrongfully distributed to them. Under Delaware law, we may not make a distribution to holders of our depositary units if the distribution causes our liabilities to exceed the fair value of our assets. Liabilities to partners on account of their partnership interests and nonrecourse liabilities are not counted for purposes of determining whether a distribution is permitted. Delaware law provides that a limited partner who receives such a distribution and knew at the time of the distribution that the distribution violated Delaware law will be liable to the limited partnership for the distribution amount for three years from the distribution date.

Additionally, under Delaware law an assignee who becomes a substituted limited partner of a limited partnership is liable for the obligations, if any, of the assignor to make contributions to the partnership. However, such an assignee is not obligated for liabilities unknown to him or her at the time he or she became a limited partner if the liabilities could not be determined from the partnership agreement.

***Since we are a limited partnership, you may not be able to pursue legal claims against us in U.S. federal courts.***

We are a limited partnership organized under the laws of the state of Delaware. Under the federal rules of civil procedure, you may not be able to sue us in federal court on claims other than those based solely on federal law, because of lack of complete diversity. Case law applying diversity jurisdiction deems us to have the citizenship of each of our limited partners. Because we are a publicly traded limited partnership, it may not be possible for you to sue us in a federal court because we have citizenship in all 50 U.S. states and operations in many states. Accordingly, you will be limited to bringing any claims in state court.

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**Risks Relating to Liquidity and Capital Requirements**

***We are a holding company and depend on the businesses of our subsidiaries to satisfy our obligations.***

We are a holding company. In addition to cash and cash equivalents, U.S. government and agency obligations, marketable equity and debt securities and other short-term investments, our assets consist primarily of investments in our subsidiaries. Moreover, if we make significant investments in new operating businesses, it is likely that we will reduce our liquid assets and those of Icahn Enterprises Holdings in order to fund those investments and the ongoing operations of our subsidiaries. Consequently, our cash flow and our ability to meet our debt service obligations and make distributions with respect to depositary units likely will depend on the cash flow of our subsidiaries and the payment of funds to us by our subsidiaries in the form of dividends, distributions, loans or otherwise.

The operating results of our subsidiaries may not be sufficient to make distributions to us. In addition, our subsidiaries are not obligated to make funds available to us and distributions and intercompany transfers from our subsidiaries to us may be restricted by applicable law or covenants contained in debt agreements and other agreements to which these subsidiaries may be subject or enter into in the future.

The terms of certain borrowing agreements of our subsidiaries, or other entities in which we own equity, may restrict dividends, distributions or loans to us. To the degree any distributions and transfers are impaired or prohibited, our ability to make payments on our debt and to make distributions on our depositary units will be limited.

***To service our indebtedness, we will require a significant amount of cash. Our ability to maintain our current cash position or generate cash depends on many factors beyond our control.***

Our ability to make payments on and to refinance our indebtedness, and to fund operations will depend on existing cash balances and our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. Our current businesses and businesses that we acquire may not generate sufficient cash to service our outstanding indebtedness. In addition, we may not generate sufficient cash flow from operations or investments and future borrowings may not be available to us in an amount sufficient to enable us to service our outstanding indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our outstanding indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our outstanding indebtedness on commercially reasonable terms or at all.

***Our failure to comply with the covenants contained under any of our debt instruments, including the indentures governing our senior unsecured notes (including our failure to comply as a result of events beyond our control), could result in an event of default that would materially and adversely affect our financial condition.***

Our failure to comply with the covenants under any of our debt instruments, including our indentures governing our senior unsecured notes, (including our failure to comply as a result of events beyond our control) may trigger a default or event of default under such instruments. If there were an event of default under one of our debt instruments, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. In addition, any event of default or declaration of acceleration under one debt instrument could result in an event of default and declaration of acceleration under one or more of our other debt instruments, including the exchange notes. It is possible that, if the defaulted debt is accelerated, our assets and cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments and we cannot assure you that we would be able to refinance or restructure the payments on those debt securities.

***We may not have sufficient funds necessary to finance a change of control offer that may be required by the indentures governing our senior notes.***

If Mr. Icahn were to sell, or otherwise transfer, some or all of his interests in us to an unrelated party or group, a change of control could be deemed to have occurred under the terms of the indentures governing our senior notes, which would require us to offer to repurchase all outstanding senior notes at 101% of their principal amount plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes.

***We have made significant investments in the Investment Funds and negative performance of the Investment Funds may result in a significant decline in the value of our investments.***

As of December 31, 2019, we had investments in the Investment Funds with a fair market value of approximately $4.3 billion, which may be accessed on short notice to satisfy our liquidity needs. However, if the Investment Funds experience negative performance, the value of these investments will be negatively impacted, which could have a material adverse effect on our operating results, cash flows and financial position.

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***Future cash distributions to Icahn Enterprises’ unitholders, if any, can be affected by numerous factors.***

While we made cash distributions to Icahn Enterprises’ unitholders in each of the four quarters of 2019, the payment of future distributions will be determined by the board of directors of Icahn Enterprises GP, our general partner, quarterly, based on a review of a number of factors, including those described below and other factors that it deems relevant at the time that declaration of a distribution is considered.

Our ability to pay distributions will depend on numerous factors, including the availability of adequate cash flow from operations; the proceeds, if any, from divestitures; our capital requirements and other obligations; restrictions contained in our financing arrangements, including the indentures governing our senior notes; and our issuances of additional equity and debt securities. The availability of cash flow in the future depends as well upon events and circumstances outside our control, including prevailing economic and industry conditions and financial, business and similar factors. No assurance can be given that we will be able to make distributions or as to the timing of any distribution. Even if distributions are made, there can be no assurance that holders of depositary units will not be required to recognize taxable income in excess of cash distributions made in respect of the period in which a distribution is made.

**Risks Relating to All of Our Businesses**

***General***

All of our businesses are subject to the effects of the following:

•the threat of terrorism or war;

•health epidemics or pandemics (or expectations about them)

•loss of any of our or our subsidiaries’ key personnel;

•the unavailability, as needed, of additional financing;

•significant competition, varying by industry and geographic markets;

•the unavailability of insurance at acceptable rates; and

•litigation not in the ordinary course of business (see Item 3, “Legal Proceedings,” of this Report).

***We need qualified personnel to manage and operate our various businesses.***

In our decentralized business model, we need qualified and competent management to direct day-to-day business activities of our operating subsidiaries. Our operating subsidiaries also need qualified and competent personnel in executing their business plans and serving their customers, suppliers and other stakeholders. Changes in demographics, training requirements and the unavailability of qualified personnel could negatively impact one or more of our significant operating subsidiaries ability to meet demands of customers to supply goods and services. Recruiting and retaining qualified personnel is important to all of our operations. Although we have adequate personnel for the current business environment, unpredictable increases in demand for goods and services may exacerbate the risk of not having sufficient numbers of trained personnel, which could have a negative impact on our consolidated financial condition, results of operations or cash flows.

***Global economic conditions may have adverse impacts on our businesses and financial condition.***

Changes in economic conditions could adversely affect our financial condition and results of operations. A number of economic factors, including, but not limited to, consumer interest rates, consumer confidence and debt levels, retail trends, housing starts, sales of existing homes, the level and availability of mortgage refinancing, and commodity prices, may generally adversely affect our businesses, financial condition and results of operations. Recessionary economic cycles, higher and protracted unemployment rates, increased fuel and other energy and commodity costs, rising costs of transportation and increased tax rates can have a material adverse impact on our businesses, and may adversely affect demand for sales of our businesses’ products, or the costs of materials and services utilized in their operations. These factors could have a material adverse effect on our revenues, income from operations and our cash flows.

***We and our subsidiaries are subject to cybersecurity and other technological risks that could disrupt our information technology systems and adversely affect our financial performance.***

Threats to information technology systems associated with cybersecurity and other technological risks and cyber incidents or attacks continue to grow. We and our subsidiaries depend on the accuracy, capacity and security of our information technology systems and those used by our third-party service providers. In addition, we and our subsidiaries collect, process and retain sensitive and confidential information in the normal course of business, including information about our employees, customers and other third parties. Despite the security measures we have in place and any additional measures we may implement in the future, our facilities, systems, and networks, and those of our third-party service providers, could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, human errors, employee misconduct, malicious attacks, acts of vandalism or other events. In addition, hardware, software or applications we develop or

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obtain from third parties may contain defects in design or manufacture or other problems that could result in security breaches or disruptions. These events or any other disruption or compromise of our or our third-party service providers’ information technology systems could negatively impact our business operations or result in the misappropriation, loss or other unauthorized disclosure of sensitive and confidential information. Such events could damage our reputation, expose us to the risks of litigation and liability, disrupt our business or otherwise affect our results of operations, any of which could adversely affect our financial performance.

***Software implementation and upgrades at certain of our subsidiaries may result in complications that adversely impact the timeliness, accuracy and reliability of internal and external reporting.***

Our operating subsidiaries are operated and managed on a decentralized basis and their software is not integrated with each other or with us. Certain of our subsidiaries are currently undergoing, or in the future may undergo, software implementation and/or upgrades. Software implementation and upgrades are complex, time consuming and require significant resources. Failure to properly implement or upgrade software, including failure to recruit/retain appropriate experts, train employees, implement processes and properly bridge to legacy software, among others, may negatively impact our subsidiaries’ ability to properly operate their businesses and to report internally and externally, including reporting to us. As a result, we may not adequately assess the performance of our subsidiaries, properly allocate resources report timely and accurate financial results.

***We or our subsidiaries may pursue acquisitions or other affiliations that involve inherent risks, any of which may cause us not to realize anticipated benefits, and we may have difficulty integrating the operations of any companies that may be acquired, which may adversely affect its operations.***

We may expand our existing businesses if appropriate opportunities are identified, as well as use our established businesses as a platform for additional acquisitions in the same or related areas. We and our operating subsidiaries have at times grown through acquisitions and may make additional acquisitions in the future as part of our business strategy. The full benefits of these acquisitions, however, require integration of manufacturing, administrative, financial, sales, and marketing approaches and personnel. We may invest significant resources towards realizing benefits. If we or our operating subsidiaries are unable to successfully integrate acquired businesses, we may not realize the benefits of the acquisitions, our financial results may be negatively affected, and additional cash may be required to integrate such operations. Additionally, any such acquisition, if consummated, could involve risks not presently faced by us.

***We have identified a material weakness in our internal control over financial reporting that, if not properly remediated, could adversely affect our business and results of operations. The existence of a material weakness in our internal control over financial reporting may adversely affect our ability to provide timely and reliable financial information and satisfy our reporting obligations under the federal securities laws, which also could affect the market price of our depositary units or our ability to remain listed on NASDAQ.***

In connection with our assessment of the effectiveness of internal control over financial reporting as of December 31, 2019, our management identified a material weakness in the design of one of our internal controls, as defined under the standards established by the PCAOB. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. As a result of such material weakness, we concluded that our disclosure controls and procedures and internal controls over financial reporting were not effective. The material weakness we identified relates to identifying significant investees for which summarized financial information or separate financial statements may be required under SEC rules and regulations. As further described in “Item 9A. Controls and Procedures,” we are currently taking actions to remediate the material weakness and implementing additional processes and controls designed to address the underlying causes that led to the deficiencies. If we are unable to successfully remediate this material weakness in our internal control over financial reporting, or if additional material weaknesses are discovered or occur in the future, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with the federal securities laws and NASDAQ listing requirements regarding the timely filing of periodic reports and investors may lose confidence in our financial reporting, which could have a negative effect on the trading price of our depositary units or the rating of our debt.

***The existence of a material weakness in internal control over financial reporting of one of our consolidated subsidiaries or a recently acquired entity may adversely affect our ability to provide timely and reliable financial information necessary for the conduct of our business and satisfaction of our reporting obligations under the federal securities laws.***

To the extent that any material weakness or significant deficiency exists in internal control over financial reporting of one of our consolidated subsidiaries or a recently acquired entity, such material weakness or significant deficiency may adversely affect our ability to provide timely and reliable financial information necessary for the conduct of our business and satisfaction of our reporting obligations under the federal securities laws, that could affect our ability to remain listed on NASDAQ.

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Ineffective internal and disclosure controls could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our depositary units or the rating of our debt.

**Risks Relating to Our Investment Segment**

***Our investments may be subject to significant uncertainties.***

Our investments may not be successful for many reasons, including, but not limited to:

•fluctuations of interest rates;

•lack of control in minority investments;

•worsening of general economic and market conditions;

•lack of diversification;

•lack of success of the Investment Funds’ activist strategies;

•fluctuations of U.S. dollar exchange rates; and

•adverse legal and regulatory developments that may affect particular businesses.

***The historical financial information for the Investment Funds is not necessarily indicative of its future performance.***

Our Investment segment’s financial information is driven by the amount of funds allocated to the Investment Funds and the performance of the underlying investments in the Investment Funds. Future funds allocated to the Investment Funds may increase or decrease based on the contributions and redemptions by our Holding Company and by Mr. Icahn and his affiliates. Additionally, historical performance results of the Investment Funds are not indicative of future results as past market conditions, investment opportunities and investment decisions may not occur in the future. Changes in general market conditions coupled with changes in exposure to short and long positions have significant impact on our Investment segment’s results of operations and the comparability of results of operations year over year and as such, future results of operations will be impacted by our future exposures and future market conditions, which may not be consistent with prior trends. Additionally, future returns may be affected by additional risks, including risks of the industries and businesses in which a particular fund invests.

***We may not be able to identify suitable investments, and our investments may not result in favorable returns or may result in losses.***

Our partnership agreement allows us to take advantage of investment opportunities we believe exist outside of our operating businesses. The equity securities in which we may invest may include common stock, preferred stock and securities convertible into common stock, as well as warrants to purchase these securities. The debt securities in which we may invest may include bonds, debentures, notes or non-rated mortgage-related securities, municipal obligations, bank debt and mezzanine loans. Certain of these securities may include lower rated or non-rated securities, which may provide the potential for higher yields and therefore may entail higher risk and may include the securities of bankrupt or distressed companies. In addition, we may engage in various investment techniques, including derivatives, options and futures transactions, foreign currency transactions, “short” sales and leveraging for either hedging or other purposes. We may concentrate our activities by owning significant or controlling interests in certain investments. We may not be successful in finding suitable opportunities to invest our cash and our strategy of investing in undervalued assets may expose us to numerous risks.

***Successful execution of our activist investment activities involves many risks, certain of which are outside of our control.***

The success of our investment strategy may require, among other things: (i) that we properly identify companies whose securities prices can be improved through corporate and/or strategic action or successful restructuring of their operations; (ii) that we acquire sufficient securities of such companies at a sufficiently attractive price; (iii) that we avoid triggering anti-takeover and regulatory obstacles while aggregating our positions; (iv) that management of portfolio companies and other security holders respond positively to our proposals; and (v) that the market price of portfolio companies’ securities increases in response to any actions taken by the portfolio companies. We cannot assure you that any of the foregoing will succeed.

The success of the Investment Funds depends upon the ability of our Investment segment to successfully develop and implement investment strategies that achieve the Investment Funds’ objectives. Subjective decisions made by employees of our Investment segment may cause the Investment Funds to incur losses or to miss profit opportunities on which the Investment Funds would otherwise have capitalized. In addition, in the event that Mr. Icahn ceases to participate in the management of the Investment Funds, the consequences to the Investment Funds and our interest in them could be material and adverse and could lead to the premature termination of the Investment Funds.

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***The Investment Funds make investments in companies we do not control.***

Investments by the Investment Funds include investments in debt or equity securities of publicly traded companies that we do not control. Such investments may be acquired by the Investment Funds through open market trading activities or through purchases of securities from the issuer. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which our Investment segment disagree or that the majority of stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the best interests of the Investment Funds. In addition, the Investment Funds may make investments in which it shares control over the investment with co-investors, which may make it more difficult for it to implement its investment approach or exit the investment when it otherwise would. If any of the foregoing were to occur, the values of the investments by the Investment Funds could decrease and our Investment segment revenues could suffer as a result.

***The Investment Funds’ investment strategy involves numerous and significant risks, including the risk that we may lose some or all of our investments in the Investment Funds. This risk may be magnified due to concentration of investments and investments in undervalued securities.***

Our Investment segment’s revenue depends on the investments made by the Investment Funds. There are numerous and significant risks associated with these investments, certain of which are described in this risk factor and in other risk factors set forth herein.

Certain investment positions held by the Investment Funds may be illiquid. The Investment Funds may own restricted or non-publicly traded securities and securities traded on foreign exchanges. We also have significant influence with respect to certain companies owned by the Investment Funds, including representation on the board of directors of certain companies, and may be subject to trading restrictions with respect to specific positions in the Investment Funds at any particular time. These investments and trading restrictions could prevent the Investment Funds from liquidating unfavorable positions promptly and subject the Investment Funds to substantial losses.

At any given time, the Investment Funds’ assets may become highly concentrated within a particular company, industry, asset category, trading style or financial or economic market. In that event, the Investment Funds’ investment portfolio will be more susceptible to fluctuations in value resulting from adverse events, developments or economic conditions affecting the performance of that particular company, industry, asset category, trading style or economic market than a less concentrated portfolio would be. As a result, the Investment Funds’ investment portfolio’s aggregate returns may be volatile and may be affected substantially by the performance of only one or a few holdings.

As of December 31, 2019, our top five holdings in the Investment Funds had a market value of approximately $6.2 billion, which represented approximately 70% of our assets under management for the Investment Segment. Our largest holding at December 31, 2019 was Caesars Entertainment Corporation, which had a market value of approximately $2.1 billion, and represented approximately 24% of our assets under management for the Investment Segment. We also had holdings in Herbalife Ltd. (“Herbalife”), which had a market value of approximately $1.3 billion, and represented approximately 15% of our assets under management for the Investment Segment. Therefore, a significant decline in the fair market values of our larger positions may have a material adverse impact on our consolidated financial position, results of operations or cash flows and the trading price of our depositary units. For example, Herbalife previously disclosed in its public filings that the SEC and the Department of Justice have been conducting an investigation into Herbalife’s compliance with the Foreign Corrupt Practices Act in China, which is mainly focused on Herbalife’s China external affairs expenditures, its China business activities, the adequacy of and compliance with Herbalife’s internal controls in China, and the accuracy of Herbalife’s books and records relating to its China operations. Herbalife has recognized an estimated aggregate accrued liability for these matters of $40 million within its consolidated balance sheet as of December 31, 2019. However, Herbalife cannot predict the eventual scope, duration, or outcome of the government investigation at this time, including whether a settlement will be reached, the amount of any potential monetary payments, or injunctive or other relief, the results of which may be materially adverse to Herbalife, its financial condition, results of operations, and operations and the trading price of its common shares, which could, in turn, have a material adverse impact on our consolidated financial position, results of operations or cash flows and the trading price of our depositary units. At the present time, Herbalife is unable to reasonably estimate or provide any assurance regarding the amount of any potential loss in excess of the amount accrued relating to these matters. Certain of the companies in our Investment Funds file annual, quarterly and current reports with the SEC, which are publicly available, and contain additional risk factors with respect to such companies.

The Investment Funds seek to invest in securities that are undervalued. The identification of investment opportunities in undervalued securities is challenging, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Investment Funds’ investments may not adequately compensate for the business and financial risks assumed.

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From time to time, the Investment Funds may invest in bonds or other fixed income securities, such as commercial paper and higher yielding (and, therefore, higher risk) debt securities. It is likely that a major economic recession could severely disrupt the market for such securities and may have a material adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

For reasons not necessarily attributable to any of the risks set forth in this Report (e.g., supply/demand imbalances or other market forces), the prices of the securities in which the Investment Funds invest may decline substantially. In particular, purchasing assets at what may appear to be undervalued levels is no guarantee that these assets will not be trading at even more undervalued levels at a future time of valuation or at the time of sale.

The prices of financial instruments in which the Investment Funds may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Investment Funds’ assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Investment Funds are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses.

***The use of leverage in investments by the Investment Funds may pose a significant degree of risk and may enhance the possibility of significant loss in the value of the investments in the Investment Funds.***

The Investment Funds may leverage their capital if their general partners believe that the use of leverage may enable the Investment Funds to achieve a higher rate of return. Accordingly, the Investment Funds may pledge their securities in order to borrow additional funds for investment purposes. The Investment Funds may also leverage their investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings that the Investment Funds may have outstanding at any time may be substantial in relation to their capital. While leverage may present opportunities for increasing the Investment Funds’ total return, leverage may increase losses as well. Accordingly, any event that adversely affects the value of an investment by the Investment Funds would be magnified to the extent such fund is leveraged. The cumulative effect of the use of leverage by the Investment Funds in a market that moves adversely to the Investment Funds’ investments could result in a substantial loss to the Investment Funds that would be greater than if the Investment Funds were not leveraged. There is no assurance that leverage will be available on acceptable terms, if at all.

In general, the use of short-term margin borrowings results in certain additional risks to the Investment Funds. For example, should the securities pledged to brokers to secure any Investment Fund’s margin accounts decline in value, the Investment Funds could be subject to a “margin call,” pursuant to which it must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of any of the Investment Funds’ assets, the Investment Funds might not be able to liquidate assets quickly enough to satisfy its margin requirements.

The Investment Funds may enter into repurchase and reverse repurchase agreements. When the Investment Funds enters into a repurchase agreement, it “sells” securities issued by the U.S. or a non-U.S. government, or agencies thereof, to a broker-dealer or financial institution, and agrees to repurchase such securities for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Investment Fund “buys” securities issued by the U.S. or a non-U.S. government, or agencies thereof, from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Investment Funds, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by any of the Investment Funds involves certain risks. For example, if the seller of securities to the Investment Funds under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Investment Funds will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Investment Funds’ ability to dispose of the underlying securities may be restricted. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Investment Funds may suffer a loss to the extent it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

The financing used by the Investment Funds to leverage its portfolio will be extended by securities brokers and dealers in the marketplace in which the Investment Funds invest. While the Investment Funds will attempt to negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so will be limited. The Investment Funds are therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer’s willingness to continue to provide any such credit to the Investment Funds. Because the Investment Funds currently have no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers, it could be forced to liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of the Investment Funds’ portfolios at distressed prices could result in significant losses to the Investment Funds.

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***The possibility of increased regulation could result in additional burdens on our Investment segment.***

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Reform Act”), enacted into law in July 2010, resulted in regulations affecting almost every part of the financial services industry.

The regulatory environment in which our Investment segment operates is subject to further regulation in addition to the rules already promulgated, including the Reform Act. Our Investment segment may be adversely affected by the enactment of new or revised regulations, or changes in the interpretation or enforcement of rules and regulations imposed by the SEC, other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. Such changes may limit the scope of investment activities that may be undertaken by the Investment Funds’ managers. Any such changes could increase the cost of our Investment segment doing business and/or materially adversely impact its profitability. Additionally, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges have taken and are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Investment Funds and the Investment segment could be substantial and adverse.

***The ability to hedge investments successfully is subject to numerous risks.***

The Investment Funds may utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Investment Funds’ investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Investment Funds’ unrealized gains in the value of its investment portfolios; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Investment Funds’ portfolio; (v) hedge the interest rate or currency exchange rate on any of the Investment Funds’ liabilities or assets; (vi) protect against any increase in the price of any securities our Investment segment anticipate purchasing at a later date; or (vii) for any other reason that our Investment segment deems appropriate.

The success of any hedging activities will depend, in part, upon the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. However, hedging techniques may not always be possible or effective in limiting potential risks of loss. Since the characteristics of many securities change as markets change or time passes, the success of our Investment segment’s hedging strategy will also be subject to the ability of our Investment segment to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Investment Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Investment Funds than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Funds may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Investment Funds from achieving the intended hedge or expose the Investment Funds to risk of loss. The Investment Funds do not intend to seek to hedge every position and may determine not to hedge against a particular risk for various reasons, including, but not limited to, because they do not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge. Our Investment segment may not foresee the occurrence of the risk and therefore may not hedge against all risks.

***The Investment Funds invest in distressed securities, as well as bank loans, asset backed securities and mortgage backed securities.***

The Investment Funds may invest in securities of U.S. and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial, legal and business risks that can result in substantial, or at times even total, losses. The market prices of such securities are subject to abrupt and erratic market movements and above-average price volatility. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate insolvency and reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash, assets or a new security the value of which will be less than the purchase price to the Investment Funds of the security in respect to which such distribution was made and the terms of which may render such security illiquid.

***The Investment Funds may invest in companies that are based outside of the United States, which may expose the Investment Funds to additional risks not typically associated with investing in companies that are based in the United States.***

Investments in securities of non-U.S. issuers (including non-U.S. governments) and securities denominated or whose prices are quoted in non-U.S. currencies pose, to the extent not successfully hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or

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social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. The Investment Funds may have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Investment Funds’ performance. Investments in non-U.S. markets may result in imposition of non-U.S. taxes or withholding on income and gains recognized with respect to such securities. There can be no assurance that adverse developments with respect to such risks will not materially adversely affect the Investment Funds’ investments that are held in certain countries or the returns from these investments.

***The Investment Funds’ investments are subject to numerous additional risks including those described below.***

•Generally, there are few limitations set forth in the governing documents of the Investment Funds on the execution of their investment activities, which are subject to the sole discretion of our Investment segment.

•The Investment Funds may buy or sell (or write) both call options and put options, and when it writes options, it may do so on a covered or an uncovered basis. When the Investment Funds sell (or write) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is covered. If it is covered, the Investment Funds would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

•The Investment Funds may engage in short-selling, which is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. The Investment Funds may be subject to losses if a security lender demands return of the borrowed securities and an alternative lending source cannot be found or if the Investment Funds are otherwise unable to borrow securities that are necessary to hedge its positions. There can be no assurance that the Investment Funds will be able to maintain the ability to borrow securities sold short. There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market.

•The ability of the Investment Funds to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions and restrictions adopted in response to adverse market events. Regulatory authorities may from time-to-time impose restrictions that adversely affect the Investment Funds’ ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Investment Funds may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing.

•The Investment Funds may effect transactions through over-the-counter or inter-dealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Investment Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Investment Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Investment Funds have concentrated its transactions with a single or small group of its counterparties. The Investment Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of the Investment Funds’ transactions with one counterparty.

•Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by other institutions. This systemic risk may materially adversely affect the financial intermediaries (such as prime brokers, clearing agencies, clearing houses, banks, securities firms and exchanges) with which the Investment Funds interact on a daily basis.

•The efficacy of investment and trading strategies depends largely on the ability to establish and maintain an overall market position in a combination of financial instruments. The Investment Funds’ trading orders may not be executed in a timely and efficient manner due to various circumstances, including systems failures or human error. In such event, the Investment Funds might only be able to acquire some but not all of the components of the position, or if the overall positions were to need adjustment, the Investment Funds might not be able to make such adjustment. As a result, the Investment Funds may not be able to achieve the market position selected by our Investment segment and might incur a loss in liquidating their position.

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•The Investment Funds assets may be held in one or more accounts maintained for the Investment Fund by its prime brokers or at other brokers or custodian banks, which may be located in various jurisdictions. The prime broker, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions in the event of their insolvency. Accordingly, the practical effect of these laws and their application to the Investment Funds’ assets may be subject to substantial variations, limitations and uncertainties. The insolvency of any of the prime brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Investment Funds’ assets or in a significant delay in the Investment Funds having access to those assets.

•The Investment Funds may invest in synthetic instruments with various counterparties. In the event of the insolvency of any counterparty, the Investment Funds’ recourse will be limited to the collateral, if any, posted by the counterparty and, in the absence of collateral, the Investment Funds will be treated as a general creditor of the counterparty. While the Investment Funds expect that returns on a synthetic financial instrument may reflect those of each related reference security, as a result of the terms of the synthetic financial instrument and the assumption of the credit risk of the counterparty, a synthetic financial instrument may have a different expected return. The Investment Funds may also invest in credit default swaps.

**Risks Relating to our Consolidated Operating Subsidiaries**

***Changes in regulations and regulatory actions can adversely affect our operating results and our ability to allocate capital.***

In recent years, regulatory authorities have increased their regulation and scrutiny of businesses partially in response to financial markets crises, global economic recessions, and social and environmental issues. These initiatives may impact our operating subsidiaries, particularly those within our Energy segment. Changes in regulation and regulatory actions may increase our compliance costs and may require changes to how our operating subsidiaries conduct their businesses. Any regulatory changes could have a significant negative impact on our financial condition, results of operations or cash flows.

***Our operating subsidiaries operate businesses which are subject to the risk of operational disruptions, damage to property, injury to persons or environmental and legal liability. Our operating subsidiaries could incur potentially significant costs to the extent there are unforeseen events which are not fully insured.***

Our operating subsidiaries, particularly within our Energy segment, may become subject to catastrophic loss, which may cause operations to shut down or become significantly impaired. Our operating subsidiaries may also be subject to liability for hazards for which they cannot be insured, which could exceed policy limits or against which they may elect not to be insured due to high premium costs. Examples of such risks include but are not limited to industrial accidents, environmental hazards, power outages, equipment failures, structural failures, flooding, unusual or unexpected geological conditions and severe weather conditions, among others. These events may damage or destroy properties, production facilities, transport facilities and equipment, as well as lead to personal injury or death, environmental damage, waste from intermediary products or resources, production or transportation delays and monetary losses or legal liability. Such damages are not limited to our operations or our employees and could significantly impact the surrounding areas. Operations at our subsidiaries could be curtailed, limited or completely shut down for an extended period of time, or indefinitely, as a result of one or more unforeseen events and circumstances, which may or may not be within our control, and which may not be adequately insured. Any one of these events and circumstances could have a material adverse impact on our operations, financial condition and cash flows.

***Environmental laws and regulations could require our operating subsidiaries to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.***

Several of our subsidiaries are subject to a variety of federal, state and local environmental laws and regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, product specifications and the generation, treatment, storage, transportation, disposal and remediation of solid and hazardous wastes. Violations of these laws and regulations or permit conditions can result in substantial penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations and/or facility shutdowns.

In addition, new environmental laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of laws and regulations or other developments could require our businesses to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. These expenditures or costs for environmental compliance could have a material adverse effect on our operating subsidiaries’ results of operations, financial condition and profitability. Certain of our subsidiaries’ facilities operate under a number of federal and state permits, licenses and approvals with terms and conditions containing a significant number of prescriptive limits and performance standards in order to operate.

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These permits, licenses, approvals, limits and standards require a significant amount of monitoring, record keeping and reporting in order to demonstrate compliance with the underlying permit, license, approval, limit or standard. Non-compliance or incomplete documentation of our subsidiaries’ compliance status may result in the imposition of fines, penalties and injunctive relief. Additionally, there may be times when certain of our subsidiaries are unable to meet the standards and terms and conditions of our permits, licenses and approvals due to operational upsets or malfunctions, which may lead to the imposition of fines and penalties or operating restrictions that may have a material adverse effect on their ability to operate their facilities and accordingly on our consolidated financial position, results of operations or cash flows. Refer to Note 18, “Commitments and Contingencies,” to the consolidated financial statements for additional discussion of environmental matters affecting our businesses.

***Our Energy segment’s businesses are, and commodity prices are, cyclical and highly volatile, which could have a material adverse effect on our results of operations, financial condition and cash flows.***

Our Energy segment’s petroleum business’ financial results are primarily affected by the margin between refined product prices and the prices for crude oil and other feedstocks. Historically, refining margins have been volatile, and are expected to continue to be volatile in the future. The petroleum business’ cost to acquire feedstocks and the price at which it can ultimately sell refined products depend upon several factors beyond its control, including regional and global supply of and demand for crude oil, gasoline, diesel and other feedstocks and refined products. These in turn depend on, among other things, the availability and quantity of imports, the production levels of U.S. and international suppliers, levels of refined petroleum product inventories, productivity and growth (or the lack thereof) of U.S. and global economies, U.S. relationships with foreign governments, political affairs and the extent of governmental regulation.

Some of these factors can vary by region and may change quickly, adding to market volatility, while others may have longer-term effects on refining and marketing margins, which are uncertain. CVR Refining does not produce crude oil and must purchase all of the crude oil it refines long before it refines them and sell the refined products. Price level changes during the period between purchasing feedstocks and selling the refined petroleum products from these feedstocks could have a significant effect on our Energy segment’s financial results and a decline in market prices may negatively impact the carrying value of its inventories.

Profitability is also impacted by the ability to purchase crude oil at a discount to benchmark crude oils, such as WTI, as the petroleum business does not produce any crude oil and must purchase all of the crude oil it refines. Crude oil differentials can fluctuate significantly based upon overall economic and crude oil market conditions. Adverse changes in crude oil differentials can adversely impact refining margins, earnings and cash flows. In addition, the petroleum business’ purchases of crude oil, although based on WTI prices, have historically been at a discount to WTI because of the proximity of the refineries to the sources, existing logistics infrastructure and quality differences. Any change in the sources of crude oil, infrastructure or logistical improvements or quality differences could result in a reduction of the petroleum business’ historical discount to WTI and may result in a reduction of our Energy segment’s cost advantage.

Volatile prices for natural gas and electricity affect the petroleum business’ manufacturing and operating costs. Natural gas and electricity prices have been, and will continue to be, affected by supply and demand for fuel and utility services in both local and regional markets.

***Compliance with the U.S. Environmental Protection Agency Renewable Fuel Standard, with respect to our Energy segment, could adversely affect our financial condition and results of operations.***

The Environmental Protection Agency (the “EPA”) has promulgated the Renewable Fuel Standards (“RFS”), which requires refiners to either blend “renewable fuels,” such as ethanol and biodiesel, into their transportation fuels or purchase renewable fuel credits, known as renewable identification numbers (“RINs”), in lieu of blending. Under the RFS, the volume of renewable fuels that refineries like Coffeyville and Wynnewood are obligated to blend into their finished petroleum products is adjusted annually by the EPA. The petroleum business is not able to blend the substantial majority of its transportation fuels, so it has to purchase RINs on the open market as well as waiver credits for cellulosic biofuels from the EPA, in order to comply with the RFS. The price of RINs has been extremely volatile as the EPA’s proposed renewable fuel volume mandates approached and exceeded the “blend wall.” The blend wall refers to the point at which the amount of ethanol blended into the transportation fuel supply exceeds the demand for transportation fuel containing such levels of ethanol. The blend wall is generally considered to be reached when more than 10% ethanol by volume (“E10 gasoline”) is blended into transportation fuel.

The petroleum business cannot predict the future prices of RINs. The price of RINs has been extremely volatile over the last year. Additionally, the cost of RINs is dependent upon a variety of factors, which include the availability of RINs for purchase, the price at which RINs can be purchased, transportation fuel production levels, the mix of the petroleum business’ petroleum products, as well as the fuel blending performed at the refineries and downstream terminals, all of which can vary significantly from period to period. However, the costs to obtain the necessary number of RINs and waiver credits could be

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material, if the price for RINs increases. Additionally, because the petroleum business does not produce renewable fuels, increasing the volume of renewable fuels that must be blended into its products displaces an increasing volume of the refineries’ product pool, potentially resulting in lower earnings and materially adversely affecting the petroleum business’ cash flows. If the demand for the petroleum business’ transportation fuel decreases as a result of the use of increasing volumes of renewable fuels, increased fuel economy as a result of new EPA fuel economy standards, or other factors, the impact on its business could be material. If sufficient RINs are unavailable for purchase, if the petroleum business has to pay a significantly higher price for RINs or if the petroleum business is otherwise unable to meet the EPA’s RFS mandates, its business, financial condition and results of operations could be materially adversely affected.

***Commodity derivative contracts, particularly with respect to our Energy segment, may limit our potential gains, exacerbate potential losses and involve other risks.***

Our Energy segment’s petroleum business may enter into commodity derivatives contracts to mitigate crack spread risk with respect to a portion of its expected refined products production. However, its hedging arrangements may fail to fully achieve these objectives for a variety of reasons, including its failure to have adequate hedging contracts, if any, in effect at any particular time and the failure of its hedging arrangements to produce the anticipated results. The petroleum business may not be able to procure adequate hedging arrangements due to a variety of factors. Moreover, such transactions may limit its ability to benefit from favorable changes in margins. In addition, the petroleum business’ hedging activities may expose it to the risk of financial loss in certain circumstances, including instances in which:

•the volumes of its actual use of crude oil or production of the applicable refined products is less than the volumes subject to the hedging arrangement;

•accidents, interruptions in transportation, inclement weather or other events cause unscheduled shutdowns or otherwise adversely affect its refinery or suppliers or customers;

•the counterparties to its futures contracts fail to perform under the contracts; or

•a sudden, unexpected event materially impacts the commodity or crack spread subject to the hedging arrangement.

As a result, the effectiveness of CVR Energy’s risk mitigation strategy could have a material adverse impact on our Energy segment’s financial results and cash flows.

***Climate change laws and regulations could have a material adverse effect on our results of operations, financial condition, and cash flows.***

The current administration has sought to implement a new or modified policy with respect to climate change. For example, the administration announced its intention to withdraw the United States from the Paris Climate Agreement, though the earliest possible effective date of withdrawal for the United States is November 2020. If efforts to address climate change resume, at the federal legislative level, this could mean Congressional passage of legislation adopting some form of federal mandatory GHG emission reduction, such as a nationwide cap-and-trade program. It is also possible that Congress may pass alternative climate change bills that do not mandate a nationwide cap-and-trade program and instead focus on promoting renewable energy and energy efficiency.

In addition to potential federal legislation, a number of states have adopted regional greenhouse gas initiatives to reduce carbon dioxide and other GHG emissions. In 2007, a group of Midwest states, including Kansas (where CVR Energy has a refinery and nitrogen fertilizer facility), formed the Midwestern Greenhouse Gas Reduction Accord, which calls for the development of a cap-and-trade system to control GHG emissions and for the inventory of such emissions. However, the individual states that have signed on to the accord must adopt laws or regulations that implement the trading scheme before it becomes effective. To date, Kansas has taken no meaningful action to implement the accord, and it’s unclear whether Kansas intends to do so in the future.

Alternatively, the EPA may take further steps to regulate GHG emissions, although at this time it is unclear to what extent the EPA will pursue climate change regulation. The implementation of EPA regulations and/or the passage of federal or state climate change legislation may result in increased costs to (i) operate and maintain certain of our subsidiaries’ facilities, (ii) install new emission controls on certain of our subsidiaries’ facilities and (iii) administer and manage any GHG emissions program. Increased costs associated with compliance with any current or future legislation or regulation of GHG emissions, if it occurs, may have a material adverse effect on our results of operations, financial condition and cash flows.

In addition, climate change legislation and regulations may result in increased costs not only for our business but also users of our refined and fertilizer products, thereby potentially decreasing demand for our products. Decreased demand for our products may have a material adverse effect on our consolidated financial position, results of operations or cash flows.

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***Our subsidiaries’ competitors may be larger and have greater financial resources and operational capabilities than our subsidiaries do, which may require them or us to invest significant additional capital in order to effectively compete. Our investments, or our subsidiaries’ investments, may not achieve desired results.***

Our operating subsidiaries face competitive pressures within markets in which they operate. We manage our subsidiaries with the objective of growing their value over time by, among other means, investing in and strengthening our subsidiaries’ competitive advantages. Many factors, including availability of financial resources, supply chain capabilities and local market changes, may limit our ability to strengthen our subsidiaries’ competitive advantages. In addition, competitors may be significantly larger than our subsidiaries are and may have greater financial resources and operational capabilities. Accordingly, our subsidiaries may require significant additional resources, which may not be available to them through internally generated cash flows. With respect to our Automotive segment, we have invested significant resources in various initiatives to remain competitive and stimulate growth. In addition, we will continue to consider strategic alternatives in our automotive aftermarket parts business to maximize value. If we are unable to implement these initiatives efficiently and effectively, or if these initiatives are unsuccessful, our consolidated financial condition, results of operations and cash flows could be adversely affected.

***Certain of our subsidiaries have operations in foreign countries which expose them to risks related to economic and political conditions, currency fluctuations, import/export restrictions, regulatory and other risks.***

Certain of our subsidiaries are global businesses and have manufacturing and distribution facilities in many countries. International operations are subject to certain risks including:

•exposure to local economic conditions;

•exposure to local political conditions (including the risk of seizure of assets by foreign governments);

•currency exchange rate fluctuations (including, but not limited to, material exchange rate fluctuations, such as devaluations) and currency controls;

•export and import restrictions;

•restrictions on ability to repatriate foreign earnings;

•labor unrest; and

•compliance with U.S. laws such as the Foreign Corrupt Practices Act, and local laws prohibiting inappropriate payments.

The likelihood of such occurrences and their potential effect on our businesses are unpredictable and vary from country-to-country.

Certain of our businesses’ operating entities report their financial condition and results of operations in currencies other than the U.S. Dollar. The reported results of these entities are translated into U.S. Dollars at the applicable exchange rates for reporting in our consolidated financial statements. As a result, fluctuations in the U.S. Dollar against foreign currencies will affect the value at which the results of these entities are included within our consolidated results. Our businesses are exposed to a risk of loss from changes in foreign exchange rates whenever they, or one of their foreign subsidiaries, enters into a purchase or sales agreement in a currency other than its functional currency. Such changes in exchange rates could affect our businesses’ financial condition or results of operations.

***Certain of our businesses have substantial indebtedness, which could restrict their business activities and/or could subject them to significant interest rate risk.***

Our subsidiaries’ inability to generate sufficient cash flow to satisfy their debt obligations, or to refinance their debt obligations on commercially reasonable terms, would have a material adverse effect on their businesses, financial condition, and results of operations. In addition, covenants in debt instruments could limit their ability to engage in certain transactions and pursue their business strategies, which could adversely affect liquidity.

Our subsidiaries’ indebtedness could:

•limit their ability to borrow money for working capital, capital expenditures, debt service requirements or other corporate purposes, guarantee additional debt or issue redeemable, convertible of preferred equity;

•limit their ability to make distributions or prepay its debt, incur liens, enter into agreements that restrict distributions from restricted subsidiaries, sell or otherwise dispose of assets (including capital stock of subsidiaries), enter into transactions with affiliates and merger consolidate or sell substantially all of its assets;

•require them to dedicate a substantial portion of its cash flow to payments on indebtedness, which would reduce the amount of cash flow available to fund working capital, capital expenditures, product development, and other corporate requirements;

•increase their vulnerability to general adverse economic and industry conditions; and

•limit their ability to respond to business opportunities.

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Certain of our subsidiaries’ indebtedness accrue interest at variable rates. To the extent market interest rates rise, the cost of their debt would increase, adversely affecting their financial condition, results of operations and cash flows.

***A significant labor dispute involving any of our businesses or one or more of their customers or suppliers or that could otherwise affect our operations could adversely affect our financial performance.***

A substantial number of our operating subsidiaries’ employees and the employees of its largest customers and suppliers are represented by labor unions under collective bargaining agreements. There can be no assurances that future negotiations with the unions will be resolved favorably or that our subsidiaries will not experience a work stoppage or disruption that could adversely affect its financial condition, operating results and cash flows. A labor dispute involving any of our businesses, particularly within our Energy segment, any of its customers or suppliers or any other suppliers to its customers or that otherwise affects our subsidiaries’ operations, or the inability by it, any of its customers or suppliers or any other suppliers to its customers to negotiate, upon the expiration of a labor agreement, an extension of such agreement or a new agreement on satisfactory terms could adversely affect our financial condition, operating results and cash flows. In addition, if any of our subsidiaries’ significant customers experience a material work stoppage, the customer may halt or limit the purchase of its products. This could require certain businesses to shut down or significantly reduce production at facilities relating to such products, which could adversely affect our business.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

*Energy*

CVR Energy owns and operates two oil refineries as well as office buildings located in Coffeyville, Kansas and Wynnewood, Oklahoma. CVR Energy also owns and operates two fertilizer plants in Coffeyville, Kansas and East Dubuque, Illinois. CVR Energy owns crude oil storage facilities in Kansas and Oklahoma, refined oil storage facilities at its Wynnewood, Oklahoma refinery location, and fertilizer storage facilities at its East Dubuque, Illinois fertilizer plant location. CVR Energy also leases additional crude oil storage facilities.

*Automotive*

Icahn Automotive’s operations include 1,350 company operated store locations, 754 franchise locations and 29 distributions centers throughout the United States. Approximately 90% of Icahn Automotive’s facilities are leased and the remainder are owned.

*Food Packaging*

Viskase’s operations include ten manufacturing facilities throughout North America, Europe, South America and Asia.

*Metals*

PSC Metals’ operations consist of 31 recycling yards, three secondary plate storage and distribution centers and one secondary pipe storage and distribution center located throughout the Midwestern and Southeastern United States.

*Real Estate*

Our Real Estate segment’s operations include development properties as well as golf and club operations in Cape Cod, Massachusetts and Vero Beach, Florida. In addition, our Real Estate segment has a hotel, timeshare and casino resort property in Aruba as well as a casino property in Atlantic City, New Jersey, which ceased operations in 2014.

*Home Fashion*

WPH’s operations include a manufacturing and distribution facility in Chipley, Florida and a manufacturing facility in Bahrain, both of which are owned facilities.

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**Item 3. Legal Proceedings.**

We are, and will continue to be, subject to litigation from time to time in the ordinary course of our business. We also incorporate by reference into this Part I, Item 3 of this Report, the information regarding the lawsuits and proceedings described and referenced in Note 18, “Commitments and Contingencies,” to the consolidated financial statements as set forth in Item 8 of this Report.

**Item 4. Mine Safety Disclosures.**

Not applicable.

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**PART II**

**Item 5. Market for Registrant’s Common Equity, Related Security Holder Matters and Issuer Purchases of Equity Securities.**

***Market Information***

Icahn Enterprises’ depositary units are traded on the NASDAQ Global Select Market under the symbol “IEP.”

***Holders of Record***

As of December 31, 2019, there were approximately 1,900 record holders of Icahn Enterprises’ depositary units including multiple beneficial holders at depositories, banks and brokers listed as a single record holder in the street name of each respective depository, bank or broker.

There were no repurchases of Icahn Enterprises’ depositary units during 2019 or 2018.

***Securities Authorized for Issuance Under Equity Compensation Plans***

During the first quarter of 2017, the board of directors of the general partner of Icahn Enterprises unanimously approved and adopted the Icahn Enterprises L.P. 2017 Long Term Incentive Plan (the “2017 Incentive Plan”), which became effective during the first quarter of 2017 subject to the approval by holders of a majority of Icahn Enterprises depositary units. The 2017 Incentive Plan permits us to issue depositary units and grant options, restricted units or other unit-based awards to all of our, and our affiliates’, employees, consultants, members and partners, as well as the three non-employee directors of our general partner. One million of Icahn Enterprises’ depositary units were initially available under the 2017 Incentive Plan. As of December 31, 2019, there were no securities to be issued upon the exercise of outstanding options, warrants or rights. The number of securities remaining available for future issuance under equity the 2017 Incentive Plan as of December 31, 2019 is 949,999 of Icahn Enterprises’ depositary units.

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**Item 6. Selected Financial Data.**

The following tables contain our selected historical consolidated financial data from continuing operations, which should be read in conjunction with our consolidated financial statements and the related notes thereto, and Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in this Report. The selected financial data has been derived from our historical financial statements, recasted for discontinued operations, as applicable, as well as our Energy segment’s accounting change for turnaround expenses. The comparability of our selected financial data from continuing operations presented below is affected by, among other factors, (i) the performance of the Investment Funds, (ii) the results of our Energy segment’s operations, impacted by the relationship of its refined product prices and prices for crude oil and other feedstocks, (iii) impairment charges, primarily in our Automotive segment in 2018, our Energy segment in 2016 and 2015 and our Mining segment in 2015, (iv) acquisitions of businesses, primarily in our Automotive segment during 2017, 2016 and 2015, (v) gains on dispositions of assets, primarily in our Railcar and Real Estate segments in 2017, including the impact of the disposed income generating assets on subsequent operations, and in our Mining segment as a result of the sale of Ferrous Resources in 2019, (vi) our Holding Company’s unrealized equity investment gains and losses and (vii) the enactment of tax legislation in the United States in 2017.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  | | | **Icahn Enterprises** | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | **Icahn Enterprises Holdings** | | | | |  |
|  | | | **As of/Year Ended December 31,** | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | **As of/Year Ended December 31,** | | | | |  |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  | | | **2016** | | |  | | | **2015** | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  | | | **2016** | | |  | | | **2015** | | |  |  |  |
|  | | | (in millions, except per unit data) | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | (in millions) | | | | |  |
| **Statement of Operations Data From Continuing Operations:** | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |
| Net sales | | | $ | 9,720 |  |  | | | $ | 10,576 |  |  | | | $ | 9,306 |  |  | | | $ | 7,740 |  |  | | | $ | 6,771 |  |  | | | $ | 9,720 |  |  | | | $ | 10,576 |  |  | | | $ | 9,306 |  |  | | | $ | 7,740 |  |  | | | $ | 6,771 |  |  |  |  |
| Other revenues from operations | | | 666 | |  |  | | | 647 | |  |  | | | 743 | |  |  | | | 840 | |  |  | | | 418 | |  |  | | | 666 | |  |  | | | 647 | |  |  | | | 743 | |  |  | | | 840 | |  |  | | | 418 | |  |  |  |  |
| Net (loss) gain from investment activities | | | (1,931) | |  |  | | | 322 | |  |  | | | 302 | |  |  | | | (1,373) | |  |  | | | (987) | |  |  | | | (1,931) | |  |  | | | 322 | |  |  | | | 302 | |  |  | | | (1,373) | |  |  | | | (987) | |  |  |  |  |
| Gain on disposition of assets, net | | | 253 | |  |  | | | 84 | |  |  | | | 2,163 | |  |  | | | 5 | |  |  | | | 40 | |  |  | | | 253 | |  |  | | | 84 | |  |  | | | 2,163 | |  |  | | | 5 | |  |  | | | 40 | |  |  |  |  |
| Net (loss) income | | | (1,759) | |  |  | | | 237 | |  |  | | | 2,398 | |  |  | | | (2,284) | |  |  | | | (1,889) | |  |  | | | (1,758) | |  |  | | | 238 | |  |  | | | 2,400 | |  |  | | | (2,283) | |  |  | | | (1,888) | |  |  |  |  |
| Less: (Loss) income attributable to non-controlling interests | | | (693) | |  |  | | | 475 | |  |  | | | 101 | |  |  | | | (1,157) | |  |  | | | (911) | |  |  | | | (693) | |  |  | | | 475 | |  |  | | | 101 | |  |  | | | (1,157) | |  |  | | | (911) | |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises/Icahn Enterprises Holdings | | | $ | (1,066) |  |  | | | $ | (238) |  |  | | | $ | 2,297 |  |  | | | $ | (1,127) |  |  | | | $ | (978) |  |  | | | $ | (1,065) |  |  | | | $ | (237) |  |  | | | $ | 2,299 |  |  | | | $ | (1,126) |  |  | | | $ | (977) |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises/Icahn Enterprises Holdings allocable to: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |
| Limited partners | | | $ | (1,045) |  |  | | | $ | (233) |  |  | | | $ | 2,251 |  |  | | | $ | (1,105) |  |  | | | $ | (959) |  |  | | | $ | (1,054) |  |  | | | $ | (235) |  |  | | | $ | 2,276 |  |  | | | $ | (1,115) |  |  | | | $ | (967) |  |  |  |  |
| General partner | | | (21) | |  |  | | | (5) | |  |  | | | 46 | |  |  | | | (22) | |  |  | | | (19) | |  |  | | | (11) | |  |  | | | (2) | |  |  | | | 23 | |  |  | | | (11) | |  |  | | | (10) | |  |  |  |  |
|  | | | $ | (1,066) |  |  | | | $ | (238) |  |  | | | $ | 2,297 |  |  | | | $ | (1,127) |  |  | | | $ | (978) |  |  | | | $ | (1,065) |  |  | | | $ | (237) |  |  | | | $ | 2,299 |  |  | | | $ | (1,126) |  |  | | | $ | (977) |  |  |  |  |
| Basic and diluted (loss) income per LP unit | | | $ | (5.23) |  |  | | | $ | (1.29) |  |  | | | $ | 13.98 |  |  | | | $ | (8.07) |  |  | | | $ | (7.61) |  |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |
| Basic and diluted weighted average LP units outstanding | | | 200 | |  |  | | | 180 | |  |  | | | 161 | |  |  | | | 137 | |  |  | | | 126 | |  |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |
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| Cash distributions declared per LP unit | | | $ | 8.00 |  |  | | | $ | 7.00 |  |  | | | $ | 6.00 |  |  | | | $ | 6.00 |  |  | | | $ | 6.00 |  |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |
| **Balance Sheet Data:** | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |
| Cash and cash equivalents | | | $ | 3,794 |  |  | | | $ | 2,656 |  |  | | | $ | 1,164 |  |  | | | $ | 1,114 |  |  | | | $ | 1,369 |  |  | | | $ | 3,794 |  |  | | | $ | 2,656 |  |  | | | $ | 1,164 |  |  | | | $ | 1,114 |  |  | | | $ | 1,369 |  |  |  |  |
| Investments | | | 9,945 | |  |  | | | 8,337 | |  |  | | | 10,015 | |  |  | | | 9,559 | |  |  | | | 15,002 | |  |  | | | 9,945 | |  |  | | | 8,337 | |  |  | | | 10,015 | |  |  | | | 9,559 | |  |  | | | 15,002 | |  |  |  |  |
| Property, plant and equipment, net | | | 4,541 | |  |  | | | 4,688 | |  |  | | | 5,166 | |  |  | | | 5,918 | |  |  | | | 5,682 | |  |  | | | 4,541 | |  |  | | | 4,688 | |  |  | | | 5,166 | |  |  | | | 5,918 | |  |  | | | 5,682 | |  |  |  |  |
| Assets held for sale | | | 7 | |  |  | | | 333 | |  |  | | | 10,263 | |  |  | | | 11,493 | |  |  | | | 10,054 | |  |  | | | 7 | |  |  | | | 333 | |  |  | | | 10,263 | |  |  | | | 11,493 | |  |  | | | 10,054 | |  |  |  |  |
| Total assets | | | 24,639 | |  |  | | | 23,489 | |  |  | | | 31,946 | |  |  | | | 33,479 | |  |  | | | 36,521 | |  |  | | | 24,639 | |  |  | | | 23,521 | |  |  | | | 31,978 | |  |  | | | 33,507 | |  |  | | | 36,548 | |  |  |  |  |
| Deferred tax liability | | | 639 | |  |  | | | 694 | |  |  | | | 759 | |  |  | | | 1,178 | |  |  | | | 821 | |  |  | | | 639 | |  |  | | | 694 | |  |  | | | 759 | |  |  | | | 1,178 | |  |  | | | 821 | |  |  |  |  |
| Due to brokers | | | 54 | |  |  | | | 141 | |  |  | | | 1,057 | |  |  | | | 3,725 | |  |  | | | 7,317 | |  |  | | | 54 | |  |  | | | 141 | |  |  | | | 1,057 | |  |  | | | 3,725 | |  |  | | | 7,317 | |  |  |  |  |
| Liabilities held for sale | | | — | |  |  | | | 112 | |  |  | | | 7,010 | |  |  | | | 9,103 | |  |  | | | 7,521 | |  |  | | | — | |  |  | | | 112 | |  |  | | | 7,010 | |  |  | | | 9,103 | |  |  | | | 7,521 | |  |  |  |  |
| Debt | | | 8,192 | |  |  | | | 7,326 | |  |  | | | 7,372 | |  |  | | | 7,236 | |  |  | | | 8,556 | |  |  | | | 8,195 | |  |  | | | 7,330 | |  |  | | | 7,377 | |  |  | | | 7,239 | |  |  | | | 8,559 | |  |  |  |  |
| Equity attributable to Icahn Enterprises/Icahn Enterprises Holdings | | | 5,456 | |  |  | | | 6,560 | |  |  | | | 5,168 | |  |  | | | 2,192 | |  |  | | | 4,025 | |  |  | | | 5,453 | |  |  | | | 6,588 | |  |  | | | 5,195 | |  |  | | | 2,217 | |  |  | | | 4,049 | |  |  |  |  |

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**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

*The following discussion is intended to assist you in understanding our present business and the results of operations together with our present financial condition. This section should be read in conjunction with our consolidated financial statements and the accompanying notes contained in this Report.*

**Executive Overview**

***Introduction***

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 Holdings and its subsidiaries own substantially all of the assets and liabilities of Icahn Enterprises and conduct substantially all of its operations. Therefore, the financial results of Icahn Enterprises and Icahn Enterprises Holdings are substantially the same, with differences relating primarily to allocations to the general and limited partners. We do not discuss Icahn Enterprises and Icahn Enterprises Holdings separately unless we believe it is necessary to an understanding of the businesses.

We are a diversified holding company owning subsidiaries currently engaged in the following continuing operating businesses: Investment, Energy, Automotive, Food Packaging, Metals, 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 our Holding Company. Our historical results also report the results of our Mining segment, until sold on August 1, 2019, and our Railcar segment through the date we sold our last remaining railcars on lease, which occurred in the third quarter of 2018.

***Significant Transactions and Developments***

On May 2, 2019, Icahn Enterprises announced the commencement of its “at-the-market” offering pursuant to its Open Market Sale Agreement, pursuant to which Icahn Enterprises may sell its depositary units, from time to time, for up to $400 million in aggregate sale proceeds. Refer to “Liquidity and Capital Resources,” below for further discussion.

On August 1, 2019, we closed on the previously announced sale of Ferrous Resources Ltd. (“Ferrous Resources”). Our proportionate share of the cash proceeds from the sale, net of adjustments, was $463 million. As a result of the sale of Ferrous Resources, our Mining segment recorded a pretax gain on disposition of assets of $252 million.

During 2019, Icahn Enterprises and Icahn Enterprises Finance Corp. (together the “Issuers”) issued $1.250 billion in aggregate principal amount of 6.250% senior unsecured notes due 2026 (the “New 2026 Notes”). The proceeds from the New 2026 Notes, together with cash on hand, were used to redeem all of our prior outstanding $1.7 billion principal amount of 6.000% senior unsecured notes due 2020, and to pay accrued interest, related fees and expenses.

In addition, during 2019, the Issuers issued $500 million in aggregate principal amount of 4.750% senior unsecured notes due 2024 (the “New 2024 Notes”) and $750 million in aggregate principal amount of 5.250% senior unsecured notes due 2027 (the “New 2027 Notes”). The proceeds from the New 2024 Notes and the New 2027 Notes were used for general limited partnership purposes.

In January 2020, the Issuers issued an additional $600 million in aggregate principal amount of the New 2024 Notes and an additional $250 million in aggregate principal amount of the New 2027 Notes. The additional proceeds from the New 2024 Notes and the New 2027 Notes issued in January 2020, together with cash on hand, were used to redeem all of our prior outstanding $1.35 billion principal amount of 5.875% senior unsecured notes due 2022, and to pay accrued interest, related fees and expenses.

**Results of Operations**

***Consolidated Financial Results***

Our operating businesses comprise consolidated subsidiaries which operate in various industries and are managed on a decentralized basis. In addition to our Investment segment’s revenues from investment transactions, revenues for our continuing operating businesses primarily consist of net sales of various products, services revenue, franchisor operations and leasing of real estate. Due to the structure and nature of our business, we primarily discuss the results of operations by individual reporting segment in order to better understand our consolidated operating performance. Certain other financial information is discussed

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on a consolidated basis following our segment discussion, including other revenues and expenses included in continuing operations as well as our results from discontinued operations. In addition to the summarized financial results below, refer to Note 13, “Segment and Geographic Reporting,” to the consolidated financial statements for a reconciliation of each of our reporting segment’s results of continuing operations to our consolidated results.

The comparability of our summarized consolidated financial results presented below is affected by, among other factors, (i) the performance of the Investment Funds, (ii) the results of our Energy segment’s operations, impacted by the relationship of its refined product prices and prices for crude oil and other feedstocks, (iii) impairment charges, primarily in our Automotive segment in 2018 and certain transformation expenses in 2019, (iv) acquisitions of businesses, primarily in our Automotive segment during 2017, (v) gains on dispositions of assets, primarily in our Railcar and Real Estate segments in 2017, including the impact of the disposed income generating assets on subsequent operations, and in our Mining segment as a result of the sale of Ferrous Resources in 2019, (vi) our Holding Company’s unrealized equity investment gains and losses and (vii) the enactment of tax legislation in the United States in 2017. Refer to our respective segment discussions and “Other Consolidated Results of Operations,” below for further discussion.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  | | | **Revenues** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **Net Income (Loss) From Continuing Operations** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | **Net Income (Loss) From Continuing Operations Attributable to Icahn Enterprises** |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | **Year Ended December 31,** |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |  | | |  | | |  | |  |
| Investment | | | $ | (1,414) |  |  | | | $ | 737 |  |  | | | $ | 297 |  |  | | | $ | (1,543) |  |  | | | $ | 679 |  |  | | | $ | 118 |  |  | | | $ | (775) |  |  | | | $ | 319 |  |  | | | $ | 80 |  |  |  |  |  |  |  |  |  |  |
| Holding Company | | | (261) | |  |  | | | (291) | |  |  | | | 68 | |  |  | | | (599) | |  |  | | | (639) | |  |  | | | 355 | |  |  | | | (599) | |  |  | | | (638) | |  |  | | | 355 | |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |
| Other Operating Segments: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | |  |
| Energy | | | 6,385 | |  |  | | | 7,135 | |  |  | | | 5,988 | |  |  | | | 314 | |  |  | | | 334 | |  |  | | | 316 | |  |  | | | 246 | |  |  | | | 213 | |  |  | | | 253 | |  |  |  |  |  |  |  |  |  |  |
| Automotive | | | 2,895 | |  |  | | | 2,856 | |  |  | | | 2,728 | |  |  | | | (197) | |  |  | | | (230) | |  |  | | | (51) | |  |  | | | (197) | |  |  | | | (230) | |  |  | | | (51) | |  |  |  |  |  |  |  |  |  |  |
| Food Packaging | | | 375 | |  |  | | | 379 | |  |  | | | 389 | |  |  | | | (22) | |  |  | | | (15) | |  |  | | | (6) | |  |  | | | (17) | |  |  | | | (12) | |  |  | | | (5) | |  |  |  |  |  |  |  |  |  |  |
| Metals | | | 341 | |  |  | | | 467 | |  |  | | | 408 | |  |  | | | (22) | |  |  | | | 5 | |  |  | | | (44) | |  |  | | | (22) | |  |  | | | 5 | |  |  | | | (44) | |  |  |  |  |  |  |  |  |  |  |
| Real Estate | | | 103 | |  |  | | | 212 | |  |  | | | 628 | |  |  | | | 16 | |  |  | | | 112 | |  |  | | | 549 | |  |  | | | 16 | |  |  | | | 112 | |  |  | | | 549 | |  |  |  |  |  |  |  |  |  |  |
| Home Fashion | | | 186 | |  |  | | | 171 | |  |  | | | 183 | |  |  | | | (17) | |  |  | | | (11) | |  |  | | | (20) | |  |  | | | (17) | |  |  | | | (11) | |  |  | | | (20) | |  |  |  |  |  |  |  |  |  |  |
| Mining | | | 382 | |  |  | | | 106 | |  |  | | | 93 | |  |  | | | 311 | |  |  | | | 1 | |  |  | | | 10 | |  |  | | | 299 | |  |  | | | 3 | |  |  | | | 9 | |  |  |  |  |  |  |  |  |  |  |
| Railcar | | | — | |  |  | | | 5 | |  |  | | | 1,837 | |  |  | | | — | |  |  | | | 1 | |  |  | | | 1,171 | |  |  | | | — | |  |  | | | 1 | |  |  | | | 1,171 | |  |  |  |  |  |  |  |  |  |  |
| Other operating segments | | | 10,667 | |  |  | | | 11,331 | |  |  | | | 12,254 | |  |  | | | 383 | |  |  | | | 197 | |  |  | | | 1,925 | |  |  | | | 308 | |  |  | | | 81 | |  |  | | | 1,862 | |  |  |  |  |  |  |  |  |  |  |
| Consolidated | | | $ | 8,992 |  |  | | | $ | 11,777 |  |  | | | $ | 12,619 |  |  | | | $ | (1,759) |  |  | | | $ | 237 |  |  | | | $ | 2,398 |  |  | | | $ | (1,066) |  |  | | | $ | (238) |  |  | | | $ | 2,297 |  |  |  |  |  |  |  |  |  |  |

Management’s Discussion and Analysis of Results of Operations discusses the comparisons between the years ended December 31, 2019 and 2018. Certain discussions of results of operations for the comparisons between the years ended December 31, 2018 and 2017 are not included in this Report. Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on March 1, 2019, for such discussions.

***Investment***

We invest our proprietary capital through various private investment funds (the “Investment Funds”). As of December 31, 2019 and 2018, we had investments with a fair market value of approximately $4.3 billion and $5.1 billion, respectively, in the Investment Funds. As of December 31, 2019 and 2018, the total fair market value of investments in the Investment Funds made by Mr. Icahn and his affiliates (excluding us) was approximately $4.5 billion and $5.0 billion, respectively.

Our Investment segment’s results of operations are reflected in net income (loss) in the consolidated statements of operations. Our Investment segment’s net income (loss) is driven by the amount of funds allocated to the Investment Funds and the performance of the underlying investments in the Investment Funds. Future funds allocated to the Investment Funds may increase or decrease based on the contributions and redemptions by our Holding Company and by Mr. Icahn and his affiliates. Additionally, historical performance results of the Investment Funds are not indicative of future results as past market conditions, investment opportunities and investment decisions may not occur in the future. Changes in general market

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conditions coupled with changes in exposure to short and long positions have significant impact on our Investment segment’s results of operations and the comparability of results of operations year over year and as such, future results of operations will be impacted by our future exposures and future market conditions, which may not be consistent with prior trends. Refer to the “Investment Segment Liquidity” section of our “Liquidity and Capital Resources” discussion for additional information regarding our Investment segment’s exposure as of December 31, 2019.

For the years ended December 31, 2019, 2018 and 2017, our Investment Funds’ returns were (15.4)%, 7.9% and 2.1%, respectively. Our Investment Funds’ returns represent a weighted-average composite of the average returns, net of expenses. The following table sets forth the performance attribution for the Investment Funds’ returns:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Long positions | | | 16.4 | | % |  | | | (0.8) | | % |  | | | 5.4 | | % |  |  |  |  |  |  |  |  |  |  |  |  |
| Short positions | | | (31.9) | | % |  | | | 7.8 | | % |  | | | (3.0) | | % |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | | | 0.1 | | % |  | | | 0.9 | | % |  | | | (0.3) | | % |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (15.4) | | % |  | | | 7.9 | | % |  | | | 2.1 | | % |  |  |  |  |  |  |  |  |  |  |  |  |

The following table presents net income (loss) for our Investment segment:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |
| Long positions | | | $ | 1,492 |  |  | | | $ | (329) |  |  | | | $ | 2,035 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Short positions | | | (3,045) | |  |  | | | 931 | |  |  | | | (1,787) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | | | 10 | |  |  | | | 77 | |  |  | | | (130) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,543) |  |  | | | $ | 679 |  |  | | | $ | 118 |  |  |  |  |  |  |  |  |  |  |  |  |  |

For 2019, the Investment Funds’ negative performance was driven by net losses in their short positions offset in part by net gains in their long positions. The negative performance of our Investment segment’s short positions was driven by the negative performance of broad market hedges of approximately $2.5 billion and the aggregate performance of short positions with net losses across various sectors. The positive performance of our Investment segment’s long positions was driven by gains from a consumer, cyclical sector investment, two technology sector investments, two financial sector investments and a consumer, non-cyclical sector investment with gains aggregating approximately $1.7 billion. The aggregate performance of investments with net gains across various other sectors accounted for an additional $495 million positive performance of our Investment segment’s long positions. The positive performance of long positions was offset in part by losses from a consumer, non-cyclical sector investment, an energy sector investment and a technology sector investment with losses aggregating $727 million.

For 2018, the Investment Funds’ positive performance was driven by net gains in their short positions offset in part by net losses in their long positions. The positive performance of our Investment segment’s short positions was driven by the positive performance of broad market hedges of $642 million and the aggregate performance of multiple other short positions with net gains across various sectors, primarily the energy sector. The negative performance of our Investment segment’s long positions was driven by losses from two consumer, cyclical sector investments, a basic material sector investment, two consumer, non-cyclical sector investments, a technology sector investment and an industrial sector investment with losses aggregating approximately $1.4 billion. The aggregate performance of investments with net losses across various other sectors accounted for an additional negative performance of our Investment segment’s long positions. Losses in long positions were offset in part by gains from a consumer, non-cyclical sector investment, a technology sector investment and an energy sector investment with gains aggregating approximately $1.3 billion.

***Energy***

Our Energy segment is primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing businesses. The sale of petroleum products accounted for approximately 94%, 95% and 94% of our Energy segment’s net sales for the years ended December 31, 2019, 2018 and 2017, respectively.

The results of operations of the petroleum business are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks that are processed and blended into petroleum products, such as gasoline, diesel fuel and jet fuel, that are produced by a refinery (“refined products”). The cost to acquire crude oil and other feedstocks and the price for which refined products are ultimately sold depend on factors beyond our Energy segment’s control,

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including the supply of and demand for crude oil, as well as gasoline and other refined products. This supply and demand depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and the extent of government regulation. Because the petroleum business applies first-in, first-out accounting to value its inventory, crude oil price movements may impact gross margin in the short-term fluctuations in the market price of inventory. The effect of changes in crude oil prices on the petroleum business’ results of operations is influenced by the rate at which the prices of refined products adjust to reflect these changes.

In addition to current market conditions, there are long-term factors that may impact the demand for refined products. These factors include mandated renewable fuels standards, proposed climate change laws and regulations, and increased mileage standards for vehicles. The petroleum business is also subject to the Renewable Fuel Standard of the United States Environmental Protection Agency, which requires it to either blend “renewable fuels” with its transportation fuels or purchase renewable identification numbers (“RINs”), in lieu of blending. The price of RINs has been extremely volatile and the future cost of RINs for the petroleum business is difficult to estimate. Additionally, the cost of RINs is dependent upon a variety of factors, which include the availability of RINs for purchase, the price at which RINs can be purchased, transportation fuel production levels, the mix of the petroleum business’ petroleum products, as well as the fuel blending performed at its refineries and downstream terminals, all of which can vary significantly from period to period. Refer to Note 18, “Commitments and Contingencies,” to the consolidated financial statements for further discussion of RINs.

The following table presents our Energy segment’s net sales, cost of goods sold and gross margin:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net sales | | | $ | 6,364 |  |  | | | $ | 7,124 |  |  | | | $ | 5,988 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cost of goods sold | | | 5,707 | |  |  | | | 6,508 | |  |  | | | 5,761 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross margin | | | $ | 657 |  |  | | | $ | 616 |  |  | | | $ | 227 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |

Net sales for our Energy segment decreased by approximately $760 million (11%) for the year ended December 31, 2019 as compared to the comparable prior year period. The decrease was primarily due to a decrease in our petroleum business’ net sales offset in part by an increase in our nitrogen fertilizer business’ net sales. Our petroleum business’ net sales decreased $813 million due to a decrease in sales of gasoline as well as a decrease in distillates sales, with higher volumes more than offset by unfavorable pricing conditions. Our nitrogen fertilizer business’ net sales increased $53 million primarily due to an increase in UAN and ammonia sales due to favorable pricing and higher volumes.

Cost of goods sold for our Energy segment decreased by $801 million (12%) for the year ended December 31, 2019 as compared to the comparable prior year period. The decrease was primarily due to our petroleum business as a result of lower cost of consumed crude oil due to a decrease in crude oil prices and lower RINs expense, offset in part by lower derivative gains.

Gross margin for our Energy segment increased by $41 million for the year ended December 31, 2019 as compared to the comparable prior year period. Gross margin as a percentage of net sales was 10% and 9% for the year ended December 31, 2019 and 2018, respectively. The increase in the gross margin as a percentage of net sales for our petroleum business was primarily due to due to an increase in volumes and lower RINs expense, offset in part by lower derivative gains over the comparable periods. The increase in the gross margin as a percentage of net sales for our nitrogen fertilizer business was due to improved pricing for UAN and ammonia.

***Automotive***

Our Automotive segment’s results of operations are generally driven by the distribution and installation of automotive aftermarket parts and are affected by the relative strength of automotive part replacement trends, among other factors. Acquisitions in recent years within our Automotive segment provided operating synergies, expanded our market presence, strengthened our parts distribution channel and enhanced our Automotive segment’s ability to better service its customers. However, our automotive aftermarket parts business is in a highly competitive industry and is smaller than several of its competitors, who have greater financial resources and operational capabilities.

Our Automotive segment is in the process of implementing a multi-year transformation plan, which includes the integration and restructuring of the operations of its businesses. The transformation plan includes streamlining Icahn Automotive’s corporate and field support teams; facility closures, consolidations and conversions; inventory optimization

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actions; and the re-focusing of its automotive parts business on certain core markets. Costs to implement the transformation plan will include restructuring charges, which will be recorded when specific plans are approved and which may be significant.

Our Automotive segment’s priorities include:

•Positioning the service business to take advantage of opportunities in the do-it-for-me market and vehicle fleets;

•Optimizing the value of the commercial parts distribution business in certain high-volume core markets;

•Exiting the automotive parts distribution business in certain low volume, non-core markets;

•Improving inventory management across Icahn Automotive’s parts and tire distribution network;

•Select digital initiatives that support revenue growth;

•Investment in customer experience initiatives such as enhanced customer loyalty programs and selective upgrades in facilities;

•Investment in employees with focus on training and career development investments; and

•Business process improvements, including investments in our supply chain and information technology capabilities.

The following table presents our Automotive segment’s operating revenue, cost of revenue and gross margin. Our Automotive segment’s results of operations also include automotive services labor. Automotive services labor revenues are included in other revenues from operations in our consolidated statements of operations; however, the sale of any installed parts or materials related to automotive services are included in net sales. Therefore, we discuss the combined results of our automotive net sales and automotive services labor revenues below.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net sales and other revenue from operations | | | $ | 2,884 |  |  | | | $ | 2,858 |  |  | | | $ | 2,723 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Cost of goods sold and other expenses from operations | | | 2,089 | |  |  | | | 1,976 | |  |  | | | 1,978 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross margin | | | $ | 795 |  |  | | | $ | 882 |  |  | | | $ | 745 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |

Net sales and other revenue from operations for our Automotive segment for the year ended December 31, 2019 increased by $26 million (1%) as compared to the comparable prior year period. The increase was attributable to an increase in automotive services revenues of $52 million (4%), including an increase of $46 million on an organic basis, due to growing do-it-for-me and fleet businesses, offset in part by a decrease in aftermarket parts sales of $26 million (2)%, including $10 million on an organic basis and additional declines primarily resulting due to store closures. On an organic basis, the decrease in aftermarket parts sales over the comparable periods was due to a decrease in retail sales of $49 million offset in part by an increase in commercial sales of $39 million, driven by increases in Pep Boys commercial programs.

Cost of goods sold and other expenses from operations for the year ended December 31, 2019 increased by $113 million (6%) as compared to the comparable prior year period. The increase was primarily due to additional costs to source inventory subsequent to the sale of Federal-Mogul on October 1, 2018, which contributed $45 million to the increase. The increase was also due to higher sales volumes as well as a reduction in vendor support funds. Gross margin on net sales and other revenue from operations for the year ended December 31, 2019 decreased by $87 million (10%) as compared to the comparable prior year period. Gross margin as a percentage of net sales and automotive services labor revenues was 28% and 31% for the year ended December 31, 2019 and 2018, respectively. The additional costs to source inventory, as described above, was the primary reason for the decline. Our Automotive segment has also experienced some margin rate contraction for its services and parts businesses due to the reduction in vendor support funds and other unfavorable margin adjustments, including from a shift in aftermarket parts sales from retail to commercial, as described above.

***Food Packaging***

Our Food packaging segment’s results of operations are primarily driven by the production and sale of cellulosic, fibrous and plastic casings for the processed meat and poultry industry and derives a majority of its total net sales from customers located outside the United States.

Net sales for the year ended December 31, 2019 decreased by $12 million (3%) as compared to the comparable prior year period. The decrease was primarily due to lower volumes and the unfavorable effects of foreign exchange offset in part by increases due to price and product mix. Cost of goods sold for the year ended December 31, 2019 decreased by $7 million (2%)

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as compared to the comparable prior year period primarily due to lower volume. Gross margin as a percentage of net sales was 19% and 20% for the year ended December 31, 2019 and 2018, respectively.

***Metals***

The scrap metals business is highly cyclical and is substantially dependent upon the overall economic conditions in the United States and other global markets. Ferrous and non-ferrous scrap has been historically vulnerable to significant declines in consumption and product pricing during prolonged periods of economic downturn or stagnation.

Net sales for the year ended December 31, 2019 decreased by $126 million (27%) compared to the comparable prior year period due to lower shipment volumes of ferrous and non-ferrous material and lower market selling prices for most grades of metal due to unfavorable market conditions and lower prices on non-ferrous residue resulting from uncertainty with the trade dispute with China.

Cost of goods sold for the year ended December 31, 2019 decreased by $98 million (22%) compared to the comparable prior year period. The decrease was primarily due to lower shipment volumes, as discussed above, and lower material costs due to lower market prices. Gross margin as a percentage of net sales was (1)% and 5% for the year ended December 31, 2019 and 2018, respectively. The decrease was primarily due to lower selling prices.

***Real Estate***

Real Estate revenues and expenses primarily include sales of residential units, results from club operations, rental income and expenses, including income from financing leases, and hotel, timeshare and casino operations. Sales of residential units are included in net sales in our consolidated statements of operations. Results from club and rental operations, including financing lease income, and hotel, timeshare and casino operations are included in other revenues from operations in our consolidated financial statements. Revenue from our real estate operations for the years ended December 31, 2019, 2018 and 2017 were substantially derived from income from club and rental operations.

***Home Fashion***

Our Home Fashion segment is significantly influenced by the overall economic environment, including consumer spending, at the retail level, for home textile products.

Net sales for the year ended December 31, 2019 increased by $16 million (9%) compared to the comparable prior year period due to higher sales volume attributable to a business acquired in the second quarter of 2019, offset in part by lower organic net sales of $14 million. Cost of goods sold for the year ended December 31, 2019 increased by $15 million (10%) compared to the comparable prior year period which was also attributable to the acquired business. Gross margin as a percentage of net sales was 15% for the year ended December 31, 2019 compared to 16%, with the increase primarily due to sale mix.

***Mining***

Our Mining segment’s performance was driven by global iron ore prices and demand for raw materials from Chinese steelmakers. Since acquiring Ferrous Resources Ltd in 2015, our Mining segment concentrated on sales in its domestic market, Brazil. As disclosed above, we sold Ferrous Resources on August 1, 2019.

Our Mining segment’s results of operations during 2019 are for the seven-month period ended August 1, 2019 and therefore, are not comparative to the full year 2018. However, the increase in our Mining segment’s net sales for the seven-month period ended August 1, 2019 compared to the year ended December 31, 2018 was due to iron ore price increases as well as volume increases.

***Railcar***

Our Railcar segment’s other revenues from operations primarily related to its railcar leasing revenue. On June 1, 2017 we sold American Railcar Leasing, LLC (“ARL”) along with a majority of its railcar lease fleet. We sold the remaining railcars previously owned by ARL throughout the remainder of 2017 and the first nine months of 2018.

***Holding Company***

Our Holding Company’s results of operations primarily reflect the interest expense on its senior unsecured notes for each of the years ended December 31, 2019, 2018 and 2017. We discuss interest expense in consolidation below. In addition, our Holding Company has investment gains and losses from debt and equity investments. During the year ended December 31, 2019, net gains and losses from investment activities were primarily attributable to unrealized losses from an equity investment offset in part by realized gains from an equity investment. During 2018, net loss from investment activities was primarily attributable to an unrealized loss from an equity investment offset in part by unrealized gains from an equity and debt

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investment. During 2017, unrealized gains from an equity investment was offset in part by unrealized losses from a debt investment.

***Other Consolidated Results of Operations***

**Gain On Disposition of Assets, Net**

As discussed in Note 1, "Description of Business," to the consolidated financial statements, we sold Ferrous Resources, resulting in a pretax gain on disposition of assets of $252 million for the year ended December 31, 2019.

During 2018, our Real Estate segment sold two commercial rental properties, resulting in aggregate pretax gain on disposition of assets of $89 million for the year ended December 31, 2018. In addition, our Railcar segment sold its remaining railcars previously owned by ARL, resulting in aggregate pretax gain on disposition of assets of $5 million for the year ended December 31, 2018.

During 2017, we sold ARL along with a majority of its railcar lease fleet, resulting in an aggregate pretax gain on disposition of assets of approximately $1.7 billion recorded by our Railcar segment for the year ended December 31, 2017. In August 2017, our Real Estate segment sold a development property in Las Vegas Nevada, resulting in a pretax gain on disposition of assets of $456 million for the year ended December 31, 2017. Our Real Estate segment also sold additional properties during 2017, primarily within its rental operations, resulting in an additional pretax gain on disposition of assets aggregating $40 million for the year ended December 31, 2017.

**Selling, General and Administrative**

Our consolidated selling, general and administrative for the year ended December 31, 2019 decreased by $10 million (1%) as compared to the comparable prior year period. The decrease was primarily attributable to our Automotive segment as a result of certain shared service center cost reductions as well as other cost reduction initiatives offset in part by an increase from our Energy segment of $8 million primarily related to certain asset write offs in 2019 as well as increased personnel costs.

**Restructuring**

Our consolidated restructuring, net for the years ended December 31, 2019, 2018 and 2017 was $18 million, $21 million and $4 million, respectively, and was primarily attributable to our Food Packaging segment. During the years ended December 31, 2019 and 2018, our Food Packaging segment recorded $8 million and $9 million, respectively, of restructuring charges for employee costs relating to certain of its European operations. During the year ended December 31, 2018, our Energy segment recorded $5 million of restructuring charges for employee costs and other exit costs relating to an office closure. During the year ended December 31, 2019 and 2018, our Automotive segment recorded $6 million and $5 million, respectively, of restructuring charges primarily for exit costs relating to facility closures. Refer to Note 13, “Segment and Geographic Reporting,” to the consolidated financial statements for net restructuring charges recorded by each of our segments.

**Impairment**

Refer to Note 5, “Fair Value Measurements,” and Note 9, “Goodwill and Intangible Assets, Net,” to the consolidated financial statements for a discussion of impairments of assets.

**Interest Expense**

Our consolidated interest expense during the year ended December 31, 2019 increased by $81 million (15%) as compared the comparable prior year period. The increase was primarily due to higher interest expense from our Investment segment attributable to an increase in average due to broker balances over the respective periods as well as higher interest expense at our Holding Company as a result of certain debt offerings in the second and fourth quarters of 2019.

**Income Tax Expense**

Certain of our subsidiaries are partnerships not subject to taxation in our consolidated financial statements and certain other subsidiaries are corporations, or subsidiaries of corporations, subject to taxation in our consolidated financial statements. Therefore, our consolidated effective tax rate generally differs from the statutory federal tax rate. Refer to Note 15, “Income Taxes,” to the consolidated financial statements for a discussion of income taxes.

In addition, in accordance with FASB ASC Topic 740, *Income Taxes*, we analyze all positive and negative evidence and maintain a valuation allowance on deferred tax assets that are not considered more likely than not to be realized.

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**Liquidity and Capital Resources**

***Holding Company Liquidity***

We are a holding company. Our cash flow and our ability to meet our debt service obligations and make distributions with respect to depositary units likely will depend on the cash flow resulting from divestitures, equity and debt financings, interest income, returns on our interests in the Investment Funds and the payment of funds to us by our subsidiaries in the form of loans, dividends and distributions. We may pursue various means to raise cash from our subsidiaries. To date, such means include receipt of dividends and distributions from subsidiaries, obtaining loans or other financings based on the asset values of subsidiaries or selling debt or equity securities of subsidiaries through capital market transactions. To the degree any distributions and transfers are impaired or prohibited, our ability to make payments on our debt or distributions on our depositary units could be limited. The operating results of our subsidiaries may not be sufficient for them to make distributions to us. In addition, our subsidiaries are not obligated to make funds available to us and distributions and intercompany transfers from our subsidiaries to us may be restricted by applicable law or covenants contained in debt agreements and other agreements.

As of December 31, 2019, our Holding Company had cash and cash equivalents of approximately $3.0 billion and total debt of approximately $6.3 billion. As of December 31, 2019, our Holding Company had investments in the Investment Funds with a total fair market value of approximately $4.3 billion. Subsequent to December 31, 2019, we invested an additional $1.0 billion in the Investment Funds. We may redeem our direct investment in the Investment Funds upon notice. See “Investment Segment Liquidity” below for additional information with respect to our Investment segment liquidity. See “Consolidated Cash Flows” below for additional information with respect to our Holding Company liquidity.

*Holding Company Borrowings and Availability*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| 6.000% senior unsecured notes due 2020 | | | $ | — |  |  | | | $ | 1,702 |  |  |  |  |  |  |  |
| 5.875% senior unsecured notes due 2022 | | | 1,345 | |  |  | | | 1,344 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2022 | | | 1,211 | |  |  | | | 1,213 | |  |  |  |  |  |  |  |
| 6.750% senior unsecured notes due 2024 | | | 498 | |  |  | | | 498 | |  |  |  |  |  |  |  |
| 4.750% senior unsecured notes due 2024 | | | 498 | |  |  | | | — | |  |  |  |  |  |  |  |
| 6.375% senior unsecured notes due 2025 | | | 748 | |  |  | | | 748 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2026 | | | 1,250 | |  |  | | | — | |  |  |  |  |  |  |  |
| 5.250% senior unsecured notes due 2027 | | | 747 | |  |  | | | — | |  |  |  |  |  |  |  |
|  | | | $ | 6,297 |  |  | | | $ | 5,505 |  |  |  |  |  |  |  |

Holding Company debt consists of various issues of fixed-rate senior unsecured notes issued by the Issuers and guaranteed by Icahn Enterprises Holdings (the “Guarantor”). Interest on each tranche of senior unsecured notes are payable semi-annually.

During 2019, the Issuers issued $1.250 billion in aggregate principal amount of the New 2026 Notes. The proceeds from the New 2026 Notes, together with cash on hand, were used to redeem all of our prior outstanding 6.000% senior unsecured notes due 2020, and to pay accrued interest, related fees and expenses.

In addition, during 2019, the Issuers issued $500 million in aggregate principal amount of the New 2024 Notes and $750 million in aggregate principal amount of the New 2027 Notes. The proceeds from the New 2024 Notes and the New 2027 Notes were used for general limited partnership purposes.

In January 2020, the Issuers issued an additional $600 million in aggregate principal amount of the New 2024 Notes and an additional $250 million in aggregate principal amount of the New 2027 Notes. The additional proceeds from the New 2024 Notes and the New 2027 Notes issued in January 2020, together with cash on hand, were used to redeem all of our prior outstanding 5.875% senior unsecured notes due 2022, and to pay accrued interest, related fees and expenses.

Each of our senior unsecured notes and the related guarantees are the senior unsecured obligations of the Issuers and rank equally with all of the Issuers’ and the Guarantor’s existing and future senior unsecured indebtedness and senior to all of the Issuers’ and the Guarantor’s existing and future subordinated indebtedness. Each of our senior unsecured notes and the related guarantees are effectively subordinated to the Issuers’ and the Guarantor’s existing and future secured indebtedness to the extent of the collateral securing such indebtedness. Each of our senior unsecured notes and the related guarantees are also effectively subordinated to all indebtedness and other liabilities of the Issuers’ subsidiaries other than the Guarantor.

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The indentures governing each of our senior unsecured notes restrict the payment of cash distributions, the purchase of equity interests or the purchase, redemption, defeasance or acquisition of debt subordinated to the senior unsecured notes. The indentures also restrict the incurrence of debt or the issuance of disqualified stock, as defined in the indentures, with certain exceptions. In addition, the indentures require that on each quarterly determination date, we and the guarantor of the notes (currently only Icahn Enterprises Holdings) maintain certain minimum financial ratios, as defined therein. The indentures also restrict the creation of liens, mergers, consolidations and sales of substantially all of our assets, and transactions with affiliates. Additionally, each of the senior unsecured notes outstanding as of December 31, 2019, except for the New 2024 Notes and the New 2027 Notes, are subject to optional redemption premiums in the event we redeem any of the notes prior to certain dates as described in the indentures.

As of December 31, 2019, we were in compliance with all covenants, including maintaining certain minimum financial ratios, as defined in the indentures. Additionally, as of December 31, 2019, based on covenants in the indentures governing our senior unsecured notes, we are not permitted to incur additional indebtedness. However, as a result of our subsequent debt activity in January 2020, as described above, we are permitted to borrow an additional $469 million as of the date of this Report.

*2019 At-The-Market Offering*

On May 2, 2019, Icahn Enterprises announced the commencement of its “at-the-market” offering pursuant to its Open Market Sale Agreement, pursuant to which Icahn Enterprises may sell its depositary units, from time to time, during the term of the program ending on March 31, 2021, for up to $400 million in aggregate sale proceeds. During 2019, Icahn Enterprises sold 794,349 depositary units pursuant to this agreement, resulting in gross proceeds of $54 million. No assurance can be made that any or all amounts will be sold during the term of the program.

*LP Unit Distributions*

On February 26, 2020, the Board of Directors of the general partner of Icahn Enterprises declared a quarterly distribution in the amount of $2.00 per depositary unit. The quarterly distribution is payable in either cash or additional depositary units, at the election of each depositary unitholder and will be paid on or about April 28, 2020 to depositary unitholders of record at the close of business on March 20, 2020.

During the year ended December 31, 2019, we declared four quarterly distributions aggregating $8.00 per depositary unit. Mr. Icahn and his affiliates elected to receive their proportionate share of these distributions in depositary units. Mr. Icahn and his affiliates owned approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of December 31, 2019. In connection with these distributions, aggregate cash distributions to all depositary unitholders was $110 million during the year ended December 31, 2019.

The declaration and payment of distributions is reviewed quarterly by Icahn Enterprises GP’s board of directors based upon a review of our balance sheet and cash flow, our expected capital and liquidity requirements, the provisions of our partnership agreement and provisions in our financing arrangements governing distributions, and keeping in mind that limited partners subject to U.S. federal income tax have recognized income on our earnings even if they do not receive distributions that could be used to satisfy any resulting tax obligations. The payment of future distributions will be determined by the board of directors quarterly, based upon the factors described above and other factors that it deems relevant at the time that declaration of a distribution is considered. Payments of distributions are subject to certain restrictions, including certain restrictions on our subsidiaries which limit their ability to distribute dividends to us. There can be no assurance as to whether or in what amounts any future distributions might be paid.

*Subsequent Events*

Subsequent to December 31, 2019, CVR Energy declared a quarterly dividend which should result in an additional $57 million in dividends payable to us in the first quarter of 2020.

***Investment Segment Liquidity***

During the year ended December 31, 2019, affiliates of Mr. Icahn (excluding us and our subsidiaries) invested $220 million in the Investment Funds. Subsequent to December 31, 2019, we invested an additional $1.0 billion in the Investment Funds. In addition to investments by us and Mr. Icahn, the Investment Funds historically have access to significant amounts of cash available from prime brokerage lines of credit, subject to customary terms and market conditions.

Additionally, our Investment segment liquidity is driven by the investment activities and performance of the Investment Funds. As of December 31, 2019, the Investment Funds’ had a net short notional exposure of 56%. The Investment Funds’ long exposure was 114% (112% long equity and 2% long credit and other) and its short exposure was 170% (163% short equity and 7% short credit and other). The notional exposure represents the ratio of the notional exposure of the Investment Funds’ invested capital to the net asset value of the Investment Funds at December 31, 2019.

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Of the Investment Funds’ 114% long exposure, 105% was comprised of the fair value of its long positions (with certain adjustments) and 9% was comprised of single name equity forward contracts and credit contracts. Of the Investment Funds’ 170% short exposure, 0.13 was comprised of the fair value of our short positions and 157% was comprised of short credit default swap contracts and short broad market index swap derivative contracts.

With respect to both our long positions that are not notionalized (105% long exposure) and our short positions that are not notionalized (0.13 short), each 1% change in exposure as a result of purchases or sales (assuming no change in value) would have a 1% impact on our cash and cash equivalents (as a percentage of net asset value). Changes in exposure as a result of purchases and sales as well as adverse changes in market value would also have an effect on funds available to us pursuant to prime brokerage lines of credit.

With respect to the notional value of our other short positions (157% short exposure), our liquidity would decrease by the balance sheet unrealized loss if we were to close the positions at year end prices. This would be offset by a release of restricted cash balances collateralizing these positions as well as an increase in funds available to us pursuant to certain prime brokerage lines of credit. If we were to increase our short exposure by adding to these short positions, we would be required to provide cash collateral equal to a small percentage of the initial notional value at counterparties that require cash as collateral and then post additional collateral equal to 100% of the mark to market on adverse changes in fair value. For our counterparties who do not require cash collateral, funds available from lines of credit would decrease.

***Other Segment Liquidity***

*Segment Cash and Cash Equivalents*

Segment cash and cash equivalents (excluding our Investment segment) consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Energy | | | $ | 652 |  |  | | | $ | 668 |  |  |  |  |  |  |  |
| Automotive | | | 46 | |  |  | | | 43 | |  |  |  |  |  |  |  |
| Food Packaging | | | 22 | |  |  | | | 46 | |  |  |  |  |  |  |  |
| Metals | | | 3 | |  |  | | | 20 | |  |  |  |  |  |  |  |
| Real Estate | | | 53 | |  |  | | | 39 | |  |  |  |  |  |  |  |
| Home Fashion | | | 1 | |  |  | | | 1 | |  |  |  |  |  |  |  |
|  | | | $ | 777 |  |  | | | $ | 817 |  |  |  |  |  |  |  |

*Segment Borrowings and Availability*

Segment debt consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Energy | | | $ | 1,195 |  |  | | | $ | 1,170 |  |  |  |  |  |  |  |
| Automotive | | | 405 | |  |  | | | 372 | |  |  |  |  |  |  |  |
| Food Packaging | | | 268 | |  |  | | | 273 | |  |  |  |  |  |  |  |
| Metals | | | 7 | |  |  | | | — | |  |  |  |  |  |  |  |
| Real Estate | | | 2 | |  |  | | | 2 | |  |  |  |  |  |  |  |
| Home Fashion | | | 18 | |  |  | | | 4 | |  |  |  |  |  |  |  |
|  | | | $ | 1,895 |  |  | | | $ | 1,821 |  |  |  |  |  |  |  |

As of December 31, 2019, all of our subsidiaries were in compliance with all debt covenants.

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Our segments have additional borrowing availability under certain revolving credit facilities as summarized below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  | | | **December 31, 2019** | | |
|  | | | (in millions) | | |
| Energy | | | $ | 443 |  |
| Automotive | | | 107 | |  |
| Food Packaging | | | 7 | |  |
| Metals | | | 29 | |  |
| Home Fashion | | | 21 | |  |
|  | | | $ | 607 |  |

The above outstanding debt and borrowing availability with respect to each of our continuing operating segments reflects third-party obligations. Certain terms of financings for certain of our businesses impose restrictions on the business’ ability to transfer funds to us, including restrictions on dividends, distribution, loans and other transactions. See Note 11, “Debt,” to the consolidated financial statements for further discussion regarding our segment debt, including information relating to maturities, interest rates and borrowing availabilities.

On January 27, 2020, CVR Energy issued $600 million in aggregate principal amount of 5.25% senior unsecured notes due 2025 and $400 million in aggregate principal amount of 5.75% senior unsecured notes due 2028. A portion of the net proceeds from the issuance of these notes were used to fund the redemption of CVR Energy’s existing senior unsecured notes due 2022. The remaining net proceeds will be used for CVR Energy’s general corporate purposes, which may include funding (i) acquisitions, (ii) capital projects, and/or (iii) share repurchases or other distributions to CVR Energy’s stockholders.

*Subsidiary Stock Repurchase Program*

On October 23, 2019, the Board of Directors of CVR Energy approved a stock repurchase program which would enable it to repurchase up to $300 million of its common stock from time to time through open market transactions, block trades, privately negotiated transactions or otherwise in accordance with applicable securities laws. The stock repurchase program has a duration of four years, which may be terminated by the Board of Directors of CVR Energy at any time. Repurchases, if any, including the timing, price and amount, may be made at the discretion of CVR Energy management and CVR Energy is not obligated to make any repurchases. CVR Energy did not repurchase any of its shares of common stock during 2019.

***Consolidated Cash Flows***

Our Holding Company’s cash flows are generally driven by payments and proceeds associated with our senior unsecured debt obligations and payments and proceeds associated with equity transactions with Icahn Enterprises’ depositary unitholders. Additionally, our Holding Company’s cash flows include transactions with our Investment and other operating segments. Our Investment segment’s cash flows are primarily driven by investment transactions, which are included in net cash flows from operating activities due to the nature of its business, as well as contributions to and distributions from Mr. Icahn and his affiliates (including Icahn Enterprises and Icahn Enterprises Holdings), which are included in net cash flows from financing activities. Our other operating segments’ cash flows are driven by the activities and performance of each business as well as transactions with our Holding Company, as discussed below.

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The following table summarizes cash flow information for Icahn Enterprises’ reporting segments and our Holding Company:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31, 2019** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **Year Ended December 31, 2018** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | **Year Ended December 31, 2017** |
|  | | | **Net Cash Provided By (Used In)** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **Net Cash Provided By (Used In)** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | **Net Cash Provided By (Used In)** |
|  | | | **Operating Activities** | | |  | | | **Investing Activities** | | |  | | | **Financing Activities** | | |  | | | **Operating Activities** | | |  | | | **Investing Activities** | | |  | | | **Financing Activities** | | |  | | | **Operating Activities** | | |  | | | **Investing Activities** | | |  | | | **Financing Activities** | | |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | |  |
| Holding Company | | | $ | (322) |  |  | | | $ | 898 |  |  | | | $ | 738 |  |  | | | $ | (315) |  |  | | | $ | 1,729 |  |  | | | $ | (102) |  |  | | | $ | (340) |  |  | | | $ | 565 |  |  | | | $ | 73 |  |  |  |  |  |  |  |  |  |  |
| Investment | | | (1,873) | |  |  | | | — | |  |  | | | 220 | |  |  | | | (116) | |  |  | | | — | |  |  | | | 2,018 | |  |  | | | (1,914) | |  |  | | | — | |  |  | | | 1,900 | |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |
| Other Operating Segments: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |
| Energy | | | 747 | |  |  | | | (121) | |  |  | | | (642) | |  |  | | | 628 | |  |  | | | (108) | |  |  | | | (334) | |  |  | | | 248 | |  |  | | | (276) | |  |  | | | (226) | |  |  |  |  |  |  |  |  |  |  |
| Automotive | | | (134) | |  |  | | | (104) | |  |  | | | 241 | |  |  | | | (190) | |  |  | | | (134) | |  |  | | | 315 | |  |  | | | (284) | |  |  | | | (302) | |  |  | | | 583 | |  |  |  |  |  |  |  |  |  |  |
| Food Packaging | | | — | |  |  | | | (17) | |  |  | | | (5) | |  |  | | | 9 | |  |  | | | (25) | |  |  | | | 46 | |  |  | | | 24 | |  |  | | | (57) | |  |  | | | 8 | |  |  |  |  |  |  |  |  |  |  |
| Metals | | | 13 | |  |  | | | (30) | |  |  | | | 5 | |  |  | | | 14 | |  |  | | | (20) | |  |  | | | (1) | |  |  | | | 17 | |  |  | | | (29) | |  |  | | | 31 | |  |  |  |  |  |  |  |  |  |  |
| Real Estate | | | 20 | |  |  | | | (22) | |  |  | | | (8) | |  |  | | | 412 | |  |  | | | 168 | |  |  | | | (552) | |  |  | | | 110 | |  |  | | | 269 | |  |  | | | (410) | |  |  |  |  |  |  |  |  |  |  |
| Home Fashion | | | (4) | |  |  | | | (27) | |  |  | | | 36 | |  |  | | | 3 | |  |  | | | (4) | |  |  | | | — | |  |  | | | (2) | |  |  | | | (5) | |  |  | | | 5 | |  |  |  |  |  |  |  |  |  |  |
| Mining | | | 93 | |  |  | | | (14) | |  |  | | | 4 | |  |  | | | 4 | |  |  | | | (40) | |  |  | | | 32 | |  |  | | | 8 | |  |  | | | (38) | |  |  | | | 31 | |  |  |  |  |  |  |  |  |  |  |
| Railcar | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 94 | |  |  | | | 11 | |  |  | | | (222) | |  |  |  |  |  |  |  |  |  |  |
| Other operating segments | | | 735 | |  |  | | | (335) | |  |  | | | (369) | |  |  | | | 880 | |  |  | | | (163) | |  |  | | | (494) | |  |  | | | 215 | |  |  | | | (427) | |  |  | | | (200) | |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 474 | |  |  | | | (437) | |  |  | | | (121) | |  |  | | | 691 | |  |  | | | (580) | |  |  | | | (280) | |  |  |  |  |  |  |  |  |  |  |
| Total before eliminations | | | (1,460) | |  |  | | | 563 | |  |  | | | 589 | |  |  | | | 923 | |  |  | | | 1,129 | |  |  | | | 1,301 | |  |  | | | (1,348) | |  |  | | | (442) | |  |  | | | 1,493 | |  |  |  |  |  |  |  |  |  |  |
| Eliminations | | | — | |  |  | | | 23 | |  |  | | | (23) | |  |  | | | — | |  |  | | | 1,458 | |  |  | | | (1,458) | |  |  | | | — | |  |  | | | 1,124 | |  |  | | | (1,124) | |  |  |  |  |  |  |  |  |  |  |
| Consolidated | | | $ | (1,460) |  |  | | | $ | 586 |  |  | | | $ | 566 |  |  | | | $ | 923 |  |  | | | $ | 2,587 |  |  | | | $ | (157) |  |  | | | $ | (1,348) |  |  | | | $ | 682 |  |  | | | $ | 369 |  |  |  |  |  |  |  |  |  |  |

*Eliminations*

Eliminations in the table above relate to certain of our Holding Company’s transactions with our Investment and other operating segments. Our Holding Company’s net (investments in) distributions from the Investments Funds, when applicable, are included in cash flows from investing activities for our Holding Company and cash flows from financing activities for our Investment segment. Similarly, our Holding Company’s net distributions from (investments in) our other operating segments are included in cash flows from investing activities for our Holding Company and cash flows from financing activities for our other operating segments. In addition, during January 2019, our Holding Company sold its direct investment in CVR Refining to CVR Energy, which is included in cash flows from investing activities for our Holding Company and cash flows from financing activities for our Energy segment.

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*Holding Company*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| **Operating Activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash payments for interest on senior unsecured notes | | | $ | (374) |  |  | | | $ | (339) |  |  | | | $ | (312) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest and dividend income | | | 69 | |  |  | | | 24 | |  |  | | | 12 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash receipts (payments) for income taxes, net of refunds | | | 7 | |  |  | | | 15 | |  |  | | | (17) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating transactions with subsidiaries | | | — | |  |  | | | 13 | |  |  | | | (2) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating costs and other | | | (24) | |  |  | | | (28) | |  |  | | | (21) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (322) |  |  | | | $ | (315) |  |  | | | $ | (340) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Investing Activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sale of businesses and assets | | | $ | 463 |  |  | | | $ | 3,187 |  |  | | | $ | 1,808 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sale of investments | | | 458 | |  |  | | | — | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sale of CVR Refining common units to CVR Energy | | | 60 | |  |  | | | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (investments in) distributions from the Investment Funds | | | — | |  |  | | | (1,708) | |  |  | | | (1,300) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net distributions from (investments in) other operating segments | | | (83) | |  |  | | | 250 | |  |  | | | 56 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 898 |  |  | | | $ | 1,729 |  |  | | | $ | 565 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Financing Activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contributions | | | $ | 55 |  |  | | | $ | — |  |  | | | $ | 612 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (112) | |  |  | | | (97) | |  |  | | | (81) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Payments to acquire additional interests in subsidiaries | | | — | |  |  | | | (5) | |  |  | | | (349) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net debt transactions | | | 795 | |  |  | | | — | |  |  | | | 11 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Note (repayment) proceeds from other operating segments | | | — | |  |  | | | — | |  |  | | | (120) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 738 |  |  | | | $ | (102) |  |  | | | $ | 73 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Increase in cash and cash equivalents and restricted cash and restricted cash equivalents | | | $ | 1,314 |  |  | | | $ | 1,312 |  |  | | | $ | 298 |  |  |  |  |  |  |  |  |  |  |  |  |  |

The increase in interest payments in 2019 compared to 2018 is primarily due to timing of debt refinancing transactions. The increases in interest payments during 2018 compared to 2017 is due to higher interest rates on certain of our senior unsecured notes due to certain debt refinancings in the first and fourth quarters of 2017.

Interest and dividend income increased over the comparable periods primarily due to the increase in our cash balances, which were held in interest bearing accounts.

Net cash receipts (payments) for income taxes, net of refunds, is net of tax sharing (payments) receipts from certain of our consolidated subsidiaries aggregating $(3) million, $27 million and $28 million during the years ended December 31, 2019, 2018 and 2017, respectively.

Proceeds from the sale of businesses includes proceeds from the sales Ferrous Resources in 2019, Federal-Mogul, Tropicana and ARI in 2018 and ARL in 2017 (and residual sales of ARL’s remaining railcars in 2018). The cash flows with respect to each of Federal-Mogul, Tropicana and ARI are reported in discontinued operations for all periods presented and the cash proceeds from each of the sales remain with our Holding Company in continuing operations.

Proceeds from the sale of investments in 2019 related to the sale of a certain equity investment.

During 2019, we received $55 million (including $1 million from our general partner) in connection with our “at-the-market” offering pursuant to our Open Market Sale Agreement announced in May 2019, as discussed above. During 2017, we received $600 million in connection with a rights offering for Icahn Enterprises depositary units as well as $12 million from our general partner in connection with the rights offering in order to maintain its aggregate 1.99% general partner interest in Icahn Enterprises.

Payments to acquire additional interests in subsidiaries during 2018 relates to the acquisition of the remaining interests in a hotel, timeshare and casino resort property in Aruba, previously a subsidiary of Tropicana, in which we had an indirect majority controlling interest in. During 2017, we increased our ownership in Federal-Mogul and Tropicana.

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Net (investments in) distributions from the Investment Funds, Net distributions from (investments in) other operating segments and Note (repayment) proceeds from other operating segments are eliminated in consolidation and discussed further below.

*Investment Segment*

Our Investment segment’s cash flows from operating activities for the comparable periods were attributable to its net investment transactions.

Our Investment segment’s cash flows from financing activities for the comparable periods were due to contributions from, and distributions to, our Holding Company and Mr. Icahn and his affiliates. Our Investment segment had net cash provided by financing activities of $220 million for the year ended December 31, 2019, for contributions received from Mr. Icahn and his affiliates (excluding us). For the year ended December 31, 2018, our Investment segment had net cash provided by financing activities of $2.0 billion, which included our $1.7 billion net investment in the Investment Funds as well as $310 million received from Mr. Icahn and his affiliates (excluding us). For the year ended December 31, 2017, our Investment segment had net cash provided by financing activities of $1,900 million, which included our $1.3 billion net investment in the Investment Funds as well as $600 million received from Mr. Icahn and his affiliates (excluding us).

*Other Operating Segments*

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| **Operating Activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash flow from operating activities before changes in operating assets and liabilities | | | $ | 652 |  |  | | | $ | 784 |  |  | | | $ | 419 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in operating assets and liabilities | | | 83 | |  |  | | | 104 | |  |  | | | (205) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transactions with Holding Company | | | — | |  |  | | | (8) | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 735 |  |  | | | $ | 880 |  |  | | | $ | 215 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Investing Activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital expenditures | | | $ | (250) |  |  | | | $ | (272) |  |  | | | $ | (316) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisition of businesses, net of cash acquired | | | (39) | |  |  | | | (15) | |  |  | | | (249) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sale of assets | | | 42 | |  |  | | | 183 | |  |  | | | 175 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Note loan repayment from Holding Company | | | — | |  |  | | | — | |  |  | | | 120 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | | | (88) | |  |  | | | (59) | |  |  | | | (157) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (335) |  |  | | | $ | (163) |  |  | | | $ | (427) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Financing Activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net debt and supply chain financing activity | | | $ | (37) |  |  | | | $ | (78) |  |  | | | $ | (96) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Distributions to non-controlling interests | | | (119) | |  |  | | | (139) | |  |  | | | (75) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Payments to acquire additional interests in consolidated subsidiaries | | | (301) | |  |  | | | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net contributions from (distributions to) Holding Company | | | 83 | |  |  | | | (292) | |  |  | | | (37) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | | | 5 | |  |  | | | 15 | |  |  | | | 8 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (369) |  |  | | | $ | (494) |  |  | | | $ | (200) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash and restricted cash equivalents | | | (2) | |  |  | | | (2) | |  |  | | | 3 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Add back change in cash and restricted cash of assets held for sale | | | — | |  |  | | | (8) | |  |  | | | 9 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Increase in cash and cash equivalents and restricted cash and restricted cash equivalents | | | $ | 29 |  |  | | | $ | 213 |  |  | | | $ | (400) |  |  |  |  |  |  |  |  |  |  |  |  |  |

Our other operating segments’ net cash flow from operating activities before changes in operating assets and liabilities were primarily attributable to our Energy segment’s positive results from operations for all periods, and for 2017, were also attributable to our Railcar segment prior to the sale of its railcar lease fleet.

Changes in operating assets and liabilities for 2019 were primarily attributable to our Energy segment resulting primarily from an increase in accounts payable. Changes in operating assets and liabilities for 2018 were primarily attributable to our Real Estate segment receiving payment for its mortgage receivables relating to its 2017 sale of a development property in Las Vegas, Nevada, offset in part by changes in operating assets and liabilities for our Energy and Automotive segments. Changes

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in operating assets and liabilities for 2017 were primarily attributable to our Energy segment resulting from changes in the biofuel blending obligation caused by changes in RINs prices.

Capital expenditures are primarily from our Energy and Automotive segments. For the year ended December 31, 2019, our Energy segment’s capital expenditures were $121 million, primarily for maintenance, and our Automotive segment’s capital expenditures were $47 million, primarily for store improvements,. For the years ended December 31, 2018 and 2017, our Energy segment’s capital expenditures were $102 million and $120 million, respectively, and our Automotive segment’s capital expenditures were $66 million and $86 million, respectively.

Acquisition of businesses, net of cash acquired, primarily relates to our Automotive segment. Our Automotive segment’s acquisitions included various service businesses aggregating $10 million in 2019, $15 million in 2018, and the acquisitions of Precision Tune, American Driveline and various other service businesses aggregating $218 million in 2017. In addition, our Home Fashion and Metals segments acquired businesses for $21 million and $8 million, respectively, in 2019 (excluding contingent consideration not yet paid), and our Food Packaging segment acquired a casings manufacturer for $31 million in 2017.

Proceeds from sale of assets are primarily due to our Energy segment in 2019 and our Real Estate segment’s dispositions of certain properties in 2018 and 2017.

During the year ended December 31, 2017, our Railcar segment received $120 million from our Holding Company for the repayment of an intercompany loan.

Distributions to non-controlling interests were from our Energy segment for the years ended December 31, 2019, 2018 and 2017, relating to its regular quarterly dividends and distributions, excluding payments made to us.

Net distributions to and contributions from our Holding Company include the dividends and distributions paid by our Energy segment of $217 million, $192 million and $148 million for the years ended December 31, 2019, 2018 and 2017, respectively, as well as by our Real Estate segment of $24 million, $543 million and $374 million, respectively, and by our Railcar segment of $47 million in 2017. During the years ended December 31, 2019, 2018 and 2017, our Automotive segment received funds in the form of investments from our Holding Company of $276 million, $365 million and $504 million, respectively, for the acquisition of businesses, investments in 767 Auto Leasing LLC and costs associated with our Automotive segment's multi-year transformation plan. Our other operating segments received funds in the form of loans and investments from our Holding Company aggregating $17 million, $34 million and $28 million during the years ended December 31, 2019, 2018 and 2017, respectively. Our Food Packaging segment also received $50 million in 2018 in connection with a rights offering, including $44 million from our Holding Company.

*Discontinued Operations*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| **Operating Activities:** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Federal-Mogul | | | $ | 225 |  |  | | | $ | 416 |  |  |  |  |  |  |  |
| Tropicana | | | 120 | |  |  | | | 150 | |  |  |  |  |  |  |  |
| ARI | | | 122 | |  |  | | | 128 | |  |  |  |  |  |  |  |
| Transactions with Holding Company | | | 7 | |  |  | | | (3) | |  |  |  |  |  |  |  |
|  | | | $ | 474 |  |  | | | $ | 691 |  |  |  |  |  |  |  |
| **Investing Activities:** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Federal-Mogul | | | $ | (263) |  |  | | | $ | (370) |  |  |  |  |  |  |  |
| Tropicana | | | (55) | |  |  | | | (56) | |  |  |  |  |  |  |  |
| ARI | | | (119) | |  |  | | | (154) | |  |  |  |  |  |  |  |
|  | | | $ | (437) |  |  | | | $ | (580) |  |  |  |  |  |  |  |
| **Financing Activities:** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Federal-Mogul | | | $ | (56) |  |  | | | $ | (35) |  |  |  |  |  |  |  |
| Tropicana | | | (75) | |  |  | | | (188) | |  |  |  |  |  |  |  |
| ARI | | | (32) | |  |  | | | (38) | |  |  |  |  |  |  |  |
| Net contributions from (distributions to) Holding Company | | | 42 | |  |  | | | (19) | |  |  |  |  |  |  |  |
|  | | | $ | (121) |  |  | | | $ | (280) |  |  |  |  |  |  |  |

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***Consolidated Capital Spending***

Refer to Note 13, “Segment and Geographic Reporting,” for a reconciliation of our segments’ capital expenditures to consolidated capital expenditures for each of the years ended December 31, 2019, 2018 and 2017.

We estimate that our consolidated capital expenditures for our continuing operating businesses to be approximately $133 million to $150 million for our Energy segment, a majority of which is planned for maintenance, $69 million for our Automotive segment, primarily for maintenance and restructuring related activities, and approximately $39 million in the aggregate for all other segments.

Our Energy segment’s petroleum business capitalized $38 million and $8 million of turnaround expenditures incurred during the years ended December 31, 2019 and 2018, respectively. The next planned major turnaround within our Energy segment’s petroleum businesses commences in the first quarter of 2020 with total estimated expenditures of $145 million to $155 million, of which $130 million to $140 million is expected to be incurred and capitalized in the spring of 2020. Turnaround expenditures are reported separately from capital expenditures in our consolidated statements of cash flows.

***Consolidated Contractual Commitments and Contingencies***

The following table reflects, at December 31, 2019, our contractual cash obligations, subject to certain conditions, due over the indicated periods:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **2020** | | |  | | | **2021** | | |  | | | **2022** | | |  | | | **2023** | | |  | | | **2024** | | |  | | | **Thereafter** | | |  | | | **Total** | | |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Debt obligations | | | $ | 35 |  |  | | | $ | 640 |  |  | | | $ | 3,055 |  |  | | | $ | 645 |  |  | | | $ | 1,000 |  |  | | | $ | 2,751 |  |  | | | $ | 8,126 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Financing lease obligations | | | 20 | |  |  | | | 17 | |  |  | | | 15 | |  |  | | | 13 | |  |  | | | 12 | |  |  | | | 53 | |  |  | | | 130 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest payments | | | 506 | |  |  | | | 487 | |  |  | | | 393 | |  |  | | | 257 | |  |  | | | 210 | |  |  | | | 286 | |  |  | | | 2,139 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Pension and other post-retirement benefit plans | | | 10 | |  |  | | | 9 | |  |  | | | 9 | |  |  | | | 9 | |  |  | | | 9 | |  |  | | | 25 | |  |  | | | 71 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating lease obligations | | | 181 | |  |  | | | 159 | |  |  | | | 135 | |  |  | | | 85 | |  |  | | | 57 | |  |  | | | 142 | |  |  | | | 759 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchase obligations | | | 99 | |  |  | | | 80 | |  |  | | | 77 | |  |  | | | 75 | |  |  | | | 71 | |  |  | | | 375 | |  |  | | | 777 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Letters of credit | | | 48 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 48 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total | | | $ | 899 |  |  | | | $ | 1,392 |  |  | | | $ | 3,684 |  |  | | | $ | 1,084 |  |  | | | $ | 1,359 |  |  | | | $ | 3,632 |  |  | | | $ | 12,050 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Certain of CVR Energy’s and PSC Metals’ facilities are environmentally impaired. As of December 31, 2019, CVR Energy and PSC Metals have recorded environmental liabilities of $6 million and $27 million, respectively. For further discussion regarding these commitments, among others, see Note 18, “Commitments and Contingencies,” to the consolidated financial statements.

As discussed in Note 4, “Investments,” to the consolidated financial statements, we have contractual liabilities of $1,190 million related to securities sold, not yet purchased as of December 31, 2019. This amount has not been included in the table above as maturity is not subject to a contract and cannot be properly estimated.

***Consolidated Off-Balance Sheet Arrangements***

We have off-balance sheet risk related to investment activities associated with certain financial instruments, including futures, options, credit default swaps and securities sold, not yet purchased. For additional information regarding these arrangements, refer to Note 6, “Financial Instruments,” to the consolidated financial statements contained elsewhere in this Report.

**Critical Accounting Policies and Estimates**

Our significant accounting policies are described in Note 2, “Basis of Presentation and Summary of Significant Accounting Policies,” to the consolidated financial statements. Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Among others, estimates are used when accounting for valuation of investments. Estimates used in determining fair value measurements

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include, but are not limited to, expected future cash flow assumptions, market rate assumptions for contractual obligations, actuarial assumptions for benefit plans, settlement plans for litigation and contingencies, and appropriate discount rates. Estimates and assumptions are evaluated on an ongoing basis and are based on historical and other factors believed to be reasonable under the circumstances. The results of these estimates may form the basis of the carrying value of certain assets and liabilities and may not be readily apparent from other sources. Actual results, under conditions and circumstances different from those assumed, may differ from estimates.

We believe the following accounting policies are critical to our business operations and the understanding of results of operations and affect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

***Income Taxes***

Except as described below, no provision has been made for federal, state, local or foreign income taxes on the results of operations generated by partnership activities as such taxes are the responsibility of the partners. Our corporate subsidiaries account for their income taxes under the asset and liability method.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Management periodically evaluates all evidence, both positive and negative, in determining whether a valuation allowance to reduce the carrying value of deferred tax assets is still needed. For each of the three years ended December 31, 2019, we concluded, based on the projections of taxable income, that certain of our corporate subsidiaries more likely than not will realize a partial benefit from their deferred tax assets and loss carry forwards. Ultimate realization of the deferred tax assets is dependent upon, among other factors, our corporate subsidiaries’ ability to generate sufficient taxable income within the carryforward periods and is subject to change depending on the tax laws in effect in the years in which the carryforwards are used.

See Note 15, “Income Taxes,” to the consolidated financial statements for further discussion regarding our income taxes.

***Valuation of Investments***

The fair value of our investments, including securities sold, not yet purchased, is based on observable market prices when available. Securities owned by the Investment Funds that are listed on a securities exchange are valued at their last sales price on the primary securities exchange on which such securities are traded on such date. Securities that are not listed on any exchange but are traded over-the-counter are valued at the mean between the last “bid” and “ask” price for such security on such date. Securities and other instruments for which market quotes are not readily available are valued at fair value as determined in good faith by the applicable general partner. For some investments little market activity may exist; management’s determination of fair value is then based on the best information available in the circumstances and may incorporate management’s own assumptions and involves a significant degree of judgment.

***Long-Lived Assets and Goodwill***

We calculate depreciation and amortization on a straight-line basis over the estimated useful lives of the various definite-lived assets. When assets are placed in service, we make estimates of what we believe are their reasonable useful lives.

Long-lived assets held and used by our various operating segments and long-lived assets to be disposed of are reviewed for impairment whenever events or changes in circumstances, such as vacancies and rejected leases and reduced production capacity, indicate that the carrying amount of an asset may not be recoverable. In performing the review for recoverability, we estimate the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows, undiscounted and without interest charges, is less than the carrying amount of the asset an impairment loss is recognized. Measurement of an impairment loss for long-lived assets that we expect to hold and use is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. Definite-lived assets held by our various segments are periodically reviewed for impairment indicators. If impairment indicators exist, we perform the required analysis and an impairment loss is recognized in accordance with U.S. GAAP.

Indefinite-lived intangible assets, such as goodwill and trademarks, held by our various segments are reviewed for impairment annually, or more frequently if impairment indicators exist. Goodwill impairment testing consists of (i) a qualitative analysis to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill, and/or, if necessary, (ii) a quantitative analysis which involves comparing the fair value of our reporting

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units to their respective carrying values. If the fair value of the reporting unit exceeds its carrying value, no impairment is necessary. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss, equal to the difference (limited to the total amount of goodwill allocated to the tested reporting unit), is recognized in accordance with U.S. GAAP. As of December 31, 2019, our consolidated goodwill was $282 million, primarily within our Automotive segment’s Service reporting unit. We perform the annual goodwill impairment test for our Automotive segment as of October 1 of each year. Based on our annual goodwill impairment analysis for our Automotive segment, we determined that the fair value of our Automotive segment’s Service reporting unit was significantly in excess of its carrying value and therefore, no impairment is required. As of December 31, 2019, our Automotive segment had remaining goodwill of $249 million, which is allocated entirely to its Service reporting unit.

When performing the quantitative analysis for goodwill impairment testing, we base the fair value of our reporting units on consideration of various valuation methodologies, including projecting future cash flows discounted at rates commensurate with the risks involved (“DCF”). Assumptions used in a DCF require the exercise of significant judgment, including judgment about appropriate discount rates and terminal values, growth rates, and the amount and timing of expected future cash flows. The forecasted cash flows are based on current plans and for years beyond that plan, the estimates are based on assumed growth rates. We believe that our assumptions are consistent with the plans and estimates used to manage the underlying businesses. The discount rates, which are intended to reflect the risks inherent in future cash flow projections, used in a DCF are based on estimates of the weighted-average cost of capital of a market participant. Such estimates are derived from our analysis of peer companies and consider the industry weighted average return on debt and equity from a market participant perspective. The inputs used to determine the fair values of our reporting units, including future cash flows, discount rates and growth rates and other assumptions involves a significant degree of judgment.

See Note 5, “Fair Value Measurements,” and Note 9, “Goodwill and Intangible Assets, Net,” to the consolidated financial statements for further discussion regarding the fair value measurements of our long-live assets as well as goodwill and intangible assets.

**Recently Issued Accounting Standards**

See Note 2, “Basis of Presentation and Summary of Significant Accounting Policies,” to the consolidated financial statements for a discussion of recent accounting pronouncements applicable to us.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

Our consolidated balance sheets include substantial amounts of assets and liabilities whose fair values are subject to market risks. Our significant market risks are primarily associated with equity prices, commodity prices, interest rates and foreign currency exchange rates as discussed below.

***Equity Price Risk***

Our predominant exposure to equity price risk is related to our Investment segment and the sensitivities to movements in the fair value of the Investment Funds’ investments.

*Investment*

The fair value of the financial assets and liabilities of the Investment Funds primarily fluctuates in response to changes in the value of securities. The net effect of these fair value changes impacts the net gains from investment activities in our consolidated statements of operations. The Investment Funds’ risk is regularly evaluated and is managed on a position basis as well as on a portfolio basis. Senior members of our investment team meet on a regular basis to assess and review certain risks, including concentration risk, correlation risk and credit risk for significant positions. Certain risk metrics and other analytical tools are used in the normal course of business by the Investment segment.

The Investment Funds hold investments that are reported at fair value as of the reporting date, which include securities owned, securities sold, not yet purchased and derivatives as reported in our consolidated balance sheets. Based on their respective balances as of December 31, 2019, we estimate that in the event of a 10% adverse change in the fair value of these investments, the fair values of securities owned, securities sold, not yet purchased and derivatives would decrease by approximately $921 million, $119 million and $1.8 billion, respectively. However, as of December 31, 2019, we estimate that the impact to our share of the net gain (loss) from investment activities reported in our consolidated statements of operations would be less than the change in fair value since we have an investment of approximately 49% in the Investment Funds, and the non-controlling interests in income would correspondingly offset approximately 51% of the change in fair value. As of December 31, 2018, we estimated that in the event of a 10% adverse change in the fair value of these investments, the fair values of securities owned, securities sold, not yet purchased and derivatives would decrease by approximately $687 million, $47 million and $1.0 billion, respectively and as of December 31, 2018, our investment in the Investment Funds was 50%.

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*Holding Company*

The carrying values of investments subject to equity price risks are based on quoted market prices or management’s estimates of fair value as of the balance sheet dates. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Based on sensitivity analysis for our equity price risks as of December 31, 2019, the effect of a hypothetical 10% adverse change in market prices would result in loss of approximately $52 million for our Holding Company. As of December 31, 2018, such hypothetical loss was approximately $131 million, with the difference reflecting our sale of a significant investment during 2019 as well as a negative change in the historical price of other investments held by our Holding Company during 2019. The selected hypothetical change does not reflect what could be considered the best- or worst-case scenarios as results could be far worse due to the nature of equity markets.

***Commodity Price Risk***

CVR Refining, as a manufacturer of refined petroleum products, and CVR Partners, as a manufacturer of nitrogen fertilizer products, all of which are commodities, have exposure to market pricing for products sold in the future. In order to realize value from our Energy segment’s processing capacity, a positive spread between the cost of raw materials and the value of finished products must be achieved (i.e., gross margin or crack spread). The physical commodities that comprise our raw materials and finished goods are typically bought and sold at a spot or index price that can be highly variable.

Our Energy segment’s petroleum business uses a crude oil purchasing intermediary, Vitol, to purchase the majority of its non-gathered crude oil inventory for the refineries, which allows it to take title to and price its crude oil at locations in close proximity to the refineries, as opposed to the crude oil origination point, reducing its risk associated with volatile commodity prices by shortening the commodity conversion cycle time. The commodity conversion cycle time refers to the time elapsed between raw material acquisition and the sale of finished goods. In addition, the petroleum business seeks to reduce the variability of commodity price exposure by engaging in hedging strategies and transactions that will serve to protect gross margins as forecasted in the annual operating plan. With regard to its hedging activities, CVR Refining may enter into, or has entered into, derivative instruments which serve to: lock in or fix a percentage of the anticipated or planned gross margin in future periods when the derivative market offers commodity spreads that generate positive cash flows; hedge the value of inventories in excess of minimum required inventories; and manage existing derivative positions related to a change in anticipated operations and market conditions.

***Interest Rate Risk***

Our predominant exposure to interest rate risk is related to our Automotive and Food Packaging segments.

*Automotive*

Our Automotive segment has variable rate debt with a principal amount outstanding of $383 million as of December 31, 2019. A 1.0% increase in interest rates would increase interest expense by approximately $4 million on an annualized basis, thus decreasing net income by the same amount. Additionally, as of December 31, 2019, our Automotive segment has additional borrowing availability subject to variable interest rates of $107 million, which if outstanding, would increase our Automotive segment’s exposure to changes in interest rates.

*Food Packaging*

Our Food Packaging segment has variable rate debt with a principal amount outstanding of $261 million as of December 31, 2019. A 1.0% increase in interest rates would increase interest expense by approximately $3 million on an annualized basis, thus decreasing net income by the same amount. Additionally, as of December 31, 2019, our Food Packaging segment has additional borrowing availability subject to variable interest rates of $7 million, which if outstanding, would increase our Food Packaging segment’s exposure to changes in interest rates.

***Foreign Currency Exchange Rate Risk***

Certain of our subsidiaries operate in foreign jurisdictions and we transact business in foreign currencies. In addition, we may hold investments in common stocks of major multinational companies who have significant foreign business and foreign currency risk of their own. Our net assets subject to financial statement translation into U.S. Dollars are primarily in our Food Packaging segment.

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*Food Packaging*

Viskase has foreign currency exposures related to buying, selling, and financing in currencies other than the local currencies in which they operate. At December 31, 2019, Viskase’s most significant foreign currency exposures were Euro, Mexican peso, Polish zloty, Brazilian real and Philippine peso.

Viskase is exposed to foreign currency risk due to the translation and remeasurement of the results of certain international operations into U.S. Dollars as part of the consolidation process. Fluctuations in foreign currency exchange rates can therefore create volatility in the results of operations and may adversely affect Viskase’s financial condition.

Viskase recorded translation (losses) gains in accumulated other comprehensive loss of $(3) million and $(5) million for the years ended December 31, 2019 and 2018, respectively, and recorded translation (losses) gains in earnings of $(4) million and $(6) million for the years ended December 31, 2019 and 2018, respectively.

***Credit Risk***

We and the Investment Funds are subject to certain inherent risks through our investments.

Our entities typically invest excess cash in large money market funds. The money market funds primarily invest in government securities and other short-term, highly liquid instruments with a low risk of loss. The Investment Funds also maintain free credit balances with their prime brokers and in interest bearing accounts at major banking institutions. We seek to diversify our cash investments across several accounts and institutions and monitor performance and counterparty risk.

The Investment Funds and, to a lesser extent, other entities hold derivative instruments that are subject to credit risk in the event that the counterparties are unable to meet the terms of such agreements. When the Investment Funds make such investments or enter into other arrangements where they might suffer a significant loss through the default or insolvency of a counterparty, we monitor the credit quality of such counterparty and seek to do business with creditworthy counterparties. Counterparty risk is monitored by obtaining and reviewing public information filed by the counterparties and others.

***Compliance Program Price Risk***

As a producer of transportation fuels from petroleum, CVR Refining is required to blend biofuels into the product it produces or to purchase RINs in the open market in lieu of blending to meet the mandates established by the EPA. CVR Refining is exposed to market risk related to volatility in the price of RINs needed to comply with the Renewable Fuel Standards. To mitigate the impact of this risk on our Energy segment’s results of operations and cash flows, CVR Refining purchased RINs when prices are deemed favorable. See Note 18, “Commitments and Contingencies,” to the consolidated financial statements for further discussion about compliance with the Renewable Fuel Standards.

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**Item 8. Financial Statements and Supplementary Data.**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Partners

Icahn Enterprises L.P.

**Opinion on the financial statements**

We have audited the accompanying consolidated balance sheets of Icahn Enterprises L.P. (a Delaware limited partnership) and subsidiaries (the “Partnership”) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule included under Item 15(a) (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Partnership’s internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated February 28, 2020 expressed an adverse opinion.

**Change in accounting principle**

As discussed in Note 2 and Note 10 to the consolidated financial statements, the Partnership has changed its method of accounting for leases in 2019 due to the adoption of FASB ASC 842, Leases (“ASC 842”).

**Basis for opinion**

These financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on the Partnerships financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical audit matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Adoption of new accounting principle*

As described further in Note 2 to the Partnership’s consolidated financial statements, the Partnership adopted ASC 842, on January 1, 2019 which resulted in the recognition of a right-of-use asset (“ROU asset”) and a lease liability for operating leases (other than leases that meet the definition of a short-term lease), at the commencement of the lease term. The liability will be equal to the present value of future lease payments. The ROU asset will be based on the liability, subject to certain adjustments.

We identified adoption of ASC 842 as a critical audit matter because it is a substantial change in accounting for leases and as such requires significant auditor judgment in obtaining sufficient appropriate audit evidence related to management’s determination of the lease liability and ROU asset and their selection of a discount rate to be applied to future lease payments.

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Our audit procedures related to the adoption of ASC 842 included the following, among others.

•We tested the effectiveness of controls over management’s adoption of ASC 842, including the appropriateness of the methodology applied, accounting and business assumptions used in the analysis, and the mathematical accuracy of the overall model used to record the initial ROU asset and lease liability.

•We evaluated the independent auditor’s report on operating effectiveness of controls at the Partnership’s third-party lease software vendor, which included testing the design and operating effectiveness of the relevant user controls due to the Partnership’s reliance on the third-party software to appropriately calculate the ROU asset and lease liability.

•We verified the completeness of the population of leases that the Partnership evaluated, including analyzing agreements for embedded leases.

•We obtained and inspected a sample of lease contracts, compared the relevant inputs in the lease software to underlying lease documentation, and recalculated the related ROU asset and lease liability.

•With the assistance of our fair value specialists we evaluated the reasonableness of the Partnership’s yield curves used in the calculation by obtaining evidence from knowledgeable sources that are independent from the Partnership to benchmark, challenge and assess management’s key assumptions to different pools of leases with varying remaining terms to determine the discount rate used by the Partnership in establishing the ROU asset and lease liability.

/s/GRANT THORNTON LLP

We have served as the Partnership’s auditor since 2004.

New York, New York

February 28, 2020

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Partners

Icahn Enterprises Holdings L.P.

**Opinion on the financial statements**

We have audited the accompanying consolidated balance sheets of Icahn Enterprises Holdings L.P. (a Delaware limited partnership) and subsidiaries (the “Partnership”) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule included under Item 15(a) (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

**Change in accounting principle**

As discussed in Note 2 and Note 10 to the consolidated financial statements, the Partnership has changed its method of accounting for leases in 2019 due to the adoption of FASB ASC 842, Leases (“ASC 842”).

**Basis for opinion**

These financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on the Partnership’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Partnership’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/GRANT THORNTON LLP

We have served as the Partnership’s auditor since 2004.

New York, New York

February 28, 2020

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
| **ASSETS** | | | (In millions, except unit amounts) | | | | | | | | |  | | |  | | |
| Cash and cash equivalents | | | $ | 3,794 |  |  | | | $ | 2,656 |  |  |  |  |  |  |  |
| Cash held at consolidated affiliated partnerships and restricted cash | | | 1,151 | |  |  | | | 2,682 | |  |  |  |  |  |  |  |
| Investments | | | 9,945 | |  |  | | | 8,337 | |  |  |  |  |  |  |  |
| Due from brokers | | | 858 | |  |  | | | 664 | |  |  |  |  |  |  |  |
| Accounts receivable, net | | | 475 | |  |  | | | 474 | |  |  |  |  |  |  |  |
| Inventories, net | | | 1,812 | |  |  | | | 1,779 | |  |  |  |  |  |  |  |
| Property, plant and equipment, net | | | 4,541 | |  |  | | | 4,688 | |  |  |  |  |  |  |  |
| Goodwill | | | 282 | |  |  | | | 247 | |  |  |  |  |  |  |  |
| Intangible assets, net | | | 431 | |  |  | | | 501 | |  |  |  |  |  |  |  |
| Other assets | | | 1,350 | |  |  | | | 1,461 | |  |  |  |  |  |  |  |
| **Total Assets** | | | $ | 24,639 |  |  | | | $ | 23,489 |  |  |  |  |  |  |  |
| **LIABILITIES AND EQUITY** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Accounts payable | | | $ | 945 |  |  | | | $ | 832 |  |  |  |  |  |  |  |
| Accrued expenses and other liabilities | | | 1,453 | |  |  | | | 1,012 | |  |  |  |  |  |  |  |
| Deferred tax liability | | | 639 | |  |  | | | 694 | |  |  |  |  |  |  |  |
| Unrealized loss on derivative contracts | | | 1,224 | |  |  | | | 36 | |  |  |  |  |  |  |  |
| Securities sold, not yet purchased, at fair value | | | 1,190 | |  |  | | | 468 | |  |  |  |  |  |  |  |
| Due to brokers | | | 54 | |  |  | | | 141 | |  |  |  |  |  |  |  |
| Debt | | | 8,192 | |  |  | | | 7,326 | |  |  |  |  |  |  |  |
| Total liabilities | | | 13,697 | |  |  | | | 10,509 | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Commitments and contingencies (Note 18) | | |  | |  |  | | |  | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Equity: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Limited partners: Depositary units: 214,078,558 and 191,366,097 units issued and outstanding at December 31, 2019 and 2018, respectively | | | 6,268 | |  |  | | | 7,350 | |  |  |  |  |  |  |  |
| General partner | | | (812) | |  |  | | | (790) | |  |  |  |  |  |  |  |
| Equity attributable to Icahn Enterprises | | | 5,456 | |  |  | | | 6,560 | |  |  |  |  |  |  |  |
| Equity attributable to non-controlling interests | | | 5,486 | |  |  | | | 6,420 | |  |  |  |  |  |  |  |
| Total equity | | | 10,942 | |  |  | | | 12,980 | |  |  |  |  |  |  |  |
| **Total Liabilities and Equity** | | | $ | 24,639 |  |  | | | $ | 23,489 |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues: | | | (In millions, except per unit amounts) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net sales | | | $ | 9,720 |  |  | | | $ | 10,576 |  |  | | | $ | 9,306 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other revenues from operations | | | 666 | |  |  | | | 647 | |  |  | | | 743 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) gain from investment activities | | | (1,931) | |  |  | | | 322 | |  |  | | | 302 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest and dividend income | | | 265 | |  |  | | | 148 | |  |  | | | 127 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain on disposition of assets, net | | | 253 | |  |  | | | 84 | |  |  | | | 2,163 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other income (loss), net | | | 19 | |  |  | | | — | |  |  | | | (22) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | 8,992 | |  |  | | | 11,777 | |  |  | | | 12,619 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenses: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Cost of goods sold | | | 8,212 | |  |  | | | 9,002 | |  |  | | | 8,220 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other expenses from operations | | | 518 | |  |  | | | 529 | |  |  | | | 518 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Selling, general and administrative | | | 1,376 | |  |  | | | 1,386 | |  |  | | | 1,269 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Restructuring | | | 18 | |  |  | | | 21 | |  |  | | | 4 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Impairment | | | 2 | |  |  | | | 92 | |  |  | | | 87 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest expense | | | 605 | |  |  | | | 524 | |  |  | | | 655 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | 10,731 | |  |  | | | 11,554 | |  |  | | | 10,753 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Loss) income from continuing operations before income tax (expense) benefit | | | (1,739) | |  |  | | | 223 | |  |  | | | 1,866 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income tax (expense) benefit | | | (20) | |  |  | | | 14 | |  |  | | | 532 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Loss) income from continuing operations | | | (1,759) | |  |  | | | 237 | |  |  | | | 2,398 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Loss) income from discontinued operations | | | (32) | |  |  | | | 1,764 | |  |  | | | 234 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | | | (1,791) | |  |  | | | 2,001 | |  |  | | | 2,632 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: net (loss) income attributable to non-controlling interests | | | (693) | |  |  | | | 519 | |  |  | | | 178 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises | | | $ | (1,098) |  |  | | | $ | 1,482 |  |  | | | $ | 2,454 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises from: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuing operations | | | $ | (1,066) |  |  | | | $ | (238) |  |  | | | $ | 2,297 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations | | | (32) | |  |  | | | 1,720 | |  |  | | | 157 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,098) |  |  | | | $ | 1,482 |  |  | | | $ | 2,454 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises allocated to: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited partners | | | $ | (1,076) |  |  | | | $ | 2,039 |  |  | | | $ | 2,405 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| General partner | | | (22) | |  |  | | | (557) | |  |  | | | 49 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,098) |  |  | | | $ | 1,482 |  |  | | | $ | 2,454 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted (loss) income per LP unit: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuing operations | | | $ | (5.23) |  |  | | | $ | (1.29) |  |  | | | $ | 13.98 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations | | | (0.15) | |  |  | | | 12.62 | |  |  | | | 0.96 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (5.38) |  |  | | | $ | 11.33 |  |  | | | $ | 14.94 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted weighted average LP units outstanding | | | 200 | |  |  | | | 180 | |  |  | | | 161 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash distributions declared per LP unit | | | $ | 8.00 |  |  | | | $ | 7.00 |  |  | | | $ | 6.00 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (In millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net (loss) income | | | $ | (1,791) |  |  | | | $ | 2,001 |  |  | | | $ | 2,632 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive (loss) income, net of tax: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Translation adjustments | | | (2) | |  |  | | | (86) | |  |  | | | 124 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Post-retirement benefits and other | | | 3 | |  |  | | | 18 | |  |  | | | 49 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive income (loss), net of tax | | | 1 | |  |  | | | (68) | |  |  | | | 173 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Comprehensive (loss) income | | | (1,790) | |  |  | | | 1,933 | |  |  | | | 2,805 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: Comprehensive (loss) income attributable to non-controlling interests | | | (693) | |  |  | | | 512 | |  |  | | | 194 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Comprehensive (loss) income attributable to Icahn Enterprises | | | $ | (1,097) |  |  | | | $ | 1,421 |  |  | | | $ | 2,611 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Comprehensive (loss) income attributable to Icahn Enterprises allocated to: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited partners | | | $ | (1,075) |  |  | | | $ | 1,979 |  |  | | | $ | 2,559 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| General partner | | | (22) | |  |  | | | (558) | |  |  | | | 52 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,097) |  |  | | | $ | 1,421 |  |  | | | $ | 2,611 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Equity Attributable to Icahn Enterprises** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |
|  | | | **General Partner’s (Deficit) Equity** | | |  | | | **Limited  Partners’ Equity** | | |  | | | **Total Partners’ Equity** | | |  | | | **Non-controlling Interests** | | |  | | | **Total Equity** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (In millions) | | | | | | | | | | | | | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |
| **Balance, December 31, 2016** | | | $ | (293) |  |  | | | $ | 2,485 |  |  | | | $ | 2,192 |  |  | | | $ | 5,902 |  |  | | | $ | 8,094 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income | | | 49 | |  |  | | | 2,405 | |  |  | | | 2,454 | |  |  | | | 178 | |  |  | | | 2,632 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive income | | | 3 | |  |  | | | 154 | |  |  | | | 157 | |  |  | | | 16 | |  |  | | | 173 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (2) | |  |  | | | (79) | |  |  | | | (81) | |  |  | | | — | |  |  | | | (81) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contribution | | | 12 | |  |  | | | 600 | |  |  | | | 612 | |  |  | | | — | |  |  | | | 612 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 600 | |  |  | | | 600 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (92) | |  |  | | | (92) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cumulative effect adjustment from adoption of accounting principle | | | (1) | |  |  | | | (46) | |  |  | | | (47) | |  |  | | | — | |  |  | | | (47) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in subsidiary equity and other | | | (2) | |  |  | | | (117) | |  |  | | | (119) | |  |  | | | (286) | |  |  | | | (405) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance, December 31, 2017** | | | (234) | |  |  | | | 5,402 | |  |  | | | 5,168 | |  |  | | | 6,318 | |  |  | | | 11,486 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | | | (557) | |  |  | | | 2,039 | |  |  | | | 1,482 | |  |  | | | 519 | |  |  | | | 2,001 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive loss | | | (1) | |  |  | | | (60) | |  |  | | | (61) | |  |  | | | (7) | |  |  | | | (68) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (2) | |  |  | | | (95) | |  |  | | | (97) | |  |  | | | — | |  |  | | | (97) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 310 | |  |  | | | 310 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (153) | |  |  | | | (153) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cumulative effect adjustment from adoption of accounting principle | | | (1) | |  |  | | | (28) | |  |  | | | (29) | |  |  | | | — | |  |  | | | (29) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in subsidiary equity and other | | | 5 | |  |  | | | 92 | |  |  | | | 97 | |  |  | | | (567) | |  |  | | | (470) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance, December 31, 2018** | | | (790) | |  |  | | | 7,350 | |  |  | | | 6,560 | |  |  | | | 6,420 | |  |  | | | 12,980 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss | | | (22) | |  |  | | | (1,076) | |  |  | | | (1,098) | |  |  | | | (693) | |  |  | | | (1,791) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive income | | | — | |  |  | | | 1 | |  |  | | | 1 | |  |  | | | — | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (2) | |  |  | | | (110) | |  |  | | | (112) | |  |  | | | — | |  |  | | | (112) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contributions | | | 1 | |  |  | | | 54 | |  |  | | | 55 | |  |  | | | — | |  |  | | | 55 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 220 | |  |  | | | 220 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (119) | |  |  | | | (119) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in subsidiary equity and other | | | 1 | |  |  | | | 49 | |  |  | | | 50 | |  |  | | | (342) | |  |  | | | (292) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance, December 31, 2019** | | | **$** | **(812)** |  |  | | | **$** | **6,268** |  |  | | | **$** | **5,456** |  |  | | | **$** | **5,486** |  |  | | | **$** | **10,942** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from operating activities:** | | | (In millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net (loss) income | | | $ | (1,791) |  |  | | | $ | 2,001 |  |  | | | $ | 2,632 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Loss (income) from discontinued operations | | | 32 | |  |  | | | (1,764) | |  |  | | | (234) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (gain) loss from securities transactions | | | (570) | |  |  | | | 476 | |  |  | | | (2,273) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchases of securities | | | (4,948) | |  |  | | | (4,810) | |  |  | | | (781) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sales of securities | | | 3,648 | |  |  | | | 6,763 | |  |  | | | 2,413 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchases to cover securities sold, not yet purchased | | | (938) | |  |  | | | (1,083) | |  |  | | | (1,078) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from securities sold, not yet purchased | | | 1,523 | |  |  | | | 1,077 | |  |  | | | 1,222 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in receivables and payables relating to securities transactions | | | (220) | |  |  | | | (1,195) | |  |  | | | (1,704) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain on disposition of assets, net | | | (253) | |  |  | | | (84) | |  |  | | | (2,163) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation and amortization | | | 519 | |  |  | | | 508 | |  |  | | | 518 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Impairment | | | 2 | |  |  | | | 92 | |  |  | | | 87 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Deferred taxes | | | (89) | |  |  | | | (29) | |  |  | | | (560) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | 16 | |  |  | | | 123 | |  |  | | | (27) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in operating assets and liabilities: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Accounts receivable, net | | | (33) | |  |  | | | 45 | |  |  | | | (72) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Inventories, net | | | (20) | |  |  | | | (86) | |  |  | | | (185) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other assets | | | 356 | |  |  | | | 316 | |  |  | | | 2 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accounts payable | | | 145 | |  |  | | | (59) | |  |  | | | 130 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Unrealized gain/loss on derivative contracts | | | 1,181 | |  |  | | | (1,763) | |  |  | | | 155 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accrued expenses and other liabilities | | | (20) | |  |  | | | (84) | |  |  | | | (124) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash (used in) provided by operating activities from continuing operations | | | (1,460) | |  |  | | | 444 | |  |  | | | (2,042) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by operating activities from discontinued operations | | | — | |  |  | | | 479 | |  |  | | | 694 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net cash (used in) provided by operating activities** | | | (1,460) | |  |  | | | 923 | |  |  | | | (1,348) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from investing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital expenditures | | | (250) | |  |  | | | (272) | |  |  | | | (316) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisition of businesses, net of cash acquired | | | (39) | |  |  | | | (15) | |  |  | | | (249) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchases of investments | | | (50) | |  |  | | | (60) | |  |  | | | (77) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sale of investments | | | 458 | |  |  | | | 1 | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from disposition of assets | | | 505 | |  |  | | | 3,370 | |  |  | | | 1,983 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | (38) | |  |  | | | — | |  |  | | | (80) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by investing activities from continuing operations | | | 586 | |  |  | | | 3,024 | |  |  | | | 1,262 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash used in investing activities from discontinued operations | | | — | |  |  | | | (437) | |  |  | | | (580) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net cash provided by investing activities** | | | 586 | |  |  | | | 2,587 | |  |  | | | 682 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from financing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions from non-controlling interests | | | 220 | |  |  | | | 310 | |  |  | | | 600 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contributions | | | 55 | |  |  | | | — | |  |  | | | 612 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (112) | |  |  | | | (97) | |  |  | | | (81) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchase of additional interests in consolidated subsidiaries | | | (241) | |  |  | | | (5) | |  |  | | | (349) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | (119) | |  |  | | | (139) | |  |  | | | (75) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from Holding Company senior unsecured notes | | | 2,507 | |  |  | | | — | |  |  | | | 2,470 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repayments of Holding Company senior unsecured notes | | | (1,700) | |  |  | | | — | |  |  | | | (2,450) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from subsidiary borrowings | | | 810 | |  |  | | | 1,268 | |  |  | | | 1,334 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repayments of subsidiary borrowings | | | (847) | |  |  | | | (1,346) | |  |  | | | (1,430) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | (7) | |  |  | | | 15 | |  |  | | | (1) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by financing activities from continuing operations | | | 566 | |  |  | | | 6 | |  |  | | | 630 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash used in financing activities from discontinued operations | | | — | |  |  | | | (163) | |  |  | | | (261) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net cash provided by (used in) financing activities** | | | 566 | |  |  | | | (157) | |  |  | | | 369 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash and restricted cash equivalents | | | (2) | |  |  | | | (7) | |  |  | | | 3 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Add back change in cash and restricted cash of assets held for sale | | | (83) | |  |  | | | 81 | |  |  | | | 321 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net (decrease) increase in cash and cash equivalents and restricted cash and restricted cash equivalents** | | | (393) | |  |  | | | 3,427 | |  |  | | | 27 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, beginning of period | | | 5,338 | |  |  | | | 1,911 | |  |  | | | 1,884 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, end of period | | | $ | 4,945 |  |  | | | $ | 5,338 |  |  | | | $ | 1,911 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
| **ASSETS** | | | (In millions) | | | | | | | | |  | | |  | | |
| Cash and cash equivalents | | | $ | 3,794 |  |  | | | $ | 2,656 |  |  |  |  |  |  |  |
| Cash held at consolidated affiliated partnerships and restricted cash | | | 1,151 | |  |  | | | 2,682 | |  |  |  |  |  |  |  |
| Investments | | | 9,945 | |  |  | | | 8,337 | |  |  |  |  |  |  |  |
| Due from brokers | | | 858 | |  |  | | | 664 | |  |  |  |  |  |  |  |
| Accounts receivable, net | | | 475 | |  |  | | | 474 | |  |  |  |  |  |  |  |
| Inventories, net | | | 1,812 | |  |  | | | 1,779 | |  |  |  |  |  |  |  |
| Property, plant and equipment, net | | | 4,541 | |  |  | | | 4,688 | |  |  |  |  |  |  |  |
| Goodwill | | | 282 | |  |  | | | 247 | |  |  |  |  |  |  |  |
| Intangible assets, net | | | 431 | |  |  | | | 501 | |  |  |  |  |  |  |  |
| Other assets | | | 1,350 | |  |  | | | 1,493 | |  |  |  |  |  |  |  |
| **Total Assets** | | | $ | 24,639 |  |  | | | $ | 23,521 |  |  |  |  |  |  |  |
| **LIABILITIES AND EQUITY** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Accounts payable | | | $ | 945 |  |  | | | $ | 832 |  |  |  |  |  |  |  |
| Accrued expenses and other liabilities | | | 1,453 | |  |  | | | 1,012 | |  |  |  |  |  |  |  |
| Deferred tax liability | | | 639 | |  |  | | | 694 | |  |  |  |  |  |  |  |
| Unrealized loss on derivative contracts | | | 1,224 | |  |  | | | 36 | |  |  |  |  |  |  |  |
| Securities sold, not yet purchased, at fair value | | | 1,190 | |  |  | | | 468 | |  |  |  |  |  |  |  |
| Due to brokers | | | 54 | |  |  | | | 141 | |  |  |  |  |  |  |  |
| Debt | | | 8,195 | |  |  | | | 7,330 | |  |  |  |  |  |  |  |
| Total liabilities | | | 13,700 | |  |  | | | 10,513 | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Commitments and contingencies (Note 18) | | |  | |  |  | | |  | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Equity: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Limited partner | | | 6,328 | |  |  | | | 7,452 | |  |  |  |  |  |  |  |
| General partner | | | (875) | |  |  | | | (864) | |  |  |  |  |  |  |  |
| Equity attributable to Icahn Enterprises Holdings | | | 5,453 | |  |  | | | 6,588 | |  |  |  |  |  |  |  |
| Equity attributable to non-controlling interests | | | 5,486 | |  |  | | | 6,420 | |  |  |  |  |  |  |  |
| Total equity | | | 10,939 | |  |  | | | 13,008 | |  |  |  |  |  |  |  |
| **Total Liabilities and Equity** | | | $ | 24,639 |  |  | | | $ | 23,521 |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenues: | | | (In millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net sales | | | $ | 9,720 |  |  | | | $ | 10,576 |  |  | | | $ | 9,306 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other revenues from operations | | | 666 | |  |  | | | 647 | |  |  | | | 743 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) gain from investment activities | | | (1,931) | |  |  | | | 322 | |  |  | | | 302 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest and dividend income | | | 265 | |  |  | | | 148 | |  |  | | | 127 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain on disposition of assets, net | | | 253 | |  |  | | | 84 | |  |  | | | 2,163 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other income (loss), net | | | 19 | |  |  | | | — | |  |  | | | (22) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | 8,992 | |  |  | | | 11,777 | |  |  | | | 12,619 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenses: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Cost of goods sold | | | 8,212 | |  |  | | | 9,002 | |  |  | | | 8,220 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other expenses from operations | | | 518 | |  |  | | | 529 | |  |  | | | 518 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Selling, general and administrative | | | 1,376 | |  |  | | | 1,386 | |  |  | | | 1,269 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Restructuring | | | 18 | |  |  | | | 21 | |  |  | | | 4 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Impairment | | | 2 | |  |  | | | 92 | |  |  | | | 87 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest expense | | | 604 | |  |  | | | 523 | |  |  | | | 653 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | 10,730 | |  |  | | | 11,553 | |  |  | | | 10,751 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Loss) income from continuing operations before income tax (expense) benefit | | | (1,738) | |  |  | | | 224 | |  |  | | | 1,868 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income tax (expense) benefit | |  | (20) | |  |  | | | 14 | |  |  | | | 532 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Loss) income from continuing operations | |  | (1,758) | |  |  | | | 238 | |  |  | | | 2,400 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Loss) income from discontinued operations | |  | (32) | |  |  | | | 1,764 | |  |  | | | 234 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | |  | (1,790) | |  |  | | | 2,002 | |  |  | | | 2,634 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: net (loss) income attributable to non-controlling interests | |  | (693) | |  |  | | | 519 | |  |  | | | 178 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises Holdings | | | $ | (1,097) |  |  | | | $ | 1,483 |  |  | | | $ | 2,456 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises Holdings from: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuing operations | | | $ | (1,065) |  |  | | | $ | (237) |  |  | | | $ | 2,299 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations | | | (32) | |  |  | | | 1,720 | |  |  | | | 157 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,097) |  |  | | | $ | 1,483 |  |  | | | $ | 2,456 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises Holdings allocated to: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited partner | | | $ | (1,086) |  |  | | | $ | 2,060 |  |  | | | $ | 2,431 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| General partner | | | (11) | |  |  | | | (577) | |  |  | | | 25 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,097) |  |  | | | $ | 1,483 |  |  | | | $ | 2,456 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (In millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net (loss) income | | | $ | (1,790) |  |  | | | $ | 2,002 |  |  | | | $ | 2,634 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive (loss) income, net of tax: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Translation adjustments | | | (2) | |  |  | | | (86) | |  |  | | | 124 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Post-retirement benefits and other | | | 3 | |  |  | | | 18 | |  |  | | | 49 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive income (loss), net of tax | | | 1 | |  |  | | | (68) | |  |  | | | 173 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Comprehensive (loss) income | | | (1,789) | |  |  | | | 1,934 | |  |  | | | 2,807 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: Comprehensive (loss) income attributable to non-controlling interests | | | (693) | |  |  | | | 512 | |  |  | | | 194 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Comprehensive (loss) income attributable to Icahn Enterprises Holdings | | | $ | (1,096) |  |  | | | $ | 1,422 |  |  | | | $ | 2,613 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Comprehensive (loss) income attributable to Icahn Enterprises Holdings allocated to: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited partner | | | $ | (1,085) |  |  | | | $ | 2,000 |  |  | | | $ | 2,587 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| General partner | | | (11) | |  |  | | | (578) | |  |  | | | 26 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,096) |  |  | | | $ | 1,422 |  |  | | | $ | 2,613 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Equity Attributable to Icahn Enterprises Holdings** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |
|  | | | **General Partner’s Equity (Deficit)** | | |  | | | **Limited Partner’s Equity** | | |  | | | **Total Partners’ Equity** | | |  | | | **Non-controlling Interests** | | |  | | | **Total Equity** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (In millions) | | | | | | | | | | | | | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |
| **Balance, December 31, 2016** | | | $ | (316) |  |  | | | $ | 2,533 |  |  | | | $ | 2,217 |  |  | | | $ | 5,902 |  |  | | | $ | 8,119 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income | | | 25 | |  |  | | | 2,431 | |  |  | | | 2,456 | |  |  | | | 178 | |  |  | | | 2,634 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive income | | | 2 | |  |  | | | 155 | |  |  | | | 157 | |  |  | | | 16 | |  |  | | | 173 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (1) | |  |  | | | (80) | |  |  | | | (81) | |  |  | | | — | |  |  | | | (81) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contribution | | | 6 | |  |  | | | 606 | |  |  | | | 612 | |  |  | | | — | |  |  | | | 612 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 600 | |  |  | | | 600 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (92) | |  |  | | | (92) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cumulative effect adjustment from adoption of accounting principle | | | — | |  |  | | | (47) | |  |  | | | (47) | |  |  | | | — | |  |  | | | (47) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in subsidiary equity and other | | | (2) | |  |  | | | (117) | |  |  | | | (119) | |  |  | | | (286) | |  |  | | | (405) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance, December 31, 2017** | | | (286) | |  |  | | | 5,481 | |  |  | | | 5,195 | |  |  | | | 6,318 | |  |  | | | 11,513 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | | | (577) | |  |  | | | 2,060 | |  |  | | | 1,483 | |  |  | | | 519 | |  |  | | | 2,002 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive loss | | | (1) | |  |  | | | (60) | |  |  | | | (61) | |  |  | | | (7) | |  |  | | | (68) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (1) | |  |  | | | (96) | |  |  | | | (97) | |  |  | | | — | |  |  | | | (97) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 310 | |  |  | | | 310 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (153) | |  |  | | | (153) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cumulative effect adjustment from adoption of accounting principle | | | — | |  |  | | | (29) | |  |  | | | (29) | |  |  | | | — | |  |  | | | (29) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in subsidiary equity and other | | | 1 | |  |  | | | 96 | |  |  | | | 97 | |  |  | | | (567) | |  |  | | | (470) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance, December 31, 2018** | | | (864) | |  |  | | | 7,452 | |  |  | | | 6,588 | |  |  | | | 6,420 | |  |  | | | 13,008 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss | | | (11) | |  |  | | | (1,086) | |  |  | | | (1,097) | |  |  | | | (693) | |  |  | | | (1,790) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive income | | | — | |  |  | | | 1 | |  |  | | | 1 | |  |  | | | — | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (2) | |  |  | | | (142) | |  |  | | | (144) | |  |  | | | — | |  |  | | | (144) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contributions | | | 1 | |  |  | | | 54 | |  |  | | | 55 | |  |  | | | — | |  |  | | | 55 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 220 | |  |  | | | 220 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (119) | |  |  | | | (119) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in subsidiary equity and other | | | 1 | |  |  | | | 49 | |  |  | | | 50 | |  |  | | | (342) | |  |  | | | (292) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Balance, December 31, 2019** | | | $ | (875) |  |  | | | $ | 6,328 |  |  | | | $ | 5,453 |  |  | | | $ | 5,486 |  |  | | | $ | 10,939 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from operating activities:** | | | (In millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net (loss) income | | | $ | (1,790) |  |  | | | $ | 2,002 |  |  | | | $ | 2,634 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from discontinued operations | | | 32 | |  |  | | | (1,764) | |  |  | | | (234) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (gain) loss from securities transactions | | | (570) | |  |  | | | 476 | |  |  | | | (2,273) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchases of securities | | | (4,948) | |  |  | | | (4,810) | |  |  | | | (781) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sales of securities | | | 3,648 | |  |  | | | 6,763 | |  |  | | | 2,413 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchases to cover securities sold, not yet purchased | | | (938) | |  |  | | | (1,083) | |  |  | | | (1,078) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from securities sold, not yet purchased | | | 1,523 | |  |  | | | 1,077 | |  |  | | | 1,222 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in receivables and payables relating to securities transactions | | | (220) | |  |  | | | (1,195) | |  |  | | | (1,704) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain on disposition of assets, net | | | (253) | |  |  | | | (84) | |  |  | | | (2,163) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation and amortization | | | 519 | |  |  | | | 508 | |  |  | | | 518 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Impairment | | | 2 | |  |  | | | 92 | |  |  | | | 87 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Deferred taxes | | | (89) | |  |  | | | (29) | |  |  | | | (560) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | 15 | |  |  | | | 122 | |  |  | | | (29) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Changes in operating assets and liabilities | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Accounts receivable, net | | | (33) | |  |  | | | 45 | |  |  | | | (72) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Inventories, net | | | (20) | |  |  | | | (86) | |  |  | | | (185) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other assets | | | 356 | |  |  | | | 316 | |  |  | | | 2 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accounts payable | | | 145 | |  |  | | | (59) | |  |  | | | 130 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Unrealized gain/loss on derivative contracts | | | 1,181 | |  |  | | | (1,763) | |  |  | | | 155 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accrued expenses and other liabilities | | | (20) | |  |  | | | (84) | |  |  | | | (124) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash (used in) provided by operating activities from continuing operations | | | (1,460) | |  |  | | | 444 | |  |  | | | (2,042) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by operating activities from discontinued operations | | | — | |  |  | | | 479 | |  |  | | | 694 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net cash (used in) provided by operating activities** | | | (1,460) | |  |  | | | 923 | |  |  | | | (1,348) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from investing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital expenditures | | | (250) | |  |  | | | (272) | |  |  | | | (316) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisition of businesses, net of cash acquired | | | (39) | |  |  | | | (15) | |  |  | | | (249) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchases of investments | | | (50) | |  |  | | | (60) | |  |  | | | (77) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from sale of investments | | | 458 | |  |  | | | 1 | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from disposition of assets | | | 505 | |  |  | | | 3,370 | |  |  | | | 1,983 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | (38) | |  |  | | | — | |  |  | | | (80) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by investing activities from continuing operations | | | 586 | |  |  | | | 3,024 | |  |  | | | 1,262 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash used in investing activities from discontinued operations | | | — | |  |  | | | (437) | |  |  | | | (580) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net cash provided by investing activities** | | | 586 | |  |  | | | 2,587 | |  |  | | | 682 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from financing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment segment contributions from non-controlling interests | | | 220 | |  |  | | | 310 | |  |  | | | 600 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contributions | | | 55 | |  |  | | | — | |  |  | | | 612 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (112) | |  |  | | | (97) | |  |  | | | (81) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Purchase of additional interests in consolidated subsidiaries | | | (241) | |  |  | | | (5) | |  |  | | | (349) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends and distributions to non-controlling interests in subsidiaries | | | (119) | |  |  | | | (139) | |  |  | | | (75) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from Holding Company senior unsecured notes | | | 2,507 | |  |  | | | — | |  |  | | | 2,470 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repayments of Holding Company senior unsecured notes | | | (1,700) | |  |  | | | — | |  |  | | | (2,450) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from subsidiary borrowings | | | 810 | |  |  | | | 1,268 | |  |  | | | 1,334 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repayments of subsidiary borrowings | | | (847) | |  |  | | | (1,346) | |  |  | | | (1,430) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | (7) | |  |  | | | 15 | |  |  | | | (1) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by financing activities from continuing operations | | | 566 | |  |  | | | 6 | |  |  | | | 630 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash used in financing activities from discontinued operations | | | — | |  |  | | | (163) | |  |  | | | (261) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net cash provided by (used in) financing activities** | | | 566 | |  |  | | | (157) | |  |  | | | 369 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash and restricted cash equivalents | | | (2) | |  |  | | | (7) | |  |  | | | 3 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Add back change in cash and restricted cash of assets held for sale | | | (83) | |  |  | | | 81 | |  |  | | | 321 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net (decrease) increase in cash and cash equivalents and restricted cash and restricted cash equivalents** | | | (393) | |  |  | | | 3,427 | |  |  | | | 27 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, beginning of period | | | 5,338 | |  |  | | | 1,911 | |  |  | | | 1,884 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, end of period | | | $ | 4,945 |  |  | |  | $ | 5,338 |  |  | |  | $ | 1,911 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to consolidated financial statements.*

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Description of Business.**

***Overview***

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 December 31, 2019. 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 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 92.0% of Icahn Enterprises’ outstanding depositary units as of December 31, 2019.

***Description of Operating Businesses***

We are a diversified holding company owning subsidiaries currently engaged in the following continuing operating businesses: Investment, Energy, Automotive, Food Packaging, Metals, 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 our Holding Company. Our historical results also report the results of our Mining segment, until sold on August 1, 2019, and our Railcar segment through the date we sold our last remaining railcars on lease, which occurred in the third quarter of 2018. See Note 13, “Segment and Geographic Reporting,” for a reconciliation of each of our reporting segment’s results of operations to our consolidated results. Certain additional information with respect to our segments are discussed below.

*Investment*

Our Investment segment is comprised of various private investment funds (“Investment Funds”) in which we have general partner interests and through which we invest our proprietary capital. We and certain of Mr. Icahn’s wholly-owned affiliates are the only investors in the Investment Funds. As general partner, we 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 market value of approximately $4.3 billion and $5.1 billion as of December 31, 2019 and 2018, respectively.

*Energy*

We conduct our Energy segment through our majority owned subsidiary, CVR Energy, Inc. (“CVR Energy”). CVR Energy is a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing businesses through its holdings in CVR Refining, LP (“CVR Refining”) and CVR Partners, LP (“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 and ammonia. CVR Energy has a general partner interest in each of CVR Refining and CVR Partners. In addition, CVR Energy is the sole limited partner of CVR Refining and owns 34.4% of the outstanding common units of CVR Partners as of December 31, 2019.

As of December 31, 2019, we owned approximately 70.8% of the total outstanding common stock of CVR Energy.

On January 29, 2019, CVR Energy, pursuant to the exercise of its right to purchase all of the issued and outstanding common units in CVR Refining, purchased the remaining common units of CVR Refining not already owned by CVR Energy, including the purchase of CVR Refining common units owned directly by us. Prior to this, CVR Energy owned approximately 80.6% of the common units of CVR Refining and we directly owned approximately 3.9% of the common units of CVR Refining. As a result of exercising its purchase right, as of January 29, 2019, CVR Energy owns all of the common units of CVR Refining and we no longer have any direct ownership in CVR Refining. In addition, the common units of CVR Refining have subsequently ceased to be publicly traded or listed on the New York Stock Exchange or any other national securities exchange. The remaining common units of CVR Refining acquired in this transaction were purchased for $241 million, excluding the amount paid by CVR Energy to us for the common units of CVR Refining directly owned by us.

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Prior to this, on August 1, 2018, CVR Energy completed an exchange offer whereby CVR Refining’s public unitholders tendered a total of 21,625,106 common units of CVR Refining in exchange for 13,699,549 shares of CVR Energy common stock. In connection with this transaction, our equity attributable to Icahn Enterprises and Icahn Enterprises Holdings increased by $99 million.

*Automotive*

We conduct our Automotive segment through our wholly-owned subsidiary, Icahn Automotive Group LLC (“Icahn Automotive”). Icahn Automotive is engaged in the retail and wholesale distribution of automotive parts in the aftermarket (“aftermarket parts”) as well as providing automotive repair and maintenance services (“automotive services”) to its customers. Icahn Automotive’s aftermarket parts and automotive services businesses serve different customer channels and have distinct strategies, opportunities and requirements. As a result, the board of directors of Icahn Automotive has approved the separation of its aftermarket parts and automotive services businesses into two independent operating companies, each with its own Chief Executive Officer and management teams, and both of which are supported by a central shared service group.

Icahn Automotive is the parent company of various automotive businesses acquired in recent years, including the franchise businesses of Precision Tune Auto Care (“Precision Tune”) and American Driveline Systems, the franchisor of AAMCO and Cottman Transmission service centers (“American Driveline”). Precision Tune and American Driveline were acquired in 2017 for an aggregate purchase price of $162 million. Our Automotive segment also includes our separate equity method investment in 767 Auto Leasing LLC (“767 Leasing”), a joint venture created by us to purchase vehicles for lease, as described further in Note 3, “Related Party Transactions.” Although 767 Leasing is separate from Icahn Automotive, we include it as a component of our Automotive segment due to the nature of the joint venture activities.

*Food Packaging*

We conduct our Food Packaging segment through our majority owned subsidiary, Viskase Companies, Inc. (“Viskase”). Viskase is a producer of cellulosic, fibrous and plastic casings used to prepare and package processed meat products.

During January 2018, Viskase received $50 million in connection with its common stock rights offering. In connection with this rights offering, we fully exercised our subscription rights under our basic and over subscription privileges to purchase additional shares of Viskase common stock, thereby increasing our ownership of Viskase from 74.6% to 78.6%, for an aggregate additional investment of $44 million.

*Metals*

We conduct our Metals segment through our indirect wholly-owned subsidiary, PSC Metals, LLC (“PSC Metals”). PSC Metals is principally engaged in the business of collecting, processing and selling ferrous and non-ferrous metals, as well as the processing and distribution of steel pipe and plate products. PSC Metals collects industrial and obsolete scrap metal, processes it into reusable forms and supplies the recycled metals to its customers*.*

*Real Estate*

Our Real Estate operations consist primarily of rental real estate, property development and associated club activities. Our rental real estate operations consist primarily of office and industrial properties leased to single corporate tenants. Our property development operations are run primarily through 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 property development locations also operate golf and club operations. In addition, our Real Estate operations also includes a hotel, timeshare and casino resort property in Aruba as well as a casino property in Atlantic City, New Jersey, which ceased operations in 2014 prior to our obtaining control of the property.

During 2018, our Real Estate segment sold two commercial rental properties for aggregate proceeds of $179 million, resulting in aggregate pretax gain on disposition of assets of $89 million.

In August 2017, our Real Estate segment sold a development property in Las Vegas, Nevada for $600 million, resulting in a pretax gain on disposition of assets of $456 million. The transaction included cash proceeds from the sale of $225 million and two tranches of seller financing totaling $375 million (including a $345 million first-lien mortgage and a $30 million second-lien mortgage). The seller financing receivables were received in full during 2018.

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

*Home Fashion*

We conduct our Home Fashion segment through our wholly-owned subsidiary, WestPoint Home LLC (“WPH”). WPH’s business consists of manufacturing, sourcing, marketing, distributing and selling home fashion consumer products.

*Mining*

We conducted our Mining segment through our majority owned subsidiary, Ferrous Resources Ltd. (“Ferrous Resources”). 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. Prior to the sale of Ferrous Resources, as discussed below, we owned approximately 77.2% of its total outstanding common stock.

On December 5, 2018, we announced a definitive agreement to sell Ferrous Resources for total consideration of $550 million (including repaid indebtedness). This transaction met all the criteria to be classified as held for sale on December 5, 2018 upon execution of the definitive agreement. On August 1, 2019, we closed on the sale of Ferrous Resources. Our proportionate share of the cash proceeds from the sale, net of adjustments, was $463 million. As a result of the sale of Ferrous Resources, our Mining segment recorded a pretax gain on disposition of assets of $252 million in 2019. Subsequent to the sale, we no longer operate an active Mining segment.

*Railcar*

We conducted our Railcar segment through our wholly-owned subsidiary, American Railcar Leasing, LLC (“ARL”). ARL operated a leasing business consisting of purchased railcars leased to third parties under operating leases.

During 2017, we sold ARL and a majority of its railcar lease fleet for aggregate cash consideration of approximately $1.8 billion and reassigned the debt of ARL to the purchaser. During 2018, we sold all remaining railcars of ARL not previously sold for additional cash consideration of $17 million. In connection with these transactions, we recorded a pretax gain on disposition of assets of approximately $1.7 billion in 2017 and an additional pretax gain of $5 million in 2018.

As a result of the sale of all remaining railcars during 2018, our business no longer includes an active Railcar segment.

***Description of Discontinued Operating Businesses***

We also report discontinued operations previously reported in our Automotive and Railcar segments and former Gaming segment. In addition below, see Note 14, “Discontinued Operations,” for additional information with respect to our discontinued operating businesses.

*Automotive*

Our discontinued Automotive operations consists of our previously wholly-owned subsidiary, Federal-Mogul LLC (“Federal-Mogul”). During January 2017, we increased our ownership in Federal-Mogul from 82.0% to 100% for an aggregate purchase price of $305 million.

On October 1, 2018, we closed on the previously announced sale of Federal-Mogul to Tenneco Inc. (“Tenneco”). In connection with the sale, we received $800 million in cash and approximately 29.5 million shares of Tenneco common stock, of which approximately 23.8 million shares are non-voting shares that will convert to voting shares if and when sold. The remaining approximately 5.7 million voting shares received by us represents approximately 9.9% of the aggregate voting interest in Tenneco. There were restrictions on how many shares of Tenneco common stock that could be sold by us within the first 150 days after the closing of the sale. The voting and non-voting shares of Tenneco common stock have the same economic value. As of October 1, 2018, the approximately 29.5 million voting and non-voting shares of Tenneco common stock had a fair market value of approximately $1.2 billion, which our Holding Company will hold and record as a Level 1 investment measured at fair value on a recurring basis. In addition, Federal-Mogul’s outstanding debt was assumed by Tenneco.

As a result of the sale of Federal-Mogul, we recorded a pretax gain on sale of discontinued operations attributable to Icahn Enterprises of $251 million in the fourth quarter of 2018.

*Gaming*

Our discontinued Gaming operations consists of our previous majority ownership in Tropicana Entertainment Inc. (“Tropicana”) and the Trump Taj Mahal Casino Resort (“Taj Mahal”). In August 2017, we increased our ownership in Tropicana from 72.5% to 83.9% through a tender offer for additional shares of Tropicana common stock not already owned by us for an aggregate purchase price of $95 million. In addition, Tropicana repurchased and retired shares of its common stock in

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connection with this tender offer for an aggregate purchase price of $36 million. Taj Mahal closed in October 2016 and was subsequently sold on March 31, 2017.

On October 1, 2018, Tropicana closed on the previously announced real estate sales and merger transaction for aggregate cash consideration, net of adjustments, of approximately $1.8 billion. The transaction did not include Tropicana Aruba Resort and Casino, which was retained by us and is now reported within our Real Estate segment. Our proportionate share of the cash proceeds, net of adjustments, was approximately $1.5 billion.

As a result of the sale of Tropicana, we recorded a pretax gain on sale of discontinued operations attributable to Icahn Enterprises of $779 million in the fourth quarter of 2018.

*Railcar*

Our discontinued Railcar operations consists of our previous majority ownership in American Railcar Industries, Inc. (“ARI”). On December 5, 2018, we closed on the previously announced sale of ARI for aggregate cash consideration of $831 million.

As a result of the sale of ARI, we recorded a pretax gain on sale of discontinued operations attributable to Icahn Enterprises of $400 million in the fourth quarter of 2018.

**2. Basis of Presentation and Summary of Significant Accounting Policies.**

The audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”).

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 “Investment Company Act”). Therefore, no more than 40% of our total assets can be invested in investment securities, as such term is defined in the Investment Company 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.

Events beyond our control, including significant appreciation or depreciation in the market value of certain of our publicly traded holdings or adverse developments with respect to our ownership of certain of our subsidiaries, could result in our inadvertently becoming an investment company that is required to register under the Investment Company Act. Our recent sales of Federal-Mogul, Tropicana and ARI did not result in our being considered an investment company. However, additional transactions involving the sale of certain assets could result in our being considered an investment company. Following such events or transactions, an exemption under the Investment Company Act would provide us up to one year to take steps to avoid becoming classified as an investment company. We expect to take steps to avoid becoming classified as an investment company, but no assurance can be made that we will successfully be able to take the steps necessary to avoid becoming classified as an investment company.

***Principles of Consolidation***

As of December 31, 2019, our 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, 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.

Except for our Investment segment, for equity investments in which we own 50% or less but greater than 20%, we generally account for such investments using the equity method. All other equity investments are accounted for at fair value.

***Discontinued Operations and Held For Sale***

We classify assets and liabilities as held for sale when management, having the authority to approve the action, commits to a plan to sell the disposal group, the sale is probable within one year, and the disposal group is available for immediate sale

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in its present condition. We also consider whether an active program to locate a buyer has been initiated, whether the disposal group is marketed actively for sale at a price that is reasonable in relation to its current fair value, and whether actions required to complete the plan indicate it is unlikely significant changes to the plan will be made or the plan will be withdrawn.

In accordance with U.S. GAAP, we classify operations as discontinued when they meet all the criteria to be classified as held for sale and when the sale represents a strategic shift that will have a major impact on our financial condition and results of operations.

***Change in Accounting Principle***

Effective January 1, 2019, CVR Energy revised its accounting policy method for the costs of planned major maintenance activities (“turnarounds”) specific to its petroleum business from being expensed as incurred (the direct expensing method) to the deferral method. Turnarounds are planned shutdowns of refinery processing units for significant overhaul and refurbishment. Under the deferral method, the costs of turnarounds are deferred and amortized on a straight-line basis over a four-year period, which represents the estimated time until the next turnaround occurs. The new method of accounting for turnarounds is considered preferable as it is more consistent with the accounting policy of CVR Energy’s peer companies and better reflects the economic substance of the benefits earned from turnaround expenditures. The comparative consolidated balance sheet as of December 31, 2018 and the consolidated statements of operations and cash flows for the years ended December 31, 2018 and 2017 have been retrospectively adjusted to apply the new accounting method. These turnaround costs, and related accumulated amortization, are included within other assets in the consolidated balance sheets. The amortization expense related to turnaround costs is included in cost of goods sold in the consolidated statement of operations. CVR Partners will continue to follow the direct expensing method, therefore this change had no impact on its current or comparative consolidated financial statements.

As a result of this accounting change, our Energy segment increased other assets by $108 million and decreased property, plant and equipment, net by $15 million as of December 31, 2018. In addition, our Energy segment increased deferred tax liability by $18 million and total equity by $75 million, including $31 million attributable to Icahn Enterprises and Icahn Enterprises Holdings as of December 31, 2018.

The impact of the accounting change on our statements of operations is summarized as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31, 2018** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **Year Ended December 31, 2017** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **As Historically Stated** | | |  | | | **Effect of Accounting Change** | | |  | | | **As Currently Stated** | | |  | | | **As Historically Stated** | | |  | | | **Effect of Accounting Change** | | |  | | | **As Currently Stated** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total revenues | | | $ | 11,777 |  |  | | | $ | — |  |  | | | $ | 11,777 |  |  | | | $ | 12,619 |  |  | | | $ | — |  |  | | | $ | 12,619 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenses: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cost of goods sold | | | 8,947 | |  |  | | | 55 | |  |  | | | 9,002 | |  |  | | | 8,258 | |  |  | | | (38) | |  |  | | | 8,220 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| All other expenses | | | 2,552 | |  |  | | | — | |  |  | | | 2,552 | |  |  | | | 2,533 | |  |  | | | — | |  |  | | | 2,533 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total expenses | | | 11,499 | |  |  | | | 55 | |  |  | | | 11,554 | |  |  | | | 10,791 | |  |  | | | (38) | |  |  | | | 10,753 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from continuing operations before income tax expense | | | 278 | |  |  | | | (55) | |  |  | | | 223 | |  |  | | | 1,828 | |  |  | | | 38 | |  |  | | | 1,866 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income tax expense | | | 4 | |  |  | | | 10 | |  |  | | | 14 | |  |  | | | 529 | |  |  | | | 3 | |  |  | | | 532 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from continuing operations | | | 282 | |  |  | | | (45) | |  |  | | | 237 | |  |  | | | 2,357 | |  |  | | | 41 | |  |  | | | 2,398 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: Income from continuing operations attributable to non-controlling interests | | | 495 | |  |  | | | (20) | |  |  | | | 475 | |  |  | | | 84 | |  |  | | | 17 | |  |  | | | 101 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income from continuing operations attributable to Icahn Enterprises | | | $ | (213) |  |  | | | $ | (25) |  |  | | | $ | (238) |  |  | | | $ | 2,273 |  |  | | | $ | 24 |  |  | | | $ | 2,297 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income attributable to Icahn Enterprises | | | $ | 1,507 |  |  | | | $ | (25) |  |  | | | $ | 1,482 |  |  | | | $ | 2,430 |  |  | | | $ | 24 |  |  | | | $ | 2,454 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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***Use of Estimates in Preparation of Financial Statements***

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Due to the inherent uncertainty involved in making estimates, actual results may differ from the estimates and assumptions used in preparing the consolidated financial statements.

***Reclassifications***

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

***Consolidated Variable Interest Entities***

The following is a discussion of variable interest entities in which we are deemed to be the primary beneficiary and in which we therefore consolidate. In addition, as discussed in Note 3, “Related Party Transactions,” we have a variable interest in an entity in which we are not the primary beneficiary and therefore we do not consolidate.

*Icahn Enterprises Holdings*

We determined that Icahn Enterprises Holdings is a VIE because it is a limited partnership that lacks both substantive kick-out and participating rights. Although Icahn Enterprises is not the general partner of Icahn Enterprises Holdings, Icahn Enterprises is deemed to be the primary beneficiary of Icahn Enterprises Holdings principally based on its 99% limited partner interest in Icahn Enterprises Holdings, as well as our related party relationship with the general partner, and therefore continues to consolidate Icahn Enterprises Holdings. The consolidated financial statements of Icahn Enterprises Holdings are included in this Report. The balances with respect to Icahn Enterprises Holdings’ consolidated VIEs are discussed below, comprising the Investment Funds, CVR Refining (prior to January 2019), CVR Partners and Viskase’s joint venture.

*Investment*

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 have a general partner interest 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.

*Energy*

CVR Refining (prior to January 2019) and CVR Partners are each considered VIEs because each of these limited partnerships lack both substantive kick-out and participating rights. In addition, CVR Energy 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, it is the primary beneficiary of both CVR Refining (prior to January 2019) and CVR Partners. Beginning in January 2019, CVR Refining is no longer considered a VIE as it is a wholly-owned subsidiary of CVR Energy.

*Food Packaging*

Viskase holds a variable interest in a joint venture for which Viskase is the primary beneficiary. Viskase’s interest in the joint venture includes a 50% equity interest and also relates to the sales, operations, administrative and financial support to the joint venture through providing many of the assets used in its business.

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The following table includes balances of assets and liabilities of VIE’s included in Icahn Enterprises Holdings’ consolidated balance sheets.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Cash and cash equivalents | | | $ | 42 |  |  | | | $ | 420 |  |  |  |  |  |  |  |
| Cash held at consolidated affiliated partnerships and restricted cash | | | 989 | |  |  | | | 2,648 | |  |  |  |  |  |  |  |
| Investments | | | 9,207 | |  |  | | | 6,951 | |  |  |  |  |  |  |  |
| Due from brokers | | | 858 | |  |  | | | 664 | |  |  |  |  |  |  |  |
| Inventories, net | | | 54 | |  |  | | | 380 | |  |  |  |  |  |  |  |
| Property, plant and equipment, net | | | 1,123 | |  |  | | | 3,023 | |  |  |  |  |  |  |  |
| Intangible assets, net | | | 258 | |  |  | | | 278 | |  |  |  |  |  |  |  |
| Other assets | | | 260 | |  |  | | | 932 | |  |  |  |  |  |  |  |
| Accounts payable, accrued expenses and other liabilities | | | 1,338 | |  |  | | | 523 | |  |  |  |  |  |  |  |
| Securities sold, not yet purchased, at fair value | | | 1,190 | |  |  | | | 468 | |  |  |  |  |  |  |  |
| Due to brokers | | | 54 | |  |  | | | 141 | |  |  |  |  |  |  |  |
| Debt | | | 633 | |  |  | | | 1,171 | |  |  |  |  |  |  |  |

***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 Note 5, “Fair Value Measurements,” for a detailed discussion of our investments and other non-financial assets and/or liabilities.

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 debt as of December 31, 2019 was approximately $8.2 billion and $7.7 billion, respectively. The carrying value and estimated fair value of our debt as of December 31, 2018 was approximately $7.3 billion and $7.3 billion, respectively.

***Acquisitions of Businesses***

We account for business combinations under the acquisition method of accounting (other than acquisitions of businesses under common control), which requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at their acquisition date fair values. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement.

Accounting for business combinations requires us to make significant estimates and assumptions, especially at the acquisition date including our estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. In valuing our acquisitions, we estimate fair values based on industry data and trends and by reference to relevant market rates and transactions, and discounted cash flow valuation methods, among other factors. The discount rates used were commensurate with the inherent risks associated with each type of asset and the level and timing of cash flows appropriately reflect market participant assumptions. The primary items that generate goodwill include the value of the synergies between the acquired company and our existing businesses and the value of the acquired assembled workforce, neither of which qualifies for recognition as an intangible asset.

***Acquisition, Investments and Disposition of Entities under Common Control***

Acquisitions or investments of entities under common control are reflected in a manner similar to pooling of interests. The general partner’s capital account or non-controlling interests, as applicable, are charged or credited for the difference between the consideration we pay for the entity and the related entity’s basis prior to our acquisition or investment. Net gains or losses of an acquired entity prior to its acquisition or investment date are allocated to the general partner’s capital account or non-controlling interests, as applicable. In allocating gains and losses upon the sale of a previously acquired common control entity,

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we allocate a gain or loss for financial reporting purposes by first restoring the general partner’s capital account or non-controlling interests, as applicable, for the cumulative charges or credits relating to prior periods recorded at the time of our acquisition or investment and then allocating the remaining gain or loss (“Common Control Gains or Losses”) among our general partner, limited partners and non-controlling interests, as applicable, in accordance with their respective ownership percentages. In the case of acquisitions of entities under common control, such Common Control Gains or Losses are allocated in accordance with their respective partnership percentages under the Amended and Restated Agreement of Limited Partnership dated as of May 12, 1987, as amended from time to time (together with the partnership agreement of Icahn Enterprises Holdings, the “Partnership Agreement”) (i.e., 98.01% to the limited partners and 1.99% to the general partner).

***Cash Flow***

Cash and cash equivalents and restricted cash and restricted cash equivalents in our consolidated statements of cash flows is comprised of (i) cash and cash equivalents and (ii) cash held at consolidated affiliated partnerships and restricted cash.

***Cash and Cash Equivalents***

We consider short-term investments, which are highly liquid with original maturities of three months or less at date of purchase, to be cash equivalents.

***Cash Held at Consolidated Affiliated Partnerships and Restricted Cash***

Our cash held at consolidated affiliated partnerships balance was $86 million and $2,648 million as of December 31, 2019 and 2018, respectively. Cash held at consolidated affiliated partnerships relates to our Investment segment and consists of cash and cash equivalents held by the Investment Funds that, although not legally restricted, is not available to fund the general liquidity needs of the Investment segment or Icahn Enterprises.

Our restricted cash balance was $1,065 million and $34 million as of December 31, 2019 and 2018, respectively. Restricted cash includes, but is not limited to, our Investment segment’s cash pledged and held for margin requirements on derivative transactions.

***Investments and Related Transactions***

*Investment*

*Investment Transactions and Related Investment Income (Loss).* Investment transactions of the Investment Funds are recorded on a trade date basis. Realized gains or losses on sales of investments are based on the first-in, first-out or the specific identification method. Realized and unrealized gains or losses on investments are recorded in the consolidated statements of operations. Interest income and expenses are recorded on an accrual basis and dividends are recorded on the ex-dividend date. Premiums and discounts on fixed income securities are amortized using the effective yield method.

Investments held by our Investment segment are carried at fair value. Our Investment segment applies the fair value option to those investments that are otherwise subject to the equity method of accounting.

*Valuation of Investments.* Securities of the Investment Funds that are listed on a securities exchange are valued at their last sales price on the primary securities exchange on which such securities are traded on such date. Securities that are not listed on any exchange but are traded over-the-counter are valued at the mean between the last “bid” and “ask” price for such security on such date. Securities and other instruments for which market quotes are not readily available are valued at fair value as determined in good faith by the Investment Funds.

*Foreign Currency Transactions.* The books and records of the Investment Funds are maintained in U.S. dollars. Assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars at the rate of exchange in effect at the balance sheet date. Transactions during the period denominated in currencies other than U.S. dollars are translated at the rate of exchange applicable on the date of the transaction. Foreign currency translation gains and losses are recorded in the consolidated statements of operations. The Investment Funds do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities. Such fluctuations are reflected in net gain (loss) from investment activities in the consolidated statements of operations.

*Fair Values of Financial Instruments.* The fair values of the Investment Funds’ assets and liabilities that qualify as financial instruments under applicable U.S. GAAP approximate the carrying amounts presented in the consolidated balance sheets.

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*Securities Sold, Not Yet Purchased.* The Investment Funds may sell an investment they do not own in anticipation of a decline in the fair value of that investment. When the Investment Funds sell an investment short, they must borrow the investment sold short and deliver it to the broker-dealer through which they made the short sale. A gain, limited to the price at which the Investment Funds sold the investment short, or a loss, unlimited in amount, will be recognized upon the cover of the short sale.

*Due From Brokers.* Due from brokers represents cash balances with the Investment Funds’ clearing brokers. These funds as well as fully-paid for and marginable securities are essentially restricted to the extent that they serve as collateral against securities sold, not yet purchased. Due from brokers may also include unrestricted balances with derivative counterparties.

*Due To Brokers.* Due to brokers represents margin debit balances collateralized by certain of the Investment Funds’ investments in securities.

*Other Segments and Holding Company*

Investments in equity and debt securities are carried at fair value with the unrealized gains or losses reflected in the consolidated statements of operations. For purposes of determining gains and losses, the cost of securities is based on specific identification. Dividend income is recorded when declared and interest income is recognized when earned.

***Fair Value Option for Financial Assets and Financial Liabilities***

The fair value option gives entities the option to measure eligible financial assets, financial liabilities and firm commitments at fair value (i.e., the fair value option), on an instrument-by-instrument basis, that are otherwise not permitted to be accounted for at fair value pursuant to the provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 825, *Financial Instrument*s. The election to use the fair value option is available when an entity first recognizes a financial asset or financial liability or upon entering into a firm commitment. Subsequent changes in fair value must be recorded in earnings. In estimating the fair value for financial instruments for which the fair value option has been elected, we use the valuation methodologies in accordance to where the financial instruments are classified within the fair value hierarchy as discussed in Note 5, “Fair Value Measurements.” For our Investment segment, we apply the fair value option to our investments that would otherwise be accounted under the equity method.

***Derivatives***

From time to time, our subsidiaries enter into derivative contracts, including purchased and written option contracts, swap contracts, futures contracts and forward contracts. U.S. GAAP requires recognition of all derivatives as either assets or liabilities in the balance sheet at their fair value. The accounting for changes in fair value depends on the intended use of the derivative and its resulting designation. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge or a hedge of a net investment in a foreign operation. Gains and losses related to a hedge are either recognized in income immediately to offset the gain or loss on the hedged item or are deferred and reported as a component of accumulated other comprehensive loss and subsequently recognized in earnings when the hedged item affects earnings. The change in fair value of the ineffective portion of a financial instrument, determined using the hypothetical derivative method, is recognized in earnings immediately. The gain or loss related to financial instruments that are not designated as hedges are recognized immediately in earnings. Cash flows related to hedging activities are included in the operating section of the consolidated statements of cash flows. For further information regarding our derivative contracts, see Note 6, “Financial Instruments.”

***Accounts Receivable, Net***

Accounts receivable, net consists of trade receivables from customers, including contract assets when we have an unconditional right to receive consideration. An allowance for doubtful accounts is determined through analysis of the aging of accounts receivable at the date of the consolidated financial statements, assessments of collectability based on an evaluation of historic and anticipated trends, the financial condition of our customers, and an evaluation of the impact of economic conditions. Our allowance for doubtful accounts is an estimate based on specifically identified accounts as well as general reserves based on historical experience.

***Inventories, Net***

*Energy*

Our Energy segment inventories consist primarily of domestic and foreign crude oil, blending stock and components, work in progress, fertilizer products, and refined fuels and by-products. Inventories are valued at the lower of FIFO cost, or net realizable value for fertilizer products, refined fuels and by-products for all periods presented. Refinery unfinished and finished

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products inventory values were determined using the ability-to-bear process, whereby raw materials and production costs are allocated to work-in-process and finished goods based on their relative fair values. Other inventories, including other raw materials, spare parts and supplies, are valued at the lower of moving-average cost, which approximates FIFO, or net realizable value. The cost of inventories includes inbound freight costs.

*Automotive, Food Packaging, and Home Fashion*

Our Automotive, Food Packaging and Home Fashion segment inventories are stated at the lower of cost or market. Cost is determined by using the first-in, first-out basis method (“FIFO”), except for our Automotive segment, which also utilizes weighted-average cost and the last-in, first-out method for certain of its subsidiaries. Inventory recorded using the last-in, first-out method was $869 million and $846 million as of December 31, 2019 and 2018, respectively, all of which relates to finished goods. The cost of manufactured goods includes the cost of direct materials, labor and manufacturing overhead. Our Automotive, Food Packaging and Home Fashion segments reserve for estimated excess, slow-moving and obsolete inventory as well as inventory whose carrying value is in excess of net realizable value.

*Metals*

Our Metals segment inventories are stated at the lower of cost or market. Cost is determined using the average cost method. The production and accounting process utilized by our Metals segment to record recycled metals inventory quantities relies on significant estimates. Our Metals segment relies upon perpetual inventory records that utilize estimated recoveries and yields that are based upon historical trends and periodic tests for certain unprocessed metal commodities. Over time, these estimates are reasonably good indicators of what is ultimately produced; however, actual recoveries and yields can vary depending on product quality, moisture content and source of the unprocessed metal. To assist in validating the reasonableness of the estimates, our Metals segment performs periodic physical inventories which involve the use of estimation techniques. Physical inventories may detect significant variations in volume, but because of variations in product density and production processes utilized to manufacture the product, physical inventories will not generally detect smaller variations. To help mitigate this risk, our Metals segment adjusts its physical inventories when the volume of a commodity is low and a physical inventory can more accurately estimate the remaining volume.

***Long-Lived Assets***

Long-lived assets such as property, plant, and equipment, and definite-lived intangible assets are recorded at cost or fair value established at acquisition, less accumulated depreciation or amortization, unless the expected future use of the assets indicate a lower value is appropriate. Long-lived asset groups are evaluated for impairment when impairment indicators exist. If the carrying value of a long-lived asset group is impaired, an impairment charge is recorded for the amount by which the carrying value of the long-lived asset group exceeds its fair value. Depreciation and amortization are computed principally by the straight-line method for financial reporting purposes.

Land and construction in progress are stated at the lower of cost or net realizable value. Interest is capitalized on expenditures for long-term projects until a salable or ready-for-use condition is reached. The interest capitalization rate is based on the interest rate on specific borrowings to fund the projects.

***Goodwill and Indefinite-Lived Intangible Assets***

Goodwill and indefinite-lived intangible assets primarily include trademarks and brand names acquired in acquisitions. For a complete discussion of the impairment of goodwill and indefinite-lived intangible assets related to our various segments, see Note 9, “Goodwill and Intangible Assets, Net.”

*Goodwill*

Goodwill is determined as the excess of fair value over amounts attributable to specific tangible and intangible net assets. Goodwill is reviewed for impairment annually, or more frequently if impairment indicators exist. An impairment exists when a reporting unit’s carrying value exceeds its fair value. When performing the goodwill impairment testing, we first consider qualitative factors to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Qualitative factors include considering macroeconomic conditions, industry and market conditions, overall financial performance and other factors. If necessary, a quantitative impairment test is performed. When a quantitative impairment test is performed, a reporting units’ fair value is based on valuation techniques using the best available information, primarily discounted cash flows projections, guideline transaction multiples, and multiples of current and future earnings. The impairment charge, if any, is the excess of the tested reporting unit’s carrying value over its fair value, limited to the total amount of goodwill allocated to the tested reporting unit.

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*Indefinite-Lived Intangible Assets*

Indefinite-lived intangible assets are stated at fair value established at acquisition or cost. These indefinite-lived intangible assets are reviewed for impairment annually, or more frequently if impairment indicators exist. An impairment exists when a trademark or brand names’ carrying value exceeds its fair value. The fair values of these assets are based upon the prospective stream of hypothetical after-tax royalty cost savings discounted at rates that reflect the rates of return appropriate for these intangible assets. The impairment charge, if any, is the excess of the assets carrying value over its fair value.

***Pension and Other Post-Retirement Benefit Plan Obligations***

Post-retirement benefit liabilities were $73 million and $77 million as of December 31, 2019 and 2018, respectively, and are included in accrued expenses and other liabilities in our consolidated balance sheets.

Appropriate actuarial methods and assumptions are used in accounting for defined benefit pension plans and other post-retirement benefit plans. These assumptions include long-term rate of return on plan assets, discount rates and other factors. Actual results that differ from the assumptions used are accumulated and amortized over future periods. Therefore, assumptions used to calculate benefit obligations as of the end of the year directly impact the expense to be recognized in future periods. The measurement date for all defined benefit plans is December 31 of each year.

***Accumulated Other Comprehensive Loss***

Accumulated other comprehensive loss is included in the limited partners and general partner components of equity in the consolidated balance sheets in the amounts of $89 million and $85 million as of December 31, 2019 and 2018, respectively. Refer to Note 16, “Changes in Accumulated Other Comprehensive Loss,” for further information.

***Allocation of Net Profits and Losses in Consolidated Affiliated Partnerships***

Net investment income and net realized and unrealized gains and losses on investments of the Investment Funds are allocated to the respective partners of the Investment Funds based on their percentage ownership in such Investment Funds on a monthly basis. Except for our limited partner interest, such allocations made to the limited partners of the Investment Funds are represented as non-controlling interests in our consolidated statements of operations.

***General Partnership Interest of Icahn Enterprises and Icahn Enterprises Holdings***

The general partner’s capital account generally consists of its cumulative share of our net income less cash distributions plus capital contributions. Additionally, in acquisitions of common control companies accounted for at historical cost similar to a pooling of interests, the general partner’s capital account would be charged (or credited) in a manner similar to a distribution (or contribution) for the excess (or deficit) of the fair value of consideration paid over historical basis in the business acquired.

Capital Accounts, as defined under the Partnership Agreement, are maintained for our general partner and our limited partners. The capital account provisions of our Partnership Agreement incorporate principles established for U.S. federal income tax purposes and are not comparable to the equity accounts reflected under U.S. GAAP in our consolidated financial statements. Under our Partnership Agreement, the general partner is required to make additional capital contributions to us upon the issuance of any additional depositary units in order to maintain a capital account balance equal to 1.99% (1% in the case of Icahn Enterprises Holdings) of the total capital accounts of all partners.

Generally, net earnings for U.S. federal income tax purposes are allocated 1.99% (1% in the case of Icahn Enterprises Holdings) and 98.01% (99% in the case of Icahn Enterprises Holdings) between the general partner and the limited partners, respectively, in the same proportion as aggregate cash distributions made to the general partner and the limited partners during the period. This is generally consistent with the manner of allocating net income under our Partnership Agreement; however, it is not comparable to the allocation of net income reflected in our consolidated financial statements.

Pursuant to the Partnership Agreement, in the event of our dissolution, after satisfying our liabilities, our remaining assets would be divided among our limited partners and the general partner in accordance with their respective percentage interests under the Partnership Agreement. If a deficit balance still remains in the general partner’s capital account after all allocations are made between the partners, the general partner would not be required to make whole any such deficit.

***Basic and Diluted Income Per LP Unit***

For Icahn Enterprises, basic income (loss) per LP unit is based on net income or loss attributable to Icahn Enterprises allocated to limited partners. Net income or loss allocated to limited partners is divided by the weighted-average number of LP units outstanding. Diluted income (loss) per LP unit, when applicable, is based on basic income (loss) adjusted for the potential effect of dilutive securities as well as the related weighted-average number of units and equivalent units outstanding.

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For accounting purposes, when applicable, earnings prior to dates of acquisitions of entities under common control are excluded from the computation of basic and diluted income per LP unit as such earnings are allocated to our general partner.

***Income Taxes***

Except as described below, no provision has been made for federal, state, local or foreign income taxes on the results of operations generated by partnership activities, as such taxes are the responsibility of the partners. Provision has been made for federal, state, local or foreign income taxes on the results of operations generated by our corporate subsidiaries and these are reflected within continuing and discontinued operations. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Deferred tax assets are limited to amounts considered to be realizable in future periods. A valuation allowance is recorded against deferred tax assets if management does not believe that we have met the “more-likely-than-not” standard to allow recognition of such an asset.

U.S. GAAP provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the “more-likely-than-not” threshold, the largest amount of tax benefit that is greater than 50 percent likely to be recognized upon ultimate settlement with the taxing authority is recorded. See Note 15, “Income Taxes,” for additional information.

***Leases***

As discussed below, on January 1, 2019, we adopted FASB ASC Topic 842, *Leases*, using the modified retrospective approach, which does not require the application of this Topic to periods prior to January 1, 2019. The application of this Topic requires the recognition of right-of-use assets and related lease liabilities on the balance sheet for operating leases in which we are the lessee beginning in 2019. Financing leases under current U.S. GAAP are classified and accounted for in substantially the same manner as capital leases under prior U.S. GAAP and therefore, we do not distinguish between financing leases and capital leases unless the context requires.

The determination of whether an arrangement is or contains a lease occurs at inception. We account for arrangements that contain lease and non-lease components as a single lease component for all classes of underlying assets. Leases in which we are the lessor are primarily within our Real Estate segment. Refer to Real Estate below for further discussion. In addition, all of our businesses, including our Real Estate segment, enter into lease arrangements as the lessee. The following is our accounting policy for leases in which we are the lessee.

*All Segments and Holding Company*

Leases are classified as either operating or financing by the lessee depending on whether or not the lease terms provide for control of the underlying asset to be transferred to the lessee. When control transfers to the lessee, we classify the lease as a financing lease. All other leases are recorded as operating leases. Effective January 1, 2019, for all leases with an initial lease term in excess of twelve months, we record a right-of-use asset with a corresponding liability in the consolidated balance sheet. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at commencement of the lease based on the present value of the lease payments over the lease term. Right-of-use assets are adjusted for any lease payments made on or before commencement of the lease, less any lease incentives received. As most of our leases do not provide an implicit rate, we use the incremental borrowing rate with respect to each of our businesses based on the information available at commencement of the lease in determining the present value of lease payments. We use the implicit rate when readily determinable. The lease terms used in the determination of our right-of-use assets and lease liabilities reflect any options to extend or terminate the lease when it is reasonably certain that we will exercise such option. We and our subsidiaries, independently of each other, apply a portfolio approach to account for the right-of-use assets and lease liabilities when we or our subsidiaries do not believe that applying the portfolio approach would be materially different from accounting for right-of-use assets and lease liabilities individually.

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Operating lease costs are recorded as a single expense recognized on a straight-line basis over the lease term. Operating lease right-of-use assets are amortized for the difference between the straight-line expense less the accretion of interest of the related lease liability. Financing lease costs consists of interest expense on the financing lease liability as well as amortization of the right-of-use financing lease assets on a straight-line basis over the lease term.

*Real Estate*

Leases are classified as either operating, sales-type or direct financing by the lessor. Our Real Estate segment’s net lease portfolio consists of commercial real estate leased to others under long-term operating leases and we account for these leases in accordance with FASB ASC Topic 842. These assets leased to others are recorded at cost, net of accumulated depreciation, and are included in property, plant and equipment, net on our consolidated balance sheets. Assets leased to others are depreciated on a straight-line basis over the useful lives of the assets, ranging from 5 years to 39 years. Lease revenue is recognized on a straight-line basis over the lease term. Cash receipts for all lease payments received are included in net cash flows from operating activities in the consolidated statements of cash flows. Our Real Estate segment’s accounting policy for assets leased to others is not significantly different from prior periods.

***Revenue From Contracts With Customers and Contract Balances***

Due to the nature of our business, we derive revenue from various sources in various industries. With the exception of all of our Investment segment’s and our Holding Company’s revenues, and our Real Estate segment’s leasing revenue, our revenue is generally derived from contracts with customers in accordance with U.S. GAAP. Such revenue from contracts with customers are included in net sales and other revenues from operations in the consolidated statements of operations; however, our Real Estate segment’s leasing revenue, as disclosed in Note 10, “Leases,” is also included in other revenues from operations. Related contract assets are included in accounts receivable, net or other assets and related contract liabilities are included in accrued expenses and other liabilities in the consolidated balance sheets. Our disaggregation of revenue information includes our net sales and other revenues from operations for each of our reporting segments as well as additional disaggregation of revenue information for our Energy and Automotive segments. See Note 13, “Segment and Geographic Reporting,” for our complete disaggregation of revenue information. In addition, we disclose additional information with respect to revenue from contracts with customers and contract balances for our Energy and Automotive segments below.

*Energy*

*Revenue:* Our Energy segment revenues from the sale of petroleum products are recorded upon delivery of the products to customers, which is the point at which title is transferred and the customer has assumed the risk of loss. This generally takes place as product passes into the pipeline, as a product transfer order occurs within a pipeline system, or as product enters equipment or locations supplied or designated by the customer. For our Energy segment’s nitrogen fertilizer products sold, revenues are recorded at the point in time at which the customer obtains control of the product, which is generally upon delivery and acceptance by the customer. Nitrogen fertilizer products are sold on a wholesale basis under a contract or by purchase order. Excise and other taxes collected from customers and remitted to governmental authorities by our Energy segment are not included in reported revenues.

The petroleum business’ contracts with its customers state the terms of the sale, including the description, quantity, and price of each product sold. Depending on the product sold, and the type of contract, payments from customers are generally due in full within 30 days of product delivery or invoice date. Many of the petroleum business’ contracts have index-based pricing which is considered variable consideration that should be estimated in determining the transaction price. Our Energy segment determined that it does not need to estimate the variable consideration because the uncertainty related to the consideration is resolved on the pricing date or the date when the product is delivered. The nitrogen fertilizer business has an immaterial amount of variable consideration for contracts with an original duration of less than a year. A small portion of the nitrogen fertilizer partnership’s revenue includes contracts extending beyond one year and contain variable pricing in which the majority of the variability is attributed to the market-based pricing. The nitrogen fertilizer business’ contracts do not contain a significant financing component.

Our Energy segment generally provides no warranty other than the implicit promise that goods delivered are free of liens and encumbrances and meet the agreed upon specifications. In addition, product returns are very rare and are accounted for as they occur; however, contracts do include provisions which state that the petroleum business will except returns of off-spec product, refund the customer, provide on-spec product, and pay for damages to any customer equipment which resulted from off-spec product. Typically, if a customer is not satisfied with a product, the price is adjusted downward instead of the product being returned or exchanged.

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As of December 31, 2019, our Energy segment had $9 million of remaining performance obligations for contracts with an original expected duration of more than one year. Our Energy segment expects to recognize approximately $4 million of these performance obligations as revenue by the end of 2020 and the remaining balance thereafter.

*Contract balances:* Our Energy segment’s deferred revenue is a contract liability that primarily relates to fertilizer sales contracts requiring customer prepayment prior to product delivery to guarantee a price and supply of nitrogen fertilizer. Deferred revenue is recorded at the point in time in which a prepaid contract is legally enforceable and the associated right to consideration is unconditional prior to transferring product to the customer. An associated receivable is recorded for uncollected prepaid contract amounts. Contracts requiring prepayment are generally short-term in nature and, as discussed above, revenue is recognized at the point in time in which the customer obtains control of the product. Our Energy segment had deferred revenue of $28 million and $69 million as of December 31, 2019 and 2018, respectively. Deferred revenue is included in accrued expense and other liabilities in the consolidated balance sheets. For the year ended December 31, 2019 and 2018, our Energy segment recorded revenue of $68 million and $34 million, respectively, with respect to deferred revenue outstanding as of the beginning of each respective year.

*Automotive*

*Revenue:* Our Automotive segment recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Our Automotive segment revenue from retail and commercial parts sales is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. Automotive service revenues are recognized on completion of the service and consist of products and the labor charged for installing products or maintaining or repairing vehicles. Automotive services labor revenues are included in other revenues from operations in our consolidated statements of operations; however, the sale of any installed parts or materials related to automotive services are included in net sales. Our Automotive segment recognizes revenues from extended warranties offered to its customers on tires its sells, including lifetime warranties for road hazard assistance (recognized over 3 years) and 1-year, 3-year and lifetime plans for alignments (recognized over 1 year, 3 years and 5 years, respectively), for which it receives payment upfront. Revenues from extended warranties are recognized over the term of the warranty contract with the satisfaction of its performance obligations measured using the output method. Our Automotive segment recognizes revenues from franchise fees, which it receives payment upfront, and franchise royalties, for which it receives payment over time. Revenues from upfront franchise fees are recognized at the time the store opens, as that is when our Automotive segment’s performance obligations are deemed complete, and revenues from franchise royalties are recognized in the period in which royalties are earned, generally based on a percentage of franchise sales.

*Contract balances:* Our Automotive segment has deferred revenue with respect to extended warranty plans of $42 million and $42 million as of December 31, 2019 and 2018, respectively, which are included in accrued expenses and other liabilities in our consolidated balance sheets. For the year ended December 31, 2019 and 2018, our Automotive segment recorded revenue of $21 million and $18 million, respectively, with respect to deferred revenue outstanding as of the beginning of each respective year. For deferred revenue outstanding as of December 31, 2019, our Automotive segment expects to recognize approximately $21 million in 2020 and the remainder thereafter.

*Food Packaging*

Our Food Packaging segment revenues are recognized at the time products are shipped to the customer, under F.O.B. shipping point or F.O.B. port terms, which is the point at which title is transferred, the customer has the assumed risk of loss, and payment has been received or collection is reasonably assumed. Revenues are net of discounts, rebates and allowances. Viskase records all labor, raw materials, in-bound freight, plant receiving and purchasing, warehousing, handling and distribution costs as a component of costs of goods sold.

*Metals*

Our Metals segment’s primary source of revenue is from the sale of processed ferrous scrap metal, non-ferrous scrap metals, steel pipe and steel plate. PSC Metals also generates revenues from sales of secondary plate and pipe, the brokering of scrap metals and from services performed. All sales are recognized when title passes to the customer. Revenues from services are recognized as the service is performed. Sales adjustments related to price and weight differences are reflected as a reduction of revenues when settled.

*Home Fashion*

Our Home Fashion segment records revenue upon delivery and when title is transferred and the customer has assumed the risk of loss. Unless otherwise agreed in writing, title and risk of loss pass from WPH to the customer when WPH delivers the

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merchandise to the designated point of delivery, to the designated point of destination or to the designated carrier, free on board. Provisions for certain rebates, sales incentives, product returns and discounts to customers are recorded in the same period the related revenue is recorded.

*Mining*

Our Mining segment recognized revenue when title, ownership, and risk of loss pass to the customer, all of which occur upon shipment or delivery of the product and is based on the applicable shipping terms. Revenue was measured at the fair value of the consideration received or receivable, with any adjustments as a result of provisional pricing recorded against revenue.

***Other Revenue and Expense Recognition***

*Real Estate*

*Revenue Recognition:* Revenue from real estate sales and related costs are recognized at the time of closing primarily by specific identification. Substantially all of the property comprising our net lease portfolio is leased to others under long-term net leases and we account for these leases in accordance with applicable U.S. GAAP. We account for our leases as follows: (i) for operating leases, revenue is recognized on a straight line basis over the lease term and (ii) for financing leases (x) minimum lease payments to be received plus the estimated value of the property at the end of the lease are considered the gross investment in the lease and (y) unearned income, representing the difference between gross investment and actual cost of the leased property, is amortized to income over the lease term so as to produce a constant periodic rate of return on the net investment in the lease.

*Railcar*

*Revenue recognition:* Revenues from railcar leasing were generated from operating leases that were priced as an integrated service that includes amounts related to executory costs, such as certain maintenance, insurance, and ad valorem taxes and are recognized on a straight-line basis per terms of the underlying lease. If railcars were sold under a lease that is less than one year old, the proceeds from the railcars sold that were on lease will be shown on a gross basis in revenues and cost of revenues at the time of sale. Sales of leased railcars that have been on lease for more than one year were recognized as a net gain or loss from the disposal of the long-term asset as a component of earnings from operations. During the year ended December 31, 2017, our Railcar segment recognized $165 million of revenue from operating leases, prior to our sale of ARL.

*Energy*

*Shipping Costs:* Our Energy segment’s pass-through finished goods delivery costs reimbursed by customers are reported in net sales, while an offsetting expense is included in cost of goods sold.

*Automotive*

*Shipping Costs:* Our Automotive segment recognizes shipping and handling costs as incurred and is included in selling, general and administrative in the consolidated statements of operations for its commercial and retail parts businesses.

***Environmental Liabilities***

We recognize environmental liabilities when a loss is probable and reasonably estimable. Estimates of these costs are based upon currently available facts, internal and third-party assessments of contamination, available remediation technology, site-specific costs, and currently enacted laws and regulations. In reporting environmental liabilities, no offset is made for potential recoveries. Loss contingency accruals, including those for environmental remediation, are subject to revision as further information develops or circumstances change, and such accruals can take into account the legal liability of other parties. Environmental expenditures are capitalized at the time of the expenditure when such costs provide future economic benefits.

***Litigation***

On an ongoing basis, we assess the potential liabilities related to any lawsuits or claims brought against us. While it is typically very difficult to determine the timing and ultimate outcome of such actions, we use our best judgment to determine if it is probable that we will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In assessing probable losses, we make estimates of the amount of insurance recoveries, if any. We accrue a liability when we believe a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation and potential insurance recovery, it is possible that certain matters may be resolved for amounts materially different from any provisions or disclosures that we have previously made.

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***Foreign Currency Translation***

Exchange adjustments related to international currency transactions and translation adjustments for international subsidiaries whose functional currency is the U.S. dollar (principally those located in highly inflationary economies) are reflected in the consolidated statements of operations. Translation adjustments of international subsidiaries for which the local currency is the functional currency are reflected in the consolidated balance sheets as a component of accumulated other comprehensive income. Deferred taxes are not provided on translation adjustments, other than for intercompany loans not designated as permanently reinvested, as the earnings of the subsidiaries are considered to be permanently reinvested.

***Concentrations of credit risk***

Concentrations of credit risk relate primarily to derivative instruments from our Investment segment. See Note 6, “Financial Instruments,” for further discussion.

In addition, at our Holding Company, financial instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalent deposits. These cash and cash equivalent deposits are maintained with several financial institutions. The deposits held at the various financial institutions may exceed federally insured limits. Exposure to this credit risk is reduced by placing such deposits with major financial institutions and monitoring their credit ratings and, therefore, these deposits bear minimal credit risk.

***Adoption of New Accounting Standards***

*Lease Accounting Standards Updates*

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*, which supersedes FASB ASC Topic 840, *Leases*. This ASU requires the recognition of right-of-use 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 financing leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases under previous guidance. Furthermore, quantitative and qualitative disclosures, including disclosures regarding significant judgments made by management, will be required. 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. In addition, in July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842),* which provides an additional (and optional) transition method to adopt the new leases standard. We adopted the new leases standards using the new transition method option effective January 1, 2019, which required a cumulative-effect adjustment recognized in equity at such date. No adjustment to prior period presentation and disclosure were required. The most significant impact related to the recognition of right-of-use assets and lease liabilities in the consolidated balance sheets for long-term operating leases with the significant majority of the impact within our Automotive segment, and to a lesser extent, our Energy and Food Packaging segments. Our Automotive segment has identified approximately 2,300 leases, primarily for real estate (operating leases) and vehicles (financing leases) and recognized operating lease right-of-use assets of $589 million (which includes the impact of above market leases, net of below market leases) and related liabilities of $621 million as of January 1, 2019 as well as additional financing lease right-of-use assets and obligations of $20 million and $22 million, respectively. Our Energy segment recognized operating lease right-of-use assets and liabilities of $56 million and additional financing lease right-of-use assets and obligations of $26 million and $23 million, respectively, as of January 1, 2019. Our Food Packaging segment recognized operating lease right-of-use assets and liabilities of $35 million and $39 million, respectively, as of January 1, 2019. The aggregate impact for all other segments and our Holding Company was the recognition of operating lease right-of-use assets and liabilities of $34 million and $28 million, respectively, as of January 1, 2019.

*Other Accounting Standards Updates*

In March 2017, the FASB issued ASU 2017-08, *Premium Amortization on Purchased Callable Debt Securities*, which amends FASB ASC Sub-Topic 310-20, *Receivables-Nonrefundable Fees and Other Costs*. This ASU amends the amortization period for certain purchased callable debt securities held at a premium by shortening the amortization period for the premium to the earliest call date. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. We have adopted this standard on January 1, 2019 using the modified retrospective application method. The adoption of this standard did not have a significant impact on our consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities*, which amends FASB ASC Topic 815, *Derivatives and Hedging*. This ASU includes amendments to existing guidance to better align

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an entity’s risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. We have adopted this standard on January 1, 2019. The adoption of this standard did not have a significant impact on our consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which amends FASB ASC Topic 220, *Income Statement - Reporting Comprehensive Income*. This ASU allows a reclassification out of accumulated other comprehensive loss within equity for standard tax effects resulting from the Tax Cuts and Jobs Act and consequently, eliminates the stranded tax effects resulting from the Tax Cuts and Jobs Act. This ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. We have adopted this standard effective on January 1, 2019. See Note 16, “Changes in Accumulated Other Comprehensive Loss,” for the impact on our accumulated other comprehensive loss, which is attributable to our Food Packaging segment.

***Recently Issued Accounting Standards***

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which amends FASB ASC Topic 326, *Financial Instruments - Credit Losses.* In addition, in May 2019, the FASB issued ASU 2019-05, *Targeted Transition Relief*, which updates FASB ASU 2016-13. These ASU’s require 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. These ASU’s are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early application is permitted for fiscal years beginning after December 15, 2018. Most of our financial assets are excluded from the requirements of this standard as they are measured at fair value or are subject to other accounting standards. In addition, certain of our other financial assets are short-term in nature and therefore are not likely to be subject to significant credit losses beyond what is already recorded under current accounting standards. As a result, we currently do not anticipate this standard to have a significant impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurements*, which amends FASB ASC Topic 820, *Fair Value Measurements*. This ASU eliminates, modifies and adds various disclosure requirements for fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Certain disclosures are required to be applied using a retrospective approach and others using a prospective approach. Early adoption is permitted. The various disclosure requirements being eliminated, modified or added are not significant to us. As a result, we currently do not anticipate this standard to have a significant impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*, which amends FASB ASC Subtopic 350-40, *Intangibles-Goodwill and Other-Internal-Use Software*. This ASU adds certain disclosure requirements related to implementation costs incurred for internal-use software and cloud computing arrangements. The amendment aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The amendments in this ASU should be applied either using a retrospective or prospective approach. Early adoption is permitted. We currently do not anticipate this standard to have a significant impact on our consolidated financial statements.

**3. Related Party Transactions.**

Our second 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 Funds***

During the years ended December 31, 2019, 2018 and 2017, Mr. Icahn and his affiliates (excluding us) invested $220 million, $310 million and $600 million, respectively, in the Investment Funds, net of redemptions. As of December 31, 2019

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and 2018, the total fair market value of investments in the Investment Funds made by Mr. Icahn and his affiliates (excluding us) was approximately $4.5 billion and $5.0 billion, respectively, representing approximately 51% and 50% of the Investment Funds’ assets under management as of each respective date.

We pay 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 us are reimbursed by the Investment Funds. For the years ended December 31, 2019, 2018 and 2017, $23 million, $12 million and $13 million, respectively, was allocated to the Investment Funds based on this expense-sharing arrangement.

***Hertz Global Holdings, Inc.***

As discussed in Note 4, “Investments,” the Investment Funds have an investment in the common stock of Hertz Global Holdings, Inc. (“Hertz”) measured at fair value that would have otherwise been subject to the equity method of accounting. Icahn Automotive provides services to Hertz in the ordinary course of business. For the years ended December 31, 2019, 2018 and 2017, revenue from Hertz was $54 million, $40 million and $17 million, respectively. Additionally, Federal-Mogul had payments to Hertz in the ordinary course of business of $1 million and $2 million for the years ended December 31, 2018 and 2017, respectively.

During the year ended December 31, 2018, the Investment Funds purchased shares of a certain investment from Hertz in the amount of $36 million.

In addition to our transactions with Hertz disclosed above, in January 2018, we entered into a Master Motor Vehicle Lease and Management Agreement with Hertz, pursuant to which Hertz granted 767 Leasing the option to acquire certain vehicles from Hertz at rates aligned with the rates at which Hertz sells vehicles to third parties. Under this agreement, as amended, Hertz will lease the vehicles that 767 Leasing purchases from Hertz, or from third parties, under a mutually developed fleet plan and Hertz will manage, service, repair, sell and maintain those leased vehicles on behalf of 767 Leasing. Additionally, Hertz will rent the leased vehicles to transportation network company drivers from rental counters within locations leased or owned by us. This agreement had an initial term of 18 months and is subject to automatic six-month renewals thereafter, unless terminated by either party (with or without cause) prior to the start of any such six-month renewal. Our agreement with Hertz was unanimously approved by the independent directors of Icahn Enterprises’ audit committee. Due to the nature of our involvement with 767 Leasing, which includes Icahn Enterprises and Icahn Enterprises Holdings guaranteeing the payment obligations of 767 Leasing and sharing in the profits of 767 Leasing with Hertz, we determined that 767 Leasing is a variable interest entity. Furthermore, we determined that we are not the primary beneficiary as we do not have the power to direct the activities of 767 Leasing that most significantly impact its economic performance. Therefore, we do not consolidate the results of 767 Leasing. Our exposure to loss with respect to 767 Leasing is primarily limited to our direct investment in 767 Leasing as well as any payment obligations of 767 Leasing that we guarantee, which are not material as of December 31, 2019 and 2018. As of December 31, 2019 and 2018, 767 Leasing had assets of $121 million and $59 million, respectively, (primarily vehicles for lease) and total liabilities of $1 million and $1 million, respectively, which represents a payable to Icahn Automotive in connection with a shared services agreement. For the year ended December 31, 2019 and 2018, we invested $50 million and $60 million, respectively, in 767 Leasing. During the years ended December 31, 2019 and 2018, we had equity earnings (losses) from 767 Leasing of $11 million and $(1) million, respectively. As of December 31, 2019 and December 31, 2018, we had an equity method investment in 767 Leasing of $120 million and $59 million, respectively, which we report in our Automotive segment.

***ACF Industries LLC***

Our Railcar operations, prior to December 5, 2018 (the date we closed on the sale of ARI), had certain transactions with ACF Industries LLC (“ACF”), an affiliate of Mr. Icahn, under various agreements, as well as on a purchase order basis. ACF is a manufacturer and fabricator of specialty railcar parts and miscellaneous steel products. Agreements and transactions with ACF include (i) railcar component purchases from ACF, (ii) railcar parts purchases from and sales to ACF, (iii) railcar purchasing and engineering services agreements with ACF, (iv) lease of certain intellectual property to ACF and (v) railcar repair services and support for ACF.

Purchases from ACF were $3 million and $6 million for the years ended December 31, 2018 and 2017, respectively. For the years ended December 31, 2018 and 2017, revenues from ACF were $6 million and $1 million, respectively.

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***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. Icahn Enterprises Holdings has 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 ours, including CVR Energy, Viskase, PSC Metals, WPH, Federal-Mogul (prior to October 1, 2018), ARI (prior to December 5, 2018) and Tropicana (prior to October 1, 2018) 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 have minority equity interests in Insight Portfolio Group and also agreed to pay certain of Insight Portfolio Group’s operating expenses. For the years ended December 31, 2019, 2018 and 2017, we and certain of our subsidiaries paid certain of the Insight Portfolio Group’s operating expenses of $3 million, $4 million and $2 million, respectively. Insight Portfolio Group ceased operations effective January 1, 2020.

**4. Investments.**

***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 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.” The carrying value and detail by security type, including business sector for equity securities, with respect to investments and securities sold, not yet purchased held by our Investment segment consist of the following:

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|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
| **Assets** | | | (in millions) | | | | | | | | |  | | |  | | |
| Investments: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Equity securities: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Basic materials | | | $ | 281 |  |  | | | $ | 414 |  |  |  |  |  |  |  |
| Consumer, non-cyclical | | | 2,085 | |  |  | | | 2,161 | |  |  |  |  |  |  |  |
| Consumer, cyclical | | | 2,427 | |  |  | | | 1,161 | |  |  |  |  |  |  |  |
| Energy | | | 1,717 | |  |  | | | 1,598 | |  |  |  |  |  |  |  |
| Financial | | | — | |  |  | | | 167 | |  |  |  |  |  |  |  |
| Technology | | | 2,425 | |  |  | | | 1,040 | |  |  |  |  |  |  |  |
| Other | | | 127 | |  |  | | | 145 | |  |  |  |  |  |  |  |
|  | | | 9,062 | |  |  | | | 6,686 | |  |  |  |  |  |  |  |
| Corporate debt securities | | | 145 | |  |  | | | 181 | |  |  |  |  |  |  |  |
|  | | | $ | 9,207 |  |  | | | $ | 6,867 |  |  |  |  |  |  |  |
| **Liabilities** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Securities sold, not yet purchased, at fair value: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Equity securities: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Basic materials | | | $ | 209 |  |  | | | $ | — |  |  |  |  |  |  |  |
| Consumer, non-cyclical | | | 29 | |  |  | | | 57 | |  |  |  |  |  |  |  |
| Consumer, cyclical | | | 379 | |  |  | | | 106 | |  |  |  |  |  |  |  |
| Energy | | | 124 | |  |  | | | 305 | |  |  |  |  |  |  |  |
| Financial | | | 152 | |  |  | | | — | |  |  |  |  |  |  |  |
| Technology | | | 217 | |  |  | | | — | |  |  |  |  |  |  |  |
| Other | | | 80 | |  |  | | | — | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
|  | | | $ | 1,190 |  |  | | | $ | 468 |  |  |  |  |  |  |  |

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The portion of unrealized gains (losses) that relates to securities still held by our Investment segment, primarily equity securities, was $706 million, $(800) million and $1,413 million for the years ended December 31, 2019, 2018 and 2017, respectively.

As discussed in Note 2, “Basis of Presentation and Summary of Significant Accounting Policies,” when certain investments become subject to the equity method of accounting, our Investment segment elects the fair value option to such investment. Investments become subject to the equity method of accounting when we possess the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. The ability to exercise significant influence is presumed when we possess more than 20% of the voting interests of the investee. This presumption may be overcome based on specific facts and circumstances that demonstrate that the ability to exercise significant influence is restricted. Conversely, there is a presumption that for investments in which we have less than 20% of the voting interests of the investee that we do not have the ability to exercise significant influence. However, such presumption may be overcome based on specific facts and circumstances that demonstrate that the ability to exercise significant influence is present, such as when we have representation on the board of directors of such investee.

After considering specific facts and circumstances, including the collective ownership in entities by the Investment Funds and affiliates of Mr. Icahn, as well as their collective representation on each of the boards of directors, we have determined that we have the ability to exercise significant influence over the operating and financial policies of certain investees below. The following table summarizes our direct ownership in such investees as well as certain financial information with respect to such investees in our consolidated financial statements during the respective periods in which we possessed the ability to exercise significant influence over the operating and financial policies of the investee.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  | | | **Voting Interests(1)** | | |  | | | **Fair Value of Investment** | | | | | | | | |  | | |  | | |  | | | **Gains (Losses)  Recognized in Income** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **December 31, 2019** | | |  | | | **December 31,** | | | | | | | | |  | | |  | | |  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |
| Herbalife Nutrition Ltd. | | | 19.1% | |  |  | | | $ | 1,343 |  |  | | | $ | 1,661 |  |  | | | $ | (318) |  |  | |  | $ | 864 |  |  | |  | $ | 357 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Hertz Global Holdings, Inc. | | | 24.6% | |  |  | | | 551 | |  |  | | | 320 | |  |  | | | 105 | |  |  | |  | (197) | |  |  | |  | 13 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Caesars Entertainment Corporation | | | 13.4% | |  |  | | | 1,243 | |  |  | | | — | |  |  | | | 478 | |  |  | |  | — | |  |  | |  | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | | $ | 3,137 |  |  | |  | $ | 1,981 |  |  | | | $ | 265 |  |  | |  | $ | 667 |  |  | |  | $ | 370 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1) Voting interest represents our share of the voting common stock currently held as of December 31, 2019; however, voting common stock held by Mr. Icahn and his affiliates (excluding us) are not included.

The following tables contain summarized financial information with respect to these investees as if such investees were consolidated in our financial statements during the respective periods (or partial periods) in which we possessed the ability to exercise significant influence over the operating and financial policies of the investee. In addition, each of these investees file annual, quarterly and current reports, and proxy and information statements with the SEC.

*Herbalife Nutrition Ltd.*

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Total assets | | | $ | 2,679 |  |  | | | $ | 2,790 |  |  |  |  |  |  |  |
| Total liabilities | | | 3,069 | |  |  | | | 3,513 | |  |  |  |  |  |  |  |
| Equity (deficit) | | | (390) | |  |  | | | (723) | |  |  |  |  |  |  |  |

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|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Revenue | | | $ | 4,877 |  |  | |  | $ | 4,892 |  |  | |  | $ | 4,428 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income attributable to shareholders | | | 311 | |  |  | |  | 297 | |  |  | |  | 214 | |  |  |  |  |  |  |  |  |  |  |  |  |  |

*Hertz Global Holdings, Inc.*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Total assets | | | $ | 24,627 |  |  | | | $ | 21,382 |  |  |  |  |  |  |  |
| Total liabilities | | | 22,739 | |  |  | | | 20,262 | |  |  |  |  |  |  |  |
| Equity | | | 1,888 | |  |  | | | 1,120 | |  |  |  |  |  |  |  |

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|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Revenue | | | $ | 9,779 |  |  | |  | $ | 9,504 |  |  | |  | $ | 8,803 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income attributable to shareholders | | | (58) | |  |  | |  | (225) | |  |  | |  | 327 | |  |  |  |  |  |  |  |  |  |  |  |  |  |

*Caesars Entertainment Corporation*

We obtained significant influence over Caesars Entertainment Corporation (“Caesars”), and elected the fair value option with respect to our investment in Caesars, beginning in the first quarter of 2019. As of December 31, 2019, Caesars had total assets of approximately $25.3 billion, total liabilities of $23.1 billion and equity of $2.2 billion. For 2019, during the period in which we had significant influence over Caesars, revenues were $8.7 billion and net income attributable to Caesars’ shareholders was $(1.2) billion. During the second quarter of 2019, we agreed to vote our Caesars’ shares in favor of the proposed merger between Caesars and Eldorado Resorts, Inc. (“Eldorado”). Pursuant to the merger, Caesars will merge into a subsidiary of Eldorado and Caesars stockholders will have the right, subject to certain allocation limitations, to elect to receive cash, stock in Eldorado, or a combination of cash and stock. Upon consummation of the merger, depending on what consideration we and other stockholders elect, we expect to receive a combination of cash and Eldorado shares. The transaction has not yet been consummated as of December 31, 2019.

***Other Segments and Holding Company***

With the exception of certain equity method investments at our operating subsidiaries and our Holding Company disclosed in the table below, our investments are measured at fair value in our consolidated balance sheets. The carrying value of investments held by our other segments and our Holding Company consist of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Equity method investments | | | $ | 201 |  |  | | | $ | 143 |  |  |  |  |  |  |  |
| Other investments (measured at fair value) | | | 537 | |  |  | | | 1,327 | |  |  |  |  |  |  |  |
|  | | | $ | 738 |  |  | | | $ | 1,470 |  |  |  |  |  |  |  |

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The portion of unrealized (losses) gains that relates to equity securities still held by our other segments and our Holding Company was $(421) million, $(339) million and $67 million for the years ended December 31, 2019, 2018 and 2017, respectively.

**5. Fair Value Measurements.**

U.S. GAAP requires enhanced disclosures about investments and non-recurring non-financial assets and liabilities that are measured and reported at fair value and has established a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring investments or non-financial assets and liabilities at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments and non-financial assets and/or liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical investments and non-financial assets and/or liabilities as of the reporting date.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies where all significant inputs are observable. The inputs and assumptions of our Level 2 investments are derived from market observable sources including reported trades, broker/dealer quotes and other pertinent data.

Level 3 - Pricing inputs are unobservable for the investment and non-financial asset and/or liability and include situations where there is little, if any, market activity for the investment or non-financial asset and/or liability. The inputs into the determination of fair value require significant management judgment or estimation. Fair value is determined using comparable market transactions and other valuation methodologies, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the investments’, non-financial assets’ and/or liabilities’ level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the investment. Significant transfers, if any, between the levels within the fair value hierarchy are recognized at the beginning of the reporting period when changes in circumstances require such transfers.

***Assets and Liabilities Measured at Fair Value on a Recurring Basis***

The following table summarizes the valuation of our assets and liabilities by the above fair value hierarchy levels measured on a recurring basis:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2019** | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | **December 31, 2018** | | | | | | | | | | | | | | | | |  |
|  | | | **Level 1** | | |  | | | **Level 2** | | |  | | | **Level 3** | | |  | | | **Total** | | |  | | | **Level 1** | | |  | | | **Level 2** | | |  | | | **Level 3** | | |  | | | **Total** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Assets** | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | |  |
| Investments (Note 4) | | | $ | 9,448 |  |  | | | $ | 281 |  |  | | | $ | 3 |  |  | | | $ | 9,732 |  |  | | | $ | 7,493 |  |  | | | $ | 317 |  |  | | | $ | 372 |  |  | | | $ | 8,182 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivative contracts, at fair value (Note 6)(1) | | | — | |  |  | | | 182 | |  |  | | | — | |  |  | | | 182 | |  |  | | | 7 | |  |  | | | 517 | |  |  | | | — | |  |  | | | 524 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 9,448 |  |  | | | $ | 463 |  |  | | | $ | 3 |  |  | | | $ | 9,914 |  |  | | | $ | 7,500 |  |  | | | $ | 834 |  |  | | | $ | 372 |  |  | | | $ | 8,706 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Securities sold, not yet purchased (Note 4) | | | $ | 1,190 |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | 1,190 |  |  | | | $ | 468 |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | 468 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other liabilities | | | — | |  |  | | | 7 | |  |  | | | 6 | |  |  | | | 13 | |  |  | | | — | |  |  | | | 2 | |  |  | | | — | |  |  | | | 2 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivative contracts, at fair value (Note 6) | | | — | |  |  | | | 1,224 | |  |  | | | — | |  |  | | | 1,224 | |  |  | | | — | |  |  | | | 36 | |  |  | | | — | |  |  | | | 36 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 1,190 |  |  | | | $ | 1,231 |  |  | | | $ | 6 |  |  | | | $ | 2,427 |  |  | | | $ | 468 |  |  | | | $ | 38 |  |  | | | $ | — |  |  | | | $ | 506 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1)Amounts are classified within other assets in our consolidated balance sheets.

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Refer to Note 19, “Pension and Other Post-Retirement Benefit Plans,” for our Food Packaging segment’s defined benefit plan assets measured at fair value on a recurring basis as of December 31, 2019 and 2018.

***Assets Measured at Fair Value on a Recurring Basis for Which We Use Level 3 Inputs to Determine Fair Value***

The changes in investments measured at fair value on a recurring basis for which we use Level 3 inputs to determine fair value are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | |  |  | | |  | | |
| Balance at January 1 | | | $ | 372 |  |  | | | $ | 278 |  |  |  |  |  |  |  |
| Net gains recognized in income | | | 89 | |  |  | | | 95 | |  |  |  |  |  |  |  |
| Sales | | | (458) | |  |  | | | — | |  |  |  |  |  |  |  |
| Other | | | — | |  |  | | | (1) | |  |  |  |  |  |  |  |
| Balance at December 31 | | | $ | 3 |  |  | | | $ | 372 |  |  |  |  |  |  |  |

As of December 31, 2018, we had a certain equity investment which was considered a Level 3 investment due to unobservable market data and was measured at fair value on a recurring basis. We determined the fair value of this investment based on recent market transactions. During 2019, we sold this investment in its entirety.

***Assets Measured at Fair Value on a Non-Recurring Basis for Which We Use Level 3 Inputs to Determine Fair Value***

Certain assets measured at fair value using Level 3 inputs on a nonrecurring basis have been impaired. During the years ended December 31, 2019, 2018 and 2017, we recorded impairment charges of $2 million, $5 million and $10 million, respectively, relating to property, plant and equipment. We determined the fair value of property, plant and equipment by applying probability weighted, expected present value techniques to the estimated future cash flows using assumptions a market participant would utilize. In addition, during the year ended December 31, 2017, we recorded a loss of $8 million from marking inventory down to net realizable value at our Automotive segment. Additionally, in connection with our reclassification of certain Railcar segment assets from held and used to assets held for sale, we recorded aggregate impairment charges of $68 million for the year ended December 31, 2017, which represents the difference between the carrying value and fair value less cost to sell of such assets.

Refer to Note 9, “Goodwill and Intangible Assets, Net,” for discussion of our goodwill and intangible asset impairments.

Refer to Note 13, “Segment and Geographic Reporting,” for total impairment recorded by each of our segments.

**6. Financial Instruments.**

***Overview***

*Investment*

In the normal course of business, the Investment Funds may trade various financial instruments and enter into certain investment activities, which may give rise to off-balance-sheet risks, with the objective of capital appreciation or as economic hedges against other securities or the market as a whole. The Investment Funds’ investments may include futures, options, swaps and securities sold, not yet purchased. These financial instruments represent future commitments to purchase or sell other financial instruments or to exchange an amount of cash based on the change in an underlying instrument at specific terms at specified future dates. Risks arise with these financial instruments from potential counterparty non-performance and from changes in the market values of underlying instruments.

Credit concentrations may arise from investment activities and may be impacted by changes in economic, industry or political factors. The Investment Funds routinely execute transactions with counterparties in the financial services industry, resulting in credit concentration with respect to the financial services industry. In the ordinary course of business, the Investment Funds may also be subject to a concentration of credit risk to a particular counterparty. The Investment Funds seek to mitigate these risks by actively monitoring exposures, collateral requirements and the creditworthiness of its counterparties.

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The Investment Funds have entered into various types of swap contracts with other counterparties. These agreements provide that they are entitled to receive or are obligated to pay in cash an amount equal to the increase or decrease, respectively, in the value of the underlying shares, debt and other instruments that are the subject of the contracts, during the period from inception of the applicable agreement to its expiration. In addition, pursuant to the terms of such agreements, they are entitled to receive or obligated to pay other amounts, including interest, dividends and other distributions made in respect of the underlying shares, debt and other instruments during the specified time frame. They are also required to pay to the counterparty a floating interest rate equal to the product of the notional amount multiplied by an agreed-upon rate, and they receive interest on any cash collateral that they post to the counterparty at the federal funds or LIBOR rate in effect for such period.

The Investment Funds may trade futures contracts. A futures contract is a firm commitment to buy or sell a specified quantity of a standardized amount of a deliverable grade commodity, security, currency or cash at a specified price and specified future date unless the contract is closed before the delivery date. Payments (or variation margin) are made or received by the Investment Funds each day, depending on the daily fluctuations in the value of the contract, and the whole value change is recorded as an unrealized gain or loss by the Investment Funds. When the contract is closed, the Investment Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The Investment Funds may utilize forward contracts to seek to protect their assets denominated in foreign currencies and precious metals holdings from losses due to fluctuations in foreign exchange rates and spot rates. The Investment Funds’ exposure to credit risk associated with non-performance of such forward contracts is limited to the unrealized gains or losses inherent in such contracts, which are recognized in other assets and accrued expenses and other liabilities in our consolidated balance sheets.

The Investment Funds may also enter into foreign currency contracts for purposes other than hedging denominated securities. When entering into a foreign currency forward contract, the Investment Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed-upon future date unless the contract is closed before such date. The Investment Funds record unrealized gains or losses on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into such contracts and the forward rates at the reporting date.

The Investment Funds may also purchase and write option contracts. As a writer of option contracts, the Investment Funds receive a premium at the outset and then bear the market risk of unfavorable changes in the price of the underlying financial instrument. As a result of writing option contracts, the Investment Funds are obligated to purchase or sell, at the holder’s option, the underlying financial instrument. Accordingly, these transactions result in off-balance-sheet risk, as the Investment Funds’ satisfaction of the obligations may exceed the amount recognized in our consolidated balance sheets.

Certain terms of the Investment Funds’ contracts with derivative counterparties, which are standard and customary to such contracts, contain certain triggering events that would give the counterparties the right to terminate the derivative instruments. In such events, the counterparties to the derivative instruments could request immediate payment on derivative instruments in net liability positions. The aggregate fair value of all of the Investment Funds’ derivative instruments with credit-risk-related contingent features that are in a liability position at December 31, 2019 and 2018 was $266 million and zero, respectively.

The following table summarizes the volume of our Investment segment’s derivative activities based on their notional exposure, categorized by primary underlying risk:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2019** | | | | | | | | |  | | |  | | |  | | | **December 31, 2018** | | | | | | | | |  | | |  | | |
|  | | | **Long Notional Exposure** | | |  | | | **Short Notional Exposure** | | |  | | | **Long Notional Exposure** | | |  | | | **Short Notional Exposure** | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Primary underlying risk: | | | (in millions) | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |
| Equity contracts | | | $ | 806 |  |  | | | $ | 13,113 |  |  | | | $ | 118 |  |  | | | $ | 8,368 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Credit contracts(1) | | | — | |  |  | | | 622 | |  |  | | | — | |  |  | | | 479 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Commodity contracts | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 114 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1)The short notional amount on our credit default swap positions was approximately $4.7 billion at December 31, 2019. However, because credit spreads cannot compress below zero, our downside short notional exposure to loss is $622 million as of December 31, 2019. The short notional amount on our credit default swap positions was approximately $1.8 billion as of December 31, 2018. However, because credit spreads cannot compress below zero, our downside short notional exposure to loss is $479 million as of December 31, 2018.

Certain derivative contracts executed by each of the Investment Funds with a single counterparty are reported on a net-by-counterparty basis where a legal right of offset exists under an enforceable netting agreement. Values for the derivative

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financial instruments, principally swaps, forwards, over-the-counter options and other conditional and exchange contracts, are reported on a net-by-counterparty basis.

The following table presents the fair values of our Investment segment’s derivatives that are not designated as hedging instruments in accordance with U.S. GAAP:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Asset Derivatives(1)** | | | | | | | | |  | | |  | | |  | | | **Liability Derivatives** | | | | | | | | |  | | |  | | |
|  | | | **December 31, 2019** | | |  | | | **December 31, 2018** | | |  | | | **December 31, 2019** | | |  | | | **December 31, 2018** | | |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |
| Equity contracts | | | $ | 291 |  |  | | | $ | 568 |  |  | | | $ | 1,058 |  |  | | | $ | 170 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Credit contracts | | | — | |  |  | | | 76 | |  |  | | | 266 | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Commodity contracts | | | — | |  |  | | | 7 | |  |  | | | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sub-total | | | 291 | |  |  | | | 651 | |  |  | | | 1,324 | |  |  | | | 170 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Netting across contract types(2) | | | (109) | |  |  | | | (134) | |  |  | | | (109) | |  |  | | | (134) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total(2) | | | $ | 182 |  |  | | | $ | 517 |  |  | | | $ | 1,215 |  |  | | | $ | 36 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1)Net asset derivatives are classified within other assets in our consolidated balance sheets.

(2)Excludes netting of cash collateral received and posted. The total collateral posted at December 31, 2019 and December 31, 2018 was $903 million and $0 million, respectively, across all counterparties, which are included in cash held at consolidated affiliated partnerships and restricted cash in the consolidated balance sheets.

The following table presents the amount of gain (loss) recognized in the consolidated statements of operations for our Investment segment’s derivatives not designated as hedging instruments:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  |  |  |  | **Gain (Loss) Recognized in Income(1)** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | |  |  |  |  | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  |  |  |  |  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |
|  | | |  |  |  |  | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Equity contracts | | |  |  |  |  | $ | (2,152) |  |  | | | $ | 603 |  |  | | | $ | (1,815) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Credit contracts | | |  |  |  |  | (342) | |  |  | | | 129 | |  |  | | | (42) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Commodity contracts | | |  |  |  |  | (8) | |  |  | | | 66 | |  |  | | | (112) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  |  |  |  | $ | (2,502) |  |  | | | $ | 798 |  |  | | | $ | (1,969) |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1)Gains (losses) recognized on derivatives are classified in net gain (loss) from investment activities in our consolidated statements of operations for our Investment segment.

*Energy*

CVR Energy’s businesses are subject to price fluctuations caused by supply conditions, weather, economic conditions, interest rate fluctuations and other factors. To manage price risk on crude oil and other inventories and to fix margins on certain future production, CVR Refining from time to time enters into various commodity derivative transactions. CVR Refining holds derivative instruments, such as exchange-traded crude oil futures and certain over-the-counter forward swap agreements, which it believes provide an economic hedge on future transactions, but such instruments are not designated as hedges under U.S. GAAP. There are no premiums paid or received at inception of the derivative contracts and upon settlement.

As of December 31, 2019 and 2018, CVR Refining had open forward purchase and sale commitments for 5 million barrels and 2 million barrels, respectively, of Canadian crude oil priced at fixed differentials that are not considered probable of physical settlement and are accounted for as derivatives. CVR Refining may enter into forward purchase or sale contracts associated with renewable identification numbers (“RINs”). As of December 31, 2019, CVR Refining had open fixed-price commitments to purchase 20 million RINs.

Certain derivative contracts executed by our Energy segment with a single counterparty are reported on a net-by-counterparty basis where a legal right of offset exists under an enforceable netting agreement. As of December 31, 2019 and 2018, our Energy segment had gross asset derivatives of $3 million and $8 million, respectively; however, when netted with gross liability derivatives, such net asset derivatives were $0 million and $7 million, respectively. Net asset derivatives are included in other assets on the consolidated balance sheets. Gains (losses) recognized on derivatives for our Energy segment were $19 million, $146 million and $(70) million for the years ended December 31, 2019, 2018 and 2017, respectively. Gains

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recognized on derivatives for our Energy segment are included in cost of goods sold on the consolidated statements of operations.

**7**. **Inventories, Net**.

Inventories, net consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Raw materials | | | $ | 223 |  |  | | | $ | 217 |  |  |  |  |  |  |  |
| Work in process | | | 94 | |  |  | | | 70 | |  |  |  |  |  |  |  |
| Finished goods | | | 1,495 | |  |  | | | 1,492 | |  |  |  |  |  |  |  |
|  | | | $ | 1,812 |  |  | | | $ | 1,779 |  |  |  |  |  |  |  |

Inventories in the table above is presented net of reserves of $27 million and $39 million as of December 31, 2019 and 2018, respectively.

**8**. **Property, Plant and Equipment, Net.**

Property, plant and equipment, net consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **Useful Life** | | |  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in years) | | |  | | | (in millions) | | | | | | | | |  | | |  | | |
| Land | | |  | | |  | | | $ | 412 |  |  | | | $ | 416 |  |  |  |  |  |  |  |
| Buildings and improvements | | | 3 - 40 | | |  | | | 915 | |  |  | | | 865 | |  |  |  |  |  |  |  |
| Machinery, equipment and furniture | | | 2 - 30 | | |  | | | 5,348 | |  |  | | | 5,208 | |  |  |  |  |  |  |  |
| Assets leased to others | | | 5 - 39 | | |  | | | 289 | |  |  | | | 279 | |  |  |  |  |  |  |  |
| Other finance leases | | | 1 - 25 | | |  | | | 27 | |  |  | |  | — | |  |  |  |  |  |  |  |
| Construction in progress | | |  | | |  | | | 218 | |  |  | | | 221 | |  |  |  |  |  |  |  |
|  | | |  | | |  | | | 7,209 | |  |  | | | 6,989 | |  |  |  |  |  |  |  |
| Less: Accumulated depreciation and amortization | | |  | | |  | | | (2,668) | |  |  | | | (2,301) | |  |  |  |  |  |  |  |
| Property, plant and equipment, net | | |  | | |  | | | $ | 4,541 |  |  | | | $ | 4,688 |  |  |  |  |  |  |  |

Depreciation and amortization expense related to property, plant and equipment for the years ended December 31, 2019, 2018 and 2017 was $410 million, $398 million and $430 million, respectively.

See Note 5, “Fair Value Measurements,” for discussion regarding certain impairments to our property, plant and equipment.

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**9. Goodwill and Intangible Assets, Net.**

Goodwill consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2019** | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |
|  | | | **Automotive** | | |  | | | **Food Packaging** | | |  | | | **Metals** | | |  | | | **Home Fashion** | | |  | | | **Consolidated** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |
| Gross carrying amount, Jan 1 | | | $ | 328 |  |  | |  | $ | 6 |  |  | | | $ | — |  |  | |  | $ | — |  |  | | | $ | 334 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisitions | | | 8 | |  |  | |  | — | |  |  | | | 4 | |  |  | |  | 22 | |  |  | | | 34 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Foreign exchange | | | — | |  |  | |  | — | |  |  | | | — | |  |  | |  | 1 | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross carrying amount, Dec 31 | | | 336 | |  |  | | | 6 | |  |  | | | 4 | |  |  | | | 23 | |  |  | | | 369 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accumulated impairment, Jan 1 | | | (87) | |  |  | |  | — | |  |  | | | — | |  |  | |  | — | |  |  | | | (87) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Impairment | | | — | |  |  | |  | — | |  |  | | | — | |  |  | |  | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accumulated impairment, Dec 31 | | | (87) | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (87) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net carrying value, Dec 31 | | | $ | 249 |  |  | | | $ | 6 |  |  | | | $ | 4 |  |  | | | $ | 23 |  |  | | | $ | 282 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2018** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **Automotive** | | |  | | | **Food Packaging** | | |  | | | **Consolidated** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Gross carrying amount, Jan 1 | | | $ | 320 |  |  | |  | $ | 7 |  |  | | | $ | 327 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisitions | | | 8 | |  |  | |  | — | |  |  | | | 8 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Foreign exchange | | | — | |  |  | |  | (1) | |  |  | | | (1) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross carrying amount, Dec 31 | | | 328 | |  |  | | | 6 | |  |  | | | 334 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Accumulated impairment, Jan 1 | | | — | |  |  | |  | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Impairment | | | (87) | |  |  | |  | — | |  |  | | | (87) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Accumulated impairment, Dec 31 | | | (87) | |  |  | | | — | |  |  | | | (87) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net carrying value, Dec 31 | | | $ | 241 |  |  | | | $ | 6 |  |  | | | $ | 247 |  |  |  |  |  |  |  |  |  |  |  |  |  |

Intangible assets, net consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2019** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **December 31, 2018** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **Gross Carrying Amount** | | |  | | | **Accumulated**  **Amortization** | | |  | | | **Net**  **Carrying**  **Value** | | |  | | | **Gross**  **Carrying**  **Amount** | | |  | | | **Accumulated**  **Amortization** | | |  | | | **Net**  **Carrying**  **Value** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Definite-lived intangible assets: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Customer relationships | | | $ | 397 |  |  | | | $ | (155) |  |  | | | $ | 242 |  |  | | | $ | 397 |  |  | | | $ | (135) |  |  | | | $ | 262 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | | | 274 | |  |  | | | (147) | |  |  | | | 127 | |  |  | | | 316 | |  |  | | | (139) | |  |  | | | 177 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 671 |  |  | | | $ | (302) |  |  | | | $ | 369 |  |  | | | $ | 713 |  |  | | | $ | (274) |  |  | | | $ | 439 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Indefinite-lived intangible assets | | |  | | |  | | |  | | |  | | | $ | 62 |  |  | | |  | | |  | | |  | | |  | | | $ | 62 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Intangible assets, net | | |  | | |  | | |  | | |  | | | $ | 431 |  |  | | |  | | |  | | |  | | |  | | | $ | 501 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

We recorded amortization expense associated with definite-lived intangible assets for the years ended December 31, 2019, 2018 and 2017 of $40 million, $47 million and $41 million, respectively. We utilize the straight-line method of amortization,

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recognized over the estimated useful lives of the assets. Additionally, during the year ended December 31, 2017, we impaired intangible assets by $1 million.

The estimated future amortization expense for our definite-lived intangible assets is as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
| **Year** | | |  | | | **Amount** | | |
|  | | |  | | | (in millions) | |  |
| 2020 | | |  | | | $ | 43 |  |
| 2021 | | |  | | | 34 | |  |
| 2022 | | |  | | | 33 | |  |
| 2023 | | |  | | | 31 | |  |
| 2024 | | |  | | | 30 | |  |
| Thereafter | | |  | | | 198 | |  |
|  | | |  | | | $ | 369 |  |

***Acquisitions***

Acquisitions during the year ended December 31, 2019 were not material individually or in the aggregate. As a result of certain acquisitions, our Automotive segment allocated $8 million to goodwill and $1 million to definite-lived intangible assets during 2019. In addition, as a result of certain acquisitions, our Home Fashion segment allocated $22 million to goodwill and $1 million to definite-lived intangible assets during 2019 and our Metals segment allocated $4 million and $6 million to goodwill and definite-lived intangible assets, respectively, also during 2019.

***Impairment of Goodwill***

When performing the quantitative analysis for goodwill impairment testing, we base the fair value of our reporting units on consideration of various valuation methodologies, including projecting future cash flows discounted at rates commensurate with the risks involved (“DCF”). Assumptions used in a DCF require the exercise of significant judgment, including judgment about appropriate discount rates and terminal values, growth rates, and the amount and timing of expected future cash flows. The forecasted cash flows are based on current plans and for years beyond that plan, the estimates are based on assumed growth rates. We believe that our assumptions are consistent with the plans and estimates used to manage the underlying businesses. The discount rates, which are intended to reflect the risks inherent in future cash flow projections, used in a DCF are based on estimates of the weighted-average cost of capital of a market participant. Such estimates are derived from our analysis of peer companies and consider the industry weighted average return on debt and equity from a market participant perspective.

*Automotive*

We perform the annual goodwill impairment test for our Automotive segment as of October 1 of each year, or more frequently if impairment indicators exist.

In the fourth quarter of 2018, coinciding with our annual goodwill impairment analysis, we reorganized our Automotive segment's reporting units. Prior to the reorganization, our Automotive segment had two reporting units, Pep-Boys and AutoPlus, with all of its goodwill allocated to the Pep-Boys reporting unit. A goodwill impairment analysis just prior to the reorganization did not have an impact on the Pep-Boys reporting unit goodwill. Upon reorganization of the reporting units, a portion of the Pep-Boys reporting unit was reallocated to the AutoPlus reporting unit, which resulted in our Automotive segment continuing to have two redefined reporting units, Service and Parts. As a result, a portion of the goodwill was reallocated using a relative fair value allocation approach, which resulted in approximately 27% of the goodwill being reallocated to the Parts reporting unit. Based on our annual goodwill impairment analysis for our Automotive segment, which reflected our reorganized reporting units, we determined that the carrying value of its Parts reporting unit exceeded its fair value and as a result, we recognized a goodwill impairment charge of $87 million in the fourth quarter of 2018, which represented the full amount of the goodwill allocated to the Parts reporting unit. This impairment was the result of our reporting unit reorganization, which resulted in a significant amount of carrying value of net assets being reallocated to the Parts reporting unit, primarily for inventory, with a significantly lesser fair value due to the future projected cash flows of the Parts reporting unit, which resulted in the Parts reporting unit having a carrying value in excess of its fair value. Therefore, the goodwill reallocated to the Parts reporting unit was immediately impaired. We also determined that the fair value of our Automotive

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segment's Service reporting unit was significantly in excess of its carrying value and therefore, no additional impairment is required.

During 2019, our Automotive segment considered qualitative factors to determine that goodwill at its Service reporting unit does not require further testing for impairment.

**10. Leases.**

*All Segments and Holding Company*

We have operating and finance leases primarily within our Automotive, Energy and Food Packaging segments. Our Automotive segment leases assets, primarily real estate (operating) and vehicles (financing) and which primarily consist of leases that expire within 14 years. Our Energy segment leases certain pipelines, storage tanks, railcars, office space, land and equipment (operating and financing). Our Food Packaging segment leases assets, primarily real estate, equipment and vehicles (primarily operating). Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. Right-of-use assets and related liabilities are recorded on the balance sheet for leases with an initial lease term in excess of twelve months and therefore, do not include any lease arrangements with initial lease terms of twelve months or less.

Right-of-use assets and lease liabilities are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2019** | | |  | | | **December 31, 2018** | | |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Operating Leases: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Right-of-use assets (other assets) | | | $ | 622 |  |  | | | $ | — |  |  |  |  |  |  |  |
| Lease liabilities (accrued expenses and other liabilities) | | | 647 | |  |  | | | — | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Financing Leases: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Right-of-use assets (property, plant and equipment, net) | | | 77 | |  |  | | | 41 | |  |  |  |  |  |  |  |
| Lease liabilities (debt) | | | 93 | |  |  | | | 52 | |  |  |  |  |  |  |  |

Additional information with respect to our operating leases as of December 31, 2019 is presented below. The lease terms and discount rates for our Energy, Automotive and Food Packaging segments represent weighted averages based on their respective lease liability balances.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Operating Leases** | | |  | | | **Right-Of-Use Assets** | | |  | | | **Lease Liabilities** | | |  | | | **Lease Term** | | |  | | | **Discount Rate** | | |
|  | | |  | | | (in millions) | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |
| Energy | | |  | | | $ | 48 |  |  | | | $ | 48 |  |  | | | 3.7 years | | |  | | | 5.6% | |  |  |  |  |  |  |  |
| Automotive | | |  | | | 501 | |  |  | | | 527 | |  |  | | | 5.2 years | | |  | | | 5.7% | |  |  |  |  |  |  |  |
| Food Packaging | | |  | | | 34 | |  |  | | | 38 | |  |  | | | 11.7 years | | |  | | | 7.4% | |  |  |  |  |  |  |  |
| Other segments and Holding Company | | |  | | | 39 | |  |  | | | 34 | |  |  | | |  | | |  | | |  | | |  |  |  |  |  |  |
|  | | |  | | | $ | 622 |  |  | | | $ | 647 |  |  | | |  | | |  | | |  | | |  |  |  |  |  |  |

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Maturities of lease liabilities as of December 31, 2019 are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Year** | | |  | | | **Operating Leases** | | |  | | | **Financing  Leases** | | |
|  | | |  | | | (in millions) | | | | | | | | |  | | |  | | |
| 2020 | | |  | | | $ | 181 |  |  | | | $ | 20 |  |  |  |  |  |  |  |
| 2021 | | |  | | | 159 | |  |  | | | 17 | |  |  |  |  |  |  |  |
| 2022 | | |  | | | 135 | |  |  | | | 15 | |  |  |  |  |  |  |  |
| 2023 | | |  | | | 85 | |  |  | | | 13 | |  |  |  |  |  |  |  |
| 2024 | | |  | | | 57 | |  |  | | | 12 | |  |  |  |  |  |  |  |
| Thereafter | | |  | | | 142 | |  |  | | | 53 | |  |  |  |  |  |  |  |
| Total lease payments | | |  | | | 759 | |  |  | | | 130 | |  |  |  |  |  |  |  |
| Less: imputed interest | | |  | | | (112) | |  |  | | | (37) | |  |  |  |  |  |  |  |
|  | | |  | | | $ | 647 |  |  | | | $ | 93 |  |  |  |  |  |  |  |

For the year ended December 31, 2019, lease cost was comprised of operating lease cost of $202 million, amortization of financing lease right-of use assets of $13 million and interest expense on financing lease liabilities of $7 million.

Rent expense under operating leases for the years ended December 31, 2018 and 2017, prior to the adoption of ASC 842, was $168 million and $155 million, respectively.

*Real Estate*

Our Real Estate segment leases real estate, primarily commercial properties under long-term operating leases. As of December 31, 2019 and 2018, our Real Estate segment has assets leased to others included in property, plant and equipment of $220 million and $217 million, respectively, net of accumulated depreciation. Our Real Estate segment’s revenue from operating leases were $33 million, $39 million and $44 million for the years ended December 31, 2019, 2018 and 2017, respectively, and are included in other revenue from operations in the consolidated statements of operations. Our Real Estate segment’s anticipated future receipts of minimum operating lease payments receivable are $33 million for 2020, $6 million in 2021 and $3 million in 2022 and thereafter.

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**11. Debt.**

Debt consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| **Holding Company:** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| 6.000% senior unsecured notes due 2020 | | | $ | — |  |  | | | $ | 1,702 |  |  |  |  |  |  |  |
| 5.875% senior unsecured notes due 2022 | | | 1,345 | |  |  | | | 1,344 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2022 | | | 1,211 | |  |  | | | 1,213 | |  |  |  |  |  |  |  |
| 6.750% senior unsecured notes due 2024 | | | 498 | |  |  | | | 498 | |  |  |  |  |  |  |  |
| 4.750% senior unsecured notes due 2024 | | | 498 | |  |  | | | — | |  |  |  |  |  |  |  |
| 6.375% senior unsecured notes due 2025 | | | 748 | |  |  | | | 748 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2026 | | | 1,250 | |  |  | | | — | |  |  |  |  |  |  |  |
| 5.250% senior unsecured notes due 2027 | | | 747 | |  |  | | | — | |  |  |  |  |  |  |  |
|  | | | 6,297 | |  |  | | | 5,505 | |  |  |  |  |  |  |  |
| **Reporting Segments:** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Energy | | | 1,195 | |  |  | | | 1,170 | |  |  |  |  |  |  |  |
| Automotive | | | 405 | |  |  | | | 372 | |  |  |  |  |  |  |  |
| Food Packaging | | | 268 | |  |  | | | 273 | |  |  |  |  |  |  |  |
| Metals | | | 7 | |  |  | | | — | |  |  |  |  |  |  |  |
| Real Estate | | | 2 | |  |  | | | 2 | |  |  |  |  |  |  |  |
| Home Fashion | | | 18 | |  |  | | | 4 | |  |  |  |  |  |  |  |
|  | | | 1,895 | |  |  | | | 1,821 | |  |  |  |  |  |  |  |
| Total Debt | | | $ | 8,192 |  |  | | | $ | 7,326 |  |  |  |  |  |  |  |

**Holding Company**

Our Holding Company debt consists of various issues of fixed-rate senior unsecured notes issued by Icahn Enterprises and Icahn Enterprises Finance Corp. (the “Issuers”) and guaranteed by Icahn Enterprises Holdings (the “Guarantor”). Interest on each of the senior unsecured notes are payable semi-annually.

In May and June 2019, the Issuers issued $1.250 billion in aggregate principal amount of 6.250% senior unsecured notes due 2026. The proceeds from these notes, together with cash on hand, were used to redeem all of the prior outstanding 6.000% senior unsecured notes due 2020 and to pay accrued interest, related fees and expenses.

In September 2019, the Issuers issued $500 million in aggregate principal amount of 4.750% senior unsecured notes due 2024. The proceeds from these notes were used for general limited partnership purposes.

In December 2019, the Issuers issued $750 million in aggregate principal amount of 5.250% senior unsecured notes due 2027. The proceeds from these notes were used for general limited partnership purposes.

In January 2017, the Issuers issued $500 million in aggregate principal amount of 6.750% senior unsecured notes due 2024 and $695 million in aggregate principal amount of 6.250% senior unsecured notes due 2022. The proceeds from these notes were used to redeem all of the prior outstanding senior unsecured notes due 2017 and to pay accrued interest, related fees and expenses.

In December 2017, the Issuers issued $750 million in aggregate principal amount of 6.375% senior unsecured notes due 2025 and an additional $510 million in aggregate principal amount of its existing 6.250% senior unsecured notes due 2022. The proceeds from these notes, together with cash on hand, were used to redeem all of the prior outstanding senior unsecured notes due 2019 and to pay accrued interest, related fees and expenses.

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Icahn Enterprises recorded a gain on extinguishment of debt of $2 million in 2019 and a loss on extinguishment of debt of $12 million in the fourth quarter of 2017 in connection with the debt transactions discussed above.

Each of our senior unsecured notes and the related guarantees are the senior unsecured obligations of the Issuers and rank equally with all of the Issuers’ and the Guarantor’s existing and future senior unsecured indebtedness and senior to all of the Issuers’ and the Guarantor’s existing and future subordinated indebtedness. All of our senior unsecured notes and the related guarantees are effectively subordinated to the Issuers’ and the Guarantor’s existing and future secured indebtedness to the extent of the collateral securing such indebtedness. All of our senior unsecured notes and the related guarantees are also effectively subordinated to all indebtedness and other liabilities of the Issuers’ subsidiaries other than the Guarantor.

The indentures governing each of our senior unsecured notes restrict the payment of cash distributions, the purchase of equity interests or the purchase, redemption, defeasance or acquisition of debt subordinated to the senior unsecured notes. The indentures also restrict the incurrence of debt or the issuance of disqualified stock, as defined in the indentures, with certain exceptions. In addition, the indentures require that on each quarterly determination date, we and the guarantor of the notes (currently only Icahn Enterprises Holdings) maintain certain minimum financial ratios, as defined therein. The indentures also restrict the creation of liens, mergers, consolidations and sales of substantially all of our assets, and transactions with affiliates. Additionally, each of the senior unsecured notes outstanding as of December 31, 2019, except for the New 2024 Notes and the New 2027 Notes, are subject to optional redemption premiums in the event we redeem any of the notes prior to certain dates as described in the indentures.

As of December 31, 2019 and 2018, we were in compliance with all covenants, including maintaining certain minimum financial ratios, as defined in the indentures. Additionally, as of December 31, 2019, based on covenants in the indentures governing our senior unsecured notes, we are not permitted to incur additional indebtedness. However, as a result of our subsequent debt activity in January 2020, as described below, we are permitted to borrow an additional $469 million as of the date of this Report.

*Subsequent Event*

In January 2020, the Issuers issued an additional $600 million in aggregate principal amount of 4.750% senior unsecured notes due 2024 and an additional $250 million of 5.250% senior unsecured notes due 2027. The additional proceeds from these notes issued in January 2020, together with cash on hand, were used to repay in full our 5.875% senior unsecured notes due 2022, and to pay accrued interest, related fees and expenses.

**Reporting Segments**

***Energy***

CVR Energy’s debt primarily consists of a $500 million second lien senior unsecured note (issued by CVR Refining) and a $645 million senior secured note (issued by CVR Partners) maturing in 2022 and 2023, respectively, and with interest rates of 6.50% and 9.25%, respectively. Interest for each of these notes are accrued and paid based on contractual terms.

The second lien senior unsecured notes were fully and unconditionally guaranteed by CVR Refining and each of its’ finance subsidiaries’ existing domestic subsidiaries on a joint and several basis as of December 31, 2019. On January 29, 2019, the second lien senior unsecured notes were amended such that CVR Refining was replaced by CVR Energy as the primary guarantor, on a senior unsecured basis. The senior secured notes are guaranteed on a senior secured basis by all of CVR Partner’s existing subsidiaries. CVR Energy is not a guarantor of these notes. The indentures governing these notes contain certain covenants that restrict the ability of the issuers and subsidiary guarantors to issue debt, incur or otherwise cause liens to exist on any of their property or assets, declare or pay dividends, repurchase equity, make payments on subordinated or unsecured debt, make certain investments, sell certain assets, merge, consolidate with or into another entity, or sell all or substantially all of their assets or enter into certain transactions with affiliates.

As of December 31, 2019 and 2018, total availability under CVR Refining and CVR Partners variable rate asset based revolving credit facilities aggregated $443 million and $444 million, respectively. CVR Refining also had $7 million and $6 million of letters of credit outstanding as of December 31, 2019 and 2018.

*Subsequent Event*

On January 27, 2020, CVR Energy issued $600 million in aggregate principal amount of 5.25% senior unsecured notes due 2025 and $400 million in aggregate principal amount of 5.75% senior unsecured notes due 2028. A portion of the net proceeds from the issuance of these notes were used to fund the redemption of the CVR Energy’s existing senior unsecured

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notes due 2022. The remaining net proceeds will be used for CVR Energy’s general corporate purposes, which may include funding (i) acquisitions, (ii) capital projects, and/or (iii) share repurchases or other distributions to CVR Energy’s stockholders.

***Automotive***

Icahn Automotive’s debt primarily consists of an asset-based revolving credit facility and a first in-last out revolving credit facility, each with variable interest rates. Icahn Automotive debt outstanding under these credit facilities was $382 million and $370 million as of December 31, 2019 and 2018, respectively, with maturity dates ranging from 2019 and 2021. Interest for each of these notes are accrued and paid based on contractual terms. The weighted average interest rate on these notes was 4.15% and 4.37% as of December 31, 2019 and 2018, respectively. Substantially all of Icahn Automotive’s assets are pledged as collateral under the above credit facilities.

As of December 31, 2019 and 2018, there was availability under revolving credit facilities of $107 million and $90 million, respectively. Icahn Automotive also had $41 million and $40 million of letters of credit outstanding as of December 31, 2019 and 2018, respectively.

***Food Packaging***

Viskase’s debt primarily consists of a credit agreement providing for a senior secured term loan facility issued in 2014 and maturing in 2021. Interest for this note is accrued and paid based on contractual terms. The interest rate on this note was 5.19% and 6.05% as of December 31, 2019 and 2018, respectively.

**Covenants**

All of our subsidiaries are currently in compliance with all covenants and restrictions as described in the various executed agreements and contracts with respect to each debt instrument. These covenants include limitations on indebtedness, liens, investments, acquisitions, asset sales, dividends and other restricted payments and affiliate and extraordinary transactions.

**Non-Cash Charges to Interest Expense**

The amortization of deferred financing costs and debt discounts and premiums included in interest expense in the consolidated statements of operations were $7 million, $5 million and $10 million for the years ended December 31, 2019, 2018 and 2017, respectively.

**Consolidated Maturities**

The following is a summary of the maturities of our debt:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
| **Year** | | |  | | | **Amount** | | |
|  | | |  | | | (in millions) | |  |
| 2020 | | |  | | | $ | 35 |  |
| 2021 | | |  | | | 640 | |  |
| 2022 | | |  | | | 3,055 | |  |
| 2023 | | |  | | | 645 | |  |
| 2024 | | |  | | | 1,000 | |  |
| Thereafter | | |  | | | 2,751 | |  |
| Total debt payments (excluding financing lease payments) | | |  | | | 8,126 | |  |
| Less: unamortized discounts, premiums and deferred financing fees | | |  | | | (27) | |  |
| Financing leases (Note 10) | | |  | | | 93 | |  |
|  | | |  | | | $ | 8,192 |  |

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**12. Net Income Per LP Unit.**

The components of the computation of basic and diluted income (loss) per LP unit from continuing and discontinued operations of Icahn Enterprises are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions, except per unit data) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Net (loss) income attributable to Icahn Enterprises from continuing operations | | | $ | (1,066) |  |  | | | $ | (238) |  |  | | | $ | 2,297 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises from continuing operations allocated to limited partners (98.01% allocation) | | | $ | (1,045) |  |  | | | $ | (233) |  |  | | | $ | 2,251 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises from discontinued operations | | | $ | (32) |  |  | | | $ | 1,720 |  |  | | | $ | 157 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: net loss attributable to Icahn Enterprises from discontinued operations allocated 100% to general partner | | | — | |  |  | | | 598 | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises from discontinued operations allocable to limited partners | | | $ | (32) |  |  | | | $ | 2,318 |  |  | | | $ | 157 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income attributable to Icahn Enterprises from discontinued operations allocated to limited partners (98.01% allocation) | | | $ | (31) |  |  | | | $ | 2,272 |  |  | | | $ | 154 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted (loss) income per LP unit: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuing operations | | | $ | (5.23) |  |  | | | $ | (1.29) |  |  | | | $ | 13.98 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations | | | (0.15) | |  |  | | | 12.62 | |  |  | | | 0.96 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (5.38) |  |  | | | $ | 11.33 |  |  | | | $ | 14.94 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted weighted average LP units outstanding | | | 200 | |  |  | | | 180 | |  |  | | | 161 | |  |  |  |  |  |  |  |  |  |  |  |  |  |

***GP Allocation***

As disclosed in Note 2, “Basis of Presentation and Summary of Significant Accounting Policies - Acquisition, Investments and Disposition of Entities under Common Control,” upon the sale of common control entities, such as Federal-Mogul and ARI, a portion of the gain or loss on the sale is first allocated to the general partner in order to restore the general partners’ capital account for cumulative charges or credits relating to periods prior to our obtaining a controlling interest in such entities from Mr. Icahn and his affiliates. After such general partner allocation, the remaining gain is allocated among our general partner and limited partners, in accordance with their respective ownership percentages.

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***LP Unit Transactions***

The following table summarizes the changes in Icahn Enterprises outstanding depositary units during each of the years ended December 31, 2019, 2018 and 2017.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Mr. Icahn and Affiliates** | | |  | | | **Public Unitholders** | | |  | | | **Total** | | |
| December 31, 2016 | | | 129,999,050 | |  |  | |  | 14,742,099 | |  |  | | | 144,741,149 | |  |
| Unit distributions | | | 17,374,427 | |  |  | |  | 269,725 | |  |  | | | 17,644,152 | |  |
| 2017 Incentive Plan | | | — | |  |  | |  | 7,902 | |  |  | | | 7,902 | |  |
| Rights offering | | | 10,525,105 | |  |  | |  | 645,999 | |  |  | | | 11,171,104 | |  |
| December 31, 2017 | | | 157,898,582 | |  |  | | | 15,665,725 | |  |  | | | 173,564,307 | |  |
| Unit distributions | | | 17,543,006 | |  |  | |  | 235,944 | |  |  | |  | 17,778,950 | |  |
| 2017 Incentive Plan | | | — | |  |  | |  | 22,840 | |  |  | |  | 22,840 | |  |
| December 31, 2018 | | | 175,441,588 | |  |  | |  | 15,924,509 | |  |  | |  | 191,366,097 | |  |
| Unit distributions | | | 21,608,064 | |  |  | |  | 290,789 | |  |  | |  | 21,898,853 | |  |
| 2017 Incentive Plan | | | — | |  |  | |  | 19,259 | |  |  | |  | 19,259 | |  |
| 2019 at-the-market offering | | | — | |  |  | |  | 794,349 | |  |  | |  | 794,349 | |  |
| December 31, 2019 | | | 197,049,652 | |  |  | |  | 17,028,906 | |  |  | |  | 214,078,558 | |  |

*Unit Distributions*

During each of the years ended December 31, 2019, 2018 and 2017, we declared four quarterly distributions. Depositary unitholders were given the option to make an election to receive the distributions in either cash or additional depositary units. If a holder did not make an election, it was automatically deemed to have elected to receive the distributions in cash.

*2019 At-The-Market Offering*

On May 2, 2019, Icahn Enterprises announced the commencement of its “at-the-market” offering pursuant to its Open Market Sale Agreement, pursuant to which Icahn Enterprises may sell its depositary units, from time to time, for up to $400 million in aggregate sale proceeds. During the year ended December 31, 2019, we received gross proceeds of $54 million in connection with this offering.

*2017 Incentive Plan*

During the years ended December 31, 2019, 2018 and 2017, Icahn Enterprises distributed depositary units, net of payroll withholdings, with respect to certain restricted depositary units and deferred unit awards that vested during the respective periods in connection with the Icahn Enterprises L.P. 2017 Long Term Incentive Plan (the “2017 Incentive Plan”). The aggregate impact of the 2017 Incentive Plan is not material with respect to our consolidated financial statements, including the calculation of potentially dilutive units and diluted income per LP unit.

*Rights Offering*

In January 2017, Icahn Enterprises commenced a rights offering entitling holders of the rights to acquire newly issued depositary units of Icahn Enterprises. In connection with this rights offering, we received aggregate proceeds of $600 million in 2017 from depositary unitholders and an additional $12 million from our general partner in order to maintain its aggregate 1.99% interest in us.

**13. Segment and Geographic Reporting.**

We report segment information based on the various industries in which our businesses operate and how we manage those businesses in accordance with our investment strategies, which may include: identifying and acquiring undervalued assets and businesses, often through the purchase of distressed securities; increasing value through management, financial or other operational changes; and managing complex legal, regulatory or financial issues, which may include bankruptcy or insolvency, environmental, zoning, permitting and licensing issues. Therefore, although many of our businesses are operated under separate local management, certain of our businesses are grouped together when they operate within a similar industry, comprising

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similarities in products, customers, production processes and regulatory environments, and when such businesses, when considered together, may be managed in accordance with one or more investment strategies specific to those businesses. Among other measures, we assess and measure segment operating results based on net income from continuing operations attributable to Icahn Enterprises and Icahn Enterprises Holdings. Certain terms of financings for certain of our businesses impose restrictions on the business’ ability to transfer funds to us, including restrictions on dividends, distributions, loans and other transactions.

**Condensed Statements of Operations**

Icahn Enterprises’ condensed statements of operations by reporting segment are presented below. Icahn Enterprises Holdings’ condensed statements of operations are substantially the same, with immaterial differences relating to our Holding Company’s interest expense.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31, 2019** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | | | **Investment** | | |  | | | **Energy** | | |  | | | **Automotive** | | |  | | | **Food Packaging** | | |  | | | **Metals** | | |  | | | **Real Estate** | | |  | | | **Home Fashion** | | |  | | | **Mining** | | |  | | | **Railcar** | | |  | | | **Holding Company** | | |  | | **Consolidated** |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Revenues: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Net sales | | | $ | — |  |  | | | $ | 6,364 |  |  | | | $ | 2,293 |  |  | | | $ | 383 |  |  | | | $ | 340 |  |  | | | $ | 23 |  |  | | | $ | 187 |  |  | | | $ | 130 |  |  | | | $ | — |  |  | | | $ | — |  |  | | $9,720 |
| Other revenues from operations | | | — | |  |  | | | — | |  |  | | | 591 | |  |  | | | — | |  |  | | | — | |  |  | | | 75 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 666 |
| Net (loss) gain from investment activities | | | (1,599) | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (332) | |  |  | | (1,931) |
| Interest and dividend income | | | 190 | |  |  | | | 4 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | 69 | |  |  | | 265 |
| Gain (loss) on disposition of assets, net | | | — | |  |  | | | 4 | |  |  | | | (4) | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | — | |  |  | | | 252 | |  |  | | | — | |  |  | | | — | |  |  | | 253 |
| Other (loss) income, net | | | (5) | |  |  | | | 13 | |  |  | | | 15 | |  |  | | | (8) | |  |  | | | — | |  |  | | | 4 | |  |  | | | (1) | |  |  | | | (1) | |  |  | | | — | |  |  | | | 2 | |  |  | | 19 |
|  | | | (1,414) | |  |  | | | 6,385 | |  |  | | | 2,895 | |  |  | | | 375 | |  |  | | | 341 | |  |  | | | 103 | |  |  | | | 186 | |  |  | | | 382 | |  |  | | | — | |  |  | | | (261) | |  |  | | 8,992 |
| Expenses: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Cost of goods sold | | | — | |  |  | | | 5,707 | |  |  | | | 1,625 | |  |  | | | 309 | |  |  | | | 343 | |  |  | | | 18 | |  |  | | | 159 | |  |  | | | 51 | |  |  | | | — | |  |  | | | — | |  |  | | 8,212 |
| Other expenses from operations | | | — | |  |  | | | — | |  |  | | | 464 | |  |  | | | — | |  |  | | | — | |  |  | | | 54 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 518 |
| Selling, general and administrative | | | 23 | |  |  | | | 146 | |  |  | | | 1,032 | |  |  | | | 56 | |  |  | | | 15 | |  |  | | | 21 | |  |  | | | 42 | |  |  | | | 15 | |  |  | | | — | |  |  | | | 26 | |  |  | | 1,376 |
| Restructuring, net | | | — | |  |  | | | — | |  |  | | | 6 | |  |  | | | 8 | |  |  | | | 3 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 18 |
| Impairment | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 1 | |  |  | | | 1 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 2 |
| Interest expense | | | 106 | |  |  | | | 106 | |  |  | | | 20 | |  |  | | | 17 | |  |  | | | 1 | |  |  | | | — | |  |  | | | 1 | |  |  | | | 4 | |  |  | | | — | |  |  | | | 350 | |  |  | | 605 |
|  | | | 129 | |  |  | | | 5,959 | |  |  | | | 3,147 | |  |  | | | 391 | |  |  | | | 363 | |  |  | | | 93 | |  |  | | | 203 | |  |  | | | 70 | |  |  | | | — | |  |  | | | 376 | |  |  | | 10,731 |
| (Loss) income from continuing operations before income tax (expense) benefit | | | (1,543) | |  |  | | | 426 | |  |  | | | (252) | |  |  | | | (16) | |  |  | | | (22) | |  |  | | | 10 | |  |  | | | (17) | |  |  | | | 312 | |  |  | | | — | |  |  | | | (637) | |  |  | | (1,739) |
| Income tax (expense) benefit | | | — | |  |  | | | (112) | |  |  | | | 55 | |  |  | | | (6) | |  |  | | | — | |  |  | | | 6 | |  |  | | | — | |  |  | | | (1) | |  |  | | | — | |  |  | | | 38 | |  |  | | (20) |
| Net (loss) income from continuing operations | | | (1,543) | |  |  | | | 314 | |  |  | | | (197) | |  |  | | | (22) | |  |  | | | (22) | |  |  | | | 16 | |  |  | | | (17) | |  |  | | | 311 | |  |  | | | — | |  |  | | | (599) | |  |  | | (1,759) |
| Less: net (loss) income from continuing operations attributable to non-controlling interests | | | (768) | |  |  | | | 68 | |  |  | | | — | |  |  | | | (5) | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 12 | |  |  | | | — | |  |  | | | — | |  |  | | (693) |
| Net (loss) income from continuing operations attributable to Icahn Enterprises | | | $ | (775) |  |  | | | $ | 246 |  |  | | | $ | (197) |  |  | | | $ | (17) |  |  | | | $ | (22) |  |  | | | $ | 16 |  |  | | | $ | (17) |  |  | | | $ | 299 |  |  | | | $ | — |  |  | | | $ | (599) |  |  | | $(1,066) |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Supplemental information: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Capital expenditures | | | $ | — |  |  | | | $ | 121 |  |  | | | $ | 47 |  |  | | | $ | 17 |  |  | | | $ | 24 |  |  | | | $ | 22 |  |  | | | $ | 5 |  |  | | | $ | 14 |  |  | | | $ | — |  |  | | | $ | — |  |  | | $250 |
| Depreciation and amortization | | | $ | — |  |  | | | $ | 352 |  |  | | | $ | 98 |  |  | | | $ | 26 |  |  | | | $ | 19 |  |  | | | $ | 17 |  |  | | | $ | 7 |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  | | $519 |

99

**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31, 2018** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | | | **Investment** | | |  | | | **Energy** | | |  | | | **Automotive** | | |  | | | **Food Packaging** | | |  | | | **Metals** | | |  | | | **Real Estate** | | |  | | | **Home Fashion** | | |  | | | **Mining** | | |  | | | **Railcar** | | |  | | | **Holding Company** | | |  | | **Consolidated** |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Revenues: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Net sales | | | $ | — |  |  | | | $ | 7,124 |  |  | | | $ | 2,295 |  |  | | | $ | 395 |  |  | | | $ | 466 |  |  | | | $ | 22 |  |  | | | $ | 171 |  |  | | | $ | 103 |  |  | | | $ | — |  |  | | | $ | — |  |  | | $10,576 |
| Other revenues from operations | | | — | |  |  | | | — | |  |  | | | 563 | |  |  | | | — | |  |  | | | — | |  |  | | | 84 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 647 |
| Net gain (loss) from investment activities | | | 635 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (313) | |  |  | | 322 |
| Interest and dividend income | | | 104 | |  |  | | | 2 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | 16 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | 24 | |  |  | | 148 |
| (Loss) gain on disposition of assets, net | | | — | |  |  | | | (6) | |  |  | | | (1) | |  |  | | | — | |  |  | | | — | |  |  | | | 89 | |  |  | | | — | |  |  | | | (3) | |  |  | | | 5 | |  |  | | | — | |  |  | | 84 |
| Other (loss) income, net | | | (2) | |  |  | | | 15 | |  |  | | | (1) | |  |  | | | (17) | |  |  | | | 1 | |  |  | | | 1 | |  |  | | | — | |  |  | | | 5 | |  |  | | | — | |  |  | | | (2) | |  |  | | — |
|  | | | 737 | |  |  | | | 7,135 | |  |  | | | 2,856 | |  |  | | | 379 | |  |  | | | 467 | |  |  | | | 212 | |  |  | | | 171 | |  |  | | | 106 | |  |  | | | 5 | |  |  | | | (291) | |  |  | | 11,777 |
| Expenses: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Cost of goods sold | | | — | |  |  | | | 6,508 | |  |  | | | 1,502 | |  |  | | | 316 | |  |  | | | 441 | |  |  | | | 18 | |  |  | | | 144 | |  |  | | | 73 | |  |  | | | — | |  |  | | | — | |  |  | | 9,002 |
| Other expenses from operations | | | — | |  |  | | | — | |  |  | | | 474 | |  |  | | | — | |  |  | | | — | |  |  | | | 54 | |  |  | | | — | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | 529 |
| Selling, general and administrative | | | 12 | |  |  | | | 138 | |  |  | | | 1,051 | |  |  | | | 57 | |  |  | | | 19 | |  |  | | | 22 | |  |  | | | 34 | |  |  | | | 27 | |  |  | | | 1 | |  |  | | | 25 | |  |  | | 1,386 |
| Restructuring, net | | | — | |  |  | | | 5 | |  |  | | | 5 | |  |  | | | 9 | |  |  | | | — | |  |  | | | — | |  |  | | | 2 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 21 |
| Impairment | | | — | |  |  | | | — | |  |  | | | 90 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 92 |
| Interest expense | | | 46 | |  |  | | | 104 | |  |  | | | 16 | |  |  | | | 16 | |  |  | | | — | |  |  | | | 1 | |  |  | | | 1 | |  |  | | | 3 | |  |  | | | — | |  |  | | | 337 | |  |  | | 524 |
|  | | | 58 | |  |  | | | 6,755 | |  |  | | | 3,138 | |  |  | | | 398 | |  |  | | | 461 | |  |  | | | 95 | |  |  | | | 182 | |  |  | | | 103 | |  |  | | | 2 | |  |  | | | 362 | |  |  | | 11,554 |
| Income (loss) from continuing operations before income tax (expense) benefit | | | 679 | |  |  | | | 380 | |  |  | | | (282) | |  |  | | | (19) | |  |  | | | 6 | |  |  | | | 117 | |  |  | | | (11) | |  |  | | | 3 | |  |  | | | 3 | |  |  | | | (653) | |  |  | | 223 |
| Income tax (expense) benefit | | | — | |  |  | | | (46) | |  |  | | | 52 | |  |  | | | 4 | |  |  | | | (1) | |  |  | | | (5) | |  |  | | | — | |  |  | | | (2) | |  |  | | | (2) | |  |  | | | 14 | |  |  | | 14 |
| Net income (loss) from continuing operations | | | 679 | |  |  | | | 334 | |  |  | | | (230) | |  |  | | | (15) | |  |  | | | 5 | |  |  | | | 112 | |  |  | | | (11) | |  |  | | | 1 | |  |  | | | 1 | |  |  | | | (639) | |  |  | | 237 |
| Less: net income (loss) from continuing operations attributable to non-controlling interests | | | 360 | |  |  | | | 121 | |  |  | | | — | |  |  | | | (3) | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | (2) | |  |  | | | — | |  |  | | | (1) | |  |  | | 475 |
| Net income (loss) from continuing operations attributable to Icahn Enterprises | | | $ | 319 |  |  | | | $ | 213 |  |  | | | $ | (230) |  |  | | | $ | (12) |  |  | | | $ | 5 |  |  | | | $ | 112 |  |  | | | $ | (11) |  |  | | | $ | 3 |  |  | | | $ | 1 |  |  | | | $ | (638) |  |  | | $(238) |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Supplemental information: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Capital expenditures | | | $ | — |  |  | | | $ | 102 |  |  | | | $ | 66 |  |  | | | $ | 25 |  |  | | | $ | 21 |  |  | | | $ | 13 |  |  | | | $ | 5 |  |  | | | $ | 40 |  |  | | | $ | — |  |  | | | $ | — |  |  | | $272 |
| Depreciation and amortization | | | $ | — |  |  | | | $ | 339 |  |  | | | $ | 92 |  |  | | | $ | 26 |  |  | | | $ | 18 |  |  | | | $ | 19 |  |  | | | $ | 8 |  |  | | | $ | 6 |  |  | | | $ | — |  |  | | | $ | — |  |  | | $508 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31, 2017** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
|  | | | **Investment** | | |  | | | **Energy** | | |  | | | **Automotive** | | |  | | | **Food Packaging** | | |  | | | **Metals** | | |  | | | **Real Estate** | | |  | | | **Home Fashion** | | |  | | | **Mining** | | |  | | | **Railcar** | | |  | | | **Holding Company** | | |  | | **Consolidated** |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Revenues: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Net sales | | | $ | — |  |  | | | $ | 5,988 |  |  | | | $ | 2,225 |  |  | | | $ | 392 |  |  | | | $ | 409 |  |  | | | $ | 15 |  |  | | | $ | 183 |  |  | | | $ | 94 |  |  | | | $ | — |  |  | | | $ | — |  |  | | $9,306 |
| Other revenues from operations | | | — | |  |  | | | — | |  |  | | | 498 | |  |  | | | — | |  |  | | | — | |  |  | | | 72 | |  |  | | | — | |  |  | | | — | |  |  | | | 173 | |  |  | | | — | |  |  | | 743 |
| Net gain from investment activities | | | 241 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 61 | |  |  | | 302 |
| Interest and dividend income | | | 106 | |  |  | | | 1 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 7 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | 12 | |  |  | | 127 |
| (Loss) gain on disposition of assets, net | | | — | |  |  | | | (3) | |  |  | | | 5 | |  |  | | | — | |  |  | | | — | |  |  | | | 496 | |  |  | | | — | |  |  | | | — | |  |  | | | 1,664 | |  |  | | | 1 | |  |  | | 2,163 |
| Other (loss) income, net | | | (50) | |  |  | | | 2 | |  |  | | | — | |  |  | | | (3) | |  |  | | | (1) | |  |  | | | 38 | |  |  | | | — | |  |  | | | (2) | |  |  | | | — | |  |  | | | (6) | |  |  | | (22) |
|  | | | 297 | |  |  | | | 5,988 | |  |  | | | 2,728 | |  |  | | | 389 | |  |  | | | 408 | |  |  | | | 628 | |  |  | | | 183 | |  |  | | | 93 | |  |  | | | 1,837 | |  |  | | | 68 | |  |  | | 12,619 |
| Expenses: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Cost of goods sold | | | — | |  |  | | | 5,761 | |  |  | | | 1,540 | |  |  | | | 297 | |  |  | | | 389 | |  |  | | | 11 | |  |  | | | 162 | |  |  | | | 60 | |  |  | | | — | |  |  | | | — | |  |  | | 8,220 |
| Other expenses from operations | | | — | |  |  | | | — | |  |  | | | 438 | |  |  | | | — | |  |  | | | — | |  |  | | | 46 | |  |  | | | — | |  |  | | | — | |  |  | | | 34 | |  |  | | | — | |  |  | | 518 |
| Selling, general and administrative | | | 13 | |  |  | | | 143 | |  |  | | | 919 | |  |  | | | 61 | |  |  | | | 19 | |  |  | | | 18 | |  |  | | | 39 | |  |  | | | 14 | |  |  | | | 10 | |  |  | | | 33 | |  |  | | 1,269 |
| Restructuring | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 2 | |  |  | | | 1 | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 4 |
| Impairment | | | — | |  |  | | | — | |  |  | | | 15 | |  |  | | | 1 | |  |  | | | — | |  |  | | | 2 | |  |  | | | 1 | |  |  | | | — | |  |  | | | 68 | |  |  | | | — | |  |  | | 87 |
| Interest expense | | | 166 | |  |  | | | 109 | |  |  | | | 13 | |  |  | | | 13 | |  |  | | | — | |  |  | | | 2 | |  |  | | | — | |  |  | | | 6 | |  |  | | | 23 | |  |  | | | 323 | |  |  | | 655 |
|  | | | 179 | |  |  | | | 6,013 | |  |  | | | 2,925 | |  |  | | | 374 | |  |  | | | 409 | |  |  | | | 79 | |  |  | | | 203 | |  |  | | | 80 | |  |  | | | 135 | |  |  | | | 356 | |  |  | | 10,753 |
| Income (loss) from continuing operations before income tax benefit (expense) | | | 118 | |  |  | | | (25) | |  |  | | | (197) | |  |  | | | 15 | |  |  | | | (1) | |  |  | | | 549 | |  |  | | | (20) | |  |  | | | 13 | |  |  | | | 1,702 | |  |  | | | (288) | |  |  | | 1,866 |
| Income tax benefit (expense) | | | — | |  |  | | | 341 | |  |  | | | 146 | |  |  | | | (21) | |  |  | | | (43) | |  |  | | | — | |  |  | | | — | |  |  | | | (3) | |  |  | | | (531) | |  |  | | | 643 | |  |  | | 532 |
| Net income (loss) from continuing operations | | | 118 | |  |  | | | 316 | |  |  | | | (51) | |  |  | | | (6) | |  |  | | | (44) | |  |  | | | 549 | |  |  | | | (20) | |  |  | | | 10 | |  |  | | | 1,171 | |  |  | | | 355 | |  |  | | 2,398 |
| Less: net income (loss) from continuing operations attributable to non-controlling interests | | | 38 | |  |  | | | 63 | |  |  | | | — | |  |  | | | (1) | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 1 | |  |  | | | — | |  |  | | | — | |  |  | | 101 |
| Net income (loss) from continuing operations attributable to Icahn Enterprises | | | $ | 80 |  |  | | | $ | 253 |  |  | | | $ | (51) |  |  | | | $ | (5) |  |  | | | $ | (44) |  |  | | | $ | 549 |  |  | | | $ | (20) |  |  | | | $ | 9 |  |  | | | $ | 1,171 |  |  | | | $ | 355 |  |  | | $2,297 |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Supplemental information: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Capital expenditures | | | $ | — |  |  | | | $ | 120 |  |  | | | $ | 86 |  |  | | | $ | 26 |  |  | | | $ | 30 |  |  | | | $ | 9 |  |  | | | $ | 5 |  |  | | | $ | 38 |  |  | | | $ | 2 |  |  | | | $ | — |  |  | | $316 |
| Depreciation and amortization | | | $ | — |  |  | | | $ | 322 |  |  | | | $ | 111 |  |  | | | $ | 25 |  |  | | | $ | 20 |  |  | | | $ | 20 |  |  | | | $ | 8 |  |  | | | $ | 5 |  |  | | | $ | 7 |  |  | | | $ | — |  |  | | $518 |

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Disaggregation of Revenue**

In addition to the condensed statements of operations by reporting segment above, we provide additional disaggregated revenue information for certain reportable segments below.

***Energy***

Disaggregated revenue for our Energy segment net sales is presented below:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |
| Petroleum products | | | $ | 5,960 |  |  | | | $ | 6,773 |  |  | | | $ | 5,657 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Nitrogen fertilizer products | | | 404 | |  |  | | | 351 | |  |  | | | 331 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 6,364 |  |  | | | $ | 7,124 |  |  | | | $ | 5,988 |  |  |  |  |  |  |  |  |  |  |  |  |  |

***Automotive***

Disaggregated revenue for our Automotive segment net sales and other revenues from operations is presented below:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |
| Automotive services | | | $ | 1,373 |  |  | | | $ | 1,321 |  |  | | | $ | 1,186 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Aftermarket parts sales | | | 1,511 | |  |  | | | 1,537 | |  |  | | | 1,537 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 2,884 |  |  | | | $ | 2,858 |  |  | | | $ | 2,723 |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Condensed Balance Sheets**

Icahn Enterprises’ condensed balance sheets by reporting segment are presented below. Icahn Enterprises Holdings’ condensed balance sheets are substantially the same, with immaterial differences relating to our Holding Company’s other assets, debt and equity attributable to Icahn Enterprises Holdings.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2019** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |  |
|  | | | **Investment** | | |  | | | **Energy** | | |  | | | **Automotive** | | |  | | | **Food Packaging** | | |  | | | **Metals** | | |  | | | **Real Estate** | | |  | | | **Home Fashion** | | |  | | | **Mining** | | |  | | |  |  | **Holding Company** | | |  | | **Consolidated** |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |  |
| **ASSETS** | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  | | |  | |  |
| Cash and cash equivalents | | | $ | 11 |  |  | | | $ | 652 |  |  | | | $ | 46 |  |  | | | $ | 22 |  |  | | | $ | 3 |  |  | | | $ | 53 |  |  | | | $ | 1 |  |  | | | $ | — |  |  | | |  |  | $ | 3,006 |  |  | | $3,794 |
| Cash held at consolidated affiliated partnerships and restricted cash | | | 989 | |  |  | | | — | |  |  | | | — | |  |  | | | 1 | |  |  | | | 6 | |  |  | | | 2 | |  |  | | | 7 | |  |  | | | — | |  |  | | |  |  | 146 | |  |  | | 1,151 |
| Investments | | | 9,207 | |  |  | | | 81 | |  |  | | | 120 | |  |  | | | — | |  |  | | | — | |  |  | | | 15 | |  |  | | | — | |  |  | | | — | |  |  | | |  |  | 522 | |  |  | | 9,945 |
| Accounts receivable, net | | | — | |  |  | | | 182 | |  |  | | | 143 | |  |  | | | 78 | |  |  | | | 32 | |  |  | | | 4 | |  |  | | | 36 | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 475 |
| Inventories, net | | | — | |  |  | | | 390 | |  |  | | | 1,215 | |  |  | | | 100 | |  |  | | | 32 | |  |  | | | — | |  |  | | | 75 | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 1,812 |
| Property, plant and equipment, net | | | — | |  |  | | | 2,888 | |  |  | | | 916 | |  |  | | | 161 | |  |  | | | 122 | |  |  | | | 386 | |  |  | | | 68 | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 4,541 |
| Goodwill and intangible assets, net | | | — | |  |  | | | 258 | |  |  | | | 382 | |  |  | | | 30 | |  |  | | | 11 | |  |  | | | 8 | |  |  | | | 24 | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 713 |
| Other assets | | | 1,076 | |  |  | | | 222 | |  |  | | | 673 | |  |  | | | 125 | |  |  | | | 27 | |  |  | | | 46 | |  |  | | | 20 | |  |  | | | — | |  |  | | |  |  | 19 | |  |  | | 2,208 |
| Total assets | | | $ | 11,283 |  |  | | | $ | 4,673 |  |  | | | $ | 3,495 |  |  | | | $ | 517 |  |  | | | $ | 233 |  |  | | | $ | 514 |  |  | | | $ | 231 |  |  | | | $ | — |  |  | | |  |  | $ | 3,693 |  |  | | $24,639 |
| **LIABILITIES AND EQUITY** | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  | | |  | |  |
| Accounts payable, accrued expenses and other liabilities | | | $ | 1,310 |  |  | | | $ | 1,180 |  |  | | | $ | 1,340 |  |  | | | $ | 196 |  |  | | | $ | 70 |  |  | | | $ | 38 |  |  | | | $ | 66 |  |  | | | $ | — |  |  | | |  |  | $ | 115 |  |  | | $4,315 |
| Securities sold, not yet purchased, at fair value | | | 1,190 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 1,190 |
| Debt | | | — | |  |  | | | 1,195 | |  |  | | | 405 | |  |  | | | 268 | |  |  | | | 7 | |  |  | | | 2 | |  |  | | | 18 | |  |  | | | — | |  |  | | |  |  | 6,297 | |  |  | | 8,192 |
| Total liabilities | | | 2,500 | |  |  | | | 2,375 | |  |  | | | 1,745 | |  |  | | | 464 | |  |  | | | 77 | |  |  | | | 40 | |  |  | | | 84 | |  |  | | | — | |  |  | | |  |  | 6,412 | |  |  | | 13,697 |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  | | |  | |  |
| Equity attributable to Icahn Enterprises | | | 4,296 | |  |  | | | 1,312 | |  |  | | | 1,750 | |  |  | | | 40 | |  |  | | | 156 | |  |  | | | 474 | |  |  | | | 147 | |  |  | | | — | |  |  | | |  |  | (2,719) | |  |  | | 5,456 |
| Equity attributable to non-controlling interests | | | 4,487 | |  |  | | | 986 | |  |  | | | — | |  |  | | | 13 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 5,486 |
| Total equity | | | 8,783 | |  |  | | | 2,298 | |  |  | | | 1,750 | |  |  | | | 53 | |  |  | | | 156 | |  |  | | | 474 | |  |  | | | 147 | |  |  | | | — | |  |  | | |  |  | (2,719) | |  |  | | 10,942 |
| Total liabilities and equity | | | $ | 11,283 |  |  | | | $ | 4,673 |  |  | | | $ | 3,495 |  |  | | | $ | 517 |  |  | | | $ | 233 |  |  | | | $ | 514 |  |  | | | $ | 231 |  |  | | | $ | — |  |  | | |  |  | $ | 3,693 |  |  | | $24,639 |

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2018** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |  |
|  | | | **Investment** | | |  | | | **Energy** | | |  | | | **Automotive** | | |  | | | **Food Packaging** | | |  | | | **Metals** | | |  | | | **Real Estate** | | |  | | | **Home Fashion** | | |  | | | **Mining** | | |  | | |  |  | **Holding Company** | | |  | | **Consolidated** |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | |  |
| **ASSETS** | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  | | |  | |  |
| Cash and cash equivalents | | | $ | 5 |  |  | | | $ | 668 |  |  | | | $ | 43 |  |  | | | $ | 46 |  |  | | | $ | 20 |  |  | | | $ | 39 |  |  | | | $ | 1 |  |  | | | $ | — |  |  | | |  |  | $ | 1,834 |  |  | | $2,656 |
| Cash held at consolidated affiliated partnerships and restricted cash | | | 2,648 | |  |  | | | — | |  |  | | | — | |  |  | | | 1 | |  |  | | | 1 | |  |  | | | 26 | |  |  | | | 2 | |  |  | | | — | |  |  | | |  |  | 4 | |  |  | | 2,682 |
| Investments | | | 6,867 | |  |  | | | 84 | |  |  | | | 59 | |  |  | | | — | |  |  | | | — | |  |  | | | 15 | |  |  | | | — | |  |  | | | — | |  |  | | |  |  | 1,312 | |  |  | | 8,337 |
| Accounts receivable, net | | | — | |  |  | | | 169 | |  |  | | | 149 | |  |  | | | 74 | |  |  | | | 48 | |  |  | | | 3 | |  |  | | | 31 | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 474 |
| Inventories, net | | | — | |  |  | | | 380 | |  |  | | | 1,203 | |  |  | | | 93 | |  |  | | | 39 | |  |  | | | — | |  |  | | | 64 | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 1,779 |
| Property, plant and equipment, net | | | — | |  |  | | | 3,027 | |  |  | | | 941 | |  |  | | | 169 | |  |  | | | 115 | |  |  | | | 367 | |  |  | | | 69 | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 4,688 |
| Goodwill and intangible assets, net | | | — | |  |  | | | 278 | |  |  | | | 412 | |  |  | | | 32 | |  |  | | | 2 | |  |  | | | 24 | |  |  | | | — | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 748 |
| Other assets | | | 1,230 | |  |  | | | 225 | |  |  | | | 217 | |  |  | | | 96 | |  |  | | | 8 | |  |  | | | 34 | |  |  | | | 5 | |  |  | | | 299 | |  |  | | |  |  | 11 | |  |  | | 2,125 |
| Total assets | | | $ | 10,750 |  |  | | | $ | 4,831 |  |  | | | $ | 3,024 |  |  | | | $ | 511 |  |  | | | $ | 233 |  |  | | | $ | 508 |  |  | | | $ | 172 |  |  | | | $ | 299 |  |  | | |  |  | $ | 3,161 |  |  | | $23,489 |
| **LIABILITIES AND EQUITY** | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  | | |  | |  |
| Accounts payable, accrued expenses and other liabilities | | | $ | 181 |  |  | | | $ | 1,043 |  |  | | | $ | 905 |  |  | | | $ | 164 |  |  | | | $ | 56 |  |  | | | $ | 41 |  |  | | | $ | 35 |  |  | | | $ | 112 |  |  | | |  |  | $ | 178 |  |  | | $2,715 |
| Securities sold, not yet purchased, at fair value | | | 468 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | |  |  | — | |  |  | | 468 |
| Debt | | | — | |  |  | | | 1,170 | |  |  | | | 372 | |  |  | | | 273 | |  |  | | | — | |  |  | | | 2 | |  |  | | | 4 | |  |  | | | — | |  |  | | |  |  | 5,505 | |  |  | | 7,326 |
| Total liabilities | | | 649 | |  |  | | | 2,213 | |  |  | | | 1,277 | |  |  | | | 437 | |  |  | | | 56 | |  |  | | | 43 | |  |  | | | 39 | |  |  | | | 112 | |  |  | | |  |  | 5,683 | |  |  | | 10,509 |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  | | |  | |  |
| Equity attributable to Icahn Enterprises | | | 5,066 | |  |  | | | 1,274 | |  |  | | | 1,747 | |  |  | | | 55 | |  |  | | | 177 | |  |  | | | 465 | |  |  | | | 133 | |  |  | | | 165 | |  |  | | |  |  | (2,522) | |  |  | | 6,560 |
| Equity attributable to non-controlling interests | | | 5,035 | |  |  | | | 1,344 | |  |  | | | — | |  |  | | | 19 | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 22 | |  |  | | |  |  | — | |  |  | | 6,420 |
| Total equity | | | 10,101 | |  |  | | | 2,618 | |  |  | | | 1,747 | |  |  | | | 74 | |  |  | | | 177 | |  |  | | | 465 | |  |  | | | 133 | |  |  | | | 187 | |  |  | | |  |  | (2,522) | |  |  | | 12,980 |
| Total liabilities and equity | | | $ | 10,750 |  |  | | | $ | 4,831 |  |  | | | $ | 3,024 |  |  | | | $ | 511 |  |  | | | $ | 233 |  |  | | | $ | 508 |  |  | | | $ | 172 |  |  | | | $ | 299 |  |  | | |  |  | $ | 3,161 |  |  | | $23,489 |

**Geographic Information**

The following table presents our consolidated geographic net sales from external customers, other revenues from operations and property, plant and equipment, net for the periods indicated:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Net Sales** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **Other Revenues From Operations** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | **Property, Plant and Equipment, Net** |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | **December 31,** |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | |  |
| United States | | | $ | 9,271 |  |  | | | $ | 10,170 |  |  | | | $ | 8,897 |  |  | | | $ | 652 |  |  | | | $ | 629 |  |  | | | $ | 716 |  |  | | | $ | 4,386 |  |  | | | $ | 4,458 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| International | | | 449 | |  |  | | | 406 | |  |  | | | 409 | |  |  | | | 14 | |  |  | | | 18 | |  |  | | | 27 | |  |  | | | 155 | |  |  | | | 230 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 9,720 |  |  | | | $ | 10,576 |  |  | | | $ | 9,306 |  |  | | | $ | 666 |  |  | | | $ | 647 |  |  | | | $ | 743 |  |  | | | $ | 4,541 |  |  | | | $ | 4,688 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Geographic locations for net sales and other revenues from operations are based on locations of the customers and geographic locations for property, plant, and equipment are based on the locations of the assets.

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**14. Discontinued Operations.**

Income from discontinued operations is summarized as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31, 2019** | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | | **Year Ended December 31, 2018** | | | | | | | | | | | | | | | | | **Year Ended December 31, 2017** |
|  | | | **Automotive** | | |  | | | **Gaming** | | |  | | | **Railcar** | | |  | | | **Total** | | |  | | | **Automotive** | | |  | | | **Gaming** | | |  | | | **Railcar** | | |  | | | **Total** | | |  | | | **Automotive** | | |  | | | **Gaming** | | |  | | **RailcarTotal** |
| Revenues: | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |
| Net sales | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | 5,993 |  |  | | | $ | — |  |  | | | $ | 228 |  |  | | | $ | 6,221 |  |  | | | $ | 7,720 |  |  | | | $ | — |  |  | | $265  $7,985 |
| Other revenues from operations | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 679 | |  |  | | | 213 | |  |  | | | 892 | |  |  | | | — | |  |  | | | 898 | |  |  | | 197  1,095 |
| Net gain on investment activities | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | 2  2 |
| Interest and dividend income | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 2 | |  |  | | | 1 | |  |  | | | 2 | |  |  | | | 5 | |  |  | | | 6 | |  |  | | | 1 | |  |  | | 2  9 |
| Gain (loss) on disposition of assets, net | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 65 | |  |  | | | — | |  |  | | | — | |  |  | | | 65 | |  |  | | | 7 | |  |  | | | (1) | |  |  | | —  6 |
| Other income, net | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 5 | |  |  | | | 1 | |  |  | | | 13 | |  |  | | | 19 | |  |  | | | 31 | |  |  | | | 27 | |  |  | | 3  61 |
|  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 6,065 | |  |  | | | 681 | |  |  | | | 456 | |  |  | | | 7,202 | |  |  | | | 7,764 | |  |  | | | 925 | |  |  | | 469  9,158 |
| Expenses: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Cost of goods sold | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 4,999 | |  |  | | | — | |  |  | | | 215 | |  |  | | | 5,214 | |  |  | | | 6,553 | |  |  | | | — | |  |  | | 249  6,802 |
| Other expenses from operations | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 311 | |  |  | | | 114 | |  |  | | | 425 | |  |  | | | — | |  |  | | | 425 | |  |  | | 100  525 |
| Selling, general and administrative | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 601 | |  |  | | | 238 | |  |  | | | 40 | |  |  | | | 879 | |  |  | | | 862 | |  |  | | | 371 | |  |  | | 37  1,270 |
| Restructuring, net | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 13 | |  |  | | | — | |  |  | | | — | |  |  | | | 13 | |  |  | | | 21 | |  |  | | | — | |  |  | | —  21 |
| Impairment | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 2 | |  |  | | | — | |  |  | | | 4 | |  |  | | | 6 | |  |  | | | 25 | |  |  | | | — | |  |  | | —  25 |
| Interest expense | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 137 | |  |  | | | 4 | |  |  | | | 19 | |  |  | | | 160 | |  |  | | | 154 | |  |  | | | 11 | |  |  | | 22  187 |
|  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 5,752 | |  |  | | | 553 | |  |  | | | 392 | |  |  | | | 6,697 | |  |  | | | 7,615 | |  |  | | | 807 | |  |  | | 408  8,830 |
| Income (loss) from discontinued operations before gain (loss) on sale and income tax (expense) benefit | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 313 | |  |  | | | 128 | |  |  | | | 64 | |  |  | | | 505 | |  |  | | | 149 | |  |  | | | 118 | |  |  | | 61  328 |
| Gain (loss) on sale of discontinued operations | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 251 | |  |  | | | 779 | |  |  | | | 400 | |  |  | | | 1,430 | |  |  | | | — | |  |  | | | (3) | |  |  | | —  (3) |
| Income (loss) from discontinued operations before income tax (expense) benefit | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 564 | |  |  | | | 907 | |  |  | | | 464 | |  |  | | | 1,935 | |  |  | | | 149 | |  |  | | | 115 | |  |  | | 61  325 |
| Income tax (expense) benefit | | | (32) | |  |  | | | — | |  |  | | | — | |  |  | | | (32) | |  |  | | | (69) | |  |  | | | (89) | |  |  | | | (13) | |  |  | | | (171) | |  |  | | | (33) | |  |  | | | (93) | |  |  | | 35  (91) |
| (Loss) income from discontinued operations | | | (32) | |  |  | | | — | |  |  | | | — | |  |  | | | (32) | |  |  | | | 495 | |  |  | | | 818 | |  |  | | | 451 | |  |  | | | 1,764 | |  |  | | | 116 | |  |  | | | 22 | |  |  | | 96  234 |
| Less: income from discontinued operations attributable to non-controlling interests | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | — | |  |  | | | 7 | |  |  | | | 17 | |  |  | | | 20 | |  |  | | | 44 | |  |  | | | 11 | |  |  | | | 13 | |  |  | | 53  77 |
| (Loss) income from discontinued operations attributable to Icahn Enterprises | | | $ | (32) |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | (32) |  |  | | | $ | 488 |  |  | | | $ | 801 |  |  | | | $ | 431 |  |  | | | $ | 1,720 |  |  | | | $ | 105 |  |  | | | $ | 9 |  |  | | $43  $157 |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Supplemental information: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| Capital expenditures | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | 303 |  |  | | | $ | 58 |  |  | | | $ | 125 |  |  | | | $ | 486 |  |  | | | $ | 393 |  |  | | | $ | 112 |  |  | | $171  $676 |
| Depreciation and amortization | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  | | | $ | 100 |  |  | | | $ | 19 |  |  | | | $ | 47 |  |  | | | $ | 166 |  |  | | | $ | 397 |  |  | | | $ | 73 |  |  | | $58  $528 |

**15. Income Taxes.**

The difference between the book basis and the tax basis of our net assets, not directly subject to income taxes, is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Icahn Enterprises** | | | | | | | | |  | | |  | | |  | | | **Icahn Enterprises Holdings** | | | | | | | | |  | | |  | | |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | |  |  | | |  | | |  | | | (in millions) | | | | | | | |  |  | | |  | | |
| Book basis of net assets | | | $ | 5,456 |  |  | | | $ | 6,560 |  |  | | | $ | 5,453 |  |  | | | $ | 6,588 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Book/tax basis difference | | | (1,397) | |  |  | | | (1,940) | |  |  | | | (1,397) | |  |  | | | (1,940) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tax basis of net assets | | | $ | 4,059 |  |  | | | $ | 4,620 |  |  | | | $ | 4,056 |  |  | | | $ | 4,648 |  |  |  |  |  |  |  |  |  |  |  |  |  |

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

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Income (loss) from continuing operations before income tax expense (benefit) is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Domestic | | | $ | (1,765) |  |  | | | $ | 235 |  |  | | | $ | 1,836 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| International | | | 26 | |  |  | | | (12) | |  |  | | | 30 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,739) |  |  | | | $ | 223 |  |  | | | $ | 1,866 |  |  |  |  |  |  |  |  |  |  |  |  |  |

Income tax benefit (expense) attributable to continuing operations is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Current: | | |  | | |  | | |  | | |  | | |  | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Domestic | | | $ | (106) |  |  | | | $ | (11) |  |  | | | $ | (15) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| International | | | (3) | |  |  | | | (4) | |  |  | | | (13) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total current | | | (109) | |  |  | | | (15) | |  |  | | | (28) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Deferred: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Domestic | | | 87 | |  |  | | | 30 | |  |  | | | 547 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| International | | | 2 | |  |  | | | (1) | |  |  | | | 13 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total deferred | | | 89 | |  |  | | | 29 | |  |  | | | 560 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (20) |  |  | | | $ | 14 |  |  | | | $ | 532 |  |  |  |  |  |  |  |  |  |  |  |  |  |

A reconciliation of the income tax benefit (expense) calculated at the federal statutory rate to income tax benefit (expense) on continuing operations as shown in the consolidated statements of operations is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |
| Income tax benefit (expense) at U.S. statutory rate | | | $ | 365 |  |  | |  | $ | (47) |  |  | |  | $ | (653) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tax effect from: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Valuation allowance | | | (63) | |  |  | |  | (4) | |  |  | |  | 529 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Non-controlling interest | | | (4) | |  |  | | | 26 | |  |  | | | (6) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Goodwill impairment | | | — | |  |  | | | (18) | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Stock dispositions | | | — | |  |  | |  | 69 | |  |  | |  | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income not subject to taxation | | | (314) | |  |  | |  | 14 | |  |  | |  | 220 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Enactment of U.S. tax legislation, net of valuation allowance | | | — | |  |  | | | — | |  |  | | | 392 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | | | (4) | |  |  | |  | (26) | |  |  | |  | 50 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income tax benefit (expense) | | | $ | (20) |  |  | |  | $ | 14 |  |  | |  | $ | 532 |  |  |  |  |  |  |  |  |  |  |  |  |  |

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The tax effect of significant differences representing deferred tax assets (liabilities) (the difference between financial statement carrying value and the tax basis of assets and liabilities) is as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Deferred tax assets: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Property, plant and equipment | | | $ | 17 |  |  | | | $ | 17 |  |  |  |  |  |  |  |
| Net operating loss | | | 791 | |  |  | | | 791 | |  |  |  |  |  |  |  |
| Tax credits | | | 29 | |  |  | | | 46 | |  |  |  |  |  |  |  |
| Capital loss | | | 155 | |  |  | | | 50 | |  |  |  |  |  |  |  |
| Leases | | | 133 | |  |  | | | — | |  |  |  |  |  |  |  |
| Other | | | 71 | |  |  | | | 82 | |  |  |  |  |  |  |  |
| Total deferred tax assets | | | 1,196 | |  |  | | | 986 | |  |  |  |  |  |  |  |
| Less: Valuation allowance | | | (619) | |  |  | | | (518) | |  |  |  |  |  |  |  |
| Net deferred tax assets | | | $ | 577 |  |  | | | $ | 468 |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Deferred tax liabilities: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Property, plant and equipment | | | $ | (125) |  |  | | | $ | (129) |  |  |  |  |  |  |  |
| Intangible assets | | | (37) | |  |  | | | (33) | |  |  |  |  |  |  |  |
| Investment in partnerships | | | (652) | |  |  | | | (699) | |  |  |  |  |  |  |  |
| Investment in U.S. subsidiaries | | | (184) | |  |  | | | (184) | |  |  |  |  |  |  |  |
| Leases | | | (125) | |  |  | | | — | |  |  |  |  |  |  |  |
| Other | | | (61) | |  |  | | | (79) | |  |  |  |  |  |  |  |
| Total deferred tax liabilities | | | (1,184) | |  |  | | | (1,124) | |  |  |  |  |  |  |  |
|  | | | $ | (607) |  |  | | | $ | (656) |  |  |  |  |  |  |  |

We recorded deferred tax assets and deferred tax liabilities of $32 million and $639 million, respectively, as of December 31, 2019 and $38 million and $694 million, respectively, as of December 31, 2018. Deferred tax assets are included in other assets in our consolidated balance sheets.

We analyze all positive and negative evidence to consider whether it is more likely than not that all of the deferred tax assets will be realized. Projected future income, tax planning strategies and the expected reversal of deferred tax liabilities are considered in making this assessment. As of December 31, 2019 we had a valuation allowance of approximately $619 million primarily related to tax loss and credit carryforwards and other deferred tax assets. The current and future provisions for income taxes may be significantly impacted by changes to valuation allowances. These allowances will be maintained until it is more likely than not that the deferred tax assets will be realized. For the year ended December 31, 2019, the valuation allowance on deferred tax assets increased by $101 million. The increase was primarily attributable to capital loss and state net operating loss carryforwards.

At December 31, 2019, American Entertainment Properties Corp. (“AEPC”), a wholly-owned corporate subsidiary of Icahn Enterprises and Icahn Enterprises Holdings, which includes all or parts of our Automotive, Metals, Home Fashion and Real Estate segments had U.S federal net operating loss carryforwards of approximately $2.0 billion with expiration dates from 2029 through 2037.

At December 31, 2019, CVR Energy had state income tax credits of $16 million, which are available to reduce future state income taxes. These credits can be carried forward indefinitely.

At December 31, 2019, Viskase had U.S. federal net operating loss carryforwards of $58 million which will begin expiring in the year 2024 and forward, and foreign net operating loss carryforwards of $40 million with unlimited carryforward period and $5 million with a five-year carryforward period.

On August 1, 2018, CVR Energy completed an exchange offer whereby CVR Refining’s public unitholders tendered a total of 21,625,106 common units of CVR Refining in exchange for 13,699,549 shares of CVR Energy common stock. As a

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result of the exchange offer, AEPC owned less than 80% of the common stock of CVR Energy and CVR Energy deconsolidated from the AEPC consolidated federal income tax group. Beginning with the tax period after the exchange, CVR Energy became the parent of a new consolidated group for U.S. federal income tax purposes and will file and pay its federal income tax obligations directly to the Internal Revenue Service.

As of December 31, 2019, we have not provided taxes on approximately $61 million of undistributed earnings in foreign subsidiaries which are deemed to be indefinitely reinvested. If at some future date these earnings cease to be permanently reinvested, we may be subject to foreign income and withholding taxes upon repatriation of such amounts. An estimate of the tax liability that would be incurred upon repatriation of foreign earnings is not practicable to determine.

***Enactment of U.S. Tax Legislation***

In January 2018, the FASB released guidance on the accounting for tax on the global intangible low-taxed income (“GILTI”) provisions of The Tax Legislation. The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. We report additional tax from the GILTI inclusion as incurred and currently estimate no additional tax due in 2019.

Under the Tax Legislation, an entity must pay a Base Erosion Anti-Abuse Tax (“BEAT”) if the BEAT is greater than its regular tax liability. We currently estimate no additional tax due in 2018 pursuant to the BEAT provisions.

***Accounting for Uncertainty in Income Taxes***

A summary of the changes in the gross amounts of unrecognized tax benefits for the years ended December 31, 2019, 2018 and 2017 are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | |  |  | | |  | | |  | | |  | | |
| Balance at January 1 | | | $ | 34 |  |  | | | $ | 34 |  |  | | | $ | 52 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Addition based on tax positions related to the current year | | | 2 | |  |  | | | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Increase for tax positions of prior years | | | — | |  |  | | | 6 | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Decrease for tax positions of prior years | | | — | |  |  | | | — | |  |  | | | (3) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Decrease for statute of limitation expiration | | | (3) | |  |  | | | (6) | |  |  | | | (15) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance at December 31 | | | $ | 33 |  |  | | | $ | 34 |  |  | | | $ | 34 |  |  |  |  |  |  |  |  |  |  |  |  |  |

At December 31, 2019, 2018 and 2017, we had unrecognized tax benefits of $33 million, $34 million and $34 million, respectively. Of these totals, $27 million, $30 million and $28 million represent the amount of unrecognized tax benefits that if recognized, would affect the annual effective tax rate in the respective periods. The total unrecognized tax benefits differ from the amount which would affect the effective tax rate primarily due to the impact of valuation allowances.

During the next 12 months, CVR Energy believes that it is reasonably possible that unrecognized tax benefits of CVR Energy may decrease by approximately $3 million due to statute expirations. We do not anticipate any significant changes to the amount of our unrecognized tax benefits in our other business segments during the next 12 months.

We recognize interest and penalties accrued related to unrecognized tax benefits as a component of income tax expense. We recorded $1 million, $1 million and $2 million as of December 31, 2019, 2018 and 2017, respectively, in liabilities for tax related net interest and penalties in our consolidated balance sheets. Income tax (benefit) expense related to interest and penalties were $0 million, $(1) million and $(7) million for the years December 31, 2019, 2018 and 2017, respectively. We or certain of our subsidiaries file income tax returns in the U.S. federal jurisdiction, various state jurisdictions and various non-U.S. jurisdictions. We and our subsidiaries are no longer subject to U.S. federal tax examinations for years before 2015 or state and local examinations for years before 2013, with limited exceptions. AEPC has been notified by the IRS that the group’s income tax return for the period ended December 31, 2017 will be examined.

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**16. Changes in Accumulated Other Comprehensive Loss.**

Changes in accumulated other comprehensive loss consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Translation Adjustments, Net of Tax** | | |  | | | **Post-Retirement Benefits and Other, Net of Tax** | | |  | | | **Total** | | |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Balance, December 31, 2018 | | | $ | (38) |  |  | | | $ | (47) |  |  | | | $ | (85) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive loss before reclassifications, net of tax | | | (2) | |  |  | | | — | |  |  | | | (2) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Reclassifications from accumulated other comprehensive loss to earnings, net of tax | | | — | |  |  | | | 3 | |  |  | | | 3 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive (loss) income, net of tax | | | (2) | |  |  | | | 3 | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Elimination of stranded tax effects resulting from tax legislation | | | — | |  |  | | | (5) | |  |  | | | (5) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance, December 31, 2019 | | | $ | (40) |  |  | | | $ | (49) |  |  | | | $ | (89) |  |  |  |  |  |  |  |  |  |  |  |  |  |

**17. Other Income, Net.**

Other income, net consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Other derivative loss | | | $ | — |  |  | |  | $ | (1) |  |  | |  | $ | (41) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividend expense | | | (5) | |  |  | |  | (2) | |  |  | |  | (10) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity earnings from non-consolidated affiliates | | | 21 | |  |  | |  | 7 | |  |  | |  | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Foreign currency transaction (loss) income | | | (5) | |  |  | |  | (1) | |  |  | |  | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tax settlement gain | | | — | |  |  | |  | — | |  |  | |  | 38 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Non-service pension and other post-retirement benefits expense | | | (3) | |  |  | |  | (8) | |  |  | |  | (4) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain (loss) on extinguishment of debt | | | 2 | |  |  | |  | — | |  |  | |  | (12) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other | | | 9 | |  |  | |  | 5 | |  |  | |  | 5 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 19 |  |  | | | $ | — |  |  | | | $ | (22) |  |  |  |  |  |  |  |  |  |  |  |  |  |

**18. Commitments and Contingencies.**

***Environmental Matters***

Due to the nature of our business, certain of our subsidiaries’ operations are subject to numerous existing and proposed laws and governmental regulations designed to protect the environment, particularly regarding plant wastes and emissions and solid waste disposal. Our consolidated environmental liabilities on an undiscounted basis were $34 million and $37 million as of December 31, 2019 and December 31, 2018, respectively, primarily within our Energy and Metals segments and which are included in accrued expenses and other liabilities in our consolidated balance sheets. We do not believe that environmental matters will have a material adverse impact on our consolidated results of operations and financial condition.

*Energy*

On August 21, 2018, CVR Refining received a letter from the United States Department of Justice (the “DOJ”) on behalf of the Environmental Protection Agency (the “EPA”) and Kansas Department of Health and Environment (“KDHE”) alleging violations of the Clean Air Act and a 2012 Consent Decree between CVR Refining, the United States (on behalf of the EPA) and KDHE at CVR Energy’s Coffeyville refinery. In September 2018, CVR Refining executed a tolling agreement with the DOJ and KDHE extending time for negotiation regarding the agencies’ allegations through March 2019, and this tolling agreement was extended through April 30, 2020. At this time CVR Energy cannot reasonably estimate the potential penalties, costs, fines or other expenditures that may result from this matter or any subsequent enforcement or litigation relating thereto

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and, therefore, CVR Energy cannot determine if the ultimate outcome of this matter will have a material impact on its financial position, results of operations or cash flows.

As of December 31, 2019 and 2018, our Energy segment had environmental accruals of $6 million and $8 million, respectively, representing estimated costs for future remediation efforts at certain sites.

*Metals*

PSC Metals has been designated as a potentially responsible party (“PRP”) under U.S. federal and state superfund laws with respect to certain sites with which PSC Metals may have had a direct or indirect involvement. It is alleged that PSC Metals and its subsidiaries or their predecessors transported waste to the sites, disposed of waste at the sites or operated the sites in question. In addition, one of PSC Metals’ Knoxville, Tennessee locations was the subject of investigations by the State of Tennessee under the federal Superfund law. These investigations were performed by the State of Tennessee pursuant to a contract with the EPA. PSC Metals has entered into Tennessee’s Voluntary Clean-Up Oversight and Assistance Program (“VOAP”) and expects to enter into a settlement with the Tennessee Department of Environment and Conservation (“TDEC”) in the future. Currently, PSC Metals believes that it has adequately reserved for the cost of any potential future remediation associated with its Knoxville location, but cannot fully assess the impact of all costs or liabilities associated with TDEC’s investigations. With respect to all other matters in which PSC Metals has been designated as a PRP under U.S. federal and state superfund laws, PSC Metals has reviewed the nature and extent of the allegations, the number, connection and financial ability of other named and unnamed PRPs and the nature and estimated cost of the likely remedy. Based on reviewing the nature and extent of the allegations, PSC Metals has estimated its liability to remediate these other sites to be immaterial as of both December 31, 2019 and 2018. If it is determined that PSC Metals has liability to remediate those sites and that more expensive remediation approaches are required in the future, PSC Metals could incur additional obligations, which could be material to its operations.

Certain of PSC Metals’ facilities are environmentally impaired in part as a result of operating practices at the sites prior to their acquisition by PSC Metals and as a result of PSC Metals’ operations. PSC Metals has established procedures to periodically evaluate these sites, giving consideration to the nature and extent of the contamination. PSC Metals has provided for the remediation of these sites based upon its management’s judgment and prior experience. PSC Metals has estimated the liability to remediate these sites to be $27 million and $27 million at December 31, 2019 and 2018, respectively. PSC Metals believes, based on past experience, that the vast majority of these environmental liabilities and costs will be assessed and paid over an extended period of time. PSC Metals believes that it will be able to fund such costs in the ordinary course of business. Estimates of PSC Metals’ liability for remediation of a particular site and the method and ultimate cost of remediation require a number of assumptions that are inherently difficult to make, and the ultimate outcome may be materially different from current estimates. Moreover, because PSC Metals has disposed of waste materials at numerous third-party disposal facilities, it is possible that PSC Metals will be identified as a PRP at additional sites. The impact of such future events cannot be estimated at the current time.

***Renewable Fuel Standards***

CVR Refining is subject to the Renewable Fuel Standard (“RFS”) of the EPA which requires refiners to either blend renewable fuels in with their transportation fuels or purchase renewable fuel credits, known as RINs, in lieu of blending. CVR Refining is not able to blend the substantial majority of its transportation fuels and has to purchase RINs on the open market and may have to obtain waiver credits for cellulosic biofuels from the EPA, in order to comply with the RFS.

CVR Refining’s expenses for its compliance with RFS were $43 million, $60 million and $249 million for years ended December 31, 2019, 2018 and 2017, respectively, which are included in cost of goods sold in our consolidated financial statements. CVR Refining’s costs to comply with RFS include the purchased cost of RINs, the impact of recognizing CVR Refining’s uncommitted biofuel blending obligation at fair value based on market prices at each reporting date and the valuation change of RINs purchases in excess of CVR Refining’s RFS obligation as of the reporting date. As of December 31, 2019 and 2018, CVR Refining’s biofuel blending obligation was $7 million and $4 million, respectively, which is included in accrued expenses and other liabilities in our consolidated balance sheets.

***Litigation***

From time to time, we and our subsidiaries are involved in various lawsuits arising in the normal course of business. We do not believe that such normal routine litigation will have a material effect on our financial condition or results of operations.

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*Energy*

CVR Energy, CVR Refining and its general partner, Icahn Enterprises and certain other affiliates and individuals have each been named in nine lawsuits filed in the Court of Chancery of the State of Delaware by purported former unitholders of CVR Refining, on behalf of themselves and an alleged class of similarly situated unitholders (the “Call Option Lawsuits”). The Call Option Lawsuits primarily allege breach of contract, tortious interference and breach of the implied covenant of good faith and fair dealing and seek monetary damages and attorneys’ fees, among other remedies, relating to CVR Energy’s exercise of the call option under the CVR Refining Amended and Restated Agreement of Limited Partnership assigned to it by CVR Refining’s general partner. In January 2020, the court dismissed CVR Holdings and certain former directors of CVR Refining’s general partner from the Call Option Lawsuits, though permitted some or all of the claims to proceed against each remaining defendant. CVR Energy believes the Call Option Lawsuits are without merit and intends to vigorously defend against them. The Call Option Lawsuits remain in the early stages of litigation. Accordingly CVR Energy cannot determine at this time the outcome of the Call Option Lawsuits, including whether the outcome of this matter would have a material impact on the its financial position, results of operations, or cash flows.

***Other Matters***

*Pension Obligations*

Mr. Icahn, through certain affiliates, owns 100% of Icahn Enterprises GP and approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of December 31, 2019. Applicable pension and tax laws make each member of a “controlled group” of entities, generally defined as entities in which there is at least an 80% common ownership interest, jointly and severally liable for certain pension plan obligations of any member of the controlled group. These pension obligations include ongoing contributions to fund the plan, as well as liability for any unfunded liabilities that may exist at the time the plan is terminated. In addition, the failure to pay these pension obligations when due may result in the creation of liens in favor of the pension plan or the Pension Benefit Guaranty Corporation (the “PBGC”) against the assets of each member of the controlled group.

As a result of the more than 80% ownership interest in us by Mr. Icahn’s affiliates, we and our subsidiaries are subject to the pension liabilities of entities in which Mr. Icahn has a direct or indirect ownership interest of at least 80%, which includes the liabilities of pension plans sponsored by ACF. All the minimum funding requirements of the Internal Revenue Code, as amended, and the Employee Retirement Income Security Act of 1974, as amended, for the ACF plans have been met as of December 31, 2019. If the plans were voluntarily terminated, they would be underfunded by approximately $71 million as of December 31, 2019. These results are based on the most recent information provided by the plans’ actuary. These liabilities could increase or decrease, depending on a number of factors, including future changes in benefits, investment returns, and the assumptions used to calculate the liability. As members of the controlled group, we would be liable for any failure of ACF to make ongoing pension contributions or to pay the unfunded liabilities upon a termination of the ACF pension plans. In addition, other entities now or in the future within the controlled group in which we are included may have pension plan obligations that are, or may become, underfunded and we would be liable for any failure of such entities to make ongoing pension contributions or to pay the unfunded liabilities upon termination of such plans.

The current underfunded status of the ACF pension plans requires them to notify the PBGC of certain “reportable events,” such as if we cease to be a member of the ACF controlled group, or if we make certain extraordinary dividends or stock redemptions. The obligation to report could cause us to seek to delay or reconsider the occurrence of such reportable events.

Starfire Holding Corporation (“Starfire”), which is 99.6% owned by Mr. Icahn, has undertaken to indemnify us and our subsidiaries from losses resulting from any imposition of certain pension funding or termination liabilities that may be imposed on us and our subsidiaries or our assets as a result of being a member of the Icahn controlled group, including ACF. The Starfire indemnity provides, among other things, that so long as such contingent liabilities exist and could be imposed on us, Starfire will not make any distributions to its stockholders that would reduce its net worth to below $250 million. Nonetheless, Starfire may not be able to fund its indemnification obligations to us.

*Other*

The U.S. Attorney’s office for the Southern District of New York contacted Icahn Enterprises L.P. in September 2017 seeking production of information pertaining to our and Mr. Icahn’s activities relating to the Renewable Fuels Standard and Mr. Icahn’s former role as an advisor to the President. We cooperated with the request and provided information in response to the subpoena. The U.S. Attorney’s office for the Southern District of New York contacted Icahn Enterprises L.P. in June 2018 seeking production of information pertaining to trading in Manitowoc Company, Inc. securities. We cooperated with the request and provided documents in response to the subpoena. The U.S. Attorney’s office has not made any claims or allegations against

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us or Mr. Icahn with respect to either of the foregoing inquiries. We maintain a strong compliance program and, while no assurances can be made, we do not believe these inquiries will have a material impact on our business, financial condition, results of operations or cash flows.

***Unconditional Purchase Obligations***

Unconditional purchase obligations are primarily within our Energy segment relating to commitments for petroleum products storage and transportation, electricity supply agreements, product supply agreements, commitments related to CVR Energy’s biofuel blending obligation and various agreements for gas and gas transportation. The minimum required payments for our Energy segment’s unconditional purchase obligations are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
| **Year** | | |  | | | **Amount** | | |
|  | | |  | | | (in millions) | |  |
| 2020 | | |  | | | $ | 95 |  |
| 2021 | | |  | | | 80 | |  |
| 2022 | | |  | | | 77 | |  |
| 2023 | | |  | | | 75 | |  |
| 2024 | | |  | | | 71 | |  |
| Thereafter | | |  | | | 375 | |  |
|  | | |  | | | $ | 773 |  |

CVR Energy is a party to various supply agreements which commit it to purchase minimum volumes of crude oil, hydrogen, oxygen, nitrogen, petroleum coke and natural gas to run its facilities’ operations. For the years ended December 31, 2019, 2018 and 2017, amounts purchased under these supply agreements totaled approximately $167 million, $214 million and $209 million, respectively.

**19. Pension and Other Post-Retirement Benefit Plans.**

Pension and other post-retirement benefit plan costs and obligations are primarily within our Food Packaging segment. Pension plans and other post-retirement benefit plans for other segments are not material and are not included in our disclosures below.

Viskase sponsors several defined benefit pension plans, including defined contribution plans, varying by country and subsidiary. Additionally, Viskase sponsors health care and life insurance benefits for certain employees and retirees around the world. The pension benefits are funded based on the funding requirements of federal and international laws and regulations, as applicable, in advance of benefit payments and the other benefits are funded as benefits are provided to participating employees.

Components of net periodic benefit cost (credit) are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **U.S. and Non-U.S. Pension Benefits** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Service cost | | | $ | — |  |  | | | $ | 1 |  |  | | | $ | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest cost | | | 6 | |  |  | | | 6 | |  |  | | | 7 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expected return on plan assets | | | (4) | |  |  | | | (5) | |  |  | | | (8) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Amortization of actuarial losses | | | 1 | |  |  | | | 1 | |  |  | | | 5 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Settlement loss recognized | | | — | |  |  | | | 7 | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 3 |  |  | | | $ | 10 |  |  | | | $ | 5 |  |  |  |  |  |  |  |  |  |  |  |  |  |

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The following table provides disclosures for Viskase’s benefit obligations, plan assets, funded status, and recognition in the consolidated balance sheets. As pension costs for Viskase are not material to our consolidated financial position and results of operations, we do not provide information regarding their inputs and valuation assumptions.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **U.S and Non-U.S. Pension Benefits** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| Change in benefit obligation: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Benefit obligation, beginning of year | | | $ | 148 |  |  | | | $ | 188 |  |  |  |  |  |  |  |
| Service cost | | | — | |  |  | | | 1 | |  |  |  |  |  |  |  |
| Interest cost | | | 6 | |  |  | | | 6 | |  |  |  |  |  |  |  |
| Benefits paid | | | (7) | |  |  | | | (8) | |  |  |  |  |  |  |  |
| Actuarial (gain) loss | | | 11 | |  |  | | | (10) | |  |  |  |  |  |  |  |
| Plan settlements | | | — | |  |  | | | (28) | |  |  |  |  |  |  |  |
| Currency translation | | | (4) | |  |  | | | (1) | |  |  |  |  |  |  |  |
| Benefit obligation, end of year | | | 154 | |  |  | | | 148 | |  |  |  |  |  |  |  |
| Change in plan assets: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Fair value of plan assets, beginning of year | | | 77 | |  |  | | | 115 | |  |  |  |  |  |  |  |
| Actual return on plan assets | | | 15 | |  |  | | | (6) | |  |  |  |  |  |  |  |
| Employer contributions | | | 4 | |  |  | | | 3 | |  |  |  |  |  |  |  |
| Plan settlements | | | — | |  |  | | | (28) | |  |  |  |  |  |  |  |
| Benefits paid | | | (7) | |  |  | | | (7) | |  |  |  |  |  |  |  |
| Fair value of plan assets, end of year | | | 89 | |  |  | | | 77 | |  |  |  |  |  |  |  |
| Funded status of the plan and amounts recognized in the consolidated balance sheets | | | $ | (65) |  |  | | | $ | (71) |  |  |  |  |  |  |  |
| Amounts recognized in accumulated other comprehensive loss, inclusive of tax impacts | | | $ | (39) |  |  | | | $ | (44) |  |  |  |  |  |  |  |

***Defined Benefit Plans Measured at Fair Value on a Recurring Basis***

The following table presents Viskase’s defined benefit plan assets measured at fair value on a recurring basis:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31, 2019** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | | **December 31, 2018** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **Level 1** | | |  | | | **Level 2** | | |  | | | **Total** | | |  | | | **Level 1** | | |  | | | **Level 2** | | |  | | | **Total** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| U.S. and Non-U.S. Plans: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | | | $ | 3 |  |  | | | $ | — |  |  | | | $ | 3 |  |  | | | $ | 3 |  |  | | | $ | — |  |  | | | $ | 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Government debt securities | | | 1 | |  |  | | | 2 | |  |  | | | 3 | |  |  | | | 1 | |  |  | | | 2 | |  |  | | | 3 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Exchange traded funds | | | 18 | |  |  | | | — | |  |  | | | 18 | |  |  | | | 16 | |  |  | | | — | |  |  | | | 16 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Mutual funds | | | 26 | |  |  | | | 2 | |  |  | | | 28 | |  |  | | | 22 | |  |  | | | 2 | |  |  | | | 24 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Common stock | | | 27 | |  |  | | | — | |  |  | | | 27 | |  |  | | | 21 | |  |  | | | — | |  |  | | | 21 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | 75 |  |  | | | $ | 4 |  |  | | | $ | 79 |  |  | | | $ | 63 |  |  | | | $ | 4 |  |  | | | $ | 67 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investments measured at net asset value | | |  | | |  | | |  | | |  | | | 11 | |  |  | | |  | | |  | | |  | | |  | | | 10 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Plan assets measured at fair value | | |  | | |  | | |  | | |  | | | $ | 90 |  |  | | |  | | |  | | |  | | |  | | | $ | 77 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**20. Supplemental Cash Flow Information.**

Supplemental cash flow information consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Cash payments for interest, net of amounts capitalized | | | $ | 524 |  |  | | | $ | 484 |  |  | | | $ | 499 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash (receipts) payments for income taxes, net of refunds | | | 64 | |  |  | | | 20 | |  |  | | | 39 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity investment consideration received from sale of business | | | — | |  |  | | | 1,241 | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisition of subsidiary common stock included in accrued expenses and other liabilities | | | — | |  |  | |  | — | |  |  | |  | 51 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Seller financing secured mortgages resulting from disposition of assets | | | — | |  |  | |  | — | |  |  | |  | 375 | |  |  |  |  |  |  |  |  |  |  |  |  |  |

In addition to the above, Icahn Enterprises Holdings reduced its receivable from Icahn Enterprises in a non-cash distribution to limited partner in the amount of $32 million during 2019. This transaction is reported as a non-cash related party transaction with respect to Icahn Enterprises Holdings and is eliminated in consolidation with respect to Icahn Enterprises.

**21. Subsequent Events.**

***Icahn Enterprises***

*Distribution*

On February 26, 2020, the Board of Directors of the general partner of Icahn Enterprises declared a quarterly distribution in the amount of $2.00 per depositary unit, which will be paid on or about April 28, 2020 to depositary unitholders of record at the close of business on March 20, 2020. Depositary unitholders will have until March 17, 2020 to make an election to receive either cash or additional depositary units; if a holder does not make an election, it will automatically be deemed to have elected to receive the distribution in cash. Depositary unitholders who elect to receive additional depositary units will receive units valued at the volume weighted average trading price of the units on NASDAQ during the 5 consecutive trading days ending April 24, 2020. No fractional depositary units will be issued pursuant to the distribution payment. Icahn Enterprises will make a cash payment in lieu of issuing fractional depositary units to any holders electing to receive depositary units. Any holders that would only be eligible to receive a fraction of a depositary unit based on the above calculation will receive a cash payment.

***Debt Transactions***

Refer to Note 11, “Debt,” for subsequent events relating to our Holding Company debt and Energy segment debt transactions occurring in January 2020.

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**ICAHN ENTERPRISES L.P. AND SUBSIDIARIES**

**ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**22. Quarterly Financial Data (Unaudited).**

Unaudited quarterly financial data for Icahn Enterprises is presented below:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **For the Three Months Ended** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | |  |
|  | | | **March 31,** | | | | | | | | |  | | |  | | |  | | | **June 30,** | | | | | | | | |  | | |  | | |  | | | **September 30,** | | | | | | | | |  | | |  | | |  | | | **December 31,** | | | | |  |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2019** | | |  | | | **2018** | | |  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions, except per unit data) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | |  |
| Net sales | | | $ | 2,300 |  |  | | | $ | 2,364 |  |  | | | $ | 2,588 |  |  | | | $ | 2,819 |  |  | | | $ | 2,484 |  |  | | | $ | 2,815 |  |  | | | $ | 2,349 |  |  | | | $ | 2,578 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gross margin on net sales | | | 400 | |  |  | | | 377 | |  |  | | | 459 | |  |  | | | 392 | |  |  | | | 415 | |  |  | | | 443 | |  |  | | | 235 | |  |  | | | 362 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total revenues | | | 1,855 | |  |  | | | 2,983 | |  |  | | | 2,196 | |  |  | | | 3,423 | |  |  | | | 2,320 | |  |  | | | 2,569 | |  |  | | | 2,621 | |  |  | | | 2,802 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income (loss) from continuing operations | | | (664) | |  |  | | | 367 | |  |  | | | (573) | |  |  | | | 410 | |  |  | | | (373) | |  |  | | | (334) | |  |  | | | (149) | |  |  | | | (206) | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income (loss) from discontinued operations | | | — | |  |  | | | 45 | |  |  | | | (24) | |  |  | | | 167 | |  |  | | | — | |  |  | | | 176 | |  |  | | | (8) | |  |  | | | 1,376 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income (loss) | | | (664) | |  |  | | | 412 | |  |  | | | (597) | |  |  | | | 577 | |  |  | | | (373) | |  |  | | | (158) | |  |  | | | (157) | |  |  | | | 1,170 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net loss (income) attributable to non-controlling interests | | | (270) | |  |  | | | 280 | |  |  | | | (99) | |  |  | | | 275 | |  |  | | | (324) | |  |  | | | (276) | |  |  | | | — | |  |  | | | 240 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income (loss) attributable to Icahn Enterprises | | | $ | (394) |  |  | | | $ | 132 |  |  | | | $ | (498) |  |  | | | $ | 302 |  |  | | | $ | (49) |  |  | | | $ | 118 |  |  | | | $ | (157) |  |  | | | $ | 930 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic income (loss) per LP unit: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuing operations | | | $ | (2.02) |  |  | | | $ | 0.55 |  |  | | | $ | (2.37) |  |  | | | $ | 0.81 |  |  | | | $ | (0.24) |  |  | | | $ | (0.24) |  |  | | | $ | (0.70) |  |  | | | $ | (2.30) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations | | | 0.00 | |  |  | | | 0.19 | |  |  | | | (0.12) | |  |  | | | 0.85 | |  |  | | | 0.00 | |  |  | | | 0.88 | |  |  | | | (0.04) | |  |  | | | 10.31 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (2.02) |  |  | | | $ | 0.74 |  |  | | | $ | (2.49) |  |  | | | $ | 1.66 |  |  | | | $ | (0.24) |  |  | | | $ | 0.64 |  |  | | | $ | (0.74) |  |  | | | $ | 8.01 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Diluted income (loss) per LP unit: | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Continuing operations | | | $ | (2.02) |  |  | | | $ | 0.55 |  |  | | | $ | (2.37) |  |  | | | $ | 0.81 |  |  | | | $ | (0.24) |  |  | | | $ | (0.24) |  |  | | | $ | (0.70) |  |  | | | $ | (2.30) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Discontinued operations | | | 0.00 | |  |  | | | 0.19 | |  |  | | | (0.12) | |  |  | | | 0.85 | |  |  | | | 0.00 | |  |  | | | 0.88 | |  |  | | | (0.04) | |  |  | | | 10.31 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (2.02) |  |  | | | $ | 0.74 |  |  | | | $ | (2.49) |  |  | | | $ | 1.66 |  |  | | | $ | (0.24) |  |  | | | $ | 0.64 |  |  | | | $ | (0.74) |  |  | | | $ | 8.01 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

The comparability of our unaudited quarterly financial data is affected by, among other things, (i) the performance of the Investment Funds, (ii) our Holding Company’s realized and unrealized equity investment gains and losses, (iii) the results of our Energy segment’s operations, impacted by the relationship of its refined product prices and prices for crude oil and other feedstocks and (iv) gains on dispositions of assets, primarily in our Mining segment in the third quarter of 2019. In addition, in connection with our sales of Federal-Mogul, Tropicana and ARI, we recorded aggregate pre-tax gains on the sales of discontinued operations of approximately $1.4 billion in the fourth quarter of 2018.

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**Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

As of December 31, 2019, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of Icahn Enterprises’ and Icahn Enterprises Holdings’ and subsidiaries’ disclosure controls and procedures pursuant to the Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, due to the material weakness in our internal control over financial reporting as described below, our disclosure controls and procedures are not effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

**Management’s Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for an assessment of the effectiveness of internal control over financial reporting; as such items are defined in Rule 13a-15f under the Exchange Act.

Our internal control over financial reporting is designed to provide reasonable assurance that our financial reporting and preparation of financial statements is reliable and in accordance with generally accepted accounting principles. Our policies and procedures are designed to provide reasonable assurance that transactions are recorded and records are maintained in reasonable detail as necessary to accurately and fairly reflect transactions and that all transactions are properly authorized by management in order to prevent or timely detect unauthorized transactions or misappropriation of assets that could have a material effect on our financial statements.

Management is required to base its assessment on the effectiveness of our internal control over financial reporting on a suitable, recognized control framework. Management has utilized the criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) to evaluate the effectiveness of internal control over financial reporting.

Based on the evaluation performed according to the guidelines established by COSO, as of December 31, 2019, management has concluded, due to the material weakness in our internal control over financial reporting as described below, that our internal control over financial reporting was not effective.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We have identified a material weakness in the design of our controls relating to identifying significant investees for which summarized financial information or separate financial statements may be required under SEC rules and regulations.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Grant Thornton LLP, our independent registered public accounting firm, has audited and issued their reports on Icahn Enterprises’ internal control over financial reporting, which appears below.

**Remediation Plan**

We are in the process of implementing a plan of remediation that includes a more formalized process, quarterly discussions with the Investment Segment and Legal Departments and a detailed review performed on the analysis.

**Changes in Internal Control Over Financial Reporting**

There have been no changes in our internal control over financial reporting during the fourth quarter of 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Partners

Icahn Enterprises L.P.

**Opinion on internal control over financial reporting**

We have audited the internal control over financial reporting of Icahn Enterprises L.P. (a Delaware limited partnership) and subsidiaries (the “Partnership”) as of December 31, 2019, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, because of the effect of the material weakness described in the following paragraphs on the achievement of the objectives of the control criteria, the Partnership has not maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management’s assessment.

The Partnership identified a material weakness in the design of their controls for identifying significant investees for which summarized financial information or separate financial statements may be required under SEC rules and regulations.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Partnership as of and for the year ended December 31, 2019. The material weakness identified above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2019 consolidated financial statements, and this report does not affect our report dated February 28, 2020 which expressed an unqualified opinion on those financial statements.

**Basis for opinion**

The Partnership’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and limitations of internal control over financial reporting**

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/GRANT THORNTON LLP

New York, New York

February 28, 2020

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**Item 9B. Other Information.**

None.

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**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance.**

The names, offices held and ages of the directors and executive officers of Icahn Enterprises G.P., Inc. (“Icahn Enterprises GP”), the general partner of each of Icahn Enterprises L.P. (“Icahn Enterprises”) and Icahn Enterprises Holdings L.P. (“Icahn Enterprises Holdings”) during 2019 and through the date of this Report are as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Name** | | |  | | | **Age** | | |  | | | **Position** | | |
| Carl C. Icahn | | |  | | | 84 | |  |  | | | Chairman of the Board | | |
| Keith Cozza | | |  | | | 41 | |  |  | | | President, Chief Executive Officer and Director | | |
| SungHwan Cho | | |  | | | 45 | |  |  | | | Chief Financial Officer and Director | | |
| Peter Reck | | |  | | | 53 | |  |  | | | Chief Accounting Officer | | |
| Michael Nevin | | |  | | | 36 | |  |  | | | Director | | |
| Denise Barton | | |  | | | 62 | |  |  | | | Director | | |
| Alvin B. Krongard | | |  | | | 83 | |  |  | | | Director | | |
| Jack G. Wasserman (1) | | |  | | | 83 | |  |  | | | Director | | |

(1) On February 26, 2020, Jack G. Wasserman, a member of the Board of Directors of Icahn Enterprises GP and the chairman of its audit committee, notified Icahn Enterprises of his intention to resign from the Board of Directors, effective February 27, 2020. Mr. Wasserman’s resignation was not the result of any dispute or disagreement with Icahn Enterprises GP or us on any matter relating to our operations, policies or practices. The Board of Directors has initiated a search process to identify a successor.

Our directors are selected by Carl C. Icahn, as the controlling stockholder of Icahn Enterprises GP, and are not elected by our limited partners. Individuals who possess characteristics that include integrity, business experience, financial acumen and leadership abilities are qualified to serve on our board of directors. Listed below are our directors and executive officers with their biographies. In addition, we have summarized for each director why such director has been chosen to serve on our board of directors.

***Carl C. Icahn*** has served as Chairman of the Board and a director of Starfire Holding Corporation, a privately-held holding company, and Chairman of the Board and a director of various subsidiaries of Starfire, since 1984. Since August 2007, through his position as Chief Executive Officer of Icahn Capital LP, a wholly-owned subsidiary of Icahn Enterprises and certain related entities, Mr. Icahn’s principal occupation has been managing private investment funds, including Icahn Partners LP and Icahn Partners Master Fund LP. Since 1990, Mr. Icahn has been Chairman of the Board of Icahn Enterprises GP, the general partner of Icahn Enterprises and Icahn Enterprises Holdings. Mr. Icahn was previously: Chairman of the Board of Tropicana Entertainment Inc., a company that is primarily engaged in the business of owning and operating casinos and resorts, from 2010 until 2018; Chairman of the Board of CVR Refining, LP from 2013 to 2018; Chairman of the Board of CVR Energy, Inc., from 2012 to 2018; President and a member of the Executive Committee of XO Holdings, from 2011 to 2017, and Chairman of the Board of its predecessors, from 2003 to 2011; a director of Federal-Mogul LLC, a supplier of automotive powertrain and safety components, from 2007 to 2015, and the non-executive Chairman of the Board of Federal-Mogul LLC, from 2008 to 2015; Chairman of the Board of American Railcar Industries, Inc., a railcar manufacturing company, from 1994 to 2014; a director of American Railcar Leasing LLC, a lessor and seller of specialized railroad tank and covered hopper railcars, from 2004 to 2013; a director of WestPoint Home LLC, from 2005 to 2011; and a director of Cadus Corporation, a company engaged in the acquisition of real estate for renovation or construction and resale, from 1993 to 2010.

Mr. Icahn brings to his role as the Chairman of the Board his significant business experience in leadership roles as director in various companies as discussed above, including certain of our subsidiaries. In addition, Mr. Icahn is uniquely qualified based on his historical background for creating value in companies across multiple industries. Mr. Icahn has proven to be a successful investor over the past 40 years.

***Keith Cozza*** has been the President and Chief Executive Officer of Icahn Enterprises since February 2014. In addition, Mr. Cozza has served as Chief Operating Officer of Icahn Capital LP, the subsidiary of Icahn Enterprises through which Carl C. Icahn manages investment funds, since February 2013. From February 2013 to February 2014, Mr. Cozza served as Executive Vice President of Icahn Enterprises. Mr. Cozza is also the Chief Financial Officer of Icahn Associates Holding LLC, a position he has held since 2006. Mr. Cozza has been a: director of Tenneco Inc., manufacturers of Ride Performance, Clean Air products and technology solutions for automotive and commercial vehicles, since October 2018; Chairman of the Board of Xerox Corporation, a provider of document management solutions, since May 2018; and a director of Icahn Enterprises since September 2012. In addition, Mr. Cozza serves as a director of certain wholly-owned subsidiaries of Icahn Enterprises, including: Icahn Automotive Group LLC and PSC Metals, LLC. Mr. Cozza was previously: a director of Federal-Mogul LLC, a supplier of automotive powertrain and safety components, until October 2018; a director of Tropicana Entertainment Inc., a

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company that is primarily engaged in the business of owning and operating casinos and resorts, from February 2014 until October 2018; a director of Herbalife Ltd., a nutrition company, from April 2013 until April 2018; a member of the Executive Committee of American Railcar Leasing LLC, a lessor and seller of specialized railroad tank and covered hopper railcars, from June 2014 to June 2017; a director of FCX Oil & Gas Inc., a wholly-owned subsidiary of Freeport-McMoRan Inc., from October 2015 to April 2016; a director of CVR Refining, LP from January 2013 to February 2014; and a director of MGM Holdings Inc., an entertainment company focused on the production and distribution of film and television content, from April 2012 to August 2012. Icahn Enterprises, Icahn Automotive Group LLC, PSC Metals, LLC and CVR Refining, LP each are indirectly controlled by Carl C. Icahn, and Federal-Mogul LLC, Tropicana Entertainment Inc. and American Railcar Leasing LLC were previously indirectly controlled by Mr. Icahn. Mr. Icahn has or previously had non-controlling interests in Tenneco Inc., Xerox Corporation, Herbalife Ltd., Freeport-McMoRan, and MGM Holdings through the ownership of securities.

Mr. Cozza brings to his service as a director his significant experience in leadership roles as director of various companies as discussed above. In particular, his experience as Chief Financial Officer of Icahn Associates Holding LLC enables him to understand the complex business and financial issues that we may face.

***SungHwan Cho*** has served as Chief Financial Officer of Icahn Enterprises since March 2012. Prior to that time, he was Senior Vice President and previously Portfolio Company Associate at Icahn Enterprises since October 2006. Mr. Cho has been a director of: Hertz Global Holdings, Inc., a company engaged in the car rental business, since May 2017; Ferrous Resources Ltd since June 2015; Icahn Enterprises since September 2012; and CVR Energy, Inc. since May 2012 (and has been Chairman of the Board of CVR Energy, Inc. since June 2018). In addition, Mr. Cho serves as a director of certain wholly-owned subsidiaries of Icahn Enterprises, including: Icahn Automotive Group LLC; PSC Metals, LLC; and WestPoint Home LLC. Mr. Cho was previously: a member of the Executive Committee of American Railcar Leasing LLC, a lessor an seller of specialized railroad tank and covered hopper railcars, from September 2013 to June 2017; a director of CVR Partners, LP from May 2012 to April 2017; a director of Viskase Companies, Inc. from November 2006 to April 2017; a director of Take-Two Interactive Software Inc., a publisher of interactive entertainment products, from April 2010 to November 2013; a director (from June 2011) and Chairman of the Board (from July 2014) of American Railcar Industries, Inc., a railcar manufacturing company, until December 2018; a director of Federal-Mogul LLC, a supplier of automotive powertrain and safety components, until October 2018; and a director (from January 2013) and Chairman of the Board (from June 2018) of CVR Refining, LP Ferrous Resources Ltd, Icahn Enterprises, CVR Energy, Inc., Icahn Automotive Group LLC, PSC Metals, LLC, WestPoint Home LLC, CVR Partners, LP, Viskase Companies, Inc. and CVR Refining, LP each are indirectly controlled by Carl C. Icahn, and American Railcar Industries, Inc., Federal-Mogul LLC and American Railcar Leasing LLC were previously indirectly controlled by Mr. Icahn. Mr. Icahn has or previously had a non-controlling interest in each of Hertz Global Holdings and Take-Two Interactive Software through the ownership of securities.

Mr. Cho brings to his service as a director his significant experience in leadership roles as director of various companies as discussed above. In particular, his service as Chief Financial Officer of Icahn Enterprises and Icahn Enterprises Holdings enables him to understand the complex business and financial issues that we may face.

***Peter Reck*** has served as Chief Accounting Officer of Icahn Enterprises since March 2012, and as its Secretary since April 2012. Mr. Reck was Controller of Icahn Enterprises and Icahn Enterprises Holdings from November 2005 to March 2012. Mr. Reck has served as director of: Icahn Automotive Group LLC since 2017; The Pep Boys - Manny, Moe & Jack, since February 2016; and Viskase Companies, Inc. since March 2012. Previously, Mr. Reck served as Controller of Family Office and Treasurer of Philanthropies for Bromor Management, the Family Office of Charles Bronfman. Mr. Reck also served as Controller for the Bank of Uruguay and worked at KPMG LLP in their audit practice.

***Michael Nevin*** has served as a director of Icahn Enterprises’ general partner, Icahn Enterprises GP, since December 2018 and has served as Managing Director from June 2018 until August 2019. In addition, Mr. Nevin has served as Chief Financial Officer of Icahn Automotive Group LLC since February 2019. From July 2015 to June 2018, Mr. Nevin served as a Financial Analyst at Icahn Enterprises. Prior to joining Icahn Enterprises, Mr. Nevin was employed by Jefferies LLC as a Research Analyst from 2014 to 2015 covering the utilities sector. Mr. Nevin was also employed by JP Morgan Investment Bank in various roles from 2009 to 2014, most recently as an Associate from 2012 to 2014. Mr. Nevin is married to the daughter of Carl C. Icahn, the Chairman of the Board of Icahn Enterprises. Mr. Nevin has been a director of: Viskase Companies, Inc. since April 2017; and Conduent Incorporated, a provider of business process outsourcing services, since December 2016. Icahn Enterprises has a non-controlling interest in Conduent through the ownership of securities. Mr. Nevin was previously: a director of Ferrous Resources Ltd, an iron ore mining company, from December 2016 through its sale in August 2019; a director of American Railcar Industries, Inc., a railcar manufacturing company, from February 2017 through its sale in December 2018; and a director of Federal-Mogul LLC, a supplier of automotive powertrain and safety components, from February 2016 through its sale in October 2018. Ferrous Resources Ltd., American Railcar Industries, Inc. and Federal-Mogul LLC were previously indirectly controlled by Mr. Icahn.

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***Denise Barton*** has served as a director of Icahn Enterprises’ general partner, Icahn Enterprises GP, since September 2019 and is a member of our audit committee. Ms. Barton has served on the board of directors and audit committee for Viskase Companies, Inc., a subsidiary of Icahn Enterprises, since May 2016 and served on the board of directors and audit committee for Trump Entertainment Resorts, Inc., a subsidiary of Icahn Enterprises, from February 2016 through June 2017. Ms. Barton served as a member of the Operating Executive Board of Gotham Private Equity Partners, LP, a New York based merchant banking firm, from March 2010 through January 2014. Ms. Barton served as the Chief Financial Officer for Land Holdings I, LLC, a company formed to develop, own and operate the Scarlet Pearl Casino Resort, from March 2012 through March 2017. In addition, Ms. Barton has over 15 years’ experience in public accounting and has served as Chief Financial Officer in both public and private companies. Ms. Barton is a certified public accountant and has been licensed by the Nevada State Gaming Control Commission, the New Jersey Casino Control Commission and the Mississippi Gaming Commission.

***Alvin B. Krongard*** has served as a director of Icahn Enterprises’ general partner, Icahn Enterprises GP, since March 2019 and is a member of our audit committee. Mr. Krongard currently serves as the lead independent director and chairman of the audit committee of the board of directors of Under Armour, Inc., as a director and chairman of the corporate governance committee and the investment committee of the board of directors of Iridium Communications Inc., and as a director and a member of the audit committee of the board of directors of Apollo Global Management, LLC. He served as Executive Director of the Central Intelligence Agency from 2001 to 2004 and as counselor to the Director of the Central Intelligence Agency from 2000 to 2001. Mr. Krongard previously served in various capacities at Alex.Brown, Incorporated, including serving as Chief Executive Officer beginning in 1991 and assuming additional duties as Chairman of the board of directors in 1994. Upon the merger of Alex.Brown with Bankers Trust Corporation in 1997, Mr. Krongard became Vice Chairman of the Board of Bankers Trust and served in such capacity until joining the Central Intelligence Agency in 1998.

***Jack G. Wasserman*** has served as a director of Icahn Enterprises’ general partner, Icahn Enterprises GP, since December 1993 and is the chairman of our audit committee. Mr. Wasserman has been a director of Cadus Corporation, a company engaged in the acquisition of real estate for renovation or construction and resale, a company controlled by Mr. Icahn, since December 1998. Mr. Wasserman has served Icahn Enterprises’ subsidiaries as a director of IEH Auto Parts LLC since June 2015 and as a director and member of the audit committee of Trump Entertainment Resorts, Inc. since February 2016. Mr. Wasserman has been engaged in the practice of law as a sole practitioner, since September 2001. Mr. Wasserman previously served as: a director of Wendy’s, a franchisor of the Wendy’s restaurant system, as the chairman of the ERISA committee of Wendy’s and as a member of the audit and compensation committees of Wendy’s, from March 2004 to June 2015; a director and chairman of the audit committee of American Entertainment Properties Corp. a subsidiary of Icahn Enterprises, from December 2003 to March 2013; and a senior partner of Wasserman, Schneider, Babb & Reed, a New York-based law firm, and its predecessors, from 1966 until 2001. He is a current and past director of numerous not-for-profit organizations. Mr. Wasserman is an attorney and a member of the Bars of New York, Florida and the District of Columbia.

Mr. Wasserman brings to his service as a director his significant experience and leadership roles as a director of various public companies. In addition, Mr. Wasserman practiced law for almost 40 years with the law firm of Wasserman, Schneider, Babb & Reed of which he was a senior partner; the firm concentrated its practice in international trade and related corporate matters, primarily for Fortune 500-type companies operating in a broad range of industries, and he is familiar with financial statements and domestic and trans-border transactions.

***Audit Committee***

Denise Barton, Alvin B. Krongard and Jack G. Wasserman serve on our audit committee. As discussed above, Mr. Wasserman has resigned as a director and chairman of the audit committee effective as of February 27, 2020. We believe that the audit committee members are “independent” within the meaning of Rule 5605(a)(2) of the NASDAQ Listing Rules of the NASDAQ Stock Market (“NASDAQ”). A copy of the audit committee charter is available on our website at *www.ielp.com/corporate-governance* or may be obtained without charge by writing to Icahn Enterprises L.P., 767 Fifth Avenue, Suite 4700, New York, NY 10153, Attention: Investor Relations.

Our audit committee has regularly scheduled meetings each year, and numerous other meetings when circumstances require. Regularly scheduled meetings are held in connection (a) with the audit committee’s review, together with our senior management, the senior management of our subsidiaries, and representatives of our independent auditor, of our quarterly reports on Form 10-Q and our annual report on Form 10-K and (b) telephone conferences with the senior management of each of our subsidiaries. Regularly scheduled meetings are also held with our Chief Financial Officer, Chief Accounting Officer and Chief Auditor, who report to the audit committee on company-wide developing financial and related matters. In connection with our annual report on Form 10-K, the audit committee meets in executive session, and also meets separately with our independent auditor and our senior management. Our audit committee holds two annual executive sessions. When necessary, our audit committee holds informal meetings, meets with its independent counsel, and, when appropriate, with independent financial advisers.

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The functions of our audit committee include, but are not limited to: (1) the review of our financial and accounting policies and procedures, including oversight; (2) the selection of our independent auditor and the determination of the auditor’s fees for audit services; (3) the pre-approval of any non-audit services and the fees to be paid to our independent auditor; (4) the obtaining, at least annually, of a report from our independent auditor of the adequacy of our internal controls over financial reporting; (5) the review of the results of all audits of our books and records performed by the independent auditor for, among other reasons, to determine the integrity of our financial statements; (6) discussing our policies with respect to risk assessment and risk management, and reporting such policies to the full board of directors; (7) the review of significant earnings press releases prior to release with respect to the types of information disclosed and the manner in which the information is disclosed; and (8) the review and approval of related party transactions and conflicts of interest in accordance with the terms of our partnership agreement. Our audit committee is empowered, in its discretion, to engage such advisors as it might deem necessary, including legal counsel and financial and accounting advisors.

Our board of directors has determined that we do not have an “audit committee financial expert,” within the meaning of Item 407(d)(5) of Regulation S-K, serving on our audit committee. We believe that each member of the audit committee is financially literate and possesses sufficient experience, both professionally and by virtue of his service as a director and member of the audit committee of Icahn Enterprises GP, to be fully capable of discharging his duties as a member of our audit committee. However, none of the members of our audit committee has a professional background in accounting or preparing, auditing, analyzing or evaluating financial statements. If our audit committee determines that it requires additional financial expertise, it will either engage professional advisors or seek to recruit a member who would qualify as an “audit committee financial expert” within the meaning of Item 407(d)(5) of Regulation S-K.

Interested parties may directly communicate with the presiding director of the audit committee or with the non-management directors of the audit committee as a group by directing all inquiries to our ethics hotline at (877) 888-0002.

***Audit Committee Report***

The audit committee has confirmed that: (1) the audit committee reviewed and discussed our audited financial statements for the year ended December 31, 2019 with management; (2) the audit committee has discussed with our independent auditors the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU§380); (3) the audit committee has received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1; and (4) based on the review and discussions referred to in clauses (1), (2) and (3) above, the audit committee recommended to the board of directors that our audited financial statements for the year ended December 31, 2019 be included in this Report.

This report is provided by the following independent directors, who constitute the audit committee:

Denise Barton

Alvin B. Krongard

Jack G. Wasserman

***Code of Ethics and Business Conduct***

Icahn Enterprises GP’s board of directors has adopted a Code of Business Conduct and Ethics applicable to all directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. A copy of the Code of Business Conduct and Ethics is available on our website at *www.ielp.com/corporate-governance* and may be obtained without charge by writing to Icahn Enterprises L.P., 767 Fifth Avenue, Suite 4700, New York, NY 10153, Attention: Investor Relations.

***NASDAQ Corporate Governance Compliance***

Pursuant to Rule 5615(a)(4)(J) of the NASDAQ corporate governance requirements, in the event that an executive officer of Icahn Enterprises’ or Icahn Enterprises Holdings’, or a person performing an equivalent role, becomes aware of any noncompliance with NASDAQ’s corporate governance requirements, he or she is required to provide prompt notice to NASDAQ of such noncompliance. As of February 28, 2020, we believe that we are compliant with NASDAQ’s corporate governance requirements.

***Board Leadership Structure***

Our leadership structure includes the positions of Chairman of the Board (“Chairman”) and Chief Executive Officer. Mr. Icahn serves as our Chairman and Mr. Cozza serves as our Chief Executive Officer.

The Chairman is responsible for organizing the board of directors and setting its agenda and priorities. The Chairman does not participate in the day-to-day business operations of our business segments, other than our Investment segment. The Chief

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Executive Officer is accountable directly to the board of directors, including the Chairman, and has day-to-day responsibility, in consultation with our Chairman, for general oversight of our business segments. Our business segments are operated through subsidiaries with their own management teams, including boards of directors, responsible for the day-to-day operations of those businesses. We believe that our leadership structure is appropriate for our holding company structure as it enhances our corporate governance and company oversight by separating responsibilities between the Chief Executive Officer and Chairman.

***Board of Directors Role in Risk Oversight***

In connection with its oversight responsibilities, the board of directors, including the audit committee, periodically reviews the significant risks that we face. These risks include strategic, financial, operational and compliance risks. The board of directors administers its risk oversight responsibilities through its Chief Executive Officer and its Chief Financial Officer, who, together with our chief auditor and management representatives of each of our operating subsidiaries, review and assess the operations of the businesses as well as each respective management’s identification, assessment and mitigation of the material risks affecting our operations.

***Delinquent Section 16(a) Reports***

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial statements of beneficial ownership, reports of changes in ownership and Annual Reports concerning their ownership, of common stock and other of our equity securities on Forms 3, 4, and 5, respectively. Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based solely on information available to us in public filings, we believe that all reports required by Section 16(a) were timely filed.

**Item 11. Executive Compensation.**

**Company Structure and Reporting Requirements**

Icahn Enterprises is a master limited partnership (“MLP”) and is not subject to the proxy solicitation rules as required by section 14A of the Exchange Act or §240.14a-20. Furthermore, because Icahn Enterprises has not ever been a TARP recipient, as defined in section 111(a)(3) of the Emergency Economic Stabilization Act of 2008, it is not subject to §240.14a-20. As an MLP, pursuant to Icahn Enterprises’ partnership agreement, the general partner, Icahn Enterprises GP, has exclusive management powers over the business and affairs of Icahn Enterprises. That is, Icahn Enterprises GP’s stockholders have the right to elect members of Icahn Enterprises GP’s board of directors, who, in turn, elect the officers of Icahn Enterprises. Accordingly, Icahn Enterprises does not hold annual meetings to elect its directors.

**Compensation Discussion and Analysis**

The following section provides an overview and analysis of our compensation programs, the compensation decisions we have made under those programs, and the factors we considered in making those decisions. Later in this section, under the heading “Additional Information Regarding Executive Compensation,” we provide a table containing specific information about the compensation earned by the following individuals in 2019, whom we refer to as our named executive officers:

•Carl C. Icahn, Chairman of the Board(1)

•Keith Cozza, President and Chief Executive Officer(2)

•SungHwan Cho, Chief Financial Officer(3)

•Peter Reck, Chief Accounting Officer

(1) In addition, Mr. Icahn serves as Chief Executive Officer of our subsidiary, Icahn Capital LP and of the Investment Funds.

(2) In addition, Mr. Cozza also serves as the Chief Operating Officer of Icahn Capital LP, serves as director of Icahn Enterprises and Icahn Enterprises Holdings and holds officer and/or director positions at certain of our other subsidiaries.

(3) In addition, Mr. Cho serves as a director of Icahn Enterprises and Icahn Enterprises Holdings.

The discussion below is intended to help you understand the detailed information provided in the table and put that information into context within our overall compensation program.

***Overview of Compensation Program***

Throughout this narrative discussion and in the accompanying table, we refer to our named executive officers. The key compensation package provided to our named executive officers consists of (i) base salary, (ii) incentive compensation and (iii) other benefits. The key compensation provided to our named executive officers for 2019 consisted of salary and bonuses. See “Additional Information Regarding Executive Compensation - Summary Compensation Table” for the compensation received

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by each of our named executive officers for 2019. Executive compensation levels and bonuses are established based upon the recommendation of our chairman, which are discussed with members of the board. The board of directors does not delegate the authority to establish executive officer compensation to any other person and has not retained any compensation consultants to determine or recommend the amount or form of executive and director compensation.

***Compensation Philosophy and Objectives***

Our executive compensation philosophy is designed to support our key business objectives while maximizing value to our unitholders. The objectives of our compensation structure are to attract and retain valuable employees, assure fair and internally equitable pay levels and provide a mix of base salary and variable bonuses that provides motivation and rewards performance. At the same time, we seek to optimize and manage compensation costs.

The primary components of our executive compensation are base salary and, except as otherwise indicated, annual bonus, payable in cash. Base salary is paid for ongoing performance throughout the year and is determined based on job function and each executive’s contribution to our performance and achievement of our overall business objectives. Our annual bonuses are intended to reward particular achievement during the year, motivate future performance and attract and retain highly qualified key employees.

***Determination of Appropriate Pay Levels***

We compete with many other companies for experienced and talented executives. Although we do not benchmark compensation against a specified peer group of companies, we review and consider market information regarding pay practices in the real estate and finance industries generally in assessing the reasonableness of compensation and ensuring that compensation levels remain competitive in the marketplace.

Each element of compensation is reviewed so that the overall compensation package will attract, motivate and retain our key employees, including our named executive officers, by rewarding superior performance. The following factors are considered to determine the amount of compensation paid to each executive officer:

•overall job performance, including performance against corporate and individual objectives;

•job responsibilities, including unique skills necessary to support our long-term performance, including that of our subsidiaries; and

•teamwork, both contributions as a member of the executive management team and fostering an environment of personal and professional growth for the entire work force.

***Allocation of Compensation***

There is no pre-established policy or target for the allocation of compensation. As we are a limited partnership and a controlled entity under the NASDAQ listing rules, our status as an MLP exempts us from certain corporate governance rules, including the requirement to maintain a compensation committee. In 2019, the total compensation granted to named executive officers was in the form of cash compensation.

***Compensation Components***

*Base Salary*

Base salaries for executive officers are determined based on job performance, job responsibilities and teamwork.

Mr. Icahn is currently an at will employee serving as Chairman of the Board of Icahn Enterprises GP, Chairman of the Board and Chief Executive Officer of Icahn Capital LP and Chief Executive Officer of the Investment Funds.

Generally, total compensation is used in determining the amount of contributions permitted under our 401(k) Plan. In addition, base salary may include accrued but unused paid time off (“PTO”) days that have been paid in accordance with the Company’s PTO policy.

See “Additional Information Regarding Executive Compensation - Summary Compensation Table” for detailed information on the compensation received by each of our named executive officers for 2019.

*Bonus*

The Company believes that bonuses are an integral component of compensation that is an important way to motivate and reward performance of our employees. The Company does not have a formula or pre-established policy for determining either salary levels or bonuses; bonuses are discretionary. In addition, in order that we remain competitive in the marketplace, we may review market information regarding pay practices in the real estate and finance industries generally in determining bonuses. Generally, bonuses are determined by various factors, including, but not limited to, the achievement of financial goals and other

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Company goals that are determined to be critical to the success of the Company, overall job performance, including performance against corporate and individual objectives, job responsibilities and teamwork for each individual.

For 2019, Mr. Cozza was paid a discretionary bonus of $5,000,000. For 2019 Messrs. Cho and Reck are each eligible to receive a discretionary bonus, the amounts of which have not been paid or determined as of the date of this Report but which, as of the date of this Report, we expect to be no less than the respective bonus payments for 2018 (i.e. $1,700,000 for Mr. Cho and $225,000 for Mr. Reck). Due to the discretionary nature of the bonuses, the bonus amounts may differ from, and may be greater than, these estimates and the actual amounts paid will not be determined until March 2020.

*401(k) Plan and Other Benefits*

For 2019, Messrs. Cozza, Cho and Reck were our only named executive officers participating in our qualified Icahn Enterprises Holdings 401(k) Plan (the “401(k) Plan”), and thus received matching contributions for 2019. The matching contributions for the respective named executive officer in 2019 are disclosed in our Summary Compensation Table under “All Other Compensation” and in the related footnote. Mr. Icahn was our only named executive who did not participate in the 401(k) Plan for 2019. Our 401(k) Plan helps employees save and prepare financially for retirement.

The 401(k) Plan allows employees to contribute up to 50% of their eligible compensation, up to the limits imposed by the Internal Revenue Code, as amended, on a pre-tax basis. We currently match, within prescribed limits, 50% of eligible employees’ contributions up to 6.25% of their eligible compensation. Participants choose to invest their account balances from an array of investment options as selected by plan fiduciaries from time to time. The 401(k) Plan provides distributions in a lump sum. Under certain circumstances, loans and withdrawals are permitted.

All of our named executive officers are entitled to receive medical, dental, life insurance and PTO benefits that are offered to all of our employees and are designed to enable us to attract and retain our workforce in a competitive environment. Health and PTO benefits help ensure that we have a productive and focused workforce.

*Perquisites*

The total value of all perquisites and personal benefits (exclusive of 401(k) Plan matching contributions) provided to each of our named executive officers for 2019, 2018 and 2017 was less than $10,000 per person, except for Mr. Icahn, for whom perquisites and other benefits are identified in the Summary Compensation Table under the “All Other Compensation” column and in related footnotes.

***CEO Pay Ratio***

Our Chief Executive Officer to median employee pay ratio (“CEO Pay Ratio”) is calculated in accordance with Regulation S-K. We determined that we were permitted by Regulation S-K to use the same median employee for 2019 as was identified in the prior year using data as of December 31, 2018, which used total cash compensation (inclusive of any bonuses) as our compensation measure. We elected to use the prior year data as we have not had significant changes to our employee population or employee compensation arrangements that we reasonably believe would result in a significant change in our CEO Pay Ratio disclosure.

We believe that the use of total cash compensation for all employees is a consistently applied compensation measure because we do not widely distribute annual equity awards to employees or other forms of non-cash compensation. We included all active employees, except as permitted to be excluded by Regulation S-K, whether employed on a full-time, part-time, temporary or seasonal basis. We did not utilize any sampling methods and we did not make any assumptions, adjustments, or estimates with respect to total cash compensation, except to annualize full-time and part-time employees who were hired during the period and to translate any compensation measured in a foreign currency to U.S. Dollars.

The median employee identified in the prior year was no longer an active employee as of December 31, 2019, therefore, as permitted by Regulation S-K, we identified another employee from our prior year date that is currently actively employed as of December 31, 2019. Such employee is employed by the same subsidiary in the same geographic location with substantially similar compensation arrangements as the median employee identified in the prior year. After identifying the median employee for 2019, we calculated the total 2019 annual compensation for such employee using the same methodology we use for our named executive officers as set forth in the Summary Compensation Table below.

Our Chief Executive Officer’s total annual compensation for 2019 was $6,511,387. The median employee’s total annual compensation for 2019 was $31,203. The ratio of our Chief Executive Officer’s total annual compensation to our median employee’s total annual compensation for 2019 was 209:1.

**Compensation Committee Report**

As stated above, pursuant to exemptions from the NASDAQ listing rules, the board of directors is not required to have, and does not have, a standing compensation committee. The board of directors has reviewed and discussed the Compensation

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Disclosure and Analysis required by Item 402(b) of Regulation S-K with management. Based on that review and discussion, the board of directors recommended that the Compensation Disclosure and Analysis be included in this Report.

This report is provided by the board of directors:

Carl C. Icahn

Sung Hwan Cho

Keith Cozza

Denise Barton

Alvin B. Krongard

Jack G. Wasserman

**Compensation Committee Interlocks and Insider Participation**

During 2019, our entire board of directors, including Mr. Icahn, participated in deliberations concerning executive compensation. During 2019, none of our executive officers served on the compensation committee (or equivalent), or the board of directors of another entity whose executive officer(s) served on our board of directors.

**Additional Information Regarding Executive Compensation**

The following table sets forth information in respect of the compensation earned for services to us and/or our subsidiaries by each of our named executive officers for 2019.

**Summary Compensation Table**

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|  | | |  | | | **Annual Compensation(1)** | | | | | | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |
| **Name and Principal Position** | | |  | | | **Year** | | |  | | | **Salary**  **($)** | | |  | | | **Bonus**  **($)** | | |  | | |  | |  | **All Other**  **Compensation**  **($)** | | | | | |  | | |  | | | **Total**  **($)** | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Carl C. Icahn(2)  Chairman of the Board | | |  | | | 2019 | | |  | | | 1 | |  |  | | | — | |  |  | |  |  | |  | 14,636 | |  | (3) | | |  | | | 14,637 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2018 | | |  | | | 1 | |  |  | | | — | |  |  |  |  |  | | | 66,142 | |  | (3) | | |  | | | 66,143 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2017 | | |  | | | 1 | |  |  | | | — | |  |  |  |  |  | | | 102,547 | |  | (3) | | |  | | | 102,548 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Keith Cozza(4)  President and Chief Executive Officer | | |  | | | 2019 | | |  | | | 1,500,043 | |  |  | | | 5,000,000 | |  |  | | |  | |  | 11,344 | |  | (3) | | |  | | | 6,511,387 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2018 | | |  | | | 1,528,889 | |  |  | | | 5,000,000 | |  |  | |  |  | | | 10,719 | |  | (3) | | |  | | | 6,539,608 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2017 | | |  | | | 1,511,582 | |  |  | | | 4,000,000 | |  |  | |  |  | | | 10,562 | |  | (3) | | |  | | | 5,522,144 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| SungHwan Cho (5)  Chief Financial Officer | | |  | | | 2019 | | |  | | | 878,794 | |  |  | | | 1,700,000 | |  | (7) | |  |  | |  | 11,344 | |  | (3) | | |  | | | 2,590,138 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2018 | | |  | | | 849,254 | |  |  | | | 1,700,000 | |  |  | |  |  | | | 10,719 | |  | (3) | | |  | | | 2,559,973 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2017 | | |  | | | 840,023 | |  |  | | | 1,400,000 | |  |  | |  |  | | | 10,562 | |  | (3) | | |  | | | 2,250,585 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | | |  | |  |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Peter Reck (6)  Chief Accounting Officer | | |  | | | 2019 | | |  | | | 331,971 | |  |  | | | 225,000 | |  | (8) | |  |  | |  | 10,324 | |  | (3) | | |  | | | 567,295 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2018 | | |  | | | 321,932 | |  |  | | | 225,000 | |  |  | |  |  | | | 10,152 | |  | (3) | | |  | | | 557,084 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | 2017 | | |  | | | 316,395 | |  |  | | | 215,000 | |  |  | | |  | |  | 9,742 | |  | (3) | | |  | | | 541,137 | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

(1) Pursuant to applicable regulations, certain columns of the Summary Compensation Table have been omitted, as there has been no compensation awarded to, earned by or paid to any of the named executive officers by us, any of our subsidiaries or by Icahn Enterprises GP, which was subsequently reimbursed by us, required to be reported in those columns.

(2) The salary indicated above represents compensation paid to Mr. Icahn in each of 2019, 2018 and 2017 for his services as Chief Executive Officer of our subsidiary, Icahn Capital LP, and of the general partners of the Investment Funds. Mr. Icahn is currently an at will employee serving as Chairman of the Board of Icahn Enterprises GP, Chairman of the Board and Chief Executive Officer of Icahn Capital LP and Chief Executive Officer of the Investment Funds for which he currently receives an annual base salary of $1 per annum. Mr. Icahn does not receive director fees from us.

(3) Represents other compensation paid to the following named executive officers: (i) Carl C. Icahn, $13,681, $29,499 and $20,107, in medical and dental benefits for 2019, 2018 and 2017, respectively; $955 in life insurance paid by us for each of 2019, 2018 and 2017; and in his capacity as the Chairman of the Board of Federal-Mogul, $35,688 and $81,485,

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representing the incremental cost of Mr. Icahn’s personal use of Federal-Mogul’s corporate aircraft for 2018 and 2017, respectively. Mr. Icahn received no fees or compensation from Federal-Mogul for 2018 and 2017, other than the use of the corporate aircraft as discussed above. The calculation of incremental cost for the personal use of Federal-Mogul’s corporate aircraft includes the variable costs incurred as a result of personal flight activity, which are comprised of a portion of ongoing maintenance and repairs, aircraft fuel, airport fees, catering, and fees and travel expenses for the flight crew. The use of the aircraft for personal use by Mr. Icahn was approved by the board of directors and the Compensation Committee of Federal-Mogul; (ii) Mr. Cozza, $9,063, $8,438 and $8,281 in matching contributions under our 401(k) Plan for 2019, 2018 and 2017, respectively; $1,326 in medical and dental benefits paid by us for each of 2019, 2018 and 2017, respectively; $955 in life insurance premiums paid by us for each of 2019, 2018 and 2017; (iii) Mr. Cho, $9,063, $8,438 and $8,281 in matching contributions under our 401(k) Plan for 2019, 2018 and 2017, respectively; $1,326 in medical and dental benefits paid by us for each of 2019, 2018 and 2017, respectively; and $955 in life insurance premiums paid by us for each of 2019, 2018 and 2017; and (iv) Mr. Reck, $8,827, $8,655 and $8,281 in matching contributions under our 401(k) Plan for 2019, 2018 and 2017, respectively; $742 in medical and dental benefits paid by us for each of 2019, 2018 and 2017, respectively; and $755, $755 and $719 in life insurance premiums paid by us for 2019, 2018 and 2017, respectively. Mr. Icahn did not participate in the 401(k) plan during 2019, 2018 and 2017 and thus did not receive any matching contributions for those fiscal years.

(4) In addition to Mr. Cozza’s role as President and Chief Executive Officer of Icahn Enterprises and Icahn Enterprises Holdings, he serves as the Chief Operating Officer of Icahn Capital LP and holds officer and/or director positions at certain of our other subsidiaries. During 2019, Mr. Cozza received a salary of $1,500,043 and a bonus of $5,000,000, which was determined based on various factors, including, but not limited to, overall job performance, including performance against corporate and individual objectives, job responsibilities and teamwork.

(5) For 2019, Mr. Cho received a salary of $878,794 and is eligible to receive a bonus that is expected to be not less than, and which may be greater than, $1,700,000 (as discussed above and in footnote (7) to this Summary Compensation Table), which will be determined based on various factors, including, but not limited to overall job performance, including performance against corporate and individual objectives, job responsibilities and teamwork.

(6) For 2019, Mr. Reck received a salary of $331,971 and is eligible to receive a bonus that is expected to be not less than, and which may be greater than, $225,000 (as discussed above and in footnote (7) to this Summary Compensation Table), which will be determined based on various factors, including, but not limited to overall job performance, including performance against corporate and individual objectives, job responsibilities and teamwork.

(7) The amount of the discretionary bonus for 2019 for Mr. Cho has not yet been determined, but is expected to be no less than the amount of the bonus paid for 2018, which was $1,700,000. Due to the discretionary nature of the bonus, the bonus amount may differ from, and may be greater than, these estimates and the actual amounts paid will not be determined until March 2020. Once Mr. Cho’s annual bonus for 2019 is determined, such amount will be disclosed in a filing under Item 5.02(f) of Form 8-K.

(8) The amount of the discretionary bonus for 2019 for Mr. Reck has not yet been determined, but is expected to be no less than the amount of the bonus paid for 2018, which was $225,000. Due to the discretionary nature of the bonus, the bonus amount may differ from, and may be greater than, these estimates and the actual amounts paid will not be determined until March 2020. Once Mr. Reck’s annual bonus for 2019 is determined, such amount will be disclosed in a filing under Item 5.02(f) of Form 8-K.

Each of our executive officers may perform services for affiliates of Mr. Icahn for which we receive reimbursement. See Item 13, “Certain Relationships and Related Transactions, and Director Independence.”

Mr. Nevin is married to the daughter of Carl C. Icahn, the Chairman of the Board of Icahn Enterprises. There are no other family relationships between or among any of our directors and/or executive officers.

**Employment Agreements**

On December 20, 2019, Icahn Enterprises entered into an employment agreement (the “Employment Agreement”) with Keith Cozza, pursuant to which Mr. Cozza will continue to serve as the President and Chief Executive Officer of Icahn Enterprises, Icahn Enterprises Holdings and Icahn Enterprises GP, the general partner of Icahn Enterprises and Icahn Enterprises Holdings, effective January 1, 2020 until May 31, 2021 unless sooner terminated as provided in the Employment Agreement.

Mr. Cozza will continue to be, among other things, principally responsible for overseeing portfolio company operations and involved with acquisitions, dispositions and financings engaged in by Icahn Enterprises, Icahn Enterprises Holdings and its subsidiaries.

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During his term of employment under the Employment Agreement, Mr. Cozza will be paid a base salary at the rate of $1,500,000 per annum, payable every two weeks. Subject to the terms of the Employment Agreement, Mr. Cozza will receive an annual cash bonus payment of $5,000,000 for calendar year 2020 and $2,083,333.34 for the period between January 1, 2021 to May 31, 2021. Mr. Cozza received a one-time cash payment of $5,000,000 in December 2019 in full and final satisfaction of all bonus amounts due to Mr. Cozza for calendar year 2019 under the terms of his then current employment arrangement.

We do not currently have an employment agreement with any of our other named executive officers.

**Stock Award, Option and Non-Equity Incentive Plans**

Our named executive officers are not granted any stock award or awards under the 2017 Incentive Plan and do not participate in any non-equity incentive plans.

**Potential Payments Upon Termination or Change in Control**

We did not have any employment agreements or other arrangements pursuant to which any of our named executive officers would have received potential payments upon a termination or change in control as of December 31, 2019.

As noted above, on December 20, 2019, Icahn Enterprises entered into the Employment Agreement with Mr. Cozza, which provides that, in the event that Mr. Cozza is terminated by Icahn Enterprises without Cause (as defined below) or terminates his employment for Good Reason (as defined below), he shall be entitled to payment by Icahn Enterprises of a pro-rata portion of any unpaid bonus for the calendar year of the termination, payable in a lump sum within 5 business days of the effective date of such termination. As noted above under “Employment Agreements”, the amount of the bonus for Mr. Cozza for calendar year 2020 is $5,000,000, and the amount of the bonus for the period between January 1, 2021 to May 31,2021 is $2,083,333.34. If Mr. Cozza is terminated by Icahn Enterprises without Cause or terminates his employment for Good Reason, in either case, during the 2021 calendar year, the pro-rata portion of Mr. Cozza’s bonus will be determined based on the number of days elapsed during calendar year 2021 prior to the effective date of such termination over the total number of calendar days from January 1, 2021 through May 31, 2021 (and not, for the avoidance of doubt, through December 31, 2021).

For purposes of the Employment Agreement, “Cause” generally means (i) conduct by Mr. Cozza in any manner that violates any law, rule or regulation in any material respect, as a result of any wrongful or improper act, but, in each case, only to the extent that Mr. Cozza’s conduct results in his conviction of a felony in a United States federal court or state court of law, or (ii) a material breach by Mr. Cozza of the Employment Agreement which is not cured within 5 business days following written notice.

For purposes of the Employment Agreement, “Good Reason” generally means (i) a material breach of the terms of the Employment Agreement by Icahn Enterprises, or (ii) a material change in the duties assigned to Mr. Cozza which are so different in responsibility and scope so as to be materially adverse to Mr. Cozza to the extent that Mr. Cozza acting reasonably would be demeaned by such change, in each case, which is not cured within 5 business days following written notice.

**Director Compensation**

The following table provides compensation information for our directors in 2019, except for Messrs. Icahn, Cho and Cozza. Compensation received by Messrs. Icahn, Cho and Cozza is included in the Summary Compensation Table. Messrs. Icahn, Cho and Cozza did not receive compensation for serving on our board of directors.

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| **Name** | | |  | | | **Fees Earned or  Paid in Cash ($)** | | |  | | | **All Other**  **Compensation**  **($)** | | |  | | | **Total**  **($)** | | |
| Denise Barton | | |  | | | 9,205 | |  |  | | | — | |  |  | | | 9,205 | |  |
| Alvin B. Krongard | | |  | | | 27,880 | |  |  | | | — | |  |  | | | 27,880 | |  |
| Jack G. Wasserman | | |  | | | 40,000 | |  |  | | | — | |  |  | | | 40,000 | |  |
| William A. Leidesdorf | | |  | | | 25,123 | |  |  | | | — | |  |  | | | 25,123 | |  |
| James L. Nelson | | |  | | | 6,425 | |  |  | | | — | |  |  | | | 6,425 | |  |
| Michael Nevin | | |  | | | — | |  |  | | | — | |  |  | | | — | |  |

Each director will hold office until his successor is elected and qualified. As discussed above, Mr. Wasserman has resigned as a director and chairman of the audit committee effective as of February 27, 2020. Mr. Leidesdorf served as director until his departure in September 2019. Ms. Barton was appointed to serve as director in September 2019 to fill the vacancy created by the departure of Mr. Leidesdorf. Mr. Nelson served as director until his departure in March 2019. Mr. Krongard was appointed to serve as director in March 2019 to fill the vacancy created by the departure of Mr. Nelson.

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During 2019, the fees earned or paid in cash for Ms. Barton and Messrs. Krongard, Wasserman, Leidesdorf and Nelson were in respect of their services rendered as members of our board of directors. With respect to Mr. Wasserman, the fees earned or paid in cash included $5,000 for serving as the chairman of the audit committee. Mr. Nevin did not receive compensation in respect of his services rendered as a member of our board of directors.

Directors receive only cash compensation, if applicable, and currently are not granted any options, units or other equity-based awards.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Security Holder Matters.**

As of February 28, 2020, affiliates of Mr. Icahn, owned 197,049,652 of Icahn Enterprises’ depositary units, or approximately 92.0% of Icahn Enterprises’ outstanding depositary units. In accordance with the listing rules of NASDAQ, Icahn Enterprises’ status as a limited partnership affords Icahn Enterprises an exemption from certain corporate governance requirements which includes an exemption from the requirement to have compensation and nominating committees consisting entirely of independent directors. Icahn Enterprises GP’s board of directors presently consists of three independent directors and the audit committee consists entirely of independent directors.

The affirmative vote of unitholders holding more than 75% of the total number of all depositary units then outstanding, including depositary units held by Icahn Enterprises GP and its affiliates, is required to remove Icahn Enterprises GP. Thus, since Mr. Icahn, through affiliates, holds approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of February 28, 2020, Icahn Enterprises GP will not be able to be removed pursuant to the terms of our partnership agreement without Mr. Icahn’s consent. Moreover, under the partnership agreement, the affirmative vote of Icahn Enterprises GP and unitholders owning more than 50% of the total number of all outstanding depositary units then held by unitholders, including affiliates of Mr. Icahn, is required to approve, among other things, selling or otherwise disposing of all or substantially all of our assets in a single sale or in a related series of multiple sales, our dissolution or electing to continue Icahn Enterprises in certain instances, electing a successor general partner, making certain amendments to the partnership agreement or causing us, in our capacity as sole limited partner of Icahn Enterprises Holdings, to consent to certain proposals submitted for the approval of the limited partners of Icahn Enterprises Holdings. Accordingly, as affiliates of Mr. Icahn hold in excess of 50% of the depositary units outstanding, Mr. Icahn, through affiliates, will have effective control over such approval rights.

The following table provides information, as of February 28, 2020, as to the beneficial ownership of the depositary units for each director of Icahn Enterprises GP and all directors and executive officers of Icahn Enterprises GP, as a group. Except for Mr. Icahn, none of our named executive officers or directors beneficially owns more than 5% of Icahn Enterprises’ depositary units.

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|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Name of Beneficial Owner** | | |  | | | **Beneficial Ownership of Icahn Enterprises’ Depositary Units** | | | | | |  | | |  | | | **Percent of Class** | | |
| Carl C. Icahn | | |  | | | 197,049,652 | |  | (a) (b) | | |  | | | 92.0% | |  |  |  |  |
| Keith Cozza | | |  | | | 2,000 | |  |  | | |  | | | \* | |  |  |  |  |
| SungHwan Cho | | |  | | | 1,100 | |  |  | | |  | | | \* | |  |  |  |  |
| Jack G. Wasserman | | |  | | | 1,562 | |  |  | | |  | | | \* | |  |  |  |  |
| Peter Reck | | |  | | | — | |  |  | | |  | | | —% | |  |  |  |  |
| Denise Barton | | |  | | | — | |  |  | | |  | | | —% | |  |  |  |  |
| Alvin B. Krongard | | |  | | | — | |  |  | | |  | | | —% | |  |  |  |  |
| Michael Nevin | | |  | | | — | |  |  | | |  | | | —% | |  |  |  |  |
| All Directors and Executive Officers as a Group (eight persons) | | |  | | | 197,054,314 | |  |  | | |  | | | 92.0% | |  |  |  |  |

\* Less than 1% of total outstanding depositary units of Icahn Enterprises.

(a) The foregoing is exclusive of a 1.99% ownership interest which Icahn Enterprises GP holds by virtue of its 1% general partner interest in each of us and Icahn Enterprises Holdings.

(b) The following footnotes describe Mr. Icahn’s beneficial ownership of Icahn Enterprises’ depositary units:

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| (1) | |  | CCI Onshore LLC (“CCI Onshore”) beneficially owns 45,870,268 Depositary Units. High Coast Limited Partnership (“High Coast"” is the sole member of CCI Onshore. Little Meadow Corp. (“Little Meadow”) is the general partner of High Coast. Carl C. Icahn beneficially owns 100% of Little Meadow. Pursuant to Rule 16a-1(a)(2) under the Exchange Act, each of Mr. Icahn, Little Meadow and High Coast (by virtue of their relationships to CCI Onshore) may be deemed to indirectly beneficially own the Depositary Units which CCI Onshore owns. Each of Mr. Icahn, Little Meadow and High Coast disclaims beneficial ownership of such Depositary Units except to the extent of their pecuniary interest therein. | | |
| (2) | |  | Gascon Partners (“Gascon”) beneficially owns 27,013,966 Depositary Units. Little Meadow is the managing general partner of Gascon. Carl C. Icahn beneficially owns 100% of Little Meadow. Pursuant to Rule 16a-1(a)(2) under the Exchange Act, each of Mr. Icahn and Little Meadow (by virtue of their relationships to Gascon) may be deemed to indirectly beneficially own the Depositary Units which Gascon owns. Each of Mr. Icahn and Little Meadow disclaims beneficial ownership of such Depositary Units except to the extent of their pecuniary interest therein. | | |
| (3) | |  | High Coast beneficially owns 94,781,485 Depositary Units. Little Meadow is the general partner of High Coast. Carl C. Icahn beneficially owns 100% of Little Meadow. Pursuant to Rule 16a-1(a)(2) under the Exchange Act, each of Mr. Icahn and Little Meadow (by virtue of their relationships to High Coast) may be deemed to indirectly beneficially own the Depositary Units which High Coast owns. Each of Mr. Icahn and Little Meadow disclaims beneficial ownership of such Depositary Units except to the extent of their pecuniary interest therein. | | |
| (4) | |  | Highcrest Investors LLC (“Highcrest”) beneficially owns 22,047,958 Depositary Units. Starfire Holding Corporation (“Starfire”) beneficially owns 100% of Highcrest. Carl C. Icahn beneficially owns 100% of Starfire. Pursuant to Rule 16a-1(a)(2) under the Exchange Act, each of Mr. Icahn and Starfire (by virtue of their relationships to Highcrest) may be deemed to indirectly beneficially own the Depositary Units which Highcrest owns. Each of Mr. Icahn and Starfire disclaims beneficial ownership of such Depositary Units except to the extent of their pecuniary interest therein. | | |
| (5) | |  | Thornwood Associates Limited Partnership (“Thornwood”) beneficially owns 7,335,975 Depositary Units. Barberry Corp. (“Barberry”) is the general partner of Thornwood. Carl C. Icahn beneficially owns 100% of Barberry. Pursuant to Rule 16a-1(a)(2) under the Exchange Act, each of Mr. Icahn and Barberry (by virtue of their relationships to Thornwood) may be deemed to indirectly beneficially own the Depositary Units which Thornwood owns. Each of Mr. Icahn and Barberry disclaims beneficial ownership of such Depositary Units except to the extent of their pecuniary interest therein. | | |
| (6) | |  | Does not include 12,000 Depositary Units owned by Gail Golden, the wife of Mr. Icahn. Mr. Icahn, by virtue of his relationship to Ms. Golden, may be deemed to beneficially own such Depositary Units. Mr. Icahn disclaims beneficial ownership of such Depositary Units for all purposes. | | |

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

**Related Party Transaction Policy**

Our second 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 the 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.

**Related Party Transactions with Our General Partner and Its Affiliates**

Mr. Icahn, in his capacity as majority unitholder, will not receive any additional benefit with respect to distributions and allocations of profits and losses not shared on a pro rata basis by all other unitholders. In addition, Mr. Icahn has confirmed to us that neither he nor any of his affiliates will receive any fees from us in consideration for services rendered in connection with investments by us other than as otherwise disclosed herein. We have, and in the future may determine to make, investments in entities in which Mr. Icahn or his affiliates also have investments. We may enter into other transactions with Mr. Icahn and his affiliates, including, without limitation, buying and selling assets from or to affiliates of Mr. Icahn and participating in joint venture investments in assets with affiliates of Mr. Icahn. Furthermore, it should be noted that our partnership agreement provides that Icahn Enterprises GP and its affiliates are permitted to have other business interests and may engage in other business ventures of any nature whatsoever, and may compete directly or indirectly with our business. Mr. Icahn and his affiliates currently invest in assets that may be similar to those in which we may invest, and Mr. Icahn and his affiliates intend to continue to do so. Pursuant to the partnership agreement, however, we will not have any right to participate therein or receive or share in any income or profits derived therefrom.

During 2019, we declared four quarterly distributions aggregating $8.00 per depositary unit. Depositary unitholders were given the option to make an election to receive the distributions in either cash or additional depositary units; if a holder did not make an election, it was automatically deemed to have elected to receive the distributions in cash. As a result of the above declared distributions, during 2019 we distributed an aggregate 21,898,853 of Icahn Enterprises’ depositary units to those depositary unitholders who elected to receive such distributions in additional depositary units, of which an aggregate of 21,608,064 depositary units were distributed to Mr. Icahn and his affiliates. As a result, Mr. Icahn and his affiliates owned approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of December 31, 2019.

On February 26, 2020, the Board of Directors of the general partner of Icahn Enterprises declared a quarterly distribution in the amount of $2.00 per depositary unit, which will be paid on or about April 28, 2020 to depositary unitholders of record at the close of business on March 20, 2020. Depositary unitholders will have until March 17, 2020 to make an election to receive either cash or additional depositary units; if a holder does not make an election, it will automatically be deemed to have elected to receive the distribution in cash. To date, Mr. Icahn and his affiliates have elected to receive their distributions in additional depositary units; however, Mr. Icahn and his affiliates may in the future elect to receive all or a portion of the distributions in cash or in additional depositary units.

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Pursuant to registration rights agreements, Mr. Icahn has certain registration rights with regard to the depositary units beneficially owned by him.

In 2019, Icahn Enterprises GP was allocated a loss of $22 million of our net loss attributable to Icahn Enterprises as a result of its combined 1.99% general partner interests in us and Icahn Enterprises Holdings.

We may, on occasion, invest in securities in which entities affiliated with Mr. Icahn are also investing. Additionally, Mr. Icahn and his affiliated entities may also invest in securities in which Icahn Enterprises and its consolidated subsidiaries invest. Mr. Icahn and his affiliates (excluding Icahn Enterprises and Icahn Enterprises Holdings), make investments in the Investment Funds. During 2019, affiliates of Mr. Icahn invested $220 million in the Investment Funds. As of December 31, 2019, 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 $4.5 billion, representing approximately 51% of the Investment Funds’ assets under management.

**Other Related Party Transactions**

Icahn Capital LP (“Icahn Capital”), a wholly-owned subsidiary of ours, paid for salaries and benefits of certain employees who may also perform various functions on behalf of certain other entities beneficially owned by Mr. Icahn (collectively, “Icahn Affiliates”), including administrative and investment services. During 2019, under a separate expense-sharing agreement, we have charged Icahn Affiliates $1 million for such services.

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). Icahn Capital shall be allocated pro rata for such expenses in accordance with each investor’s capital accounts in the Investment Funds. Effective April 1, 2011, based on an expense-sharing arrangement, certain expenses borne by Icahn Capital are reimbursed by the Investment Funds, generally when such expenses are paid. During 2019, $23 million was allocated to the Investment Funds based on this expense-sharing arrangement.

During 2019, we paid an affiliate $1 million for the non-exclusive use of office space.

During 2019, we paid an affiliate $1 million for the allocation of shared office expenses.

During 2019, our Holding Company provided certain professional services to an Icahn affiliate for which we charged $3 million.

We and affiliates of Mr. Icahn have a significant non-controlling ownership interest in Hertz Global Holdings, Inc. (“Hertz”). During 2019, we and our subsidiaries had revenue from Hertz in the ordinary course of business of $54 million.

In addition to our transactions with Hertz disclosed above, in January 2018, we entered into a Master Motor Vehicle Lease and Management Agreement with Hertz, pursuant to which Hertz granted 767 Leasing the option to acquire certain vehicles from Hertz at rates aligned with the rates at which Hertz sells vehicles to third parties. Under this agreement, as amended, Hertz will lease the vehicles that 767 Leasing purchases from Hertz, or from third parties, under a mutually developed fleet plan and Hertz will manage, service, repair, sell and maintain those leased vehicles on behalf of 767 Leasing. Additionally, Hertz will rent the leased vehicles to transportation network company drivers from rental counters within locations leased or owned by us. This agreement had an initial term of 18 months and is subject to automatic six-month renewals thereafter, unless terminated by either party (with or without cause) prior to the start of any such six-month renewal. Our agreement with Hertz was unanimously approved by the independent directors of Icahn Enterprises’ audit committee. Due to the nature of our involvement with 767 Leasing, which includes Icahn Enterprises and Icahn Enterprises Holdings guaranteeing the payment obligations of 767 Leasing and sharing in the profits of 767 Leasing with Hertz, we determined that 767 Leasing is a variable interest entity. Furthermore, we determined that we are not the primary beneficiary as we do not have the power to direct the activities of 767 Leasing that most significantly impact its economic performance. Therefore, we do not consolidate the results of 767 Leasing. 767 Leasing is treated as a partnership for federal income tax purposes. For the year ended December 31, 2019, our Automotive segment invested $50 million in 767 Leasing. As of December 31, 2019, our Automotive segment had an equity method investment in 767 Leasing of $120 million.

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. Icahn Enterprises Holdings has 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 ours, including CVR Energy, Viskase, PSC Metals, WPH, Federal-Mogul (prior to October 1, 2018), ARI (prior to December 5, 2018) and Tropicana (prior to October 1, 2018) 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 have minority equity interests in Insight Portfolio Group and also agreed to pay certain of Insight Portfolio Group’s operating

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expenses. During 2019, we and certain of our subsidiaries paid certain of the Insight Portfolio Group’s operating expenses of $3 million. Insight Portfolio Group ceased operations effective January 1, 2020.

We may also enter into other transactions with Icahn Enterprises GP and its affiliates, including, without limitation, buying and selling properties and borrowing and lending funds from or to Icahn Enterprises GP or its affiliates, joint venture developments and issuing securities to Icahn Enterprises GP or its affiliates in exchange for, among other things, assets that they now own or may acquire in the future. Icahn Enterprises GP is also entitled to reimbursement by us for all allocable direct and indirect overhead expenses, including, but not limited to, salaries and rent, incurred in connection with the conduct of our business.

**Affiliate Pension Obligations**

Mr. Icahn, through certain affiliates, owns 100% of Icahn Enterprises GP and approximately 92.0% of Icahn Enterprises’ outstanding depositary units as of December 31, 2019. Applicable pension and tax laws make each member of a “controlled group” of entities, generally defined as entities in which there is at least an 80% common ownership interest, jointly and severally liable for certain pension plan obligations of any member of the controlled group. These pension obligations include ongoing contributions to fund the plan, as well as liability for any unfunded liabilities that may exist at the time the plan is terminated. In addition, the failure to pay these pension obligations when due may result in the creation of liens in favor of the pension plan or the Pension Benefit Guaranty Corporation (the “PBGC”) against the assets of each member of the controlled group.

As a result of the more than 80% ownership interest in us by Mr. Icahn’s affiliates, we and our subsidiaries are subject to the pension liabilities of entities in which Mr. Icahn has a direct or indirect ownership interest of at least 80%, which includes the liabilities of pension plans sponsored by ACF. All the minimum funding requirements of the Internal Revenue Code, as amended, and the Employee Retirement Income Security Act of 1974, as amended, for the ACF plans have been met as of December 31, 2019. If the plans were voluntarily terminated, they would be underfunded by approximately $71 million as of December 31, 2019. These results are based on the most recent information provided by the plans’ actuary. These liabilities could increase or decrease, depending on a number of factors, including future changes in benefits, investment returns, and the assumptions used to calculate the liability. As members of the controlled group, we would be liable for any failure of ACF to make ongoing pension contributions or to pay the unfunded liabilities upon a termination of the ACF pension plans. In addition, other entities now or in the future within the controlled group in which we are included may have pension plan obligations that are, or may become, underfunded and we would be liable for any failure of such entities to make ongoing pension contributions or to pay the unfunded liabilities upon termination of such plans.

The current underfunded status of the ACF pension plans requires them to notify the PBGC of certain “reportable events,” such as if we cease to be a member of the ACF controlled group, or if we make certain extraordinary dividends or stock redemptions. The obligation to report could cause us to seek to delay or reconsider the occurrence of such reportable events.

Starfire Holding Corporation (“Starfire”), which is 99.6% owned by Mr. Icahn, has undertaken to indemnify us and our subsidiaries from losses resulting from any imposition of certain pension funding or termination liabilities that may be imposed on us and our subsidiaries or our assets as a result of being a member of the Icahn controlled group, including ACF. The Starfire indemnity provides, among other things, that so long as such contingent liabilities exist and could be imposed on us, Starfire will not make any distributions to its stockholders that would reduce its net worth to below $250 million. Nonetheless, Starfire may not be able to fund its indemnification obligations to us.

**Director Independence**

The board of directors of Icahn Enterprises GP has determined that we are a “controlled company” for the purposes of the NASDAQ’s listing rules and therefore are not required to have a majority of independent directors or to have compensation and nominating committees consisting entirely of independent directors. Nevertheless, we believe that Ms. Barton and Messrs. Krongard and Wasserman are “independent” as defined in the currently applicable listing rules of NASDAQ. Ms. Barton and Messrs. Krongard and Wasserman serve as members of our audit committee, which consists entirely of these independent directors. As discussed above, Mr. Wasserman has resigned as a director and chairman of the audit committee effective as of February 27, 2020.

**Item 14. Principal Accountant Fees and Services.**

We incurred $6,190,955 and $8,593,798 in audit fees and expenses from Grant Thornton LLP for 2019 and 2018, respectively. We include in the category of audit fees such services related to the audits of annual consolidated financial statements and internal controls, reviews of quarterly financial statements, reviews of reports filed with the SEC and other services, including services related to consents and registration statements filed with the SEC.

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We incurred $260,176 and $513,744 in audit-related fees and expenses from Grant Thornton LLP for 2019 and 2018, respectively, relating primarily to services provided in connection with offering memorandums, potential acquisitions and dispositions and employee benefit plans. Additionally, we did not incur any tax-related fees and expenses from Grant Thornton LLP for 2019 and 2018.

In accordance with Icahn Enterprises’ and Icahn Enterprises Holdings’ Amended and Restated Audit Committee Charters adopted on March 12, 2004, the audit committee is required to approve in advance any and all audit services and permitted non-audit services provided to Icahn Enterprises, Icahn Enterprises Holdings and their consolidated subsidiaries by their independent auditors (subject to the de minimis exception of Section 10A (i) (1) (B) of the ‘34 Act), all as required by applicable law or listing standards. All of the fees in 2019 and 2018 were pre-approved by the audit committee.

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**PART IV**

**Item 15. Exhibits and Financial Statement Schedules.**

**(a)(1) Financial Statements:**

The following financial statements of Icahn Enterprises L.P., and subsidiaries, are included in Part II, Item 8 of this Report:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  | | | **Page Number** | | |
| [Consolidated Balance Sheets](#ie32f54975c224c3bb6f920bef14ea8e4_82) | | | [54](#ie32f54975c224c3bb6f920bef14ea8e4_82) | | |
| [Consolidated Statements of Operations](#ie32f54975c224c3bb6f920bef14ea8e4_85) | | | [55](#ie32f54975c224c3bb6f920bef14ea8e4_85) | | |
| [Consolidated Statements of Comprehensive Income](#ie32f54975c224c3bb6f920bef14ea8e4_88) | | | [56](#ie32f54975c224c3bb6f920bef14ea8e4_88) | | |
| [Consolidated Statement of Changes in Equity](#ie32f54975c224c3bb6f920bef14ea8e4_91) | | | [57](#ie32f54975c224c3bb6f920bef14ea8e4_91) | | |
| [Consolidated Statements of Cash Flows](#ie32f54975c224c3bb6f920bef14ea8e4_94) | | | [58](#ie32f54975c224c3bb6f920bef14ea8e4_94) | | |
| [Notes to Consolidated Financial Statements](#ie32f54975c224c3bb6f920bef14ea8e4_115) | | | [64](#ie32f54975c224c3bb6f920bef14ea8e4_115) | | |

The following financial statements of Icahn Enterprises Holdings L.P., and subsidiaries, are included in Part II, Item 8 of this Report:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  | | | **Page Number** | | |
| [Consolidated Balance Sheets](#ie32f54975c224c3bb6f920bef14ea8e4_100) | | | [59](#ie32f54975c224c3bb6f920bef14ea8e4_100) | | |
| [Consolidated Statements of Operations](#ie32f54975c224c3bb6f920bef14ea8e4_103) | | | [60](#ie32f54975c224c3bb6f920bef14ea8e4_103) | | |
| [Consolidated Statements of Comprehensive Income](#ie32f54975c224c3bb6f920bef14ea8e4_106) | | | [61](#ie32f54975c224c3bb6f920bef14ea8e4_106) | | |
| [Consolidated Statement of Changes in Equity](#ie32f54975c224c3bb6f920bef14ea8e4_109) | | | [62](#ie32f54975c224c3bb6f920bef14ea8e4_109) | | |
| [Consolidated Statements of Cash Flows](#ie32f54975c224c3bb6f920bef14ea8e4_112) | | | [63](#ie32f54975c224c3bb6f920bef14ea8e4_112) | | |
| [Notes to Consolidated Financial Statements](#ie32f54975c224c3bb6f920bef14ea8e4_115) | | | [64](#ie32f54975c224c3bb6f920bef14ea8e4_115) | | |

**(a)(2) Financial Statement Schedules:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  | | | **Page Number** | | |
| [Schedule I - Condensed Financial Information of Parent (Icahn Enterprises L.P.)](#ie32f54975c224c3bb6f920bef14ea8e4_226) | | | [133](#ie32f54975c224c3bb6f920bef14ea8e4_226) | | |
| [Schedule I - Condensed Financial Information of Parent (Icahn Enterprises Holdings L.P.)](#ie32f54975c224c3bb6f920bef14ea8e4_232) | | | [137](#ie32f54975c224c3bb6f920bef14ea8e4_232) | | |

All other financial statement schedules have been omitted because the required financial information is not applicable, immaterial or the information is shown in the consolidated financial statements or notes thereto.

**(a)(3) Exhibits:**

The list of exhibits required by Item 601 of Regulation S-K and filed as part of this Report is set forth in the Exhibit Index.

**Item 16. Form 10-K Summary.**

None.

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**SCHEDULE I**

**ICAHN ENTERPRISES, L.P.**

**(Parent Company)**

**CONDENSED BALANCE SHEETS**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (In millions, except unit amounts) | | | | | | | | |  | | |  | | |
| **ASSETS** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Investments in subsidiaries, net | | | $ | 11,853 |  |  | | | $ | 12,189 |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| **Total Assets** | | | $ | 11,853 |  |  | | | $ | 12,189 |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| **LIABILITIES AND EQUITY** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Accrued expenses and other liabilities | | | $ | 100 |  |  | | | $ | 124 |  |  |  |  |  |  |  |
| Debt | | | 6,297 | |  |  | | | 5,505 | |  |  |  |  |  |  |  |
|  | | | 6,397 | |  |  | | | 5,629 | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Commitments and contingencies (Note 3) | | |  | | |  | | |  | | |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Equity: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Limited partners: Depositary units: 214,078,558 and 191,366,097 units issued and outstanding at December 31, 2019 and 2018, respectively | | | 6,268 | |  |  | | | 7,350 | |  |  |  |  |  |  |  |
| General partner | | | (812) | |  |  | | | (790) | |  |  |  |  |  |  |  |
| Total equity | | | 5,456 | |  |  | | | 6,560 | |  |  |  |  |  |  |  |
| **Total Liabilities and Equity** | | | $ | 11,853 |  |  | | | $ | 12,189 |  |  |  |  |  |  |  |

*See notes to condensed financial statements.*

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**SCHEDULE I**

**ICAHN ENTERPRISES, L.P.**

**(Parent Company)**

**CONDENSED STATEMENTS OF OPERATIONS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (In millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Interest expense | | | $ | (350) |  |  | | | $ | (337) |  |  | | | $ | (323) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain (loss) on extinguishment of debt | | | 2 | |  |  | | | — | |  |  | | | (12) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity in (loss) income of subsidiaries | | | (750) | |  |  | | | 1,819 | |  |  | | | 2,789 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | | | $ | (1,098) |  |  | | | $ | 1,482 |  |  | | | $ | 2,454 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income allocated to: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited partners | | | $ | (1,076) |  |  | | | $ | 2,039 |  |  | | | $ | 2,405 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| General partner | | | (22) | |  |  | | | (557) | |  |  | | | 49 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,098) |  |  | | | $ | 1,482 |  |  | | | $ | 2,454 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to condensed financial statements.*

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**SCHEDULE I**

**ICAHN ENTERPRISES, L.P.**

**(Parent Company)**

**CONDENSED STATEMENTS OF CASH FLOWS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (In millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| **Cash flows from operating activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | | | $ | (1,098) |  |  | | | $ | 1,482 |  |  | | | $ | 2,454 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity in loss (income) of subsidiary | | | 750 | |  |  | | | (1,819) | |  |  | | | (2,789) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Gain) loss on extinguishment of debt | | | (2) | |  |  | | | — | |  |  | | | 2 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | (25) | |  |  | | | 1 | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash used in operating activities | | | (375) | |  |  | | | (336) | |  |  | | | (332) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from investing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net investment in and advances from subsidiary | | | (363) | |  |  | | | 433 | |  |  | | | (210) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash (used in) provided by investing activities | | | (363) | |  |  | | | 433 | |  |  | | | (210) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from financing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (112) | |  |  | | | (97) | |  |  | | | (81) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership contributions | | | 55 | |  |  | | | — | |  |  | | | 612 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from borrowings | | | 2,507 | |  |  | | | — | |  |  | | | 2,470 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repayments of borrowings | | | (1,700) | |  |  | | | — | |  |  | | | (2,450) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Debt issuance costs and other | | | (12) | |  |  | | | — | |  |  | | | (9) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by (used in) financing activities | | | 738 | |  |  | | | (97) | |  |  | | | 542 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net change in cash and cash equivalents and restricted cash and restricted cash equivalents** | | | — | |  |  | | | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, beginning of period | | | — | |  |  | | | — | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, end of period | | | $ | — |  |  | | | $ | — |  |  | | | $ | — |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to condensed financial statements.*

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**ICAHN ENTERPRISES L.P.**

**(Parent Company)**

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**1. Description of Business and Basis of Presentation.**

Icahn Enterprises, L.P. (“Icahn Enterprises”) is a master limited partnership formed in Delaware on February 17, 1987. We own a 99% limited partner interest in Icahn Enterprises Holdings L.P. (“'Icahn Enterprises Holdings”). Icahn Enterprises Holdings and its subsidiaries own substantially all of our assets and liabilities and conduct substantially all of our operations. Icahn Enterprises G.P. Inc., our sole general partner, which is owned and controlled by Carl C. Icahn, owns a 1% general partner interest in both us and Icahn Enterprises Holdings, representing an aggregate 1.99% general partner interest in us and Icahn Enterprises Holdings. As of December 31, 2019, Icahn Enterprises is engaged in the following continuing operating businesses: Investment, Energy, Automotive, Food Packaging, Metals, Real Estate and Home Fashion.

For the years ended December 31, 2019, 2018 and 2017, Icahn Enterprises received (paid) $(363) million, $433 million and $(210) million, respectively, for (investments in) dividends and distributions from consolidated subsidiaries.

The condensed financial statements of Icahn Enterprises should be read in conjunction with the consolidated financial statements and notes thereto included in Item 8 of this Report.

**2. Debt.**

See Note 11, “Debt,” to the consolidated financial statements located in Item 8 of this Report. Icahn Enterprises' Parent company debt consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | |  |  | | |  | | |
| 6.000% senior unsecured notes due 2020 | | | $ | — |  |  | | | $ | 1,702 |  |  |  |  |  |  |  |
| 5.875% senior unsecured notes due 2022 | | | 1,345 | |  |  | | | 1,344 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2022 | | | 1,211 | |  |  | | | 1,213 | |  |  |  |  |  |  |  |
| 6.750% senior unsecured notes due 2024 | | | 498 | |  |  | | | 498 | |  |  |  |  |  |  |  |
| 4.750% senior unsecured notes due 2024 | | | 498 | |  |  | | | — | |  |  |  |  |  |  |  |
| 6.375% senior unsecured notes due 2025 | | | 748 | |  |  | | | 748 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2026 | | | 1,250 | |  |  | | | — | |  |  |  |  |  |  |  |
| 5.250% senior unsecured notes due 2027 | | | 747 | |  |  | | | — | |  |  |  |  |  |  |  |
| Total debt | | | $ | 6,297 |  |  | | | $ | 5,505 |  |  |  |  |  |  |  |

**3. Commitments and Contingencies.**

See Note 18, “Commitments and Contingencies,” to the consolidated financial statements.

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**SCHEDULE I**

**ICAHN ENTERPRISES HOLDINGS L.P.**

**(Parent Company)**

**CONDENSED BALANCE SHEETS**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | |  | | |  | | |
| **ASSETS** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Cash and cash equivalents | | | $ | 1,042 |  |  | | | $ | 30 |  |  |  |  |  |  |  |
| Restricted cash | | | 7 | |  |  | | | 29 | |  |  |  |  |  |  |  |
| Investments | | | 346 | |  |  | | | 723 | |  |  |  |  |  |  |  |
| Other assets | | | — | |  |  | | | 60 | |  |  |  |  |  |  |  |
| Investments in subsidiaries, net | | | 10,474 | |  |  | | | 11,355 | |  |  |  |  |  |  |  |
| **Total Assets** | | | $ | 11,869 |  |  | | | $ | 12,197 |  |  |  |  |  |  |  |
| **LIABILITIES AND EQUITY** | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Accounts payable, accrued expenses and other liabilities | | | $ | 116 |  |  | | | $ | 131 |  |  |  |  |  |  |  |
| Debt | | | 6,300 | |  |  | | | 5,509 | |  |  |  |  |  |  |  |
|  | | | 6,416 | |  |  | | | 5,640 | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Commitments and contingencies (Note 3) | | |  | | |  | | |  | |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Equity: | | |  | | |  | | |  | | |  |  |  |  |  |  |
| Limited partner | | | 6,328 | |  |  | | | 7,421 | |  |  |  |  |  |  |  |
| General partner | | | (875) | |  |  | | | (864) | |  |  |  |  |  |  |  |
| Total equity | | | 5,453 | |  |  | | | 6,557 | |  |  |  |  |  |  |  |
| **Total Liabilities and Equity** | | | $ | 11,869 |  |  | | | $ | 12,197 |  |  |  |  |  |  |  |

*See notes to condensed financial statements.*

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**SCHEDULE I**

**ICAHN ENTERPRISES HOLDINGS L.P.**

**(Parent Company)**

**CONDENSED STATEMENTS OF OPERATIONS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| Interest and dividend income | | | $ | 14 |  |  | | | $ | 7 |  |  | | | $ | 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) gain from investment activities | | | (377) | |  |  | | | (389) | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain (loss) on disposition of assets | | | 2 | |  |  | | | 23 | |  |  | | | (1) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity in (loss) income of subsidiaries | | | (363) | |  |  | | | 2,200 | |  |  | | | 2,763 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other income, net | | | — | |  |  | | | 4 | |  |  | | | 41 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (724) | |  |  | | | 1,845 | |  |  | | | 2,805 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest expense | | | 350 | |  |  | | | 337 | |  |  | | | 324 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Selling, general and administrative | | | 23 | |  |  | | | 25 | |  |  | | | 25 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | 373 | |  |  | | | 362 | |  |  | | | 349 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | | | $ | (1,097) |  |  | | | $ | 1,483 |  |  | | | $ | 2,456 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income allocated to: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited partner | | | $ | (1,086) |  |  | | | $ | 2,060 |  |  | | | $ | 2,431 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| General partner | | | (11) | |  |  | | | (577) | |  |  | | | 25 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | $ | (1,097) |  |  | | | $ | 1,483 |  |  | | | $ | 2,456 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to condensed financial statements.*

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**SCHEDULE I**

**ICAHN ENTERPRISES HOLDINGS L.P.**

**(Parent Company)**

**CONDENSED STATEMENTS OF CASH FLOWS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Year Ended December 31,** | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  | | | **2017** | | |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | | | | | | | | |  | | |  | | |  | | |  | | |
| **Cash flows from operating activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net (loss) income | | | $ | (1,097) |  |  | | | $ | 1,483 |  |  | | | $ | 2,456 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Adjustments to reconcile net (loss) income to net cash used in operating activities: | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity in loss (income) of subsidiary | | | 363 | |  |  | | | (2,200) | |  |  | | | (2,763) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Gain) loss on disposition of assets | | | (2) | |  |  | | | (23) | |  |  | | | 1 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment gains | | | 377 | |  |  | | | 389 | |  |  | | | — | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | (1) | |  |  | | | — | |  |  | | | (36) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Change in operating assets and liabilities | | | 45 | |  |  | | | 8 | |  |  | | | 18 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash used in operating activities | | | (315) | |  |  | | | (343) | |  |  | | | (324) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from investing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Net investment in subsidiaries | | | 567 | |  |  | | | 238 | |  |  | | | (97) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Other, net | | | — | |  |  | | | 41 | |  |  | | | 53 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by investing activities | | | 567 | |  |  | | | 279 | |  |  | | | (44) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from financing activities:** | | |  | | |  | | |  | | |  | | |  | | |  |  |  |  |  |  |  |  |  |  |  |  |
| Partnership distributions | | | (112) | |  |  | | | (97) | |  |  | | | (81) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Partner contributions | | | 55 | |  |  | | | — | |  |  | | | 612 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Proceeds from borrowings | | | 2,507 | |  |  | | | — | |  |  | | | 2,470 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repayments of borrowings | | | (1,700) | |  |  | | | (21) | |  |  | | | (2,450) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Debt issuance costs | | | (12) | |  |  | | | — | |  |  | | | (7) | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net cash provided by (used in) financing activities | | | 738 | |  |  | | | (118) | |  |  | | | 544 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net change in cash and cash equivalents and restricted cash and restricted cash equivalents** | | | 990 | |  |  | | | (182) | |  |  | | | 176 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, beginning of period | | | 59 | |  |  | | | 241 | |  |  | | | 65 | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents and restricted cash and restricted cash equivalents, end of period | | | $ | 1,049 |  |  | | | $ | 59 |  |  | | | $ | 241 |  |  |  |  |  |  |  |  |  |  |  |  |  |

*See notes to condensed financial statements.*

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**ICAHN ENTERPRISES HOLDINGS L.P. (Parent Company)**

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**1.  Description of Business and Basis of Presentation.**

Icahn Enterprises Holdings L.P. (“Icahn Enterprises Holdings”) is a limited partnership formed in Delaware on February 17, 1987. Our sole limited partner is Icahn Enterprises L.P., a master limited partnership which owns a 99% interest in us. Icahn Enterprises G.P. Inc., our sole 1% general partner, is a Delaware corporation which is owned and controlled by Carl C. Icahn. As of December 31, 2019, Icahn Enterprises Holdings is engaged in the following continuing operating businesses: Investment, Energy, Automotive, Food Packaging, Metals, Real Estate and Home Fashion.

For the years ended December 31, 2019, 2018 and 2017, Icahn Enterprises Holdings received (paid) $567 million, $238 million and $(97) million, respectively, in dividends and distributions from consolidated subsidiaries.

The condensed financial statements of Icahn Enterprises Holdings should be read in conjunction with the consolidated financial statements and notes thereto included in Item 8 of this Report.

**2.  Debt.**

See Note 11, “Debt,” to the consolidated financial statements located in Item 8 of this Report. Icahn Enterprises Holdings’ Parent company debt consists of the following:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **December 31,** | | | | | | | | |  | | |  | | |
|  | | | **2019** | | |  | | | **2018** | | |  |  |  |  |  |  |
|  | | | (in millions) | | | | | | | |  |  | | |  | | |
| 6.000% senior unsecured notes due 2020 | | | $ | — |  |  | | | $ | 1,703 |  |  |  |  |  |  |  |
| 5.875% senior unsecured notes due 2022 | | | 1,345 | |  |  | | | 1,344 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2022 | | | 1,211 | |  |  | | | 1,214 | |  |  |  |  |  |  |  |
| 6.750% senior unsecured notes due 2024 | | | 499 | |  |  | | | 499 | |  |  |  |  |  |  |  |
| 4.750% senior unsecured notes due 2024 | | | 499 | |  |  | | | — | |  |  |  |  |  |  |  |
| 6.375% senior unsecured notes due 2025 | | | 749 | |  |  | | | 749 | |  |  |  |  |  |  |  |
| 6.250% senior unsecured notes due 2026 | | | 1,250 | |  |  | | | — | |  |  |  |  |  |  |  |
| 5.250% senior unsecured notes due 2027 | | | 747 | |  |  | | | — | |  |  |  |  |  |  |  |
| Total debt | | | $ | 6,300 |  |  | | | $ | 5,509 |  |  |  |  |  |  |  |

**3.  Commitments and Contingencies.**

See Note 18, “Commitments and Contingencies,” to the consolidated financial statements.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | | | **Icahn Enterprises L.P.** | | | | | |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | | | By: | | | Icahn Enterprises G.P. Inc., its  general partner | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | | | By: | | | /s/Keith Cozza | | |
|  | | |  | | | Keith Cozza  President, Chief Executive Officer and Director | | |

Date: February 28, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated with respect to Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P., and on behalf of the registrant and on the dates indicated below by the following persons in the capacities and on the dates indicated.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Signature** | | |  | | | **Title** | | |  | | | **Date** | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Keith Cozza | | |  | | | President, Chief Executive Officer and Director | | |  | | | February 28, 2020 | | |
| Keith Cozza | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/SungHwan Cho | | |  | | | Chief Financial Officer and Director | | |  | | | February 28, 2020 | | |
| SungHwan Cho | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Peter Reck | | |  | | | Chief Accounting Officer | | |  | | | February 28, 2020 | | |
| Peter Reck | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Michael Nevin | | |  | | | Director | | |  | | | February 28, 2020 | | |
| Michael Nevin | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Denise Barton | | |  | | | Director | | |  | | | February 28, 2020 | | |
| Denise Barton | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
|  | | |  | | | Director | | |  | | |  | | |
| Alvin B. Krongard | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
|  | | |  | | | Chairman of the Board | | |  | | |  | | |
| Carl C. Icahn | | |  | | |  | | |  | | |  | | |

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | | | **Icahn Enterprises Holdings L.P.** | | | | | |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | | | By: | | | Icahn Enterprises G.P. Inc., its  general partner | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
|  | | | By: | | | /s/Keith Cozza | | |
|  | | |  | | | Keith Cozza President, Chief Executive Officer and Director | | |

Date: February 28, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated with respect to Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises Holdings L.P., and on behalf of the registrant and on the dates indicated below by the following persons in the capacities and on the dates indicated.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Signature** | | |  | | | **Title** | | |  | | | **Date** | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Keith Cozza | | |  | | | President, Chief Executive Officer and Director | | |  | | | February 28, 2020 | | |
| Keith Cozza | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/SungHwan Cho | | |  | | | Chief Financial Officer and Director | | |  | | | February 28, 2020 | | |
| SungHwan Cho | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Peter Reck | | |  | | | Chief Accounting Officer | | |  | | | February 28, 2020 | | |
| Peter Reck | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Michael Nevin | | |  | | | Director | | |  | | | February 28, 2020 | | |
| Michael Nevin | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
| /s/Denise Barton | | |  | | | Director | | |  | | | February 28, 2020 | | |
| Denise Barton | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
|  | | |  | | | Director | | |  | | |  | | |
| Alvin B. Krongard | | |  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |
|  | | |  | | | Chairman of the Board | | |  | | |  | | |
| Carl C. Icahn | | |  | | |  | | |  | | |  | | |

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**EXHIBIT INDEX**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |
| **Exhibit No.** | | |  | | | **Description** | | |
| 2.1 | |  |  | | | [Agreement and Plan of Merger, dated as of September 6, 2016, by and among Federal Mogul Holdings Corporation, American Entertainment Properties Corp. and IEH FM Holdings LLC (incorporated by reference to Exhibit 2.1 to Icahn Enterprises' Form 8-K (SEC File No. 1-9516), filed on September 7, 2016).](http://www.sec.gov/Archives/edgar/data/813762/000110465916143329/a16-17984_1ex2d1.htm) | | |
| 2.2 | |  |  | | | [Equity Asset and Purchase Agreement, dated as of December 16, 2016, by and among American Railcar Leasing LLC, American Entertainment Properties Corp., AEP Rail Corp., SMBC Rail Services LLC and Sumitomo Mitsui Banking Corporation (incorporated by reference to Exhibit 2.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on December 19, 2016).](http://www.sec.gov/Archives/edgar/data/813762/000114420416140174/v449727_ex2-1.htm) | | |
| 2.3 | |  |  | | | [Membership Interest Purchase Agreement, dated April 10, 2018, by and among Tenneco Inc., Federal-Mogul LLC, American Entertainment Properties Corp., and Icahn Enterprises L.P. (incorporated by reference to Exhibit 2.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively) file April 10, 2018).](http://www.sec.gov/Archives/edgar/data/813762/000119312518112277/d554615dex21.htm) | | |
| 2.4 | |  |  | | | [Agreement and Plan of Merger, dated April 15, 2018, by and among Eldorado Resorts, Inc., Delta Merger Sub, Inc., GLP Capital, L.P. and Tropicana Entertainment Inc. (incorporated by reference to Exhibit 2.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively) file April 16, 2018).](http://www.sec.gov/Archives/edgar/data/813762/000110465918024062/a18-11003_1ex2d1.htm) | | |
| 2.5 | |  |  | | | [Agreement and Plan of Merger, dated as of October 22, 2018, by and between STL Parent Corp. and American Railcar Industries, Inc. (incorporated by reference to Exhibit 2.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively) file October 22, 2018).](http://www.sec.gov/Archives/edgar/data/813762/000114036118040981/s002486x3_ex2-1.htm) | | |
| 3.1 | |  |  | | | [Certificate of Limited Partnership of Icahn Enterprises L.P., f/k/a American Real Estate Partners, L.P. (“Icahn Enterprises”) dated February 17, 1987, as thereafter amended from time to time (incorporated by reference to Exhibit 3.1 to Icahn Enterprises' Form 8-K (SEC File No. 1-9516), filed on September 20, 2007).](http://www.sec.gov/Archives/edgar/data/813762/000114420407050385/v088216_ex3-1.htm) | | |
| 3.2 | |  |  | | | [Certificate of Limited Partnership of Icahn Enterprises Holdings L.P., f/k/a American Real Estate Holdings Limited Partnership (“Icahn Enterprises Holdings”), dated February 17, 1987, as amended pursuant to the First Amendment thereto, dated March 10, 1987 (incorporated by reference to Exhibit 3.5 to Icahn Enterprises' Form 10-Q for the quarter ended March 31, 2004 (SEC File No. 1-9516), filed on May 10, 2004, as further amended pursuant to the Certificate of Amendment thereto, dated September 17, 2007 (incorporated by reference to Exhibit 3.9 to Icahn Enterprises' Form 10-K for the year ended December 31, 2007 (SEC File No. 1-9516), filed on March 17, 2008).](http://www.sec.gov/Archives/edgar/data/813762/000114420408015862/v106776_ex3-9.htm) | | |
| 3.3 | |  |  | | | [Second Amended and Restated Agreement of Limited Partnership of Icahn Enterprises L.P., dated August 2, 2016 (incorporated by reference to Exhibit 3.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 10-Q for the quarterly period ended June 30, 2016 (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on August 4, 2016).](http://www.sec.gov/Archives/edgar/data/813762/000081376216000089/iep-ex31_amendedandrestate.htm) | | |
| 3.4 | |  |  | | | [Amended and Restated Agreement of Limited Partnership of Icahn Enterprises Holdings, dated as of July 1, 1987 (incorporated by reference to Exhibit 3.5 to Icahn Enterprises' Form 10-Q for the quarter ended March 31, 2004 (SEC File No. 1-9516), filed on May 10, 2004).](http://www.sec.gov/Archives/edgar/data/813762/000095012304006078/y97041exv3w5.txt) | | |
| 3.5 | |  |  | | | [Amendment No. 1 to the Amended and Restated Agreement of Limited Partnership of Icahn Enterprises Holdings, dated August 16, 1996 (incorporated by reference to Exhibit 10.2 to Icahn Enterprises' Form 8-K (SEC File No. 1-9516), filed on August 16, 1996).](http://www.sec.gov/Archives/edgar/data/813762/0000897204-96-000093-index.html) | | |
| 3.6 | |  |  | | | [Amendment No. 2 to the Amended and Restated Agreement of Limited Partnership of Icahn Enterprises Holdings, dated June 14, 2002 (incorporated by reference to Exhibit 3.9 to Icahn Enterprises' Form 10-K for the year ended December 31, 2002 (SEC File No. 1-9516), filed on March 31, 2003).](http://www.sec.gov/Archives/edgar/data/813762/000095011703001233/ex3-9.txt) | | |
| 3.7 | |  |  | | | [Amendment No. 3 to the Amended and Restated Agreement of Limited Partnership of Icahn Enterprises Holdings, dated June 29, 2005 (incorporated by reference to Exhibit 3.2 to Icahn Enterprises' Form 10-Q for the quarter ended June 30, 2005 (SEC File No. 1-9516), filed on August 9, 2005).](http://www.sec.gov/Archives/edgar/data/813762/000095012305009643/y11364exv3w2.htm) | | |
| 3.8 | |  |  | | | [Amendment No. 4 to the Amended and Restated Agreement of Limited Partnership of Icahn Enterprises Holdings, dated September 17, 2007 (incorporated by reference to Exhibit 3.11 to Icahn Enterprises' Form 10-K for the year ended December 31, 2007 (SEC File No. 1-9516), filed on March 17, 2008).](http://www.sec.gov/Archives/edgar/data/813762/000114420408015862/v106776_ex3-11.htm) | | |
| 4.1 | |  |  | | | [Description of securities.](ex41123119.htm) | | |
| 4.2 | |  |  | | | [Form of Transfer Application (incorporated by reference to Exhibit 4.4 to Icahn Enterprises' Form 10-K for the year ended December 31, 2004 (SEC File No. 1-9516), filed on March 16, 2005).](http://www.sec.gov/Archives/edgar/data/813762/000095012305003242/y06341exv4w4.htm) | | |
| 4.3 | |  |  | | | [Specimen Depositary Receipt (incorporated by reference to Exhibit 4.3 to Icahn Enterprises' Form 10-K for the year ended December 31, 2014 (SEC File No. 1-9516), filed on March 16, 2005).](http://www.sec.gov/Archives/edgar/data/813762/000095012305003242/y06341exv4w3.htm) | | |
| 4.4 | |  |  | | | [Specimen Depositary Certificate (incorporated by reference to Exhibit 4.1 to Icahn Enterprises' Form 10-Q for the quarterly period ended June 30, 2016 (SEC File No. 1-9516), filed on August 4, 2016).](http://www.sec.gov/Archives/edgar/data/813762/000081376216000089/iep-ex41_certificatex8416.htm) | | |
| 4.5 | |  |  | | | [Specimen Certificate representing preferred units (incorporated by reference to Exhibit 4.9 to Icahn Enterprises' Form S-3/A (SEC File No. 33-54767), filed on February 22, 1995).](http://www.sec.gov/Archives/edgar/data/813762/0000897204-95-000016-index.html) | | |

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| 4.6 | |  |  | | | [Registration Rights Agreement between Icahn Enterprises and High Coast Limited Partnership (f/k/a X LP) (incorporated by reference to Exhibit 10.2 to Icahn Enterprises' Form 10-K for the year ended December 31, 2004 (SEC File No. 1-9516), filed on March 16, 2005).](http://www.sec.gov/Archives/edgar/data/813762/000095012305003242/y06341exv10w2.htm) | | |
| 4.7 | |  |  | | | [Registration Rights Agreement, dated June 30, 2005 between Icahn Enterprises and Highcrest Investors Corp., Amos Corp., Cyprus, LLC and Gascon Partners (incorporated by reference to Exhibit 10.6 to Icahn Enterprises' Form 10-Q (SEC File No. 1-9516), filed on August 9, 2005), as amended by Amendment No. 1 thereto, dated as of August 8, 2007 (incorporated by reference to Exhibit 10.5 to Icahn Enterprises' Form 10-Q for the quarter ended June 30, 2007 (SEC File No. 1-9516), filed on August 9, 2007).](http://www.sec.gov/Archives/edgar/data/813762/000114420407041620/v083035_ex10-5.htm) | | |
| 4.8 | |  |  | | | [Amended and Restated Depositary Agreement among Icahn Enterprises, Icahn Enterprises GP and Registrar and Transfer Company, dated as of August 23, 2013 (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' Form 8-K (SEC File No. 1-9516), filed on August 23, 2013).](http://www.sec.gov/Archives/edgar/data/813762/000114420413047710/v353661_ex10-1.htm) | | |
| 4.9 | |  |  | | | [Indenture, dated as of August 1, 2013, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Wilmington Trust Company, as Trustee relating to the 6.000% Senior Notes Due 2020 (incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on August 1, 2013).](http://www.sec.gov/Archives/edgar/data/813762/000114420413042533/v351461_ex4-1.htm) | | |
| 4.10 | |  |  | | | [Indenture, dated as of January 29, 2014, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Wilmington Trust Company, as Trustee relating to the 5.875% Senior Notes Due 2022 (incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K/A (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on January 30, 2014).](http://www.sec.gov/Archives/edgar/data/813762/000114420414004986/v366725_ex4-1.htm) | | |
| 4.11 | |  |  | | | [Indenture, dated as of January 18, 2017, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Wilmington Trust Company, as Trustee relating to the 6.250% Senior Notes Due 2022 and 6.750% Senior Notes Due 2024 (incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on January 18, 2017).](http://www.sec.gov/Archives/edgar/data/813762/000114420417002748/v457095_ex4-1.htm) | | |
| 4.12 | |  |  | | | [Indenture, dated as of December 6, 2017, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Wilmington Trust Company, as Trustee relating to the 6.375% Senior Notes Due 2025 incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on December 6, 2017).](http://www.sec.gov/Archives/edgar/data/813762/000114420417062610/tv480904_ex4-1.htm) | | |
| 4.13 | |  |  | | | [Indenture, dated as of May 10, 2019, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Wilmington Trust Company, as Trustee relating to the 6.250% Senior Notes Due 2026 incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on May 10, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000114420419025269/tv521264_ex4-1.htm) | | |
| 4.14 | |  |  | | | [Indenture, dated as of September 6, 2019, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Wilmington Trust Company, as Trustee relating to the 4.750% Senior Notes Due 2024 incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on September 6, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000114420419043783/tv528967_ex4-1.htm) | | |
| 4.15 | |  |  | | | [Indenture, dated as of December 12, 2019, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Wilmington Trust Company, as Trustee relating to the 5.250% Senior Notes Due 2027 incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on December 12, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000110465919072211/tm1925028d1_ex4-1.htm) | | |
| 4.16 | |  |  | | | [Shareholders Agreement, dated as of October 1, 2018, by and among Icahn Enterprises L.P., Icahn Enterprises Holdings L.P., American Entertainment Properties Corp. and Tenneco Inc. (incorporated by reference to Exhibit 4.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively) file October 2, 2018).](http://www.sec.gov/Archives/edgar/data/813762/000119312518290879/d629636dex41.htm) | | |
| 10.1 | |  |  | | | [Amended and Restated Agency Agreement (incorporated by reference to Exhibit 10.12 to Icahn Enterprises' Form 10-K for the year ended December 31, 1994 (SEC File No. 1-9516), filed on March 31, 1995).](http://www.sec.gov/Archives/edgar/data/813762/0000897204-95-000029-index.html) | | |
| 10.2 | |  |  | | | [Undertaking, dated November 20, 1998, by Starfire Holding Corporation, for the benefit of Icahn Enterprises and its subsidiaries (incorporated by reference to Exhibit 10.42 to Icahn Enterprises' Form 10-K for the year ended December 31, 2005 (SEC File No. 1-9516), filed on March 16, 2006).](http://www.sec.gov/Archives/edgar/data/813762/000095012306003289/y18546exv10w42.htm) | | |
| 10.3 | |  |  | | | [Covered Affiliate and Shared Expenses Agreement by and among Icahn Enterprises, Icahn Partners LP, Icahn Fund Ltd., Icahn Fund II Ltd., Icahn Fund III Ltd., Icahn Partners Master Fund L.P., Icahn Partners Master Fund II L.P., Icahn Partners Master Fund III L.P., Icahn Cayman Partners, L.P. and Icahn Partners Master Fund II Feeder LP (incorporated by reference to Exhibit 10.4 to Icahn Enterprises' Form 10-Q for the quarter ended June 30, 2007 (SEC File No. 1-9516), filed on August 9, 2007).](http://www.sec.gov/Archives/edgar/data/813762/000114420407041620/v083035_ex10-4.htm) | | |
| 10.4 | |  |  | | | [Agreement dated as of March 31, 2011 among Icahn Enterprises L.P., Icahn Enterprises Holdings L.P. and Icahn Enterprises G.P. Inc., Icahn Onshore LP, Icahn Offshore LP and Icahn Capital LP, Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP, Icahn Partners Master Fund III LP, Carl C. Icahn, Brett Icahn, Samuel Merksamer, David Schechter, Vincent Intrieri and David Yim (incorporated by reference to Exhibit 10.2 to Icahn Enterprises' Form 10-Q (SEC File No. 1-9516), filed on August 9, 2011).](http://www.sec.gov/Archives/edgar/data/813762/000081376211000033/iepex102icahnagreement.htm) | | |

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| 10.5 | |  |  | | | [Registration Rights Agreement, dated January 18, 2017, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on January 18, 2017).](http://www.sec.gov/Archives/edgar/data/813762/000114420417002748/v457095_ex10-1.htm) | | |
| 10.6 | |  |  | | | [Registration Rights Agreement, dated December 6, 2017, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on December 6, 2017).](http://www.sec.gov/Archives/edgar/data/813762/000114420417062610/tv480904_ex10-1.htm) | | |
| 10.7 | |  |  | | | [Registration Rights Agreement, dated May 10, 2019, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on May 10, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000114420419025269/tv521264_ex10-1.htm) | | |
| 10.8 | |  |  | | | [Registration Rights Agreement, dated June 27, 2019, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on June 27, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000114420419032722/tv524288_ex10-1.htm) | | |
| 10.9 | |  |  | | | [Registration Rights Agreement, dated September 6, 2019, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on September 6, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000114420419043783/tv528967_ex10-1.htm) | | |
| 10.10 | |  |  | | | [Registration Rights Agreement, dated December 12, 2019, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on December 12, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000110465919072211/tm1925028d1_ex10-1.htm) | | |
| 10.11 | |  |  | | | [Registration Rights Agreement, dated January 9, 2020, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on January 9, 2020).](http://www.sec.gov/Archives/edgar/data/813762/000110465920002683/tm201494d1_ex10-1.htm) | | |
| 10.12 | |  |  | | | [Registration Rights Agreement, dated January 28, 2020, among Icahn Enterprises, Icahn Enterprises Finance, Icahn Enterprises Holdings, as Guarantor, and Jefferies LLC, as the Initial Purchaser (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on January 28, 2020).](http://www.sec.gov/Archives/edgar/data/813762/000110465920007677/tm205861d2_ex10-1.htm) | | |
| 10.13 | |  |  | | | [Amendment No. 1 and Joinder to Purchase and Sale Agreement, dated October 1, 2018, by and among Tropicana Entertainment Inc., GLP Capital, L.P. and Eldorado Resorts, Inc. (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively) file October 2, 2018).](http://www.sec.gov/Archives/edgar/data/813762/000119312518290879/d629636dex101.htm) | | |
| 10.14 | |  |  | | | [Employment Agreement with Keith Cozza, dated December 20, 2019 (incorporated by reference to Exhibit 10.1 to Icahn Enterprises' and Icahn Enterprises Holdings' joint Form 8-K (SEC File Nos. 1-9516 and 333-118021-01, respectively), filed on December 23, 2019).](http://www.sec.gov/Archives/edgar/data/813762/000110465919075671/tm1927295d1_ex10-1.htm) | | |
| 14.1 | |  |  | | | [Code of Business Conduct and Ethics (incorporated by reference to Exhibit 14.1 to Icahn Enterprises' Form 10-Q for the quarter ended September 30, 2012 (SEC File No. 1-9516), filed on November 7, 2012).](http://www.sec.gov/Archives/edgar/data/813762/000081376212000064/iep-ex141_93012xcodeofethi.htm) | | |
| 21.1 | |  |  | | | [Subsidiaries of the Registrants.](ex211123119.htm) | | |
| 23.1 | |  |  | | | [Consent of Grant Thornton LLP.](ex231123119.htm) | | |
| 23.2 | |  |  | | | [Consent of Grant Thornton LLP.](ex232123119.htm) | | |
| 23.3 | |  |  | | | [Consent of PricewaterhouseCoopers LLP.](ex233123119.htm) | | |
| 23.4 | |  |  | | | [Consent of PricewaterhouseCoopers LLP.](ex234123119.htm) | | |
| 23.5 | |  |  | | | [Consent of PricewaterhouseCoopers LLP.](ex235123119.htm) | | |
| 23.6 | |  |  | | | [Consent of PricewaterhouseCoopers LLP.](ex236123119.htm) | | |
| 23.7 | |  |  | | | [Consent of PricewaterhouseCoopers LLP.](ex237123119.htm) | | |
| 23.8 | |  |  | | | [Consent of PricewaterhouseCoopers LLP.](ex238123119.htm) | | |
| 23.9 | |  |  | | | [Consent of Ernst & Young LLP.](ex239123119.htm) | | |
| 31.1 | |  |  | | | [Certification of Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 and Rule 13a-14(a) of the Securities Exchange Act of 1934.](ex311123119.htm) | | |
| 31.2 | |  |  | | | [Certification of Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 and Rule 13a-14(a) of the Securities Exchange Act of 1934.](ex312123119.htm) | | |
| 32.1 | |  |  | | | [Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and Rule 13a-14(b) of the Securities Exchange Act of 1934.](ex321123119.htm) | | |

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| 99.1 | |  |  | | | [The consolidated financial statements and notes thereto and management’s report on internal control over financial reporting of Herbalife Nutrition Ltd. (incorporated by reference to Part II, Items 8 and 9A to Herbalife Nutrition Ltd.’s Form 10-K for the year ended December 31, 2019 (SEC File No. 1-32381), filed on February 18, 2020).](http://www.sec.gov/ix?doc=/Archives/edgar/data/1180262/000156459020005039/hlf-10k_20191231.htm) | | |
| 99.2 | |  |  | | | [The consolidated financial statements and notes thereto, the financial statement schedules and management’s report on internal control over financial reporting of Hertz Global Holdings, Inc. and The Hertz Corporation (incorporated by reference to Part II, Items 8 and 9A and Part IV, Item 15 to Hertz Global Holdings, Inc.’s and The Hertz Corporation’s joint Form 10-K for the year ended December 31, 2019 (SEC File Nos. 1-37665 and 1-07541, respectively), filed on February 25, 2020).](http://www.sec.gov/ix?doc=/Archives/edgar/data/47129/000165785320000007/hghthc201910-k.htm) | | |
| 101.SCH | |  |  | | | Inline XBRL Taxonomy Extension Schema Document. | | |
| 101.CAL | |  |  | | | Inline XBRL Taxonomy Extension Calculation Linkbase Document. | | |
| 101.LAB | |  |  | | | Inline XBRL Taxonomy Extension Label Linkbase Document. | | |
| 101.PRE | |  |  | | | Inline XBRL Taxonomy Extension Presentation Linkbase Document. | | |
| 101.DEF | |  |  | | | Inline XBRL Taxonomy Extension Definition Linkbase Document. | | |
| 104 | |  |  | | | Cover Page Interactive Data File (formatted in Inline XBRL in Exhibit 101). | | |

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