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

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2016

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

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

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

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

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

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

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

ICAHN ENTERPRISES L.P.
ICAHN ENTERPRISES HOLDINGS L.P.

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EXPLANATORY NOTE

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

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

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

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

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

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

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

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In millions, Unaudited)

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

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Six Months Ended June 30,	
	2016	2015
	(Unaudited)	
Cash flows from operating activities:		
Net (loss) income	$ (1,894)	$ 963
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Net loss (gain) from securities transactions	627	(1,020)
Purchases of securities	(1,211)	(542)
Proceeds from sales of securities	5,880	1,515
Purchases to cover securities sold, not yet purchased	(42)	(186)
Proceeds from securities sold, not yet purchased	475	895
Changes in receivables and payables relating to securities transactions	(5,046)	(1,463)
Depreciation and amortization	489	419
Impairment	577	4
Equity earnings from non-consolidated affiliates	(36)	(32)
Deferred taxes	4	75
Other, net	63	(14)
Changes in cash held at consolidated affiliated partnerships and restricted cash	589	(322)
Changes in other operating assets and liabilities	517	(139)
Net cash provided by operating activities	992	153
Cash flows from investing activities:		
Capital expenditures	(421)	(729)
Acquisition of businesses, net of cash acquired	(1,042)	(786)
Purchases of investments	(75)	(107)
Proceeds from sale of investments	46	68
Other, net	10	61
Net cash used in investing activities	(1,482)	(1,493)
Cash flows from financing activities:		
Capital contributions by non-controlling interests	490	245
Partnership distributions	(54)	(58)
Proceeds from offering of subsidiary equity	—	31
Dividends and distributions to non-controlling interests in subsidiaries	(51)	(115)
Proceeds from other borrowings	1,368	1,122
Repayments of other borrowings	(1,399)	(643)
Other, net	(16)	(15)
Net cash provided by financing activities	338	567
Effect of exchange rate changes on cash and cash equivalents	(18)	15
Net change in cash of assets held for sale	12	—
Net decrease in cash and cash equivalents	(158)	(758)
Cash and cash equivalents, beginning of period	2,078	2,912
Cash and cash equivalents, end of period	$ 1,920	$ 2,154

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions)

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

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

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In millions, Unaudited)

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

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

See notes to condensed consolidated financial statements.

ICAHN ENTERPRISES HOLDINGS L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Six Months Ended June 30,	
	2016	**2015**
	(Unaudited)	
Cash flows from operating activities:		
Net (loss) income	$ (1,893)	$ 964
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Net loss (gain) from securities transactions	627	(1,020)
Purchases of securities	(1,211)	(542)
Proceeds from sales of securities	5,880	1,515
Purchases to cover securities sold, not yet purchased	(42)	(186)
Proceeds from securities sold, not yet purchased	475	895
Changes in receivables and payables relating to securities transactions	(5,046)	(1,463)
Depreciation and amortization	488	418
Impairment	577	4
Equity earnings from non-consolidated affiliates	(36)	(32)
Deferred taxes	4	75
Other, net	63	(14)
Changes in cash held at consolidated affiliated partnerships and restricted cash	589	(322)
Changes in other operating assets and liabilities	517	(139)
Net cash provided by operating activities	992	153
Cash flows from investing activities:		
Capital expenditures	(421)	(729)
Acquisition of businesses, net of cash acquired	(1,042)	(786)
Purchases of investments	(75)	(107)
Proceeds from sale of investments	46	68
Other, net	10	61
Net cash used in investing activities	(1,482)	(1,493)
Cash flows from financing activities:		
Capital contribution by non-controlling interests	490	245
Partnership distributions	(54)	(58)
Proceeds from offering of subsidiary equity	—	31
Distributions to non-controlling interests in subsidiaries	(51)	(115)
Proceeds from other borrowings	1,368	1,122
Repayments of other borrowings	(1,399)	(643)
Other, net	(16)	(15)
Net cash provided by financing activities	338	567
Effect of exchange rate changes on cash and cash equivalents	(18)	15
Net change in cash of assets held for sale	12	—
Net decrease in cash and cash equivalents	(158)	(758)
Cash and cash equivalents, beginning of period	2,078	2,912
Cash and cash equivalents, end of period	$ 1,920	$ 2,154

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

See notes to condensed consolidated financial statements.

1. Description of Business and Basis of Presentation.

General

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

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

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

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

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

Reclassifications

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

Principles of Consolidation

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

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

Variable Interest Entities

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

Investment

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

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

Energy

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

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

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

Icahn Enterprises Holdings

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

Fair Value of Financial Instruments

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

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

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

Restricted Cash

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

Inventories

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

Adoption of New Accounting Standards

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

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

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

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

Recently Issued Accounting Standards

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

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

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall*, which amends FASB ASC Topic 825, *Financial Instruments*. This ASU requires that equity investments (except those accounted for under the equity method of accounting or those that result in the consolidation of the investee) to be measured at fair value with changes recognized in earnings. However, an entity may choose to measure equity investments that do not have readily determinable fair values at

cost minus impairment. In addition, there were other amendments to certain disclosure and presentation matters pertaining to financial instruments, including the requirement of an entity to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendments in this ASU should be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values should be applied prospectively to equity investments that exist as of the date of adoption. Early application is permitted for certain matters only. We are currently evaluating the impact of this guidance on our consolidated financial position, results of operations, comprehensive income, cash flows and disclosures.

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

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

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

Filing Status of Subsidiaries

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

2. Operating Units.

Investment

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

We had interests in the Investment Funds with a fair value of approximately $1.7 billion and $3.4 billion as of June 30, 2016 and December 31, 2015, respectively.

Automotive

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

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

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

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

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

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

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

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

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

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

Pep Boys Acquisition

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

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

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

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

Other Acquisition

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

Accounts Receivable, net

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

Expenses associated with transfers of receivables were $4 million and $2 million for the three months ended June 30, 2016 and 2015, respectively, and $7 million and $4 million for the six months ended June 30, 2016 and 2015, respectively. Such expenses were recorded in the condensed consolidated statements of operations within other income (loss), net. Where Federal-Mogul receives a fee to service and monitor these transferred receivables, such fees are sufficient to offset the costs and as such, a servicing asset or liability is not incurred as a result of such activities.

Certain of the facilities contain terms that require Federal-Mogul to share in the credit risk of the sold receivables. The maximum exposure to Federal-Mogul associated with certain of these facilities' terms were $4 million and $11 million as of June 30, 2016 and December 31, 2015, respectively.

Restructuring

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

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

Energy

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

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

CVR Nitrogen, LP Acquisition

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

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

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

Petroleum Business

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

In addition to the refineries, CVR's petroleum business owns and operates the following: (i) a crude oil gathering system with a gathering capacity of over 65,000 barrels per day ("bpd") serving Kansas, Oklahoma, Missouri, Nebraska, Colorado and Texas; (ii) a 170,000 bpd pipeline system (supported by approximately 340 miles of active owned and leased pipeline) that transports crude oil to its Coffeyville refinery from its Broome Station facility near Caney, Kansas; (iii) approximately 6.4 million barrels of company owned and leased crude oil storage capacity; (iv) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville, Kansas and Wynnewood, Oklahoma and at throughput terminals on Magellan and NuStar Energy, LP's ("NuStar") refined products distribution systems; and (v) over 4.5 million barrels of combined refinery related storage capacity.

Nitrogen Fertilizer Business

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

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

Metals

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

Railcar

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

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

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

Transactions between ARI and ARL have been eliminated in consolidation.

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

Gaming

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

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

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

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

Trump Acquisition

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

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

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

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

Mining

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

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

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

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

Food Packaging

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

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

Real Estate

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

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

Home Fashion

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

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

3. Related Party Transactions.

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

Investment

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

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

Railcar

ARL Acquisition

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

Agreements with ACF Industries LLC

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

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

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

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

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

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

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

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

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

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

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

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

Insight Portfolio Group LLC

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

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

4. Investments and Related Matters.

Investment

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

	June 30, 2016	December 31, 2015
Assets	(in millions)	
Investments:		
Equity securities:		
Basic materials	$ 927	$ 563
Communications	187	407
Consumer, non-cyclical	3,010	3,684
Consumer, cyclical	152	115
Diversified	17	17
Energy	1,447	1,461
Financial	1,931	2,094
Industrial	256	188
Technology	1,022	5,795
	8,949	14,324
Corporate debt:		
Consumer, non-cyclical	98	—
Consumer, cyclical	152	55
Financial	4	4
Sovereign debt	—	13
Utilities	14	—
	268	72
Mortgage-backed securities:		
Financial	—	157
	$ 9,217	$ 14,553
Liabilities		
Securities sold, not yet purchased, at fair value:		
Equity securities:		
Consumer, non-cyclical	$ 4	$ 794
Consumer, cyclical	848	—
Energy	136	—
Financial	158	—
Industrial	105	—
	1,251	794
Debt securities:		
Consumer, cyclical	55	—
	$ 1,306	$ 794

The portion of trading (loss) gains that relates to trading securities still held by our Investment segment was $(74) million and $203 million for the three months ended June 30, 2016 and 2015, respectively, and $(189) million and $598 million for the six months ended June 30, 2016 and 2015, respectively.

Other Segments

The carrying value of investments held by our other segments and our Holding Company consist of the following:

	June 30, 2016	December 31, 2015
	(in millions)	
Equity method investments	$ 293	$ 323
Other investments	365	475
	$ 658	$ 798

5. Fair Value Measurements.

U.S. GAAP requires enhanced disclosures about investments and non-recurring non-financial assets and non-financial 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 as of the reporting date. The types of investments included in Level 1 include listed equities and listed derivatives. We do not adjust the quoted price for these investments, even in situations where we hold a large position.

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. Investments that are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. 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, an investment's 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.

The following table summarizes the valuation of our investments, derivative contracts, securities sold not yet purchased and other liabilities by the above fair value hierarchy levels measured on a recurring and non-recurring basis as of June 30, 2016 and December 31, 2015:

	June 30, 2016				December 31, 2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets	(in millions)							
Investments (Note 4)	$ 8,956	$ 382	$ 244	$ 9,582	$ 14,447	$ 289	$ 292	$ 15,028
Derivative contracts, at fair value[1]	—	19	—	19	—	259	—	259
	$ 8,956	$ 401	$ 244	$ 9,601	$ 14,447	$ 548	$ 292	$ 15,287
Liabilities								
Securities sold, not yet purchased (Note 4)	$ 1,251	$ 55	$ —	$ 1,306	$ 794	$ —	$ —	$ 794
Other liabilities	—	21	—	21	—	3	—	3
Derivative contracts, at fair value[2]	—	448	—	448	—	36	—	36
	$ 1,251	$ 524	$ —	$ 1,775	$ 794	$ 39	$ —	$ 833

[1] Amounts are classified within other assets in our condensed consolidated balance sheets.
[2] Amounts are classified within accrued expenses and other liabilities in our condensed consolidated balance sheets.

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:

	Six Months Ended June 30,	
	2016	2015
	(in millions)	
Balance at January 1	$ 283	$ 229
Net realized and unrealized gains (losses)[1]	10	(43)
Purchases	50	100
Net transfers out	(120)	(34)
Balance at June 30	$ 223	$ 252

[1] Includes unrealized gains of zero for the six months ended June 30, 2016 and unrealized losses of $26 million for the six months ended June 30, 2015 relating to investments still held at June 30 of each respective period and which are included in net (loss) gain from investment activities in the condensed consolidated statements of operations.

During the first quarter of 2016, we transferred out a Level 3 corporate debt investment in the amount of $126 million. See Note 2, "Operating Units - Gaming," for further discussion regarding this transaction.

During 2015, the Holding Company made a certain investment classified as trading securities in the amount of $100 million, which is considered a Level 3 investment due to unobservable market data and is measured at fair value on a recurring basis. We purchased an additional $50 million of this investment during the six months ended June 30, 2016. We determined the fair value of this investment using internally developed models and other valuation techniques. As of June 30, 2016 and December 31, 2015, the fair value of this investment was $207 million and $157 million, respectively.

During 2015, the Holding Company obtained control of, and consolidated, Ferrous Resources, which was previously considered a Level 3 investment due to unobservable market data. The fair value of our investment in Ferrous Resources immediately prior to obtaining control was $36 million, which was transferred out of Level 3 investments during the second quarter of 2015.

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

We have certain investments in debt securities classified as held-to-maturity within our Gaming segment since we have the ability and intent to hold the bonds to maturity. The debt securities are classified as Level 3 investments measured at fair value on a non-recurring basis and therefore are excluded from the roll forward of Level 3 investments measured on a recurring basis above. As of June 30, 2016 and December 31, 2015, the fair value of these debt securities was $21 million and $9 million, respectively, with the increase resulting from our acquisition of Trump during the first quarter of 2016.

During the six months ended June 30, 2016, our Energy segment recorded a goodwill impairment charge of $574 million, which represented the full amount of the remaining goodwill allocated to this segment. Refer to Note 8, "Goodwill and Intangible Assets, Net," for further discussion. Additionally, during the six months ended June 30, 2016, our Automotive segment recorded $3 million of impairment relating to property, plant and equipment in connection with its restructuring activities.

6. Financial Instruments.

Certain derivative contracts with a single counterparty executed by the Investment Funds, by our Automotive segment with a single counterparty or by our Energy segment with a single counterparty, or by our Holding Company 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 financial instruments, principally swaps, forwards, over-the-counter options and other conditional and exchange contracts, are reported on a net-by-counterparty basis. As a result, the net exposure to counterparties is reported in either other assets or accrued expenses and other liabilities in our condensed consolidated balance sheets.

Investment Segment and Holding Company

The Investment Funds currently maintain cash deposits and cash equivalents with financial institutions. Certain account balances may not be covered by the Federal Deposit Insurance Corporation, while other accounts may exceed federally insured limits. The Investment Funds have prime broker arrangements in place with multiple prime brokers as well as a custodian bank. The Investment Funds also have relationships with several financial institutions with which they trade derivative and other financial instruments.

In the normal course of business, the Investment Funds and the Holding Company 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' and the Holding Company's 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.

Securities sold, not yet purchased, at fair value represent obligations to deliver the specified security, thereby creating a liability to repurchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance-sheet risk, as the satisfaction of the obligations may exceed the amount recognized in our condensed consolidated balance sheets. Our investments in securities and amounts due from brokers are partially restricted until we satisfy the obligation to deliver the securities sold, not yet purchased.

The Investment Funds and the Holding Company may enter into derivative contracts, including swap contracts, futures contracts and option contracts. The Investment Funds may also enter into foreign currency derivative contracts with the objective of capital appreciation or to economically hedge against foreign currency exchange rate risks on all or a portion of their non-U.S. dollar denominated investments.

The Investment Funds and the Holding Company 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 and the Holding Company 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 and the Holding Company 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 and the Holding Company. When the contract is closed, the Investment Funds and the Holding Company 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 and the Holding Company 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' and the Holding Company's 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 condensed 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 condensed consolidated balance sheets. At June 30, 2016, there were no put options written by the Investment Funds as these contracts expired during the second quarter of 2016. At December 31, 2015, the maximum payout amounts relating to certain put options written by the Investment Funds were approximately $5.9 billion, of which approximately $5.9 billion related to covered put options on existing short positions on certain stock and credit indices. As of December 31, 2015, there were unrealized gains of $67 million with respect to these put options.

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 June 30, 2016 and December 31, 2015 was $448 million and $33 million, respectively.

At June 30, 2016 and December 31, 2015, the Investment Funds had approximately $423 million and $883 million, respectively, posted as collateral for derivative positions, including those derivative instruments with credit-risk-related contingent features; these amounts are included in cash held at consolidated affiliated partnerships and restricted cash in our condensed consolidated balance sheets.

U.S. GAAP requires the disclosure of information about obligations under certain guarantee arrangements. Such guarantee arrangements requiring disclosure include contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of the indebtedness of others.

Each Investment Fund's 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 brokers, brokers 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, 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.

Credit concentrations may arise from investment activities and may be impacted by changes in economic, industry or political factors. The Investment Funds and the Holding Company routinely execute transactions with counterparties in the financial services industry, resulting in credit concentration with respect to this industry. In the ordinary course of business, the Investment Funds and the Holding Company may also be subject to a concentration of credit risk to a particular counterparty.

The Investment Funds and the Holding Company seek to mitigate these risks by actively monitoring exposures, collateral requirements and the creditworthiness of our counterparties.

Automotive

Commodity Price Risk

Federal-Mogul's production processes are dependent upon the supply of certain raw materials that are exposed to price fluctuations on the open market. The primary purpose of Federal-Mogul's commodity price forward contract activity is to manage the volatility associated with forecasted purchases. Federal-Mogul monitors its commodity price risk exposures regularly to maximize the overall effectiveness of its commodity forward contracts. Principal raw materials hedged include copper, nickel, tin, zinc, high-grade aluminum and aluminum alloy. Forward contracts are used to mitigate commodity price risk associated with raw materials, generally related to purchases forecast for up to 15 months in the future.

Federal-Mogul had commodity price hedge contracts outstanding with combined notional values of $21 million and $28 million at June 30, 2016 and December 31, 2015, respectively, substantially all of which mature within one year in each of the respective periods and all of which were designated as hedging instruments for accounting purposes. Federal-Mogul had a net liability balance of zero and $3 million as of June 30, 2016 and December 31, 2015, respectively, with respect to these hedging positions. Unrealized net losses of zero and $2 million were recorded in accumulated other comprehensive loss as of June 30, 2016 and December 31, 2015, respectively.

Foreign Currency Risk

Federal-Mogul manufactures and sells its products in North America, South America, Asia, Europe and Africa. As a result, Federal-Mogul's financial results could be significantly affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which it manufactures and sells its products. Federal-Mogul's operating results are primarily exposed to changes in exchange rates between the U.S. dollar and various global currencies.

Federal-Mogul generally tries to use natural hedges within its foreign currency activities, including the matching of revenues and costs, to minimize foreign currency risk. Where natural hedges are not in place, Federal-Mogul considers managing certain aspects of its foreign currency activities and larger transactions through the use of foreign currency options or forward contracts. Principal currencies hedged have historically included the euro, British pound and Polish zloty. Foreign currency forwards are also used in conjunction with Federal-Mogul's commodity hedging program. As part of its hedging program, Federal-Mogul attempts to limit hedge ineffectiveness by matching terms of the commodity purchases with the hedging instrument. Federal-Mogul does not hold any foreign currency price hedge contracts as of June 30, 2016 or December 31, 2015.

Concentrations of Credit Risk

Financial instruments including cash equivalents, derivative contracts, and accounts receivable, expose Federal-Mogul to counter-party credit risk for non-performance. Federal-Mogul’s counterparties for cash equivalents and derivative contracts are banks and financial institutions that meet its requirement of high credit standing. Federal-Mogul's counterparties for derivative contracts are substantial investment and commercial banks with significant experience using such derivatives. Federal-Mogul manages its credit risk through policies requiring minimum credit standing and limiting credit exposure to any one counter-party and through monitoring counter-party credit risks. Federal-Mogul's concentration of credit risk related to derivative contracts at June 30, 2016 and December 31, 2015 was not material.

Energy

CVR is 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 from time to time enters into various commodity derivative transactions.

CVR has adopted accounting standards that impose extensive record-keeping requirements in order to designate a derivative financial instrument as a hedge. CVR 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 for GAAP purposes. Gains or losses related to the change in fair value and periodic settlements of these derivative instruments are included in other income (loss), net in the condensed consolidated statements of operations.

Commodity Swaps

CVR Refining enters into commodity swap contracts in order to fix the margin on a portion of future production. The physical volumes are not exchanged and these contracts are net settled with cash. The contract fair value of the commodity swaps is reflected on the condensed consolidated balance sheets with changes in fair value currently recognized in the condensed consolidated statement of operations. Quoted prices for similar assets or liabilities in active markets (Level 2) are considered to determine the fair values for the purpose of marking to market the hedging instruments at each period end. At December 31, 2015, CVR Refining had open commodity hedging instruments consisting of 2.5 million barrels of crack spreads primarily to fix the margin on a portion of its future gasoline and distillate production. During the first quarter of 2016, CVR Refining settled a number of the open crack spread positions and entered into offsetting positions to effectively lock in the gain on the remaining positions to be settled in 2016. At June 30, 2016, CVR Refining had open commodity hedging instruments consisting of 0.4 million barrels net of crack spreads and 0.6 million barrels of price and basis swaps. The fair value of the outstanding contracts at June 30, 2016 and December 31, 2015 was a net asset of $13 million and $45 million, respectively. CVR Refining recognized a net loss of $2 million and $12 million for the three months ended June 30, 2016 and 2015, respectively, and net loss of $3 million and $63 million for the six months ended June 30, 2016 and 2015, respectively, which are included in other income (loss), net in the condensed consolidated statements of operations.

Interest Rate Swaps

Coffeyville Resources Nitrogen Fertilizers, LLC ("CRNF"), a subsidiary of CVR Partners, had two floating-to-fixed interest rate swap agreements for the purpose of hedging the interest rate risk associated with a portion of its $125 million floating rate term debt, which matured in April 2016. The aggregate notional amount covered under these agreements totaled $63 million (split evenly between the two agreements) which commenced on August 12, 2011 and expired on February 12, 2016. The interest rate swaps agreements terminated in February 2016. The realized losses on the interest rate swaps reclassified from accumulated other comprehensive loss into interest expense was less than $1 million for each of the three and six months ended June 30, 2016 and 2015.

Consolidated Derivative Information

The volume of our derivative activities based on their notional exposure, categorized by primary underlying risk, is as follows:

	June 30, 2016		December 31, 2015	
	Long Notional Exposure	Short Notional Exposure	Long Notional Exposure	Short Notional Exposure
Primary underlying risk:	(in millions)			
Credit swaps[1]	$ 195	$ 565	$ 187	$ 2,306
Equity swaps	210	15,359	1,343	14,167
Foreign currency forwards	—	861	—	842
Interest rate swap contracts[2]	—	—	—	137
Commodity contracts	32	654	43	643

(1) The short notional amount on our credit default swap positions is approximately $2.6 billion and $10.0 billion as of June 30, 2016 and December 31, 2015, respectively. However, because credit spreads cannot compress below zero, our downside short notional exposure to loss is approximately $0.6 billion and $2.3 billion as of June 30, 2016 and December 31, 2015, respectively.
(2) The short notional amount on certain of our interest rate contracts with a six month duration is approximately $16.0 billion as of December 31, 2015. We assume that interest rates will not fall below zero and therefore our downside short notional exposure to loss on these contracts is $74 million (of the total $137 million disclosed in the above table) as of December 31, 2015.

The following table presents the consolidated fair values of our derivatives that are not designated as hedging instruments:

	Asset Derivatives[1]		Liability Derivatives[2]	
Derivatives Not Designated as Hedging Instruments	**June 30, 2016**	**December 31, 2015**	**June 30, 2016**	**December 31, 2015**
	(in millions)			
Equity contracts	$ —	$ 339	$ 406	$ 122
Foreign exchange contracts	—	—	2	19
Credit contracts	6	45	31	53
Interest rate swap contracts	—	—	—	—
Commodity contracts	15	46	11	10
Sub-total	21	430	450	204
Netting across contract types[3]	(2)	(171)	(2)	(171)
Total[3]	$ 19	$ 259	$ 448	$ 33

[1] Net asset derivatives are located within other assets in our condensed consolidated balance sheets.
[2] Net liability derivatives are located within accrued expenses and other liabilities in our condensed consolidated balance sheets.
[3] Excludes netting of cash collateral received and posted. The total collateral posted at June 30, 2016 and December 31, 2015 was $423 million and $883 million, respectively, across all counterparties.

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

	(Loss) Gain Recognized in Income[1]			
	Three Months Ended June 30,		Six Months Ended June 30,	
Derivatives Not Designated as Hedging Instruments	**2016**	**2015**	**2016**	**2015**
	(in millions)			
Equity contracts	$ (250)	$ 14	$ (658)	$ (151)
Foreign exchange contracts	24	(38)	(14)	136
Credit contracts	6	178	131	149
Interest rate contracts	—	—	(12)	—
Commodity contracts	(19)	(70)	(68)	(51)
	$ (239)	$ 84	$ (621)	$ 83

[1] Gains (losses) recognized on derivatives are classified in net gain (loss) from investment activities in our condensed consolidated statements of operations for our Investment segment and are included in other income (loss), net for all other segments.

7. Inventories, Net.

Inventories, net consists of the following:

	June 30, 2016	December 31, 2015
	(in millions)	
Raw materials	$ 487	$ 457
Work in process	293	292
Finished goods	2,081	1,510
	$ 2,861	$ 2,259

8. Goodwill and Intangible Assets, Net.

Goodwill consists of the following:

	June 30, 2016			December 31, 2015		
	Gross Carrying Amount	Accumulated Impairment	Net Carrying Value	Gross Carrying Amount	Accumulated Impairment	Net Carrying Value
	(in millions)					
Automotive	$ 1,716	$ (538)	$ 1,178	$ 1,458	$ (538)	$ 920
Energy	930	(930)	—	930	(356)	574
Railcar	7	—	7	7	—	7
Food Packaging	3	—	3	3	—	3
	$ 2,656	$ (1,468)	$ 1,188	$ 2,398	$ (894)	$ 1,504

Intangible assets, net consists of the following:

	June 30, 2016			December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
	(in millions)					
Definite-lived intangible assets:						
Customer relationships	$ 1,058	$ (442)	$ 616	$ 1,041	$ (408)	$ 633
Developed technology	142	(97)	45	144	(90)	54
In-place leases	121	(78)	43	121	(73)	48
Gasification technology license	60	(10)	50	60	(9)	51
Other	47	(20)	27	44	(20)	24
	$ 1,428	$ (647)	$ 781	$ 1,410	$ (600)	$ 810
Indefinite-lived intangible assets:						
Trademarks and brand names			$ 319			$ 260
Gaming licenses			38			38
			357			298
Intangible assets, net			$ 1,138			$ 1,108

Amortization expense associated with definite-lived intangible assets was $24 million and $23 million for the three months ended June 30, 2016 and 2015, respectively, and $47 million and $45 million for the six months ended June 30, 2016 and 2015, respectively. We utilize the straight-line method of amortization, recognized over the estimated useful lives of the assets.

For our segments discussed below, the fair values of our reporting units are based upon consideration of various valuation methodologies, one of which is projecting future cash flows discounted at rates commensurate with the risks involved ("Discounted Cash Flow" or "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

As further discussed in Note 2, "Operating Units - Automotive," during the first quarter of 2016, we acquired Pep Boys and allocated $48 million to trademarks and brand names, $15 million to customer relationships, $3 million to other definite-lived intangible assets and $246 million to goodwill as of the acquisition date. We are in the process of valuing the Pep Boys acquisition and have recorded provisional amounts based on preliminary estimates of fair value of net assets acquired, including goodwill. The provisional measurements of net assets are subject to change as we finalize the purchase price allocation. The Pep Boys acquisition is not material to our condensed consolidated financial statements.

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. Based on "Step 2" of the goodwill impairment analysis of our Automotive segment's Motorparts reporting unit, we recorded a goodwill impairment charge of $312 million for the year ended December 31, 2015. Due to the complexity in the "Step 2" goodwill impairment analysis, we are currently expecting to finalize our Automotive segment's goodwill impairment for the Motorparts reporting unit during the third quarter of 2016 and any resulting difference in the amount of the impairment will be adjusted at that time.

Energy

Due to worsening sales trends for our Energy segment's Petroleum reporting unit, we performed an interim goodwill impairment analysis during the first quarter of 2016. Based on this analysis, our Energy segment recognized a goodwill impairment charge of $574 million, which represented the full amount of the remaining goodwill allocated to the Petroleum reporting unit. Due to the complexity in the "Step 2" goodwill impairment test performed during the first quarter of 2016, we expect to finalize the assessment of our Energy segment's goodwill impairment during the third quarter of 2016 and any resulting difference in the amount of the impairment will be adjusted at that time.

We perform the annual goodwill impairment test for our Energy segment as of April 30 of each year, or more frequently if impairment indicators exist. Due to worsening sales trends for our Energy segment's Fertilizer reporting unit, we performed an interim goodwill impairment analysis during the fourth quarter of 2015. Based on "Step 2" of the goodwill impairment analysis of our Energy segment's Fertilizer reporting unit, we recorded a goodwill impairment charge of $253 million for the year ended December 31, 2015, which represented the full amount of the remaining goodwill allocated to the Fertilizer reporting unit. Due to the complexity in the "Step 2" goodwill impairment test performed during the fourth quarter of 2015, we finalized the assessment of our Energy segment's goodwill impairment for the Fertilizer reporting unit during the first quarter of 2016 and noted that no additional adjustments to goodwill were required for the first quarter of 2016.

Railcar

We perform the annual goodwill impairment test as of November 1 of each year for our Railcar segment. For purposes of goodwill impairment testing, our Railcar segment's manufacturing reporting unit is the only reporting unit with allocated goodwill. We assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is greater than its carrying amount. If, however, we had determined that it was more likely than not that the fair value of the reporting unit was less than its carrying amount, then we would perform the first step of the two-step goodwill impairment test. In evaluating whether it is more likely than not that the fair value of the reporting unit is greater than its carrying amount, we considered various qualitative and quantitative factors, including macroeconomic conditions, railcar industry trends and the fact that our railcar manufacturing reporting unit has historical positive operating cash flows that we anticipate will continue. After assessing these factors, we determined that it was more likely than not the fair value of our railcar manufacturing reporting unit was greater than its carrying amount, and therefore no further testing was necessary.

Gaming

As further discussed in Note 2, "Operating Units - Gaming," during the first quarter of 2016, we acquired Trump and allocated $13 million to trademarks and brand names and $1 million to customer relationships as of the acquisition date. We are in the process of valuing the Trump acquisition and have recorded provisional amounts based on preliminary estimates of fair value of net assets acquired. The provisional measurements of net assets are subject to change as we finalize the purchase price allocation. The Trump acquisition is not material to our condensed consolidated financial statements.

9. Property, Plant and Equipment, Net.

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

	Useful Life	June 30, 2016	December 31, 2015
	(in years)	(in millions)	
Land		$ 855	$ 549
Buildings and improvements	4 - 40	3,033	2,456
Machinery, equipment and furniture	1 - 30	7,414	6,047
Assets leased to others	15 - 39	4,038	3,994
Construction in progress		591	598
		15,931	13,644
Less: Accumulated depreciation and amortization		(4,489)	(4,109)
Property, plant and equipment, net		$ 11,442	$ 9,535

Assets leased to others are related to our Railcar and Real Estate segments. Included in assets leased to others in the table above are our Railcar segment's railcars for lease in the amount of approximately $3.6 billion and $3.6 billion as of June 30, 2016 and December 31, 2015, respectively. Additionally, included in assets leased to others in the table above are our Real Estate segment's properties on lease in the amount of $421 million and $423 million as of June 30, 2016 and December 31, 2015, respectively. Aggregate accumulated depreciation pertaining to assets leased to others is approximately $1.1 billion and $1.1 billion as of June 30, 2016 and December 31, 2015, respectively.

Depreciation and amortization expense related to property, plant and equipment was $232 million and $185 million for the three months ended June 30, 2016 and 2015, respectively, and $438 million and $366 million for the six months ended June 30, 2016 and 2015, respectively.

10. Debt.

Debt consists of the following:

	June 30, 2016	December 31, 2015
	(in millions)	
5.875% senior unsecured notes due 2022 - Icahn Enterprises/Icahn Enterprises Holdings	$ 1,339	$ 1,338
6.00% senior unsecured notes due 2020 - Icahn Enterprises/Icahn Enterprises Holdings	1,705	1,706
4.875% senior unsecured notes due 2019 - Icahn Enterprises/Icahn Enterprises Holdings	1,271	1,270
3.50% senior unsecured notes due 2017 - Icahn Enterprises/Icahn Enterprises Holdings	1,173	1,172
Debt facilities - Automotive	3,239	3,121
Debt facilities - Energy	1,120	619
Debt and credit facilities - Railcar	2,426	2,671
Credit facilities - Gaming	288	289
Credit facilities - Food Packaging	266	267
Other	142	141
	$ 12,969	$ 12,594

Except for those described below, there were no other significant changes to our consolidated debt during the six months ended June 30, 2016 as compared to that reported in our Annual Report on Form 10-K for the year ended December 31, 2015. Additionally, where applicable, we or our subsidiaries were in compliance with all covenants for their respective debt instruments as of June 30, 2016 and December 31, 2015.

Senior Unsecured Notes - Icahn Enterprises and Icahn Enterprises Holdings

Senior Unsecured Notes Covenants

As of June 30, 2016 and December 31, 2015, we were in compliance with all covenants, including maintaining certain minimum financial ratios, as defined in the indentures. Additionally, as of June 30, 2016, based on covenants in the indentures governing our senior unsecured notes, we are not permitted to incur additional indebtedness.

Debt Facilities - Automotive

Federal-Mogul

During the first quarter of 2016, Federal-Mogul increased its borrowing capacity under a certain revolving credit facility (the "Federal-Mogul Replacement Revolver Facility") by $50 million to $600 million. As of June 30, 2016 and December 31, 2015, the outstanding balance on the Federal-Mogul Replacement Revolver Facility was $390 million and $340 million, respectively. As of June 30, 2016 and December 31, 2015, the borrowing availability under the Federal-Mogul Replacement Revolver Facility was $171 million and $170 million, respectively. Federal-Mogul had $39 million and $40 million of letters of credit outstanding as of June 30, 2016 and December 31, 2015, respectively, pertaining to the Federal-Mogul Replacement Revolver Facility. To the extent letters of credit associated with the Federal-Mogul Replacement Revolver Facility are issued, there will be a corresponding decrease in borrowings available under this facility.

IEH Auto and Pep Boys

On November 25, 2015, IEH Auto entered into a senior secured asset based revolving credit facility (the "IEH Auto Credit Facility") with Bank of America as agent, sole lead arranger, and sole bookrunner for $125 million. On January 25, 2016, the IEH Auto Credit Facility was amended and restated to include Citizens Bank as the documentation agent and to increase the revolver commitments to $210 million.

As of June 30, 2016 and December 31, 2015, the IEH Auto Credit Facility had an outstanding balance of $95 million and $75 million, respectively, and $3 million and $3 million, respectively, in letters of credit. As of June 30, 2016, the availability on the IEH Auto Credit Facility was $48 million.

Pep Boys has a revolving credit agreement with Bank of America, N.A., as Administrative Agent, and other parties thereto providing for borrowings of up to $300 million, with an original maturity date of July 26, 2016. The maturity date of this revolving credit agreement was extended to October 24, 2016. The interest rate on this facility is LIBOR plus a margin of 2.00% to 2.50% for LIBOR rate borrowings or Prime plus 1.00% to 1.50% for Prime rate borrowings. The margin is based upon the then current availability under the facility. As of June 30, 2016, Pep Boys had $60 million outstanding under the facility and $43 million of availability was utilized to support outstanding letters of credit. Taking into account the borrowing base requirements (including reduction for amounts outstanding under the trade payable program), as of June 30, 2016, there was $77 million of availability remaining under the facility.

Debt and Credit Facilities - Energy

Amended and Restated Asset Backed (ABL) Credit Facility

As of June 30, 2016, CVR Refining and its subsidiaries had availability under its existing amended and restated asset backed credit facility (the "CVR Refining Credit Facility") of $255 million and had letters of credit outstanding of $28 million. There were no borrowings outstanding under the CVR Refining Credit Facility as of June 30, 2016. Availability under the CVR Refining Credit Facility was limited by borrowing base conditions as of June 30, 2016.

CVR Partners Credit Facility

CVR Partners' credit facility included a term loan in the amount of $125 million and a revolving credit facility. No amounts were outstanding under the revolving credit facility. On April 1, 2016, CVR Partners repaid all amounts outstanding with respect to its term loan under the credit facility and the credit facility was terminated.

CVR Partners 2023 Senior Notes

On June 10, 2016, CVR Partners and CVR Nitrogen Finance Corporation, an indirect wholly-owned subsidiary of CVR Partners, certain subsidiary guarantors named therein and Wilmington Trust, National Association, as trustee and as collateral trustee, completed a private offering of $645 million aggregate principal amount of 9.25% Senior Secured Notes due 2023 (the "CVR Partners 2023 Notes"). The CVR Partners 2023 Notes mature on June 15, 2023, unless earlier redeemed or repurchased

by the issuers. Interest on the CVR Partners 2023 Notes is payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2016. The CVR Partners 2023 Notes are guaranteed on a senior secured basis by all of the Nitrogen Fertilizer Partnership's existing subsidiaries.

The CVR Partners 2023 Notes were issued at a $16 million discount, which is being amortized over the term of the CVR Partners 2023 Notes as interest expense using the effective-interest method. CVR Partners received $623 million of cash proceeds, net of the original issue discount and underwriting fees, but before deducting other third-party fees and expenses associated with the offering. The net proceeds from the sale of the CVR Partners 2023 Notes were used to: (i) repay all amounts outstanding under the senior term loan credit facility with Coffeyville Resources, LLC; (ii) finance the CVR Nitrogen 2021 Notes tender offer (discussed below) and (iii) to pay related fees and expenses.

The CVR Partners 2023 Notes contain customary covenants for a financing of this type that, among other things, restrict CVR Partners' ability and the ability of certain of its subsidiaries to: (i) sell assets; (ii) pay distributions on, redeem or repurchase CVR Partners' units or redeem or repurchase its subordinated debt; (iii) make investments; (iv) incur or guarantee additional indebtedness or issue preferred units; (v) create or incur certain liens; (vi) enter into agreements that restrict distributions or other payments from CVR Partners' restricted subsidiaries to CVR Partners; (vii) consolidate, merge or transfer all or substantially all of CVR Partners' assets; (viii) engage in transactions with affiliates; and (ix) create unrestricted subsidiaries. As of June 30, 2016, CVR Partners was in compliance with the covenants contained in the CVR Partners 2023 Notes.

CVR Nitrogen 2021 Notes

Prior to the acquisition of CVR Nitrogen by CVR Partners, CVR Nitrogen and CVR Nitrogen Finance Corporation (together the "CVR Nitrogen 2021 Notes Issuers") issued $320 million of 6.5% senior secured notes due 2021 (the "CVR Nitrogen 2021 Notes"). The CVR Nitrogen 2021 Notes bear interest at a rate of 6.5% per annum, payable semi-annually in arrears on April 15 and October 15 of each year. The CVR Nitrogen 2021 Notes are scheduled to mature on April 15, 2021, unless repurchased or redeemed earlier in accordance with their terms.

On April 29, 2016, the CVR Nitrogen 2021 Notes Issuers commenced a cash tender offer (the "CVR Nitrogen Tender Offer") to purchase any and all of the outstanding CVR Nitrogen 2021 Notes. In connection with the CVR Nitrogen Tender Offer, the CVR Nitrogen 2021 Notes Issuers solicited the consents of holders of the notes to certain proposed amendments to the indenture governing the notes (the "Consent Solicitation"). As a result of the CVR Nitrogen Tender Offer, on June 10, 2016, the CVR Nitrogen 2021 Notes Issuers repurchased $315 million of the CVR Nitrogen 2021 Notes, representing approximately 98.5% of the total outstanding principal amount of the notes at a purchase price of $1,015 per $1,000 in principal amount. The total amount paid related to the CVR Nitrogen Tender Offer was $320 million, including a premium of $5 million. Additionally, the CVR Nitrogen 2021 Notes Issuers paid $3 million for accrued and unpaid interest for the tendered notes up to the settlement date. CVR Partners received the requisite consents in respect of the CVR Nitrogen 2021 Notes in connection with the Consent Solicitation to amend the indenture governing the CVR Nitrogen 2021 Notes. As a result, the CVR Nitrogen 2021 Notes Issuers executed a supplemental indenture, dated as of June 10, 2016, which eliminated or modified substantially all of the restrictive covenants relating to CVR Nitrogen and its subsidiaries, eliminated all events of default other than failure to pay principal, premium or interest on the CVR Nitrogen 2021 Notes, eliminated all conditions to satisfaction and discharge, and released the liens on the collateral securing the CVR Nitrogen 2021 Notes. The repurchase of a portion of the CVR Nitrogen 2021 Notes resulted in a loss on extinguishment of debt of $5 million for the three and six months ended June 30, 2016.

Concurrently with, but separately from the CVR Nitrogen Tender Offer, the CVR Nitrogen 2021 Notes Issuers also commenced an offer to purchase all of the outstanding CVR Nitrogen 2021 Notes at a price equal to 101% of the principal amount thereof, as required as a result of the acquisition of CVR Nitrogen (the "Change of Control Offer"). The offer expired on June 28, 2016. As a result of the Change of Control Offer, CVR Partners repurchased less than $1 million of CVR Nitrogen 2021 Notes at a purchase price of $1,010 per $1,000 in principal amount. The total amount paid related to the Change of Control offer was less than $1 million, including a nominal amount of premium and accrued and unpaid interest.

$4 million of principal amount of the CVR Nitrogen 2021 Notes that remained outstanding following the consummation of the CVR Nitrogen Tender Offer and the Change of Control Offer will continue to be obligations of CVR Partners.

Debt and Credit Facilities - Railcar

ARI

2015 Revolving Credit Facility

In December 2015, ARI completed a financing of its railcar lease fleet with availability of up to $200 million under a credit agreement. The initial amount drawn from the revolving credit facility ("ARI Revolving Loan") obtained at closing amounted to $100 million, net of fees and expenses. In February 2016, ARI repaid amounts outstanding under the ARI Revolving Loan in full and as of June 30, 2016, ARI had borrowing availability of $200 million under the ARI Revolving Loan.

As of June 30, 2016 and December 31, 2015, the net book value of the railcars that were pledged as part of ARI's credit facilities was $554 million and $564 million, respectively.

11. Pension, Other Post-employment Benefits and Employee Benefit Plans.

Federal-Mogul, ARI and Viskase each sponsor several defined benefit pension plans (the "Pension Benefits") (and, in the case of Viskase, its pension plans include defined contribution plans). Additionally, Federal-Mogul and Viskase each sponsors health care and life insurance benefits ("Other Post-Employment Benefits" or "OPEB") 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 Post-Employment Benefits as benefits are provided to participating employees. As prescribed by applicable U.S. GAAP, Federal-Mogul, ARI and Viskase each uses, as applicable, appropriate actuarial methods and assumptions in accounting for its defined benefit pension plans, non-pension post-employment benefits, and disability, early retirement and other post-employment benefits. The measurement date for all defined benefit plans is December 31 of each year.

Components of net periodic benefit cost for the three and six months ended June 30, 2016 and 2015 are as follows:

	Pension Benefits		OPEB	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2016	2015	2016	2015
	(in millions)			
Service cost	$ 4	$ 5	$ —	$ —
Interest cost	17	16	3	4
Expected return on plan assets	(15)	(18)	—	—
Amortization of actuarial losses	6	7	—	—
Amortization of prior service credit	—	—	(1)	(1)
	$ 12	$ 10	$ 2	$ 3

	Pension Benefits		OPEB	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in millions)			
Service cost	$ 8	$ 10	$ —	$ —
Interest cost	34	32	6	7
Expected return on plan assets	(29)	(35)	—	—
Amortization of actuarial losses	11	14	1	2
Amortization of prior service credit	—	—	(2)	(2)
	$ 24	$ 21	$ 5	$ 7

12. Net Income Per LP Unit.

The following table sets forth the allocation of net income attributable to Icahn Enterprises allocable to limited partners and the computation of basic and diluted income per LP unit of Icahn Enterprises for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in millions, except per unit data)			
Net (loss) income attributable to Icahn Enterprises	$ (69)	$ 212	$ (906)	$ 373
Net (loss) income attributable to Icahn Enterprises allocable to limited partners (98.01% allocation)	$ (68)	$ 208	$ (888)	$ 366
Basic and diluted (loss) income per LP unit	$ (0.50)	$ 1.68	$ (6.68)	$ 2.95
Basic and diluted weighted average LP units outstanding	135	124	133	124

LP Unit Issuance

As disclosed in Note 3, "Related Party Transactions," pursuant to a certain contribution agreement, on February 29, 2016, we contributed 685,367 newly issued depositary units of Icahn Enterprises to IRL in exchange for the remaining 25% economic interest in ARL.

LP Unit Distributions

On February 23, 2016, Icahn Enterprises declared a quarterly distribution in the amount of $1.50 per depositary unit in which each depositary unit holder had the option to make an election to receive either cash or additional depositary units. As a result, on April 12, 2016, Icahn Enterprises distributed an aggregate 2,824,186 depositary units to unit holders electing to receive depositary units in connection with this distribution.

On April 29, 2016, Icahn Enterprises declared a quarterly distribution in the amount of $1.50 per depositary unit in which each depositary unit holder had the option to make an election to receive either cash or additional depositary units. As a result, on June 16, 2016, Icahn Enterprises distributed an aggregate 3,116,976 depositary units to unit holders electing to receive depositary units in connection with this distribution.

Mr. Icahn and his affiliates elected to receive a majority of their proportionate share of these distributions in depositary units. As of August 3, 2016, Mr. Icahn and his affiliates owned 89.5% of Icahn Enterprises outstanding depositary units.

13. Segment Reporting.

We are a diversified holding company owning subsidiaries currently engaged in the following continuing operating businesses: Investment, Automotive, Energy, Metals, Railcar, Gaming, Mining, Food Packaging, Real Estate and Home Fashion. We also report the results of our Holding Company, which includes the results of certain subsidiaries of Icahn Enterprises and Icahn Enterprises Holdings, and investment activity and expenses associated with the Holding Company. Our determination of what constitutes an operating segment is based on the various industries in which our businesses operate and how we manage those businesses in accordance with our investment strategy. We assess and measure segment operating results based on net income from continuing operations attributable to Icahn Enterprises and Icahn Enterprises Holdings, as disclosed below. Certain terms of financings for certain of our segments impose restrictions on the segments' ability to transfer funds to us, including restrictions on dividends, distributions, loans and other transactions. See Note 2, “Operating Units,” for a detailed description of each of our reporting segments.

Icahn Enterprises' condensed statements of operations by reporting segment for the three and six months ended June 30, 2016 and 2015 are presented below:

	Three Months Ended June 30, 2016											
	Investment	Automotive	Energy	Metals	Railcar	Gaming	Mining	Food Packaging	Real Estate	Home Fashion	Holding Company	Consolidated
	(in millions)											
Revenues:												
Net sales	$ —	$ 2,473	$ 1,283	$ 76	$ 97	$ —	$ 21	$ 85	$ 6	$ 53	$ —	$ 4,094
Other revenues from operations	—	118	—	—	133	254	—	—	18	—	—	523
Net loss from investment activities	(308)	—	—	—	—	—	—	—	—	—	—	(308)
Interest and dividend income	22	1	—	—	1	—	1	—	—	—	3	28
Other (loss) income, net	(1)	22	(7)	1	1	—	(5)	1	—	—	1	13
	(287)	2,614	1,276	77	232	254	17	86	24	53	4	4,350
Expenses:												
Cost of goods sold	—	1,986	1,175	75	82	—	16	63	5	46	—	3,448
Other expenses from operations	—	125	—	—	52	125	—	—	12	—	—	314
Selling, general and administrative	19	399	33	6	10	114	4	15	2	9	4	615
Restructuring	—	6	—	—	—	—	—	—	—	—	—	6
Impairment	—	—	—	—	—	—	—	—	—	—	—	—
Interest expense	45	38	19	—	21	3	2	3	—	—	71	202
	64	2,554	1,227	81	165	242	22	81	19	55	75	4,585
(Loss) income before income tax (expense) benefit	(351)	60	49	(4)	67	12	(5)	5	5	(2)	(71)	(235)
Income tax (expense) benefit	—	(18)	(15)	3	(15)	(4)	—	(3)	—	—	2	(50)
Net (loss) income	(351)	42	34	(1)	52	8	(5)	2	5	(2)	(69)	(285)
Less: net loss (income) attributable to non-controlling interests	244	(7)	(12)	—	(8)	(2)	1	—	—	—	—	216
Net (loss) income attributable to Icahn Enterprises	$ (107)	$ 35	$ 22	$ (1)	$ 44	$ 6	$ (4)	$ 2	$ 5	$ (2)	$ (69)	$ (69)
Supplemental information:												
Capital expenditures	$ —	$ 109	$ 35	$ 1	$ 23	$ 32	$ 3	$ 3	$ —	$ 5	$ —	$ 211
Depreciation and amortization(1)	$ —	$ 113	$ 67	$ 5	$ 34	$ 18	$ —	$ 6	$ 6	$ 2	$ —	$ 251

	Three Months Ended June 30, 2015											
	Investment	Automotive	Energy	Metals	Railcar	Gaming	Mining	Food Packaging	Real Estate	Home Fashion	Holding Company	Consolidated
	(in millions)											
Revenues:												
Net sales	$ —	$ 2,016	$ 1,624	$ 103	$ 86	$ —	$ 6	$ 91	$ 1	$ 52	$ —	$ 3,979
Other revenues from operations	—	—	—	—	124	203	—	—	20	—	—	347
Net gain (loss) from investment activities	609	—	1	—	—	—	—	—	—	—	(18)	592
Interest and dividend income	44	2	—	—	—	—	—	—	—	—	1	47
Other income (loss), net	—	26	(13)	3	2	—	(1)	—	2	—	—	19
	653	2,044	1,612	106	212	203	5	91	23	52	(17)	4,984
Expenses:												
Cost of goods sold	—	1,706	1,332	110	57	—	6	67	1	45	—	3,324
Other expenses from operations	—	—	—	—	52	97	—	—	12	—	—	161
Selling, general and administrative	130	236	33	5	8	87	2	11	2	8	6	528
Restructuring	—	27	—	—	—	—	—	—	—	—	—	27
Impairment	—	3	—	—	—	—	—	—	—	—	—	3
Interest expense	141	34	12	—	21	3	1	3	—	—	72	287
	271	2,006	1,377	115	138	187	9	81	15	53	78	4,330
Income (loss) before income tax (expense) benefit	382	38	235	(9)	74	16	(4)	10	8	(1)	(95)	654
Income tax (expense) benefit	—	(8)	(52)	4	(18)	(7)	(2)	(4)	—	—	(26)	(113)
Net income (loss)	382	30	183	(5)	56	9	(6)	6	8	(1)	(121)	541
Less: net (income) loss attributable to non-controlling interests	(206)	(5)	(95)	—	(20)	(3)	2	(2)	—	—	—	(329)
Net income (loss) attributable to Icahn Enterprises	$ 176	$ 25	$ 88	$ (5)	$ 36	$ 6	$ (4)	$ 4	$ 8	$ (1)	$ (121)	$ 212
Supplemental information:												
Capital expenditures	$ —	$ 109	$ 41	$ 4	$ 168	$ 35	$ 2	$ 5	$ 1	$ 1	$ —	$ 366
Depreciation and amortization(1)	$ —	$ 85	$ 58	$ 7	$ 32	$ 14	$ 1	$ 4	$ 6	$ 2	$ —	$ 209

	Six Months Ended June 30, 2016											
	Investment	Automotive	Energy	Metals	Railcar	Gaming	Mining	Food Packaging	Real Estate	Home Fashion	Holding Company	Consolidated
	(in millions)											
Revenues:												
Net sales	$ —	$ 4,794	$ 2,189	$ 134	$ 221	$ —	$ 31	$ 162	$ 8	$ 103	$ —	$ 7,642
Other revenues from operations	—	198	—	—	265	472	—	—	34	—	—	969
Net (loss) income from investment activities	(1,253)	—	—	—	—	—	—	—	—	—	9	(1,244)
Interest and dividend income	60	2	—	—	2	—	1	—	—	—	5	70
Other (loss) income, net	(2)	46	(8)	1	3	—	(8)	5	1	1	1	40
	(1,195)	5,040	2,181	135	491	472	24	167	43	104	15	7,477
Expenses:												
Cost of goods sold	—	3,898	2,102	139	184	—	30	124	6	88	—	6,571
Other expenses from operations	—	201	—	—	106	231	—	—	22	—	—	560
Selling, general and administrative	7	749	68	10	22	211	8	27	5	18	8	1,133
Restructuring	—	21	—	—	—	—	—	—	—	—	—	21
Impairment	—	3	574	—	—	—	—	—	—	—	—	577
Interest expense	132	77	30	—	44	6	3	6	1	—	144	443
	139	4,949	2,774	149	356	448	41	157	34	106	152	9,305
(Loss) income before income tax (expense) benefit	(1,334)	91	(593)	(14)	135	24	(17)	10	9	(2)	(137)	(1,828)
Income tax (expense) benefit	—	(21)	13	7	(33)	(10)	(1)	(4)	—	—	(17)	(66)
Net (loss) income	(1,334)	70	(580)	(7)	102	14	(18)	6	9	(2)	(154)	(1,894)
Less: net loss (income) attributable to non-controlling interests	777	(14)	249	—	(22)	(5)	4	(1)	—	—	—	988
Net (loss) income attributable to Icahn Enterprises	$ (557)	$ 56	$ (331)	$ (7)	$ 80	$ 9	$ (14)	$ 5	$ 9	$ (2)	$ (154)	$ (906)
Supplemental information:												
Capital expenditures	$ —	$ 208	$ 83	$ 2	$ 62	$ 48	$ 5	$ 6	$ —	$ 7	$ —	$ 421
Depreciation and amortization(1)	$ —	$ 217	$ 123	$ 11	$ 68	$ 35	$ 1	$ 11	$ 11	$ 4	$ —	$ 481

	Six Months Ended June 30, 2015											
	Investment	Automotive	Energy	Metals	Railcar	Gaming	Mining	Food Packaging	Real Estate	Home Fashion	Holding Company	Consolidated
	(in millions)											
Revenues:												
Net sales	$ —	$ 3,851	$ 3,013	$ 209	$ 189	$ —	$ 6	$ 176	$ 1	$ 99	$ —	$ 7,544
Other revenues from operations	—	—	—	—	241	396	—	—	39	—	—	676
Net gain (loss) from investment activities	1,179	—	36	—	—	—	—	—	—	—	(32)	1,183
Interest and dividend income	93	3	1	—	1	—	—	—	—	—	2	100
Other income (loss), net	—	35	(64)	3	2	(1)	(1)	(3)	21	—	—	(8)
	1,272	3,889	2,986	212	433	395	5	173	61	99	(30)	9,495
Expenses:												
Cost of goods sold	—	3,290	2,569	226	139	—	6	133	1	85	—	6,449
Other expenses from operations	—	—	—	—	100	193	—	—	23	—	—	316
Selling, general and administrative	230	453	65	10	19	169	2	23	5	16	13	1,005
Restructuring	—	39	—	—	—	—	—	—	—	—	—	39
Impairment	—	4	—	—	—	—	—	—	—	—	—	4
Interest expense	264	70	24	—	41	6	1	6	1	—	144	557
	494	3,856	2,658	236	299	368	9	162	30	101	157	8,370
Income (loss) before income tax (expense) benefit	778	33	328	(24)	134	27	(4)	11	31	(2)	(187)	1,125
Income tax (expense) benefit	—	(23)	(70)	10	(34)	(11)	(2)	(5)	—	—	(27)	(162)
Net income (loss)	778	10	258	(14)	100	16	(6)	6	31	(2)	(214)	963
Less: net (income) loss attributable to non-controlling interests	(418)	(3)	(127)	—	(37)	(5)	2	(2)	—	—	—	(590)
Net income (loss) attributable to Icahn Enterprises	$ 360	$ 7	$ 131	$ (14)	$ 63	$ 11	$ (4)	$ 4	$ 31	$ (2)	$ (214)	$ 373
Supplemental information:												
Capital expenditures	$ —	$ 217	$ 87	$ 19	$ 330	$ 61	$ 2	$ 9	$ 1	$ 3	$ —	$ 729
Depreciation and amortization[(1)]	$ —	$ 168	$ 116	$ 14	$ 61	$ 29	$ 1	$ 9	$ 11	$ 4	$ —	$ 413

[(1)] Excludes amounts related to the amortization of deferred financing costs and debt discounts and premiums included in interest expense in the amounts of $4 million and $3 million for the three months ended June 30, 2016 and 2015, respectively, and $8 million and $6 million for the six months ended June 30, 2016 and 2015, respectively.

Icahn Enterprises' condensed balance sheets by reporting segment as of June 30, 2016 and December 31, 2015 are presented below:

	June 30, 2016											
	Investment	Automotive	Energy	Metals	Railcar	Gaming	Mining	Food Packaging	Real Estate	Home Fashion	Holding Company	Consolidated
	(in millions)											
ASSETS												
Cash and cash equivalents	$ 13	$ 345	$ 691	$ 1	$ 337	$ 248	$ 19	$ 36	$ 16	$ 3	$ 211	$ 1,920
Cash held at consolidated affiliated partnerships and restricted cash	610	5	—	5	51	12	—	2	2	4	3	694
Investments	9,217	266	5	—	27	37	—	—	—	—	323	9,875
Accounts receivable, net	—	1,429	150	38	51	15	4	63	4	42	—	1,796
Inventories, net	—	2,238	325	43	77	—	25	79	—	74	—	2,861
Property, plant and equipment, net	—	3,408	3,433	108	2,760	903	137	149	465	76	3	11,442
Goodwill and intangible assets, net	—	1,847	327	4	7	88	—	7	43	3	—	2,326
Other assets	353	565	105	14	82	230	23	89	161	6	8	1,636
Total assets	$ 10,193	$ 10,103	$ 5,036	$ 213	$ 3,392	$ 1,533	$ 208	$ 425	$ 691	$ 208	$ 548	$ 32,550
LIABILITIES AND EQUITY												
Accounts payable, accrued expenses and other liabilities	$ 901	$ 2,871	$ 1,397	$ 33	$ 310	$ 151	$ 50	$ 64	$ 18	$ 34	$ 189	$ 6,018
Securities sold, not yet purchased, at fair value	1,306	—	—	—	—	—	—	—	—	—	—	1,306
Due to brokers	2,447	—	—	—	—	—	—	—	—	—	—	2,447
Post-employment benefit liability	—	1,151	—	2	8	—	—	51	—	—	—	1,212
Debt	—	3,254	1,168	—	2,426	288	53	266	26	—	5,488	12,969
Total liabilities	4,654	7,276	2,565	35	2,744	439	103	381	44	34	5,677	23,952
Equity attributable to Icahn Enterprises	1,713	2,494	1,079	178	436	825	81	28	647	174	(5,129)	2,526
Equity attributable to non-controlling interests	3,826	333	1,392	—	212	269	24	16	—	—	—	6,072
Total equity	5,539	2,827	2,471	178	648	1,094	105	44	647	174	(5,129)	8,598
Total liabilities and equity	$ 10,193	$ 10,103	$ 5,036	$ 213	$ 3,392	$ 1,533	$ 208	$ 425	$ 691	$ 208	$ 548	$ 32,550

	December 31, 2015											
	Investment	Automotive	Energy	Metals	Railcar	Gaming	Mining	Food Packaging	Real Estate	Home Fashion	Holding Company	Consolidated
	(in millions)											
ASSETS												
Cash and cash equivalents	$ 10	$ 201	$ 765	$ 12	$ 623	$ 217	$ 14	$ 37	$ 19	$ 14	$ 166	$ 2,078
Cash held at consolidated affiliated partnerships and restricted cash	1,199	—	—	4	53	14	—	1	2	6	3	1,282
Investments	14,553	296	—	—	27	26	—	—	—	—	449	15,351
Accounts receivable, net	—	1,418	96	26	36	9	4	60	2	34	—	1,685
Inventories, net	—	1,656	290	39	97	—	32	77	—	68	—	2,259
Property, plant and equipment, net	—	2,386	2,698	116	2,767	740	134	152	467	72	3	9,535
Goodwill and intangible assets, net	—	1,556	911	5	7	74	—	8	48	3	—	2,612
Other assets	378	430	128	13	71	201	19	81	163	9	108	1,601
Total assets	$ 16,140	$ 7,943	$ 4,888	$ 215	$ 3,681	$ 1,281	$ 203	$ 416	$ 701	$ 206	$ 729	$ 36,403
LIABILITIES AND EQUITY												
Accounts payable, accrued expenses and other liabilities	$ 488	$ 2,061	$ 1,366	$ 30	$ 299	$ 118	$ 30	$ 62	$ 17	$ 30	$ (60)	$ 4,441
Securities sold, not yet purchased, at fair value	794	—	—	—	—	—	—	—	—	—	—	794
Due to brokers	7,317	—	—	—	—	—	—	—	—	—	—	7,317
Post-employment benefit liability	—	1,163	—	2	8	—	—	51	—	—	—	1,224
Debt	—	3,135	667	1	2,671	289	50	267	28	—	5,486	12,594
Total liabilities	8,599	6,359	2,033	33	2,978	407	80	380	45	30	5,426	26,370
Equity attributable to Icahn Enterprises	3,428	1,270	1,508	182	742	604	95	23	656	176	(4,697)	3,987
Equity attributable to non-controlling interests	4,113	314	1,347	—	(39)	270	28	13	—	—	—	6,046
Total equity	7,541	1,584	2,855	182	703	874	123	36	656	176	(4,697)	10,033
Total liabilities and equity	$ 16,140	$ 7,943	$ 4,888	$ 215	$ 3,681	$ 1,281	$ 203	$ 416	$ 701	$ 206	$ 729	$ 36,403

Icahn Enterprises Holdings

Due to the structure of our business, the consolidated results of operations for Icahn Enterprises and Icahn Enterprises Holdings are substantially the same. Differences primarily relate to non-cash portions of interest expense as well as due to/due from balances between Icahn Enterprises and Icahn Enterprises Holdings and are only reflected in the results of operations for the Holding Company. Segment information for Icahn Enterprises Holdings is presented below for significant financial statement line items affected by these differences.

	Three Months Ended June 30,						June 30,	December 31,
	2016			2015			2016	2015
	Interest Expense	Net (Loss) Income	Net (Loss) Income Attributable to Icahn Enterprises Holdings	Interest Expense	Net Income (Loss)	Net Income (Loss) Attributable to Icahn Enterprises Holdings	Total Assets	Total Assets
	(in millions)						(in millions)	
Investment	$ 45	$ (351)	$ (107)	$ 141	$ 382	$ 176	$ 10,193	$ 16,140
Automotive	38	42	35	34	30	25	10,103	7,943
Energy	19	34	22	12	183	88	5,036	4,888
Metals	—	(1)	(1)	—	(5)	(5)	213	215
Railcar	21	52	44	21	56	36	3,392	3,681
Gaming	3	8	6	3	9	6	1,533	1,281
Mining	2	(5)	(4)	1	(6)	(4)	208	203
Food Packaging	3	2	2	3	6	4	425	416
Real Estate	—	5	5	—	8	8	691	701
Home Fashion	—	(2)	(2)	—	(1)	(1)	208	206
Holding Company	70	(68)	(68)	71	(120)	(120)	573	753
Consolidated	$ 201	$ (284)	$ (68)	$ 286	$ 542	$ 213	$ 32,575	$ 36,427

	Six Months Ended June 30,					
	2016			2015		
	Interest Expense	Net (Loss) Income	Net (Loss) Income Attributable to Icahn Enterprises Holdings	Interest Expense	Net Income (Loss)	Net Income (Loss) Attributable to Icahn Enterprises Holdings
	(in millions)					
Investment	$ 132	$ (1,334)	$ (557)	$ 264	$ 778	$ 360
Automotive	77	70	56	70	10	7
Energy	30	(580)	(331)	24	258	131
Metals	—	(7)	(7)	—	(14)	(14)
Railcar	44	102	80	41	100	63
Gaming	6	14	9	6	16	11
Mining	3	(18)	(14)	1	(6)	(4)
Food Packaging	6	6	5	6	6	4
Real Estate	1	9	9	1	31	31
Home Fashion	—	(2)	(2)	—	(2)	(2)
Holding Company	143	(153)	(153)	143	(213)	(213)
Consolidated	$ 442	$ (1,893)	$ (905)	$ 556	$ 964	$ 374

Amounts related to the amortization of deferred financing costs and debt discounts and premiums included in interest expense for the consolidated results of Icahn Enterprises Holdings were $4 million and $2 million for the three months ended June 30, 2016 and 2015, respectively, and $8 million and $5 million for the six months ended June 30, 2016 and 2015, respectively.

14. Income Taxes.

For the three months ended June 30, 2016, each of Icahn Enterprises and Icahn Enterprises Holdings recorded an income tax expense of $50 million on pre-tax loss of $235 million compared to an income tax expense of $113 million on pre-tax income of $654 million for the three months ended June 30, 2015. Our effective income tax rate was (21.3)% and 17.3% for the three months ended June 30, 2016 and 2015, respectively.

For the three months ended June 30, 2016, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership losses for which there was no tax benefit, as such losses are allocated to the partners.

For the three months ended June 30, 2015, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership income not subject to taxation, as such taxes are the responsibility of the partners.

For the six months ended June 30, 2016, each of Icahn Enterprises and Icahn Enterprises Holdings recorded an income tax expense of $66 million on pre-tax loss of $1.8 billion compared to an income tax expense of $162 million on pre-tax income of $1.1 billion for the six months ended June 30, 2015. Our effective income tax rate was (3.6)% and 14.4% for the six months ended June 30, 2016 and 2015, respectively.

For the six months ended June 30, 2016, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership losses for which there was no tax benefit, as such losses are allocated to the partners, and goodwill impairment not deductible for tax purposes.

For the six months ended June 30, 2015, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership income not subject to taxation, as such taxes are the responsibility of the partners.

15. Changes in Accumulated Other Comprehensive Loss.

Changes in accumulated other comprehensive loss consists of the following:

	Post-Employment Benefits, Net of Tax	Hedge Instruments, Net of Tax	Translation Adjustments and Other, Net of Tax	Total
		(in millions)		
Balance, December 31, 2015	$ (632)	$ (25)	$ (800)	$ (1,457)
Other comprehensive income (loss) before reclassifications, net of tax	1	(1)	(12)	(12)
Reclassifications from accumulated other comprehensive income (loss) to earnings	9	2	(1)	10
Other comprehensive income (loss), net of tax	10	1	(13)	(2)
Balance, June 30, 2016	$ (622)	$ (24)	$ (813)	$ (1,459)

16. Other Income (Loss), Net.

Other income (loss), net consists of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in millions)			
Realized and unrealized loss on derivatives, net (Note 6)	$ (2)	$ (13)	$ (3)	$ (64)
Gain on disposition of assets	1	9	11	20
Loss on extinguishment of debt	(5)	—	(5)	(2)
Equity earnings from non-consolidated affiliates	21	18	36	32
Gain on acquisition	—	3	—	3
Foreign currency translation gain (loss)	1	—	(2)	(2)
Other	(3)	2	3	5
	$ 13	$ 19	$ 40	$ (8)

17. Commitments and Contingencies.

Automotive

Environmental Matters

Federal-Mogul is a defendant in lawsuits filed, or the recipient of administrative orders issued or demand letters received, in various jurisdictions pursuant to the Federal Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA") or other similar national, provincial or state environmental remedial laws. These laws provide that responsible parties may be liable to pay for remediating contamination resulting from hazardous substances that were discharged into the environment by them, by prior owners or occupants of property they currently own or operate, or by others to whom they sent such substances for treatment or other disposition at third party locations. Federal-Mogul has been notified by the United States Environmental Protection Agency, other national environmental agencies, and various provincial and state agencies that it may be a potentially responsible party ("PRP") under such laws for the cost of remediating hazardous substances pursuant to CERCLA and other national and state or provincial environmental laws. PRP designation often results in the funding of site investigations and subsequent remedial activities.

Many of the sites that are likely to be the costliest to remediate are often current or former commercial waste disposal facilities to which numerous companies sent wastes. Despite the potential joint and several liability that might be imposed on Federal-Mogul under CERCLA and some of the other laws pertaining to these sites, its share of the total waste sent to these sites has generally been small. Federal-Mogul believes its exposure for liability at these sites is limited.

Federal-Mogul has also identified certain other present and former properties at which it may be responsible for cleaning up or addressing environmental contamination, in some cases as a result of contractual commitments and/or federal or state environmental laws. Federal-Mogul is actively seeking to resolve these actual and potential statutory, regulatory and contractual obligations. Although difficult to quantify based on the complexity of the issues, Federal-Mogul has accrued amounts corresponding to its best estimate of the costs associated with such regulatory and contractual obligations on the basis of available information from site investigations and best professional judgment of consultants.

Total environmental liabilities, determined on an undiscounted basis, were $13 million and $14 million as of June 30, 2016 and December 31, 2015, respectively, and are included in accrued expenses and other liabilities in our condensed consolidated balance sheets.

Federal-Mogul believes that recorded environmental liabilities will be adequate to cover its estimated liability for its exposure in respect to such matters. In the event that such liabilities were to significantly exceed the amounts recorded by Federal-Mogul, our Automotive segment's results of operations could be materially affected. At June 30, 2016, Federal-Mogul estimates reasonably possible material additional losses, above and beyond its best estimate of required remediation costs as recorded, to approximate $44 million.

Asset Retirement Obligations

Federal-Mogul has identified sites with contractual obligations and several sites that are closed or expected to be closed and sold. In connection with these sites, Federal-Mogul has accrued $16 million and $16 million as of June 30, 2016 and December 31, 2015, respectively, for asset retirement obligations ("ARO"), primarily related to anticipated costs of removing hazardous building materials at its facilities, and has considered impairment issues that may result from capitalization of these ARO amounts.

Federal-Mogul has conditional asset retirement obligations ("CARO"), primarily related to removal costs of hazardous materials in buildings, for which it believes reasonable cost estimates cannot be made at this time because it does not believe it has a reasonable basis to assign probabilities to a range of potential settlement dates for these retirement obligations. Accordingly, Federal-Mogul is currently unable to determine amounts to accrue for CARO at such sites.

Other Matters

On April 25, 2014, a group of plaintiffs brought an action against Federal-Mogul Products, Inc. (“F-M Products”), a wholly-owned subsidiary of Federal-Mogul, alleging injuries and damages associated with the discharge of chlorinated hydrocarbons by the former owner of a facility located in Kentucky. Since 1998, when F-M Products acquired the facility, it has been cooperating with the applicable regulatory agencies on remediating the prior discharges pursuant to an order entered into by the facility’s former owner. Federal-Mogul does not currently believe that the outcome of this litigation will have a material effect on its condensed consolidation financial position, results of operations or cash flows.

Energy

Unconditional Purchase Obligations

CVR leases various equipment, including railcars, and real properties under long-term operating leases expiring at various dates. For each of the three months ended June 30, 2016 and 2015 lease expense was $2 million and for each of the six months ended June 30, 2016 and 2015 lease expense was $4 million. The lease agreements have various remaining terms. Some agreements are renewable, at CVR's option, for additional periods. It is expected, in the ordinary course of business, that leases will be renewed or replaced as they expire. Additionally, in the normal course of business, CVR has long-term commitments to purchase oxygen, nitrogen, electricity, storage capacity and pipeline transportation services.

Crude Oil Supply Agreement

On August 31, 2012, Coffeyville Resources Refining & Marketing, LLC ("CRRM"), a subsidiary of CVR Refining, and Vitol Inc. ("Vitol") entered into an Amended and Restated Crude Oil Supply Agreement (the "Vitol Agreement"). Under the Vitol Agreement, Vitol supplies the petroleum business with crude oil and intermediation logistics, which helps to reduce the Refining Partnership's inventory position and mitigate crude oil pricing risk. The Vitol Agreement will automatically renew for successive one-year terms (each such term, a "Renewal Term") unless either party provides the other with notice of nonrenewal at least 180 days prior to the expiration of any Renewal Term. The Vitol Agreement currently extends through December 31, 2017.

Litigation

From time to time, CVR is involved in various lawsuits arising in the normal course of business, including matters such as those described below under "Environmental, Health and Safety Matters." Liabilities related to such litigation are recognized when the related costs are probable and can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. It is possible that management’s estimates of the outcomes will change due to uncertainties inherent in litigation and settlement negotiations. Except as described below for our Energy segment, there were no new proceedings or material developments in proceedings that we previously reported in our annual report on Form 10-K for the year ended December 31, 2015. In the opinion of CVR's management, the ultimate resolution of any other litigation matters is not expected to have a material adverse effect on the accompanying condensed consolidated financial statements. There can be no assurance that management’s beliefs or opinions with respect to liability for potential litigation matters are accurate.

Environmental, Health and Safety Matters ("EHS")

The petroleum and nitrogen fertilizer businesses are subject to various stringent federal, state, and local EHS rules and regulations. Liabilities related to EHS matters are recognized when the related costs are probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting EHS liabilities, no offset is made for potential recoveries.

CRRM, CRNF, Coffeyville Resources Crude Transportation, LLC ("CRCT"), Wynnewood Refining Company, LLC ("WRC") and Coffeyville Resources Terminal, LLC ("CRT") own and/or operate manufacturing and ancillary operations at various locations directly related to petroleum refining and distribution and nitrogen fertilizer manufacturing. Therefore, CRRM, CRNF, CRCT, WRC and CRT have exposure to potential EHS liabilities related to past and present EHS conditions at these locations. Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), and related state laws, certain persons may be liable for the release or threatened release of hazardous substances. These persons can include the current owner or operator of property where a release or threatened release occurred, any persons who owned or operated the property when the release occurred, and any persons who disposed of, or arranged for the transportation or disposal of, hazardous substances at a contaminated property. Liability under CERCLA is strict, and under certain circumstances, joint and several, so that any responsible party may be held liable for the entire cost of investigating and remediating the release of hazardous substances. Similarly, the Oil Pollution Act generally subjects owners and operators of facilities to strict, joint and several liability for all containment and clean-up costs, natural resource damages, and potential governmental oversight costs arising from oil spills into the waters of the United States, which has been broadly interpreted to include most water bodies including intermittent streams.

CRRM, CRNF, CRCT, WRC and CRT are subject to extensive and frequently changing federal, state and local environmental and 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 and diesel fuels. The ultimate impact of complying with evolving laws and regulations is not always clearly known or determinable due in part to the fact that our operations may change over time and certain implementing regulations for laws, such as the federal Clean Air Act, have not yet been finalized, are under governmental or judicial review or are being revised. These laws and regulations could result in increased capital, operating and compliance costs.

As previously reported in our 2015 Form 10-K, the petroleum and nitrogen fertilizer businesses are party to, or otherwise subject to administrative orders and consent decrees with federal, state and local environmental authorities, as applicable, addressing corrective actions under RCRA, the Clean Air Act and the Clean Water Act. The petroleum business also is subject to (i) the Mobile Source Air Toxic II ("MSAT II") rule which requires reductions of benzene in gasoline; (ii) the Renewable Fuel Standard ("RFS"), 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; and (iii) "Tier 3" gasoline sulfur standards. Except as otherwise described below, there have been no new developments or material changes to the environmental accruals or expected capital expenditures related to compliance with the foregoing environmental matters from those provided in our 2015 Form 10-K. CRRM, CRNF, CRCT, WRC and CRT each believe it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described or referenced herein or other EHS matters which may develop in the future will not have a material adverse effect on our Energy segment's business, financial condition, or results of operations.

On July 25, 2016, CRCT received an advance copy of a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (the "NOPV") from the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (the "PHMSA"). The NOPV alleges violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The alleged violations include alleged failures (during various time periods) to (i) conduct quarterly notification drills, (ii) maintain certain required records, (iii) utilize certain required safety equipment (including line markers), (iv) take certain pipeline integrity management activities, (v) conduct certain cathodic protection testing, and (vi) make certain atmospheric corrosion inspections. The preliminary assessed civil penalty is approximately $0.5 million and the NOPV contained a compliance order outlining remedial compliance steps to be undertaken by CRCT. CRCT is reviewing the allegations contained in the NOPV and will engage in discussions with PHMSA to attempt to resolve these matters. Although CVR Refining cannot predict with certainty the ultimate resolution of the claims asserted, CVR Refining does not believe that the claims in the NOPV will have a material adverse effect on CVR Refining's business, financial condition or results of operations.

As of June 30, 2016 and December 31, 2015, our Energy segment had environmental accruals of $6 million and $4 million, respectively. CVR's management periodically reviews and, as appropriate, revises its environmental accruals. Based on current information and regulatory requirements, CVR's management believes that the accruals established for environmental expenditures are adequate.

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. Capital expenditures incurred for environmental compliance and efficiency of the operations were $3 million and $7 million for the three months ended June 30, 2016 and 2015, respectively, and $6 million and $18 million for the six months ended June 30, 2016 and 2015, respectively.

The cost of RINs was $51 million and $38 million for three months ended June 30, 2016 and 2015, respectively, and $94 million and $74 million for six months ended June 30, 2016 and 2015, respectively. As of June 30, 2016 and December 31, 2015, the petroleum business' biofuel blending obligation was $51 million and $10 million, respectively, which was recorded in accrued expenses and other liabilities on the condensed consolidated balance sheets.

Metals

Environmental Matters

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 management's judgment and prior experience. PSC Metals has estimated the liability to remediate these sites to be $28 million and $29 million at June 30, 2016 and December 31, 2015, respectively. Management 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.

PSC Metals has been designated as a 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, PSC Metals recently learned that its Knoxville location 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 is exploring a potential settlement of the matter. Currently, PSC Metals cannot assess the impact of any cost or liability associated with these 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 sites to be immaterial as of both June 30, 2016 and December 31, 2015. 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.

In November and December of 2011, PSC Metals received three notices of violation ("NOV") from the Missouri Department of Natural Resources (“MDNR”) for hazardous waste and water violations related to its Festus, Missouri location. PSC Metals has entered into a settlement with MDNR that resolves these NOVs. Currently, PSC Metals believes that it has established adequate reserves for the cost of this settlement. In addition, PSC Metals believes that it has a claim for indemnification against the prior owner of the facility associated with the above-referenced notices of violation. MDNR and PSC Metals, as part of the resolution of MDNR's NOVs, have undertaken sampling for lead at residences near PSC Metals' Festus yard. Approximately 67 residences were sampled and tested, and of those, approximately 15 tested above residential standards for lead contamination. PSC Metals has entered into a settlement agreement with MDNR which resolves MNDR’s claims and requires limited soil remediation at the 15 residences. PSC Metals is in the process of completing the remediation required by the settlement agreement. Currently, PSC Metals believes that it has adequately reserved for the cost of remediation

associated with its Festus yard and the residential areas near the yard. However, PSC Metals cannot assess its liability with certainty at this time. Additionally, PSC Metals believes that liability for off-site contamination was retained by the prior owner of the Festus yard and accordingly, it would have a claim for indemnification against the prior owner.

In late February 2016, the PSC Metals shredder in Beaver Falls, Pennsylvania unknowingly processed scrap obtained from a third party containing radioactive material. Processing and transfer of that material resulted in the contamination of equipment there, and two other PSC Metals facilities. PSC Metals notified the appropriate governmental authorities and is working with those agencies and qualified specialist companies to properly remediate the contaminated facilities and dispose of the contaminated material. PSC Metals believes that the cost of the remediation effort and any business interruption costs are covered by insurance and its financial exposure would be immaterial. Remediation efforts are ongoing and PSC Metals expects that the impacted facilities will be operational in the third and fourth quarters of 2016.

Railcar

On October 24, 2014, ARI filed a complaint in United States District Court for the Southern District of New York against Gyansys, Inc. ("Gyansys"). The complaint asserts a claim against Gyansys for breaching its contract with ARI to implement an enterprise resource planning system. ARI seeks to recover monetary damages in an amount still to be determined, but which ARI alleged exceeds $25 million. Gyansys filed a response to the suit denying its responsibility. It also counterclaimed against ARI for a breach of contract and wrongful termination, seeking damages in excess of $10 million and equitable relief. At this time, ARI does not have sufficient information to reasonably form an estimate of the potential outcome (gain or loss) of this litigation. On September 12, 2015, the court denied ARI's motion to dismiss the wrongful termination counterclaim. A trial date has been tentatively scheduled for January 17, 2017. However, ARI believes that Gyansys' counterclaims lack merit and will continue to vigorously defend against these counterclaims.

Other Matters

Mr. Icahn, through certain affiliates, owns 100% of Icahn Enterprises GP and approximately 89.5% of Icahn Enterprises' outstanding depositary units as of June 30, 2016. 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 ("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%. As a result of our ownership of more than 80% in our subsidiaries, we and our subsidiaries are subject to the pension liabilities of all entities in which Mr. Icahn has a direct or indirect ownership interest of at least 80%. ACF and Federal-Mogul, are the sponsors of several pension plans. All the minimum funding requirements of the Internal Revenue Code, as amended, and the Employee Retirement Income Security Act of 1974, as amended by the Pension Protection Act of 2006, for these plans have been met as of June 30, 2016 and December 31, 2015. If the plans were voluntarily terminated, they would be underfunded by approximately $533 million and $589 million as of June 30, 2016 and December 31, 2015, respectively. These results are based on the most recent information provided by the plans’ actuaries. 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 and Federal-Mogul to make ongoing pension contributions or to pay the unfunded liabilities upon a termination of the pension plans of ACF and Federal-Mogul. 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 pension plans of ACF and Federal-Mogul requires them to notify the PBGC of certain “reportable events,” such as if we cease to be a member of the ACF and Federal-Mogul 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 99.4% 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. The Starfire indemnity

(which does not extend to pension liabilities of our subsidiaries that would be imposed on us as a result of our interest in these subsidiaries and not as a result of Mr. Icahn and his affiliates holding more than an 80% ownership interest in us, and as such would not extend to the unfunded pension termination liability for Federal-Mogul) 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.

18. Subsequent Events.

Icahn Enterprises

Distribution

On August 3, 2016, the Board of Directors of the general partner of Icahn Enterprises declared a quarterly distribution in the amount of $1.50 per depositary unit. The quarterly distribution is payable in either cash or additional depositary units, at the election of each depositary unit holder and will be paid on or about September 19, 2016 to depositary unit holders of record at the close of business on August 15, 2016. Depositary unit holders have until September 7, 2016 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 dividend in cash. Depositary unit holders 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 September 14, 2016. No fractional depositary units will be issued pursuant to the dividend 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.

Sale of CVR Refining Units

On August 2, 2016, we sold 250,000 common units of CVR Refining. As a result of this transaction, we and our affiliates collectively own 69.99% of CVR Refining. Pursuant to CVR Refining’s partnership agreement, in certain circumstances, the general partner of CVR Refining has the right to purchase all, but not less than all, of CVR Refining common units held by unaffiliated unit holders at a price not less than their then-current market price, as calculated pursuant to the terms of such partnership agreement (the “Call Right”). Pursuant to the terms of the partnership agreement, because our holdings were reduced to less than 70.0%, the ownership threshold for the application of such Call Right was permanently reduced from 95% to 80%. Accordingly, if at any time the general partner of CVR Refining and its affiliates owns more than 80% of CVR Refining common units, it will have the right, but not the obligation, to exercise such Call Right.

Item 2. 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 condensed consolidated financial statements and the accompanying notes contained in this Quarterly Report on Form 10-Q for the period ended June 30, 2016 (this "Report").

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

We are a diversified holding company owning subsidiaries currently engaged in the following continuing operating businesses: Investment, Automotive, Energy, Metals, Railcar, Gaming, Mining, Food Packaging, Real Estate and Home Fashion. We also report the results of our Holding Company, which includes the results of certain subsidiaries of Icahn Enterprises and Icahn Enterprises Holdings (unless otherwise noted), and investment activity and expenses associated with the Holding Company.

Results of Operations

Consolidated Financial Results

The following tables summarize total revenues, net income (loss) and net income (loss) attributable to Icahn Enterprises for each of our reporting segments and the Holding Company for the three and six months ended June 30, 2016 and 2015.

	Revenues		Net (Loss) Income		Net (Loss) Income Attributable to Icahn Enterprises	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2016	2015	2016	2015	2016	2015
	(in millions)					
Investment	$ (287)	$ 653	$ (351)	$ 382	$ (107)	$ 176
Automotive	2,614	2,044	42	30	35	25
Energy	1,276	1,612	34	183	22	88
Metals	77	106	(1)	(5)	(1)	(5)
Railcar	232	212	52	56	44	36
Gaming	254	203	8	9	6	6
Mining	17	5	(5)	(6)	(4)	(4)
Food Packaging	86	91	2	6	2	4
Real Estate	24	23	5	8	5	8
Home Fashion	53	52	(2)	(1)	(2)	(1)
Holding Company	4	(17)	(69)	(121)	(69)	(121)
	$ 4,350	$ 4,984	$ (285)	$ 541	$ (69)	$ 212

	Revenues		Net (Loss) Income		Net (Loss) Income Attributable to Icahn Enterprises	
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015	2016	2015
	(in millions)					
Investment	$ (1,195)	$ 1,272	$ (1,334)	$ 778	$ (557)	$ 360
Automotive	5,040	3,889	70	10	56	7
Energy	2,181	2,986	(580)	258	(331)	131
Metals	135	212	(7)	(14)	(7)	(14)
Railcar	491	433	102	100	80	63
Gaming	472	395	14	16	9	11
Mining	24	5	(18)	(6)	(14)	(4)
Food Packaging	167	173	6	6	5	4
Real Estate	43	61	9	31	9	31
Home Fashion	104	99	(2)	(2)	(2)	(2)
Holding Company	15	(30)	(154)	(214)	(154)	(214)
	$ 7,477	$ 9,495	$ (1,894)	$ 963	$ (906)	$ 373

Icahn Enterprises Holdings

Due to the structure of our business, the consolidated results of operations for Icahn Enterprises and Icahn Enterprises Holdings are substantially the same with minor differences primarily related to non-cash portions of interest expense that are only reflected in the results of operations for our Holding Company.

Overview

Our operating businesses are managed on a decentralized basis. Due to the structure of our business, we discuss the results of operations below by individual reporting segments. See Note 2, “Operating Units,” to the condensed consolidated financial statements for a description of each of our operating segments and Note 13, "Segment Reporting," for a reconciliation of each of our reporting segment's results of operations to our consolidated results.

Investment

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

Mr. Icahn, along with his affiliates (excluding Icahn Enterprises and Icahn Enterprises Holdings), makes investments in the Investment Funds. As of June 30, 2016 and December 31, 2015, the total fair market value of investments in the Investment Funds made by Mr. Icahn and his affiliates was approximately $3.8 billion and $4.1 billion, respectively, representing approximately 69% and 55%, respectively, of the Investment Funds' assets under management.

Our Interests in the Investment Funds

As of June 30, 2016 and December 31, 2015, we had investments with a fair market value of approximately $1.7 billion and $3.4 billion, respectively, in the Investment Funds.

Our share of the Investment Funds' net (loss) income through our interests in the Investment Funds was $(107) million and $176 million for the three months ended June 30, 2016 and 2015, and $(557) million and $360 million for the six months ended June 30, 2016 and 2015, respectively.

Returns

The following table sets forth performance information for the Investment Funds for the comparative periods presented. These returns represent a weighted-average composite of the average returns, net of expenses for the Investment Funds.

	Returns			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Investment Funds	-6.0 %	3.9%	-18.0 %	8.4%

Performance Attribution

The following table sets forth the performance attribution for the Investment Funds for the comparative periods presented.

	Performance Attribution			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Long positions	— %	5.5 %	-2.0 %	11.7 %
Short positions	-5.4 %	0.9 %	-13.9 %	-1.7 %
Other	-0.6 %	-2.5 %	-2.1 %	-1.6 %
	-6.0 %	3.9 %	-18.0 %	8.4 %

Three Months Ended June 30, 2016 and 2015

The Investment Funds' aggregate return was -6.0% for the three months ended June 30, 2016. During the second quarter of 2016, the Investment Funds' performance was primarily driven by losses in their short exposure, including broad market hedges.

The Investment Funds' aggregate return was 3.9% for the three months ended June 30, 2015. During the second quarter of 2015, the Investment Funds' performance was driven by gains in long equity positions, primarily in a few of their largest core holdings, partially offset by losses in a few of their core holdings.

Six Months Ended June 30, 2016 and 2015

The Investment Funds' aggregate return was -18.0% for the six months ended June 30, 2016. During the first six months of 2016, the Investment Funds' performance was driven by losses in their short exposure, including broad market hedges, coupled with losses in long equity positions, primarily in a few of their largest core holdings.

The Investment Funds' aggregate return was 8.4% for the six months ended June 30, 2015. During the first six months of 2015, the Investment Funds' performance was driven by gains in long equity positions, primarily in a few of their largest core holdings, partially offset by losses in a few of their core holdings.

From inception in November 2004 through June 30, 2016, the Investment Funds' return was approximately 122%, representing an annualized rate of return of approximately 7%.

Automotive

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in millions)			
Net sales	$ 2,473	$ 2,016	$ 4,794	$ 3,851
Cost of goods sold	1,986	1,706	3,898	3,290
Gross margin	$ 487	$ 310	$ 896	$ 561

We conduct our Automotive segment through our majority ownership in Federal-Mogul Holdings Corporation ("Federal-Mogul"), our wholly owned subsidiary, IEH Auto Parts Holding LLC ("IEH Auto"), which acquired substantially all of the auto parts assets in the United States of Uni-Select, Inc. through an acquisition that was consummated during the second quarter of 2015, and effective February 3, 2016, through our wholly owned subsidiary Pep Boys - Manny, Moe & Jack ("Pep Boys"). See Note 2, "Operating Units - Automotive," to the consolidated financial statements for further discussion regarding the Pep Boys acquisition. Intercompany transactions among Federal-Mogul, Pep Boys and IEH Auto have been eliminated in consolidation.

On February 28, 2016, Icahn Enterprises issued a proposal (the "Federal-Mogul Offer") to the board of directors of Federal-Mogul to purchase the remaining shares of Federal-Mogul common stock not owned by us in a merger transaction pursuant to which Federal-Mogul shareholders would receive $7.00 per share in cash for their shares of Federal-Mogul

common stock. On June 17, 2016, Icahn Enterprises issued a revised proposal to increase the Federal-Mogul Offer to $8.00 per share in cash from $7.00 per share in cash. The proposed merger process is ongoing as of the date of this Report. See Note 2, "Operating Units - Automotive," for further discussion regarding this proposed transaction.

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

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

Federal-Mogul's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q contain a detailed description of its business, products, industry, operating strategy and associated risks. Federal-Mogul's filings with the SEC are available on the SEC's website at *www.sec.gov*.

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

IEH Auto has 21 distribution centers and 277 corporate-owned jobber stores (including 11 satellite locations) in the United States and supports a network of more than 2,000 independent wholesalers. Through its locations, IEH Auto sells predominantly to commercial aftermarket customers in the do-it-for-me ("DIFM") market as well as retail and do-it-yourself ("DIY") customers.

Pep Boys and IEH Auto are being operated together in order to grow their sales to DIFM distributors and DIFM service professionals, to grow their automotive service business, and to maintain their DIY customer bases by offering the newest and broadest product assortment in the automotive aftermarket.

Federal-Mogul is operated independently from Pep Boys and IEH Auto.

Major Influences Impacting Results of Operations

There is inherent uncertainty in the continuation of certain trends, as discussed below, which, among other factors, may have an effect on our Automotive segment. Our Automotive segment is affected by the relative strength of:

Global vehicle production levels

Global light vehicle production increased by 1.7% in the first half of 2016. European light vehicle production rose 3.6% and North American light vehicle production increased 3.8%, with positive growth in Canada and the United States. Light vehicle production in the Asia-Pacific region increased by 1.4% with positive growth in China and India. Among the major regions, only South America posted a decline during the first half of 2016, which was down 20.4%. Global commercial vehicle production was up slightly in the first half of 2016, with a significant decrease in our Automotive segment's primary market, North America.

Global vehicle sales levels

Global light vehicle sales increased by 3.6% in the first half of 2016. European light vehicle sales rose 5.6% and North American vehicles sales increased 3.0%, with positive growth in Canada, Mexico, and the United States. Light vehicle sales in the Asia-Pacific region increased 4.9%, with positive growth in China and India. Among the major regions, only South America posted a decline during the six months ended June 30, 2016, which was down 18.5%. Global commercial vehicle sales were up slightly in the first half of 2016, with a significant decrease in our Automotive segment's primary market, North America.

Part replacement trends

The strength of our Automotive segment's aftermarket business is influenced by several key drivers. These include the vehicle population (or "parc"), average vehicle age, fuel prices and vehicle distance traveled. The vehicle parc is estimated to have expanded in most major markets, including the United States, Japan, China, and Germany. Average vehicle ages also increased, despite growth in new vehicle sales, in most regions. Vehicle distance traveled varies by region and is sensitive to

several factors, including fuel prices and transportation alternatives. Average vehicle distance traveled has declined in China in the recent past, partially offsetting generally favorable trends in the country.

Geopolitical risk

Our Automotive businesses are global, subjecting them to numerous risks and uncertainties. For example, the recent referendum in the United Kingdom ("UK") to leave the European Union has created economic uncertainty effects in both the UK and Europe. In addition, our Automotive segment has an interest in a certain joint venture in Turkey, which may be affected by recent turmoil in that region.

Foreign currencies

Our Automotive segment's operations are subject to fluctuations in foreign exchanges rates given the nature of their global operations and there has been significant volatility in foreign currency rates.

Three Months Ended June 30, 2016 and 2015

Net sales for our Automotive segment for the three months ended June 30, 2016 increased by $457 million (23%) as compared to the comparable prior year period. As discussed above, we acquired Pep Boys on February 3, 2016 and IEH Auto on June 1, 2015, resulting in an aggregate $495 million in additional consolidated net sales within our Automotive segment during the second quarter of 2016. Federal-Mogul's net sales, before eliminations, decreased by $38 million for the three months ended June 30, 2016 as compared to the corresponding prior year period, principally due to a decrease in Motorparts sales. Federal-Mogul's net sales were negatively impacted by the strengthening of the U.S. dollar against several global currencies which resulted in an unfavorable foreign currency impact of $15 million. Excluding the impact of foreign currency, Federal-Mogul's sales decreased by $23 million, which includes an increase of $23 million from acquisitions. Including the impact of sales from acquisitions, the Powertrain business' sales volumes in North America, Europe, the Middle East and Africa ("EMEA") and the Rest of the World ("ROW") increased by 1.1%, 0.9% and 0.9%, respectively, and the Motorparts business' sales in North America, EMEA and ROW (decreased) increased by (5.7)%, (1.2)% and 1.6%, respectively.

Cost of goods sold for the three months ended June 30, 2016 increased by $280 million (16%) as compared to the comparable prior year period. The increase in cost of goods sold was primarily due to the inclusion of the acquisitions of IEH Auto in June 2015 and Pep Boys in February 2016.

Gross margin on net sales for the three months ended June 30, 2016 increased by $177 million (57%) as compared to the comparable prior year period. Gross margin as a percentage of net sales was 20% and 15% for the three months ended June 30, 2016 and 2015, respectively. The increase in gross margin as a percentage of net sales over the respective periods was due to the inclusion of the acquisitions of IEH Auto in June 2015 and Pep Boys in February 2016. The gross margins on sales of IEH Auto and Pep Boys products are generally higher than those of Federal-Mogul's.

Six Months Ended June 30, 2016 and 2015

Net sales for our Automotive segment for the six months ended June 30, 2016 increased by $943 million (24%) as compared to the comparable prior year period. As discussed above, we acquired Pep Boys on February 3, 2016 and IEH Auto on June 1, 2015, resulting in an aggregate $919 million in additional consolidated net sales within our Automotive segment for the first six months of 2016. Federal-Mogul's net sales, before eliminations, increased by $24 million for the six months ended June 30, 2016 as compared to the corresponding prior year period. Federal-Mogul's net sales were negatively impacted by the strengthening of the U.S. dollar against several global currencies which resulted in an unfavorable foreign currency impact of $67 million. Excluding the impact of foreign currency, Federal-Mogul's sales increased by $91 million, including $73 million from acquisitions. Including the impact of sales from acquisitions, the Powertrain business' sales volumes in North America, Europe, EMEA and ROW increased by 1.6%, 1.0% and 1.0%, respectively, and the Motorparts business' sales in North America, EMEA and ROW increased (decreased) by 1.0%, (0.7)% and 0.6%, respectively.

Cost of goods sold for the six months ended June 30, 2016 increased by $608 million (18%) as compared to the comparable prior year period. The increase in cost of goods sold was primarily due to the inclusion of the acquisitions of IEH Auto in June 2015 and Pep Boys in February 2016.

Gross margin on net sales for the six months ended June 30, 2016 increased by $335 million (60%) as compared to the comparable prior year period. Gross margin as a percentage of net sales was 19% and 15% for the six months ended June 30, 2016 and 2015, respectively. The increase in gross margin as a percentage of net sales over the respective periods was due to the inclusion of the acquisitions of IEH Auto in June 2015 and Pep Boys in February 2016. The gross margins on sales of IEH Auto and Pep Boys products are generally higher than those of Federal-Mogul's.

Energy

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
	(in millions)			
Net Sales:				
Petroleum	$ 1,164	$ 1,548	$ 1,998	$ 2,852
Fertilizer	120	81	193	174
Eliminations	(1)	(5)	(2)	(13)
	$ 1,283	$ 1,624	$ 2,189	$ 3,013
Cost of Goods Sold:				
Petroleum	$ 1,065	$ 1,286	$ 1,945	$ 2,471
Fertilizer	112	51	161	111
Eliminations	(2)	(5)	(4)	(13)
	$ 1,175	$ 1,332	$ 2,102	$ 2,569
Gross Margin:				
Petroleum	$ 99	$ 262	$ 53	$ 381
Fertilizer	8	30	32	63
Eliminations	1	—	2	—
	$ 108	$ 292	$ 87	$ 444

The following table provides a reconciliation of our Energy segment's petroleum business' gross margin to refining margin and refining margin adjusted for FIFO impacts for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
	(in millions, except barrels metrics)			
Net sales	$ 1,164	$ 1,548	$ 1,998	$ 2,852
Cost of goods sold	1,065	1,286	1,945	2,471
Gross margin	99	262	53	381
Add back:				
Direct operating expenses and turnaround expenses	84	90	202	177
Flood insurance recovery	—	(27)	—	(27)
Depreciation and amortization	39	42	79	84
Refining margin	222	367	334	615
FIFO impacts, favorable	(46)	(37)	(37)	(12)
Refining margin adjusted for FIFO impacts	$ 176	$ 330	$ 297	$ 603
Gross margin per barrel	$ 5.37	$ 13.66	$ 1.51	$ 10.21
Refining margin per barrel	12.07	19.12	9.50	16.47
Refining margin per barrel adjusted for FIFO impacts	9.56	17.22	8.44	16.15
		—		
Total crude oil throughput (barrels per day)	202,536	210,727	193,345	206,221

CVR Energy, Inc.'s ("CVR") Annual Report on Form 10-K and Quarterly Reports on Form 10-Q contain a detailed description of its business, products, industry, operating strategy and associated risks. CVR's filings with the SEC are available on the SEC's website at *www.sec.gov.*

As of June 30, 2016, we owned 82% of the total outstanding common stock of CVR. In addition, as of June 30, 2016, we owned approximately 4.0% of the total outstanding common stock of CVR Refining, LP ("CVR Refining").

CVR is a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing industries through its holdings in CVR Refining and CVR Partners, 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 ("UAN") and ammonia.

As further discussed in Note 2, "Operating Units - Energy," on April 1, 2016, CVR Partners completed the acquisition of CVR Nitrogen, LP.

Major Influences Impacting Results of Operations

Our Energy segment's earnings and cash flows from its petroleum operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. In the nitrogen fertilizer business, earnings and cash flows from operations are primarily affected by the relationship among nitrogen fertilizer product prices, on-stream factors and direct operating expenses.

The earnings and cash flows 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 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 its control, including the supply of and demand for crude oil, as well as gasoline and other refined products which, in turn, 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 (“FIFO”) accounting to value its inventory, crude oil price movements may impact net income in the short term because of changes in the value of its unhedged on-hand inventory. The effect of changes in crude oil prices on our results of operations is influenced by the rate at which the prices of refined products adjust to reflect these changes.

The prices of crude oil and other feedstocks and refined product prices are also affected by other factors, such as product pipeline capacity, local market conditions and the operating levels of competing refineries. Crude oil costs and the prices of refined products have historically been subject to wide fluctuations. Widespread expansion or upgrades of competitors’ facilities, price volatility, international political and economic developments and other factors are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction in product margins. Moreover, the refining industry typically experiences seasonal fluctuations in demand for refined products, such as increases in the demand for gasoline during the summer driving season and for home heating oil during the winter, primarily in the Northeast. 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 (“RFS”) of the United States Environmental Protection Agency ("EPA"), which requires it to either blend “renewable fuels” in with its transportation fuels or purchase renewable fuel credits, known as renewable identification numbers (“RINs”), in lieu of blending.

On December 14, 2015, the EPA published in the Federal Register a final rule establishing the renewable fuel volume mandates for 2014, 2015 and 2016, and the biomass-based diesel mandate for 2017. The volumes included in the EPA's final rule increase each year, but are lower, with the exception of the volumes for biomass-based diesel, than the volumes required by the Clean Air Act. The EPA used its waiver authority to lower the volumes, but its decision to do so has been challenged in the U.S. Court of Appeals for the District of Columbia Circuit. In addition, in the final rule establishing the renewable volume obligations for 2014-2016 and biomass based diesel for 2017, the EPA articulated a policy to incentivize additional investments in renewable fuel blending and distribution infrastructure by increasing the price of RINs.

The cost of RINs for the three months ended June 30, 2016 and 2015 was $51 million and $38 million, respectively, and for the six months ended June 30, 2016 and 2015 was $94 million and $74 million, respectively. The price of RINs has been extremely volatile and has increased over the last year. 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 EPA regulations, 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. Based upon recent market prices of RINs and current estimates related to the other variable factors, the petroleum business currently estimates that the total cost of RINs will be approximately $200 million to $235 million for the year ending December 31, 2016.

If sufficient RINs are unavailable for purchase at times when the petroleum business seeks to purchase RINs, 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.

Refining margin per crude oil throughput barrel is a measurement calculated as the difference between net sales and cost of goods sold (exclusive of depreciation and amortization, direct operating expenses and fair value inventory adjustments) and refining margin per crude oil throughput barrel adjusted for FIFO impact is a measurement calculated as the difference between net sales and cost of goods sold (exclusive of depreciation and amortization, direct operating expenses and fair value inventory adjustments) adjusted for FIFO impacts. Refining margin and refining margin adjusted for FIFO impact are non-GAAP measures that we believe are important to investors in evaluating our Energy segment refineries' performance as a general indication of the amount above our Energy segment's cost of goods sold (taking into account the impact of utilization of FIFO) they are able to sell refined products. We believe that refining margin and refining margin per crude oil throughput barrel is important to enable investors to better understand and evaluate our Energy segment's ongoing operating results and allow for greater transparency in the review of our overall financial, operational and economic performance. In addition, we believe that presenting refining margin per crude oil throughput barrel adjusted for FIFO impact is useful to investors because this measure more accurately reflects the current operating environment.

In order to derive the refining margin per crude oil throughput barrel, our Energy segment utilizes the total dollar figures for refining margin, as derived above, and divides that by the applicable number of crude oil throughput barrels for the period. Our Energy segment's calculation of refining margin and refining margin adjusted for FIFO impact may differ from calculations of other companies in the industry, thereby limiting its usefulness as a comparative measure. Under our Energy segment's FIFO accounting method, changes in crude oil prices can cause fluctuations in the inventory valuation of our Energy segment's crude oil, work in process and finished goods, thereby resulting in favorable FIFO impacts when crude oil prices increase and unfavorable FIFO impacts when crude oil prices decrease.

In order to assess the operating performance of the nitrogen fertilizer business, CVR calculates the product pricing at gate as an input to determine its operating margin. Product pricing at gate represents net sales less freight revenue divided by product sales volume in tons. CVR believes product pricing at gate is a meaningful measure because it sells products at its plant gate and terminal locations' gates ("sold gate") and delivered to the customer's designated delivery site ("sold delivered"). The relative percentage of sold gate versus sold delivered can change period to period. The product pricing at gate provides a measure that is consistently comparable period to period.

Three Months Ended June 30, 2016 and 2015

Net sales for the petroleum business, before eliminations, for the three months ended June 30, 2016 decreased to approximately $1.2 billion from approximately $1.5 billion for the three months ended June 30, 2015. The decrease in net sales for the petroleum business was largely due to significantly lower sales prices for the petroleum business' transportation fuels and by-products, coupled with a slight decrease in sales volumes. For the three months ended June 30, 2016, CVR's petroleum business sold approximately 10.5 million and 8.3 million barrels of gasoline and distillate, respectively, with an average sales price per gallon for gasoline and distillate of $1.44 and $1.37, respectively. For the three months ended June 30, 2015, CVR's petroleum business sold approximately 10.3 million and 9.0 million barrels of gasoline and distillate, respectively, with an average sales price per gallon for gasoline and distillate of $1.87 and $1.81, respectively.

Net sales for the fertilizer business, before eliminations, for the three months ended June 30, 2016 increased to $120 million from $81 million for the three months ended June 30, 2015. The increase in net sales for the fertilizer business was primarily due to the inclusion of the acquisition of CVR Nitrogen. For the three months ended June 30, 2016, CVR sold 339,400 and 73,600 tons of UAN and ammonia, respectively, with a sales gate price per ton of $199 and $417, respectively. For the three months ended June 30, 2015, CVR sold 249,800 and 6,300 tons of UAN and ammonia, respectively, with a sales gate price per ton of $269 and $546, respectively.

Cost of goods sold for the petroleum business for the three months ended June 30, 2016 and 2015 was approximately $1.1 billion and approximately $1.3 billion, respectively. Cost of goods sold for the petroleum business includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, RINs, transportation distribution costs, costs associated with the actual operations of CVR's refineries (such costs are collectively referred to as "direct operating expenses") such as energy and utility costs, property taxes, catalyst and chemical costs, repairs and maintenance and labor and environmental compliance costs. In addition, cost of goods sold includes depreciation and amortization.

The decrease in cost of sales for the petroleum business was primarily due to a decrease in cost of consumed crude oil, which was partially offset by an increase in purchased products for resale and an increase in RINs costs. The average cost per barrel of crude oil consumed for the three months ended June 30, 2016 was $42.47 compared to $54.60 for the comparable period in 2015, a decrease of approximately 22%. The impact of FIFO accounting also impacted cost of product sold during the comparable periods. Under the FIFO accounting method, changes in crude oil prices can cause fluctuations in the inventory valuation of crude oil, work in process and finished goods, thereby resulting in a favorable FIFO inventory impact when crude oil prices increase and an unfavorable FIFO inventory impact when crude oil prices decrease. For the three months ended June 30, 2016, the petroleum business had a favorable FIFO inventory impact of $46 million compared to a favorable FIFO inventory impact of $37 million for the corresponding prior year period.

Refining margin per barrel of crude oil throughput decreased to $12.07 for the three months ended June 30, 2016 from $19.12 for the three months ended June 30, 2015. Refining margin adjusted for FIFO impact decreased to $9.56 per crude oil throughput barrel for the three months ended June 30, 2016 from $17.22 per crude oil throughput barrel for the three months ended June 30, 2015. Gross margin per barrel was $5.37 for the three months ended June 30, 2016 as compared to a gross margin per barrel of $13.66 for the three months ended June 30, 2015. The decrease in refining margin and gross margin per barrel was primarily due to a weaker spread between crude oil and transportation fuels pricing and higher RINs costs, which was partially offset by a favorable change in the gasoline basis and distillate basis over the prior year period.

The fertilizer business' cost of goods sold for the three months ended June 30, 2016 increased to $112 million from $51 million for the three months ended June 30, 2015. The increase was primarily due to the inclusion of the acquisition of CVR Nitrogen. Cost of goods sold for the fertilizer business is primarily comprised of pet coke expense, freight expense, distribution expense, purchased ammonia costs, direct operating expenses and depreciation and amortization.

Six Months Ended June 30, 2016 and 2015

Net sales for the petroleum business, before eliminations, for the six months ended June 30, 2016 decreased to approximately $2.0 billion from approximately $2.9 billion for the six months ended June 30, 2015. The decrease in net sales for the petroleum business was largely due to significantly lower sales prices for the petroleum business' transportation fuels and by-products, as well as decrease in sales volumes. For the six months ended June 30, 2016, CVR's petroleum business sold approximately 21.3 million and 15.7 million barrels of gasoline and distillate, respectively, with an average sales price per gallon for gasoline and distillate of $1.24 and $1.22, respectively. For the six months ended June 30, 2015, CVR's petroleum business sold approximately 21.1 million and 17.2 million barrels of gasoline and distillate, respectively, with an average sales price per gallon for gasoline and distillate of $1.67 and $1.75, respectively.

Net sales for the fertilizer business, before eliminations, for the six months ended June 30, 2016 increased to $193 million from $174 million for the six months ended June 30, 2015. The increase in net sales for the fertilizer business was primarily due to the inclusion of the acquisition of CVR Nitrogen. For the six months ended June 30, 2016, CVR sold 606,400 and 98,000 tons of UAN and ammonia, respectively, with a sales gate price per ton of $202 and $405, respectively. For the six months ended June 30, 2015, CVR sold 524,300 and 19,100 tons of UAN and ammonia, respectively, with a sales gate price per ton of $265 and $551, respectively.

Cost of goods sold for the petroleum business for the six months ended June 30, 2016 and 2015 was approximately $1.9 billion and approximately $2.5 billion, respectively. Cost of goods sold for the petroleum business includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, RINs, transportation distribution costs, costs associated with the actual operations of CVR's refineries (such costs are collectively referred to as "direct operating expenses") such as energy and utility costs, property taxes, catalyst and chemical costs, repairs and maintenance and labor and environmental compliance costs. In addition, cost of goods sold includes depreciation and amortization.

The decrease in cost of sales for the petroleum business was primarily due to a decrease in cost of consumed crude oil. The average cost per barrel of crude oil consumed for the six months ended June 30, 2016 was $37.35 compared to $51.15 for the comparable period in 2015, a decrease of approximately 27%. The impact of FIFO accounting also impacted cost of product sold during the comparable periods. Under the FIFO accounting method, changes in crude oil prices can cause fluctuations in the inventory valuation of crude oil, work in process and finished goods, thereby resulting in a favorable FIFO inventory impact when crude oil prices increase and an unfavorable FIFO inventory impact when crude oil prices decrease. For the six months ended June 30, 2016, the petroleum business had a favorable FIFO inventory impact of $37 million compared to a favorable FIFO inventory impact of $12 million for the corresponding prior year period.

Refining margin per barrel of crude oil throughput decreased to $9.50 for the six months ended June 30, 2016 from $16.47 for the six months ended June 30, 2015. Refining margin adjusted for FIFO impact decreased to $8.44 per crude oil throughput barrel for the six months ended June 30, 2016 from $16.15 per crude oil throughput barrel for the six months ended June 30, 2015. Gross margin per barrel was $1.51 for the six months ended June 30, 2016 as compared to a gross margin per barrel of $10.21 for the six months ended June 30, 2015. The decrease in refining margin and gross margin per barrel was primarily due to a weaker spread between crude oil and transportation fuels pricing, an increase in RINs costs and an unfavorable change in gasoline basis over the prior year period, which was partially offset by a favorable change in distillate basis over the prior year period.

The fertilizer business' cost of goods sold for the six months ended June 30, 2016 increased to $161 million from $111 million for the six months ended June 30, 2015. The increase was primarily due to the inclusion of the acquisition of CVR Nitrogen. Cost of goods sold for the fertilizer business is primarily comprised of pet coke expense, freight expense, distribution expense, purchased ammonia costs, direct operating expenses and depreciation and amortization.

Metals

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in millions)			
Net sales	$ 76	$ 103	$ 134	$ 209
Cost of goods sold	75	110	139	226
Gross margin	$ 1	$ (7)	$ (5)	$ (17)

Summarized ferrous tons and non-ferrous pounds sold for the three and six months ended June 30, 2016 and 2015 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in 000s)			
Ferrous tons sold	185	233	357	439
Non-ferrous pounds sold	26,113	33,287	50,033	66,681

We conduct our Metals segment through our indirect wholly owned subsidiary, PSC Metals, Inc. ("PSC Metals").

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

Three Months Ended June 30, 2016 and 2015

Net sales for the three months ended June 30, 2016 decreased by $27 million (26%) compared to the corresponding prior year period. The decrease was due to lower shipment volumes and selling prices for most product types for the three months ended June 30, 2016 as compared to the corresponding prior year period.

Ferrous shipments decreased by 48,000 gross tons (21%) while the average price decreased by $8 per gross ton (3%) during the three months ended June 30, 2016 as compared to the comparable prior year period. The shipment decrease was attributable to the slower flow of raw materials into the recycling yards due to efforts to reduce net unprofitable accounts from the supply base, and lower mill pricing which reduced peddler supply.

Non-ferrous shipment volumes decreased by 7.2 million pounds (22%) while average selling prices for non-ferrous decreased $0.06 per pound (8%) during the three months ended June 30, 2016 compared to corresponding prior year period, reflecting lower market pricing and its unfavorable impact on raw material availability.

Cost of goods sold for the three months ended June 30, 2016 decreased by $35 million (32%) compared to the corresponding prior year period. The decrease was primarily due to lower shipment volumes, lower material costs and lower processing costs. Gross margin as a percentage of net sales for the three months ended June 30, 2016 was 1% as compared to a loss of 7% in the corresponding prior year period. The material margin component of gross margin, as a percentage of net sales, improved over the respective periods, reflecting a continued focus on disciplined buying in the face of strong competition for shredder feedstock and lower pricing for non-ferrous auto shredder residue. In addition, while processing costs were lower in the three months ended June 30, 2016 than in the comparable prior year period, those costs increased as a percentage of net sales due to decreased volumes and increased costs associated with certain environmental costs.

Six Months Ended June 30, 2016 and 2015

Net sales for the six months ended June 30, 2016 decreased by $75 million (36%) compared to the comparable prior year period. The decrease was due to lower shipment volumes and selling prices for the six months ended June 30, 2016 as compared to the corresponding prior year period.

Ferrous shipments decreased by 82,000 gross tons (19%) while the average price decreased by $57 per gross ton (22%) during the six months ended June 30, 2016 as compared to the comparable prior year period. The shipment decrease was attributable to reduced demand from domestic steel mills and to the slow flow of raw materials into the recycling yards. Low priced iron ore, direct-reduced iron pellets, and reduced demand from steel mills during the current quarter continued to hold down market prices.

Non-ferrous shipment volumes decreased by 16.6 million pounds (25%) and average selling prices for non-ferrous decreased $0.08 per pound (11%) during the six months ended June 30, 2016 as compared to the comparable prior year period reflecting lower market pricing and its unfavorable impact on raw material availability.

Cost of goods sold for the six months ended June 30, 2016 decreased by $87 million (38%) compared to the comparable prior year period. The decrease was primarily due to lower shipment volumes, lower material costs and lower processing costs. Gross margin as a percentage of net sales was a loss of 4% and 8% for the six months ended June 30, 2016 and 2015, respectively. The material margin component of gross margin, as a percentage of net sales, improved during the first six months of 2016 as compared to the corresponding prior year period, reflecting a continued focus on disciplined buying in the face of strong competition for shredder feedstock and lower pricing for non-ferrous auto shredder residue. In addition, while processing costs were lower in the six months ended June 30, 2016 than in the comparable prior year period, those costs increased as a percentage of net sales due to decreased volumes. PSC Metals continued to expend considerable effort to bring costs in line with volumes and market pricing. PSC Metals closed nine feeder yards after March 31, 2015 in order to better align its cost structure to the current market environment.

Railcar

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(in millions)			
Net Sales/Other Revenues From Operations:				
Manufacturing	$ 107	$ 268	$ 254	$ 574
Railcar Leasing	122	113	244	220
Railcar Services	21	20	41	37
Eliminations	(20)	(191)	(53)	(401)
	$ 230	$ 210	$ 486	$ 430
Cost of Goods Sold/Other Expenses From Operations:				
Manufacturing	$ 91	$ 196	$ 213	$ 429
Railcar Leasing	51	50	105	96
Railcar Services	16	16	31	29
Eliminations	(24)	(153)	(59)	(315)
	$ 134	$ 109	$ 290	$ 239
Gross Margin:				
Manufacturing	$ 16	$ 72	$ 41	$ 145
Railcar Leasing	71	63	139	124
Railcar Services	5	4	10	8
Eliminations	4	(38)	6	(86)
	$ 96	$ 101	$ 196	$ 191

Our Railcar segment includes the results of American Railcar Industries, Inc. ("ARI") and American Railcar Leasing, LLC ("ARL"). On February 29, 2016, we entered into a contribution agreement with an affiliate of Mr. Icahn to acquire the remaining 25% economic interest in ARL not already owned by us. See Note 3, "Related Party Transactions - Railcar," for further discussion regarding this transaction. Manufacturing net sales and cost of goods sold above include intra-segment net sales and related cost of goods sold for railcars sold by our Railcar segment to its railcar leasing business. Elimination amounts primarily represent eliminations of intra-segment net sales and related cost of goods sold and gross margin for our Railcar segment.

ARI's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q contain a detailed description of its business, products, industry, operating strategy and associated risks. ARI's filings with the SEC are available on the SEC's website at *www.sec.gov*.

Railcar shipments for the three months ended June 30, 2016 were 1,017 railcars, including 85 railcars to leasing customers, as compared to 2,397 railcars for the comparable prior year period, including 1,756 railcars to leasing customers.

Railcar shipments for the six months ended June 30, 2016 were 2,347 railcars, including 285 railcars to leasing customers, as compared to 5,065 railcars for the comparable prior year period, including 3,533 railcars to leasing customers.

As of June 30, 2016, our Railcar segment had a backlog of 5,601 railcars, including 1,556 railcars for lease customers. In response to changes in customer demand, our Railcar segment continues to adjust production rates at its railcar manufacturing facilities.

Three Months Ended June 30, 2016 and 2015

Total manufacturing revenues, before elimination of estimated railcar sales to our Railcar segment's leasing business, for the three months ended June 30, 2016 decreased by $161 million (60%) over the comparable prior year period. The decrease was primarily due to lower volume of shipments and an overall decrease in the average selling prices with a higher mix of hopper railcars, which generally sell at lower prices than tank railcars due to less material and labor content, more competitive pricing on both hopper and tank railcars, coupled with a decrease in revenue from certain material cost changes that ARI generally passes through to its customers.

Gross margin from manufacturing operations, before eliminations relating to railcar sales to our Railcar segment's leasing business, for the three months ended June 30, 2016 decreased to $16 million from $72 million as compared to the prior year period. Gross margin from manufacturing operations as a percentage of manufacturing revenues decreased to 15% for the three months ended June 30, 2016 from 27% as compared to the corresponding prior year period. The decrease in gross margin percentage over the respective period was primarily due to a higher mix of hopper railcar shipments, which generally sell at lower prices than tank railcars due to less material and labor content, in addition to more competitive pricing of both railcar types.

Railcar leasing revenues increased for the three months ended June 30, 2016 as compared to the corresponding prior year period due to an increase in number of railcars leased to customers and a slight increase in the average lease rate. The lease fleet grew to 45,336 railcars at June 30, 2016 from 43,484 railcars at June 30, 2015.

Six Months Ended June 30, 2016 and 2015

Total manufacturing revenues, before elimination of estimated railcar sales to our Railcar segment's leasing business, for the six months ended June 30, 2016 decreased by $320 million (56%) over the comparable prior year period. The decrease was primarily due to lower volume of shipments and an overall decrease in the average selling prices with a higher mix of hopper railcars, which generally sell at lower prices than tank railcars due to less material and labor content, more competitive pricing on both hopper and tank railcars, coupled with a decrease in revenue from certain material cost changes that ARI generally passes through to its customers.

Gross margin from manufacturing operations, before eliminations relating to railcar sales to our Railcar segment's leasing business, for the six months ended June 30, 2016 decreased to $41 million from $145 million as compared to the prior year period. Gross margin from manufacturing operations as a percentage of manufacturing revenues decreased to 16% for the six months ended June 30, 2016 from 25% as compared to the corresponding prior year period. The decrease in gross margin percentage over the respective period was primarily due to a higher mix of hopper railcar shipments, which generally sell at lower prices than tank railcars due to less material and labor content, in addition to more competitive pricing of both railcar types.

Railcar leasing revenues increased for the six months ended June 30, 2016 as compared to the corresponding prior year period due to an increase in number of railcars leased to customers and a slight increase in the average lease rate. The lease fleet grew to 45,336 railcars at June 30, 2016 from 43,484 railcars at June 30, 2015.

Other Segments

Gaming

We conduct our Gaming segment through our majority ownership in Tropicana and our wholly owned subsidiary, Trump Entertainment Resorts, Inc. (“Trump”) which currently owns and operates Trump Taj Mahal Casino Resort ("Trump Taj Mahal"). As discussed further in Note 2, "Operating Units - Gaming," we obtained control and consolidated the results of Trump upon its emergence from bankruptcy on February 26, 2016. Trump owns and operates Trump Taj Mahal which is located in Atlantic City, New Jersey. Trump Taj Mahal adds approximately 160,000 square feet of gaming space with 2,500 slot machines, 130 table games and 2,000 hotel rooms to our existing gaming operations.

Tropicana's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q contain a detailed description of its business, products, industry, operating strategy and associated risks. Tropicana's filings with the SEC are available on the SEC's website at *www.sec.gov.*

Gaming revenues and expenses are classified in other revenues from operations and other expenses from operations, respectively, in our condensed consolidated financial statements.

Casino revenues are one of our gaming segment's main performance indicators and account for a significant portion of its net revenues. In addition, casino revenues can vary because of table games hold percentage and differences in the odds for different table games. High end play may lead to greater fluctuations in table games hold percentage and, as a result, greater revenue fluctuation between reporting periods may occur.

Three Months Ended June 30, 2016 and 2015

The increase in casino revenues for the three months ended June 30, 2016 as compared to the comparable prior year period was primarily due to an increase in consolidated gaming volumes of 28.0%, primarily due to the inclusion of results from Trump upon its emergence from bankruptcy on February 26, 2016, coupled with higher gaming volumes and table hold percentage at Tropicana Evansville ("Evansville") in the second quarter of 2016 as compared to 2015. Our Gaming segment's consolidated slot hold percentage was 9.5% and 9.7% for the three months ended June 30, 2016 and 2015, respectively. Our Gaming segment's consolidated table game hold percentage was 17.7% and 16.6% for the three months ended June 30, 2016 and 2015, respectively.

Revenues from rooms increased for the three months ended June 30, 2016 as compared to the corresponding prior year period, primarily due to the inclusion of results from the Trump casino upon its emergence from bankruptcy on February 26, 2016. The average daily room rate and occupancy across all of our Gaming segment's properties were $87 and 70%, respectively, for the three months ended June 30, 2016 as compared to $84 and 73%, respectively, for the comparable prior year period.

Six Months Ended June 30, 2016 and 2015

The increase in casino revenues for the six months ended June 30, 2016 as compared to the comparable prior year period was primarily due to an increase in consolidated gaming volumes of 19.2%, primarily due to the inclusion of results from Trump upon its emergence from bankruptcy on February 26, 2016, coupled with higher gaming volumes and table hold percentage at Evansville. Our Gaming segment's consolidated slot hold percentage was flat at 9.6% for the six months ended June 30, 2016 as compared to the corresponding prior year period. Our Gaming segment's consolidated table game hold percentage was 18.1% and 17.0% for the six months ended June 30, 2016 and 2015, respectively.

Revenues from rooms increased for the six months ended June 30, 2016 as compared to the corresponding prior year period, primarily due to the inclusion of results from the Trump casino upon its emergence from bankruptcy on February 26, 2016. The average daily room rate and occupancy across all of our Gaming segment's properties were $84 and 68%, respectively, for the six months ended June 30, 2016 as compared to $82 and 70%, respectively, for the comparable prior year period.

Mining

We conducting our Mining segment through Ferrous Resources Limited ("Ferrous Resources"), which we consolidated during the second quarter of 2015.

For our Mining segment, the key performance driver has historically been from demand for raw materials from Chinese steelmakers. For the six months ended June 30, 2016, our Mining segment has been concentrating on sales in its domestic market, Brazil, where the best margins are being captured. Although international iron ore prices have slightly improved to an average of $56 per metric ton during the second quarter of 2016, our Mining segment expects 2016 to be a challenging year for the steel industry as it contends with slowing growth, overcapacity and increased competition.

Three Months Ended June 30, 2016 and One Month Ended June 30, 2015

Net sales for the three months ended June 30, 2016 was $10 million. Cost of goods sold for the three months ended June 30, 2016 was $14 million.

During the three months ended June 30, 2016, our Mining segment focused its sales efforts exclusively within its domestic market, Brazil. During the three months ended June 30, 2016, our Mining segment sold approximately 1.1 million metric tons of iron ore with an average sales price of $19 per metric ton.

Our Mining segment continues to evaluate the best alternatives to sell its products in light of the challenging markets for iron ore.

Six Months Ended June 30, 2016 and One Month Ended June 30, 2015

Net sales for the six months ended June 30, 2016 and the one month ended June 30, 2015 was $31 million and $6 million, respectively. Cost of goods sold for the six months ended June 30, 2016 and the one month ended June 30, 2015 was $30 million and $6 million, respectively.

During the six months ended June 30, 2016, our Mining segment focused its sales efforts exclusively within its domestic market, Brazil. During the six months ended June 30, 2016, our Mining segment sold approximately 2.0 million metric tons of iron ore with an average sales price was $15 per metric ton.

During the one month ended June 30, 2015, our Mining segment sold approximately 318,000 metric tons of iron ore with an average sales price was approximately $22 per metric ton.

Our Mining segment continues to evaluate the best alternatives to sell its products in light of the challenging markets for iron ore.

Food Packaging

We conduct our Food Packaging segment through our majority ownership in Viskase Companies, Inc. ("Viskase"). Viskase currently operates nine manufacturing facilities and six distribution centers throughout North America, Europe, South America and Asia and derives approximately 69% of its total net sales from customers located outside the United States during the three months ended June 30, 2016.

Three Months Ended June 30, 2016 and 2015

Net sales for the three months ended June 30, 2016 decreased by $6 million (7%) as compared to the corresponding prior year period, of which $4 million was due to lower sales volume and $2 million was due to unfavorable price and product mix.

Cost of goods sold for the three months ended June 30, 2016 decreased by $4 million (6%) as compared to the corresponding prior year period. Gross margin as a percentage of net sales was 26% for each of the three months ended June 30, 2016 and 2015.

Six Months Ended June 30, 2016 and 2015

Net sales for the six months ended June 30, 2016 decreased by $14 million (8%) as compared to the corresponding prior year period, of which $7 million was due to lower sales volume, $4 million was due to unfavorable foreign currency translation, and $3 million was due to unfavorable price and product mix.

Cost of goods sold for the six months ended June 30, 2016 decreased by $9 million (7%) as compared to the corresponding prior year period. Gross margin as a percent of net sales was 23% and 24% for the six months ended June 30, 2016 and 2015, respectively. The decline in the gross margin as a percentage of net sales over the comparable period was due to foreign currency translation and unfavorable price and product mix.

Real Estate

Real Estate revenues and expenses include results from resort operations, sales of residential units and rental income and expenses, including income from financing leases. Sales of residential units are included in net sales in our condensed consolidated financial statements. Results from resort and rental operations, including financing lease income, are included in other revenues from operations in our condensed consolidated financial statements. Revenue from our real estate operations for each of the three and six months ended June 30, 2016 and 2015 were substantially derived from our resort and rental operations.

Home Fashion

We conduct our Home Fashion segment through our indirect wholly owned subsidiary, WestPoint Home LLC (“WPH”). The business of WPH is significantly influenced by the overall economic environment, including consumer spending, at the retail level, for home textile products. Many of the larger retailers are customers of WPH. WPH has a stable manufacturing platform and is focused on continued improvement in its cost structure through the use of certain process improvement initiatives. WPH is actively negotiating acquisitions and will continue to focus on acquiring assets that will expand or supplement the manufacturing capabilities, product and brand offerings that align with WPH’s core home textile expertise.

Three Months Ended June 30, 2016 and 2015

Net sales for the three months ended June 30, 2016 increased by $1 million (2%) compared to the comparable prior year period. The increase was primarily due to an increase in sales volume. Cost of goods sold for the three months ended June 30, 2016 increased by $1 million (2%) compared to the comparable prior year period. The increase was primarily due to higher sales volume. Gross margin as a percentage of net sales was 13% for the three months ended June 30, 2016 as compared to 14% for the comparable prior year period.

Six Months Ended June 30, 2016 and 2015

Net sales for the six months ended June 30, 2016 increased by $4 million (4%) compared to the comparable prior year period. The increase was primarily due to an increase in sales volume. Cost of goods sold for the six months ended June 30, 2016 increased by $3 million (4%) compared to the comparable prior year period. The increase was primarily due to higher

sales volume. Gross margin as a percentage of net sales was 15% for the six months ended June 30, 2016 as compared to 14% for the comparable prior year period.

Holding Company

The Holding Company had no gain or loss from investment activities for the three months ended June 30, 2016 compared to a net loss from investment activities of $18 million in the comparable prior year period. The Holding Company had a net gain from investment activities of $9 million for the six months ended June 30, 2016 compared to a net loss from investment activities of $32 million in the comparable prior year period.

Other Consolidated Results of Operations

Other Income (Loss), Net

Three Months Ended June 30, 2016 and 2015

Our consolidated other income (loss), net for the three months ended June 30, 2016 and 2015 was $13 million and $19 million, respectively. For the three months ended June 30, 2016 and 2015, our Energy segment recorded losses on certain derivative contracts of $2 million and $13 million, respectively. See Note 6, "Financial Instruments," to the condensed consolidated financial statements for further discussion. In addition, for the three months ended June 30, 2016 and 2015, equity earnings from non-consolidated affiliates were $21 million and $18 million, respectively, primarily from investments within our Automotive segment.

Six Months Ended June 30, 2016 and 2015

Our consolidated other income (loss), net for the six months ended June 30, 2016 and 2015 was $40 million and $(8) million, respectively. For the six months ended June 30, 2016 and 2015, our Energy segment recorded losses on certain derivative contracts of $3 million and $64 million, respectively. See Note 6, "Financial Instruments," to the condensed consolidated financial statements for further discussion. In addition, for the six months ended June 30, 2016 and 2015, equity earnings from non-consolidated affiliates were $36 million and $32 million, respectively, primarily from investments within our Automotive segment.

Selling, General and Administrative

Three Months Ended June 30, 2016 and 2015

Our consolidated selling, general and administrative ("SG&A") for the six months ended June 30, 2016 increased by $87 million (16%) as compared to the comparable prior year period. The increase was primarily attributable to an increase from our Automotive segment of $163 million primarily due to the inclusion of the acquisitions of Pep Boys in February 2016 and an increase of $27 million from our Gaming segment primarily due to the inclusion of Trump casino upon its emergence from bankruptcy on February 26, 2016, offset in part by a decrease of $111 million from our Investment segment due to a decrease of compensation expense related to a certain fund performance over the respective periods.

Six Months Ended June 30, 2016 and 2015

Our consolidated selling, general and administrative ("SG&A") for the six months ended June 30, 2016 increased by $128 million (13%) as compared to the comparable prior year period. The increase was primarily attributable to an increase from our Automotive segment of $296 million primarily due to the inclusion of the acquisitions of Pep Boys in February 2016 and IEH Auto in the second quarter of 2015 and an increase of $42 million from our Gaming segment primarily due to the inclusion of Trump casino upon its emergence from bankruptcy on February 26, 2016, offset in part by a decrease of $223 million from our Investment segment due to a decrease of compensation expense related to a certain fund performance over the respective periods.

Restructuring

Three Months Ended June 30, 2016 and 2015

Our consolidated restructuring costs were $6 million and $27 million for three months ended June 30, 2016 and 2015, respectively, which were attributable to our Automotive segment. These restructuring charges, primarily consisting of employee costs and headcount reductions, pertain to all restructuring programs that Federal-Mogul has initiated in order to improve its operating performance.

Federal-Mogul's restructuring expenses for the six months ended June 30, 2016 are aimed at optimizing its cost structure. Federal-Mogul expects to complete these programs in 2017 and incur additional restructuring and other charges of approximately $1 million. For programs previously initiated in prior periods, Federal-Mogul expects to complete these programs in 2018 and incur additional restructuring charges of approximately $4 million.

Six Months Ended June 30, 2016 and 2015

Our consolidated restructuring costs were $21 million and $39 million for six months ended June 30, 2016 and 2015, respectively, which were attributable to our Automotive segment. These restructuring charges, primarily consisting of employee costs and headcount reductions, pertain to all restructuring programs that Federal-Mogul has initiated in order to improve its operating performance.

Federal-Mogul's restructuring expenses for the six months ended June 30, 2016 are aimed at optimizing its cost structure. Federal-Mogul expects to complete these programs in 2017 and incur additional restructuring and other charges of approximately $1 million. For programs previously initiated in prior periods, Federal-Mogul expects to complete these programs in 2018 and incur additional restructuring charges of approximately $4 million.

Interest Expense

Three Months Ended June 30, 2016 and 2015

Our consolidated interest expense during the three months ended June 30, 2016 decreased by $85 million (30%) as compared to the corresponding prior year period. The decrease was primarily due to lower interest expense from our Investment segment attributable to a decrease in due to broker balances over the respective periods, offset in part by higher interest expense from our Automotive segment due to higher interest rates on borrowings under revolving credit facilities over the respective periods and the inclusion of interest from the acquisition of Pep Boys in February 2016, as well as higher interest from our Energy segment due to a certain debt offering during the second quarter of 2016.

Six Months Ended June 30, 2016 and 2015

Our consolidated interest expense during the six months ended June 30, 2016 decreased by $114 million (20%) as compared the corresponding prior year period. The decrease was primarily due to lower interest expense from our Investment segment attributable to a decrease in due to broker balances over the respective periods, offset in part by higher interest expense from our Automotive segment due to higher interest rates on borrowings under revolving credit facilities over the respective periods and the inclusion of interest from the acquisitions of Pep Boys in February 2016 and IEH Auto in the second quarter of 2015, higher interest from our Energy segment due to a certain debt offering during the second quarter of 2016, as well as higher interest from our Railcar segment due to higher debt balances over the respective periods.

Income Tax Expense

Three Months Ended June 30, 2016 and 2015

For the three months ended June 30, 2016, each of Icahn Enterprises and Icahn Enterprises Holdings recorded an income tax expense of $50 million on pre-tax loss of $235 million compared to an income tax expense of $113 million on pre-tax income of $654 million for the three months ended June 30, 2015. Our effective income tax rate was (21.3)% and 17.3% for the three months ended June 30, 2016 and 2015, respectively.

For the three months ended June 30, 2016, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership losses for which there was no tax benefit, as such losses are allocated to the partners.

For the three months ended June 30, 2015, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership income not subject to taxation, as such taxes are the responsibility of the partners.

Six Months Ended June 30, 2016 and 2015

For the six months ended June 30, 2016, each of Icahn Enterprises and Icahn Enterprises Holdings recorded an income tax expense of $66 million on pre-tax loss of $1.8 billion compared to an income tax expense of $162 million on pre-tax income of $1.1 billion for the six months ended June 30, 2015. Our effective income tax rate was (3.6)% and 14.4% for the six months ended June 30, 2016 and 2015, respectively.

For the six months ended June 30, 2016, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership losses for which there was no tax benefit, as such losses are allocated to the partners, and goodwill impairment not deductible for tax purposes.

For the six months ended June 30, 2015, the effective tax rate was lower than the statutory federal rate of 35%, primarily due to partnership income not subject to taxation, as such taxes are the responsibility of the partners.

Liquidity and Capital Resources

Holding Company

As of June 30, 2016, the Holding Company had investments in the Investment Funds with a total fair market value of approximately $1.7 billion. As of June 30, 2016, our Holding Company had cash and cash equivalents of $211 million and total debt of approximately $5.5 billion.

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 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 June 30, 2016, based on covenants in the indenture governing our senior notes, we are not permitted to incur additional indebtedness. See Note 10, "Debt," to the condensed consolidated financial statements for additional information concerning credit facilities for us and our subsidiaries.

Distributions on Depositary Units

On February 23, 2016, Icahn Enterprises declared a quarterly distribution in the amount of $1.50 per depositary unit in which each depositary unit holder had the option to make an election to receive either cash or additional depositary units. As a result, on April 12, 2016, Icahn Enterprises distributed an aggregate 2,824,186 depositary units to unit holders electing to receive depositary units in connection with this distribution.

On April 29, 2016, Icahn Enterprises declared a quarterly distribution in the amount of $1.50 per depositary unit in which each depositary unit holder had the option to make an election to receive either cash or additional depositary units. As a result, on June 16, 2016, Icahn Enterprises distributed an aggregate 3,116,976 depositary units to unit holders electing to receive depositary units in connection with this distribution.

On August 3, 2016, the Board of Directors of the general partner of Icahn Enterprises declared a quarterly distribution in the amount of $1.50 per depositary unit, which will be paid on or about September 19, 2016 to depositary unit holders of record at the close of business on August 15, 2016. Depositary unit holders have until September 7, 2016 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 dividend in cash. Depositary unit holders 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 September 14, 2016. No fractional depositary units will be issued pursuant to the dividend 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.

Borrowings

Debt consists of the following:

	June 30, 2016	December 31, 2015
	(in millions)	
5.875% senior unsecured notes due 2022 - Icahn Enterprises/Icahn Enterprises Holdings	$ 1,339	$ 1,338
6.00% senior unsecured notes due 2020 - Icahn Enterprises/Icahn Enterprises Holdings	1,705	1,706
4.875% senior unsecured notes due 2019 - Icahn Enterprises/Icahn Enterprises Holdings	1,271	1,270
3.50% senior unsecured notes due 2017 - Icahn Enterprises/Icahn Enterprises Holdings	1,173	1,172
Debt facilities - Automotive	3,239	3,121
Debt facilities - Energy	1,120	619
Debt and credit facilities - Railcar	2,426	2,671
Credit facilities - Gaming	288	289
Credit facilities - Food Packaging	266	267
Other	142	141
	$ 12,969	$ 12,594

Refer to our Annual Report on Form 10-K for the year ended December 31, 2015 for information concerning terms, restrictions and covenants pertaining to our debt. See Note 10, "Debt," to the condensed consolidated financial statements in this Report for information with respect to updates on our debt at June 30, 2016 compared to December 31, 2015. As of June 30, 2016, we are in compliance with all debt covenants.

Contractual Commitments and Contingencies

Other than certain debt transactions as described below for our Energy segment, there have been no material changes to our contractual commitments and contingencies as compared to those reported in our Annual Report on Form 10-K for the year ended December 31, 2015**.**

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, see Note 6, "Financial Instruments," to the condensed consolidated financial statements.

Consolidated Cash Flows

The following table summarizes cash flow information for the six months ended June 30, 2016 and cash and cash equivalents as of June 30, 2016 for Icahn Enterprises' operating segments and the Holding Company:

	Six Months Ended June 30, 2016			June 30, 2016
	Net Cash Provided By (Used In)			
	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents
	(in millions)			
Investment	$ 562	$ —	$ 490	$ 13
Automotive	257	(170)	89	345
Energy	73	(155)	82	691
Metals	(13)	(1)	—	1
Railcar	196	(58)	(265)	337
Gaming	19	(22)	2	248
Mining	12	(5)	(2)	19
Food Packaging	8	(6)	(3)	36
Real Estate	14	3	(2)	16
Home Fashion	(6)	(5)	—	3
Holding Company	(130)	(1,063)	(53)	211
	$ 992	$ (1,482)	$ 338	$ 1,920

The consolidated cash flows of Icahn Enterprises and Icahn Enterprises Holdings are substantially the same. The immaterial differences between Icahn Enterprises' and Icahn Enterprises Holdings' condensed consolidated statements of cash flows primarily relate to non-cash charges for interest expense which is included in net cash provided by operating activities. Therefore, we discuss only the consolidated cash flows of Icahn Enterprises below.

Operating Activities

Cash provided by operating activities during the six months ended June 30, 2016 was primarily attributable to our Investment segment due to net cash provided by investment transactions. Additionally, our Railcar segment has net cash provided by operating activities primarily due to earnings before non-cash charges. Our Automotive segment also had net cash provided by operating activities due to earnings before non-cash charges offset in part by decreases in working capital. The Holding Company had net cash used in operating activities primarily due to interest payments on our senior unsecured notes.

Investing Activities

Cash used in investing activities during the six months ended June 30, 2016 was primarily due to our acquisition of Pep Boys by the Holding Company as well as our Energy segment's acquisition of CVR Nitrogen. Additionally, our Railcar segment had capital expenditures of $62 million, of which $51 million was for the manufacture or purchase of railcars for its leasing operations, and our Automotive and Energy segments had capital expenditures of $208 million and $83 million, respectively. Additionally, the Holding Company had purchases of investments of $67 million.

Financing Activities

Cash provided from financing activities during the six months ended June 30, 2016 was primarily due to our Investment segment which received contributions from affiliates of Mr. Icahn of $490 million. This was offset in part by payment of distributions to our LP unitholders and payments of dividends and distributions to non-controlling interests in certain of our subsidiaries.

Discussion of Segment Liquidity and Capital Resources

There have been no material changes to our capital expenditures during the six months ended June 30, 2016 as compared to the estimated capital expenditures for 2016 as reported in our Annual Report on Form 10-K for the year ended December 31, 2015.

Investment

As of June 30, 2016, the Investment Funds' net notional exposure was -149%. The Investment Funds' long exposure was 174% (166% long equity and 8% long credit) and the Investment Funds' short exposure was 323% (301% short equity, 22% 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 June 30, 2016.

Of our long exposure of 174%, the fair value of our long positions (with certain adjustments) represented 167% of our long exposure. The notional value of our other long positions, which primarily included single name equity forward contracts and credit contracts, represented 7% of our long exposure.

Of our short exposure of 323%, the fair value of our short positions represented 24% of our short exposure. The notional value of our other short positions, which primarily included short credit default swap contracts and short broad market index swap derivative contracts, represented 299% of our short exposure.

With respect to both our long positions that are not notionalized (167% long exposure) and our short positions that are not notionalized (24% 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 (299% short exposure), our liquidity would decrease by the balance sheet unrealized loss if we were to close the positions at quarter 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.

The Investment Funds historically have had access to significant amounts of cash available from prime brokerage lines of credit, subject to customary terms and market conditions.

Automotive

During the first quarter of 2016, Federal-Mogul increased its borrow capacity under a certain revolving credit facility (the "Federal-Mogul Replacement Revolver Facility") by $50 million to $600 million. As of June 30, 2016, the outstanding balance on the Federal-Mogul Replacement Revolver Facility was $390 million. As of June 30, 2016, the borrowing availability under the Federal-Mogul Replacement Revolver Facility was $171 million. Federal-Mogul had $39 million of letters of credit outstanding as of June 30, 2016 pertaining to the Federal-Mogul Replacement Revolver Facility. As of June 30, 2016, Federal-Mogul had an aggregate availability of approximately $201 million with respect to its consolidated revolving credit facilities.

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

As of June 30, 2016, the availability on the IEH Auto ABL Credit Facility was $48 million.

Pep Boys has a revolving credit agreement with Bank of America, N.A., as Administrative Agent, and other parties thereto providing for borrowings of up to $300 million with an original maturity date of July 26, 2016. The maturity date of this revolving credit agreement was extended to October 24, 2016. The interest rate on this facility is LIBOR plus a margin of 2.00% to 2.50% for LIBOR rate borrowings or Prime plus 1.00% to 1.50% for Prime rate borrowings. The margin is based upon the then current availability under the facility. As of June 30, 2016, Pep Boys had $60 million outstanding under the facility and $43 million of availability was utilized to support outstanding letters of credit. Taking into account the borrowing

base requirements (including reduction for amounts outstanding under the trade payable program), as of June 30, 2016, there was $77 million of availability remaining under the facility.

Energy

As of June 30, 2016, Coffeyville Resources, LLC had availability under the Amended and Restated ABL Credit Facility of $$255 million and had letters of credit outstanding of $28 million. There were no borrowings outstanding under the ABL Credit Facility as of June 30, 2016. Availability under the Amended and Restated ABL Credit Facility was limited by borrowing base conditions as of June 30, 2016. In addition, CVR Partners had $25 million availability under its revolving credit facility, with an uncommitted incremental facility of up to $50 million. On April 1, 2016, CVR Partners repaid all amounts outstanding under the term loan with respect to this credit facility and the credit facility was terminated.

On June 10, 2016, CVR Partners completed a private offering of $645 million aggregate principal amount of 9.250% senior secured notes due 2023. Additionally, during the second quarter of 2016, CVR Partners repurchased approximately $315 million of its 6.5% notes due 2021 pursuant to a certain tender offer and a change of control offer. See Note 10, "Debt - Energy," for further discussion regarding these transactions.

On January 24, 2013, the board of directors of CVR adopted a quarterly cash dividend policy. CVR began paying regular quarterly dividends in the second quarter of 2013. Dividends are subject to change at the discretion of CVR's board of directors and may change from quarter to quarter. In addition, the current policy of the respective board of directors of CVR Refining and CVR Partners is to distribute all of the respective available cash of CVR Refining and CVR Partners each quarter. CVR Refining and CVR Partners do not have a legal obligation to pay distributions and there is no guarantee that they will pay any distributions on the units in any quarter.

For the six months ended June 30, 2016, we received $71 million in dividends from CVR. Subsequent to June 30, 2016, CVR declared a quarterly dividend, which will result in an additional $36 million in dividends paid to us in the third quarter of 2016.

Railcar

In December 2015, ARI completed a financing of its railcar lease fleet with availability of up to $200 million under a credit agreement (the "ARI 2015 Credit Agreement"). The ARI 2015 Credit Agreement contains an incremental borrowing provision under which ARI, as debtor and subject to the conditions set forth in the ARI 2015 Credit Agreement, has the right but not the obligation to increase the amount of the facility in an aggregate amount of up to $100 million (the amounts extended under the 2015 Credit Agreement, inclusive of any amounts extended under the incremental facility, the Revolving Loans), to a maximum principal amount of $300 million. In February 2016, ARI repaid amounts outstanding under the Revolving Loan in full and as of the date of this Report has borrowing availability of $200 million under this credit facility.

On July 28, 2015, ARI's board of directors authorized the repurchase of up to $250 million of its outstanding common stock ("ARI Stock Repurchase Program"). The ARI Stock Repurchase Program will end upon the earlier of the date on which it is terminated by ARI's board of directors or when all authorized repurchases are completed. The timing and amount of stock repurchases, if any, will be determined based upon ARI's evaluation of market conditions and other factors. The ARI Stock Repurchase Program may be suspended, modified or discontinued at any time and ARI has no obligation to repurchase any amount of its common stock under the ARI Stock Repurchase Program. Under the ARI Stock Repurchase Program, ARI repurchased shares of its common stock during the six months ended June 30, 2016 at a cost of $17 million.

Gaming

On July 31, 2015 Tropicana's board of directors authorized the repurchase of up to $50 million of its outstanding common stock with no set expiration date ("Tropicana Stock Repurchase Program"). The Tropicana Stock Repurchase Program will end upon the earlier of the date on which the plan is terminated by Tropicana's board of directors or when all authorized repurchases are completed. The timing and amount of stock repurchases, if any, will be determined based upon Tropicana's evaluation of market conditions and other factors. The Tropicana Stock Repurchase Program may be suspended, modified or discontinued at any time and Tropicana has no obligation to repurchase any amount of its common stock under the Tropicana Stock Repurchase Program. Under the Tropicana Stock Repurchase Program, Tropicana repurchased shares of its common stock during the six months ended June 30, 2016 at a cost of approximately $4 million.

Critical Accounting Policies and Estimates

Other than the goodwill impairment for our Energy segment as discussed below, there have been no material changes to our critical accounting policies and estimates during the six months ended June 30, 2016 as compared to those reported in our Annual Report on Form 10-K for the year ended December 31, 2015.

Energy

Due to worsening sales trends for our Energy segment's Petroleum reporting unit, we performed an interim goodwill impairment analysis during the first quarter of 2016. Based on this analysis, our Energy segment recognized a goodwill impairment charge of $574 million, which represented the full amount of the remaining goodwill allocated to the Petroleum reporting unit. Due to the complexity in the "Step 2" goodwill impairment test performed during the first quarter of 2016, we expect to finalize the assessment of our Energy segment's goodwill impairment during the third quarter of 2016 and any resulting difference in the amount of the impairment will be adjusted at that time.

Our Energy segment's reporting unit fair values are based upon consideration of various valuation methodologies, one of which is projecting future cash flows discounted at rates commensurate with the risks involved ("Discounted Cash Flow" or "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 ("WACC") 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.

Recently Issued Accounting Standards

Refer to Part I, Note 1, "Description of Business and Basis of Presentation," of this Report for a discussion of recent accounting pronouncements applicable to us.

Forward-Looking Statements

Statements included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbor provided by Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or by Public Law 104-67.

Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties that may cause 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 in our Annual Report on Form 10-K for the year ended December 31, 2015 and those set forth in this Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Information about our quantitative and qualitative disclosures about market risk for each of our segments discussed below did not differ materially from those disclosed in Part II, Item 7A of our 2015 Form 10-K.

Investment

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

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 condensed 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 General Partners.

Market Risk

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 on our condensed consolidated balance sheets. Based on their respective balances as of June 30, 2016, 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 $922 million, $131 million and $2.0 billion, respectively. However, as of June 30, 2016, we estimate that the impact to our share of the net gain (loss) from investment activities reported in our condensed consolidated statement of operations would be less than the change in fair value since we have an investment of approximately 31% in the Investment Funds, and the non-controlling interests in income would correspondingly offset approximately 69% of the change in fair value.

Credit Risk

We and certain of our consolidated 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 we 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, the General Partners 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.

Automotive

See Note 6, “Financial Instruments-Automotive,” to the condensed consolidated financial statements for discussion regarding our Automotive segment's interest rate risk, commodity price risk and foreign currency risk.

The translated values of revenue and expense from our Automotive segment's international operations are subject to fluctuations due to changes in currency exchange rates. During the six months ended June 30, 2016, our Automotive segment derived 38% of its sales in the United States and 62% internationally. Of these international sales, 55% were denominated in the euro, with no other single currency representing more than 10% of international sales. To minimize foreign currency risk, our Automotive segment generally maintains natural hedges within its non-U.S. activities, including the matching of operational revenues and costs. Where natural hedges are not in place, our Automotive segment manages certain aspects of its foreign currency activities and larger transactions through the use of foreign currency options or forward contracts.

Energy

The risk inherent in our Energy segment's market risk sensitive instruments and positions is the potential loss from adverse changes in commodity prices, RINs prices and interest rates. Our Energy segment is exposed to market pricing for all of the products sold in the future both at its petroleum business and the nitrogen fertilizer business, as all of the products manufactured in both businesses are commodities.

Our Energy segment's earnings and cash flows and estimates of future cash flows are sensitive to changes in energy prices. The prices of crude oil and refined products have fluctuated substantially in recent years. These prices depend on many factors, including the overall demand for crude oil and refined products, which in turn depends, among other factors, general economic conditions, the level of foreign and domestic production of crude oil and refined products, the availability of imports of crude oil and refined products, the marketing of alternative and competing fuels, the extent of government regulations and global market dynamics. The prices our Energy segment receives for refined products are also affected by factors such as local market conditions and the level of operations of other refineries in our markets. The prices at which our Energy segment can sell gasoline and other refined products are strongly influenced by the price of crude oil. Generally, an increase or decrease in the price of crude oil results in a corresponding increase or decrease in the price of gasoline and other refined products. The timing of the relative movement of the prices, however, can impact profit margins, which could significantly affect our Energy segment's earnings and cash flows.

Commodity Price Risk

At June 30, 2016, CVR Refining had open commodity hedging instruments consisting of 0.4 million barrels of crack spreads and 0.6 million barrels of price and basis swaps. A change of $1.00 per barrel in the fair value of the benchmark crude or product basis would result in an increase or decrease in the related fair value of the commodity hedging instruments of approximately $1.0 million.

Compliance Program Price Risk

As a producer of transportation fuels from petroleum, CVR Refining is required to blend biofuels into the products 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 the volatility in the price of RINs needed to comply with the RFS. To mitigate the impact of this risk on the results of operations and cash flows, CVR Refining purchases RINs when prices are deemed favorable. See Note 17, "Commitments and Contingencies," to Part I, Item 1 of this Report and “Energy - Major Influences on Results of Operations” in Part I, Item 2 of this Report for further discussion about compliance with the RFS.

Interest Rate Risk

CVR Partners had two floating to fixed interest rate swap agreements for the purpose of hedging the interest rate risk associated with a portion of its $125 million floating rate term debt. The interest rate swaps agreements expired February 12, 2016, and subsequently, CVR Partners had exposure to interest rate risk on 100% of its $125 million floating rate debt under its credit facility. On April 1, 2016, CVR Partners repaid all amounts outstanding under the term loan with respect to this credit facility and the credit facility was terminated.

Railcar

Our Railcar segment is exposed to price risks associated with the purchase of raw materials, especially steel and heavy castings. The cost of steel, heavy castings and all other materials used in the production of railcars represents a significant amount of the direct manufacturing costs per railcar. Given the significant volatility in the price of raw materials, this exposure can affect the costs of production. Our Railcar segment believes that the risk to its margins and profitability has been somewhat reduced by its practice to generally adjust the purchase prices of the railcars to reflect fluctuations in the cost of certain raw materials and components and, as a result, our Railcar segment is generally able to pass on to its customers most increases in raw material and component costs with respect to the railcars it plans to produce and deliver to them. Our Railcar segment believes that it currently has good supplier relationships and does not currently anticipate that material constraints will limit its production capacity. Such constraints may exist if railcar production were to increase beyond current levels, or other economic changes were to occur that affect the availability of certain raw materials.

Our Railcar segment's financial results could be affected by changes in interest rates due to the impact those changes have on its variable rate debt obligation as of June 30, 2016. A one percentage point increase in the rate of the average variable rate debt as of June 30, 2016 would have a $10 million impact on our Railcar segment's annualized interest expense.

Gaming

Interest Rate Risk

Tropicana's primary exposure to market risk is interest rate risk associated with its Tropicana New Term Loan Facility that bears interest based on floating rates. Based on Tropicana's borrowings as of June 30, 2016, assuming a 1% increase over the 4% floor specified in its Tropicana New Term Loan Facility, Tropicana's annual interest cost would change by approximately $3 million.

Mining

Commodity Price Risk

Ferrous Resources’ revenues are based on the sale of iron ore fines. Our Mining segment's financial results can vary significantly as a result of fluctuations in the market prices of iron ore. International prices for this commodity have fluctuated historically and are affected by numerous factors beyond Ferrous Resources' control. The price index that is utilized in our Mining segment's iron ore sales contracts is the Platts 62 percent Fe fines spot rate pricing, which can fluctuate widely due to numerous factors, such as global economic growth or contraction, change in demand for steel or changes in availability of supply. Our Mining segment estimates that a hypothetical 10% adverse movement in the international price of iron ore for the six months ended June 30, 2016 would have decreased net income attributable to Icahn Enterprises for our Mining segment by $2 million.

Foreign Currency Risk

Ferrous Resources' principal objective is to produce iron ore which is typically priced in U.S. dollars. The majority of its funding and cash balances are also denominated in U.S. dollars. A proportion of Ferrous Resources' costs are incurred in Brazilian reals while significant capital expenditures are expected to be incurred in U.S. dollars. Accordingly, our Mining segment's financial results may be impacted by exchange rate fluctuations between the U.S. dollar and the Brazilian real. Our Mining segment estimates that a hypothetical 10% adverse movement of the Brazilian real against the U.S. dollar during the six months ended June 30, 2016 would have decreased net income attributable to Icahn Enterprises for our Mining segment by $2 million.

Holding Company

Equity Price Risk

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. Fluctuation 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 June 30, 2016, the effects of a 10% adverse change in the fair value of these investments would result in loss of approximately $32 million.

Item 4. Controls and Procedures.

As of June 30, 2016, 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 Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are 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.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 17, “Commitments and Contingencies” to the condensed consolidated financial statements located in Part I, Item I of this Report, which is incorporated by reference into this Part II, Item 1, for a description of the litigation, legal and administrative proceedings and environmental matters.

Item 1A. Risk Factors.

Except for the risk factor related to our Automotive segment as discussed below, there were no other material changes to our risk factors during the six months ended June 30, 2016 as compared to those reported in our Annual Report on Form 10-K for the year ended December 31, 2015.

Our Automotive segment's operations in foreign countries exposes it to risks related to economic and political conditions and foreign currency fluctuations:

As a global business operating in a time of increasing global economic and political instability, our Automotive segment is exposed to global market risks, the consequences of which cannot always be anticipated or quantified. One example is the recent decision of voters in the United Kingdom to withdraw from the European Union (referred to as “Brexit”). While any ultimate effects of Brexit on our Automotive segment are difficult to predict (particularly given the potentially lengthy negotiation period to accomplish a formal withdrawal), because our Automotive segment currently conduct its business in the United Kingdom and in Europe, the results of the referendum and any eventual withdrawal could cause disruptions and create uncertainty for our Automotive segment's businesses, including affecting its relationships with its customers and suppliers, and could also alter the relationship among currencies, including the value of the British Pound relative to the US Dollar. Such disruptions and uncertainties could adversely affect our Automotive segment's financial condition, operating results and cash flows. Any ultimate effects of Brexit on our Automotive segment will also depend on whether the UK negotiates to retain access to European Union markets either during a transitional period or more permanently. The failed coup attempt in Turkey, a country in which our Automotive segment has various ownership and economic interests, is another example of a recent global political development for which any potential consequences for our Automotive segment are uncertain. These and other developments may increase volatility in the results our Automotive segment's operations and may adversely affect our Automotive segment's financial condition.

Item 5. Other Information.

On August 2, 2016, our Board of Directors adopted the Second Amended and Restated Limited Partnership Agreement (the "Agreement"), effective on August 2, 2016. The Agreement incorporates amendments No. 1 through No. 6, previously approved by the Board and filed between 1995 and 2007, and makes certain other non-material changes including changes designed to conform the Agreement with prior amendments and with the current practices of the Computershare Inc., as depositary agent (the "Depositary"), including with respect to transfer of depositary units and the issuance of uncertificated units, among other items. The Board of Directors approved corresponding changes to the Second Amended and Restated Depositary Agreement (the "Depositary Agreement") by and between the Company and the Depositary. The foregoing is a summary and is qualified in its entirety by reference to the Agreement, attached hereto as exhibit 3.1, and incorporated by reference into this Item 5.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Second Amended and Restated Agreement of Limited Partnership of Icahn Enterprises L.P., dated August 2, 2016.
4.1	Specimen Depositary Certificate
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.
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.
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.
Exhibit 101	The following financial information from Icahn Enterprises' and Icahn Enterprises Holdings' Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, formatted in XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets as of June 30, 2016 and December 31, 2015, (ii) the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2016 and 2015, (iii) the Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2016 and 2015, (iv) the Condensed Consolidated Statements of Changes in Equity for the six months ended June 30, 2016 and 2015, (v) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2016 and 2015 and (vi) the Notes to the Condensed Consolidated Financial Statements.

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/SungHwan Cho
SungHwan Cho,
Chief Financial Officer and Director

By: Icahn Enterprises G.P. Inc., its general partner

By: /s/Peter Reck
Peter Reck,
Chief Accounting Officer

Date: August 4, 2016

Icahn Enterprises Holdings L.P.

By: Icahn Enterprises G.P. Inc., its general partner

By: /s/SungHwan Cho
SungHwan Cho,
Chief Financial Officer and Director

By: Icahn Enterprises G.P. Inc., its general partner

By: /s/Peter Reck
Peter Reck,
Chief Accounting Officer

Date: August 4, 2016

SECOND AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

ICAHN ENTERPRISES L.P.

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LIST OF EXHIBITS

EXHIBIT A TO SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF ICAHN ENTERPRISES L.P. 59

SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
ICAHN ENTERPRISES L.P.

This Second Amended and Restated Agreement of Limited Partnership (this “Agreement”) is entered into as of August 2, 2016, by and among Icahn Enterprises G.P. Inc., a Delaware corporation, as general partner (the “General Partner”) and all other persons and entities who shall in the future become limited partners of this limited partnership in accordance with the provisions hereof (the “Limited Partners”). (The General Partner and the Limited Partners are sometimes hereinafter referred to individually as a “Partner” and collectively as the “Partners”.)

Whereas, the General Partner and Julia DeSantis, as the Organizational Limited Partner, entered into an Agreement of Limited Partnership, dated as of April 29, 1987 (the “Partnership Agreement”); and

Whereas, the General Partner and the Organizational Limited Partner entered into an Amended and Restated Agreement of Limited Partnership, dated as of May 12, 1987 (the “Amended and Restated Partnership Agreement”); and

Whereas, the General Partner now desires to amend the Amended and Restated Partnership Agreement in certain respects;

Now, therefore, in consideration of the foregoing and of the covenants and agreements hereinafter set forth, the Amended and Restated Partnership Agreement is hereby amended and restated in its entirety to read as follows:

ARTICLE I

Certain Definitions

Unless the context otherwise specifies or requires, the terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified.

Accounting Firm: The firm of Grant Thornton LLP, or such other nationally recognized firm of independent public accountants as shall be selected and approved by the General Partner from time to time.

Adjusted Capital Account: The Capital Account maintained for each Partner for each Fiscal Year of the Partnership: (i) increased by any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g)(1)(penultimate sentence) and 1.704-2(i)(5) and (ii) decreased by the items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

Adjusted Property: Any property the Carrying Value of which has been adjusted pursuant to Section 4.08(d)(i).

Affiliate: (a) Any Person directly or indirectly owning, controlling or holding power to vote ten percent (10%) or more of the outstanding voting securities of the Person in question; (b) any Person ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by the Person in question; (c) any Person directly or indirectly controlling, controlled by, or under common control with the Person in question; (d) if the Person in question is a corporation, any executive officer or director of the Person in question or of any corporation directly or indirectly controlling the Person in question; and (e) if the Person in question is a partnership, any general partner owning or controlling ten percent (10%) or more of either the capital or profit interests in such partnership. As used in this definition of "Affiliate," the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Agreed Value: The fair market value of a Contributed Property as of the date of contribution, as determined by the General Partner using such reasonable methods as may be adopted by the General Partner.

Agreement: This Second Amended and Restated Agreement of Limited Partnership, as it may be amended or supplemented from time to time.

API Certificate: A certificate evidencing limited partner interests in any one of the API Partnerships.

API Investor: A Person who was a general partner of one or more API Partnerships, an Affiliate of one or more such API general partners who performed certain services for one or more of the API Partnerships and a Person who was a limited partner in one or more of the API Partnerships.

API Partnerships: The thirteen American Property Investors limited partnerships, as described in the Registration Statement.

API Property: Any interest in real estate held by any of the API Partnerships.

Audit Committee: The committee comprised of directors of the General Partner not affiliated with the General Partner or its Affiliates, other than as a director of the General Partner, formed to review certain conflicts of interest and certain other matters and to perform certain other functions pursuant to Section 6.13.

Book-Tax Disparities: The differences between a Partner's Capital Account balance, as maintained pursuant to Section 4.08, and such balance had the Capital Account been maintained strictly in accordance with tax accounting principles (such disparities reflecting the differences between the Carrying Value of either Contributed Properties or Adjusted Properties, as adjusted from time to time, and the adjusted basis thereof for federal income tax purposes).

Business Day: Monday through Friday of each week, except that a legal holiday recognized as such by the Government of the United States or the State of New York shall not be regarded as a Business Day.

Capital Account: The capital account established and maintained for the General Partner and each Record Holder pursuant to Section 4.08.

Capital Contribution: Any cash, cash equivalents or Contributed Property contributed to the Partnership by or on behalf of a Contributing Partner pursuant to Article IV.

Capital Transaction: Any (1) incurring of indebtedness secured by Partnership Assets, (2) refinancing of any indebtedness secured by Partnership Assets, (3) sale or exchange, liquidation or other disposition of any Partnership Assets, (4) net condemnation award or casualty loss recovery with respect to any Partnership Assets, (5) elimination of any funded reserve or (6) liquidation or dissolution of the Partnership.

Carrying Value: With respect to (a) Contributed Property, the Agreed Value of such Property reduced (but not below zero) by all deductions for depreciation, amortization, cost recovery and expense in lieu of depreciation debited to the Capital Accounts of a General Partner and the Record Holders pursuant to Section 4.08(a) with respect to such Property as of the time of determination, and (b) any other property, the adjusted basis of such property for federal income tax purposes as of the time of determination. The Carrying Value of any property shall be adjusted in accordance with Section 4.08(d), and to reflect changes, additions, or other adjustments to the Carrying Value for dispositions, acquisitions or improvements of Partnership Assets, as deemed appropriate by the General Partner.

Cash Flow: Cash Flow shall have the same meaning as “Net Cash Flow” in the Registration Statement.

Certificate: A non-negotiable certificate issued by the Partnership substantially in the form of Exhibit A to this Agreement, evidencing ownership of one or more Units.

Certificate of Limited Partnership: The certificate of limited partnership filed on behalf of the Partnership with the Secretary of State of the State of Delaware, as the same may be amended and/or restated from time to time.

Closing: The “closing time” as defined in the Merger Agreement.

Closing Date: The date on which the Closing occurred.

Code: The Internal Revenue Code of 1986, as amended and in effect from time to time, and applicable regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

Commission: The Securities and Exchange Commission.

Consent Form: The form of consent distributed to API Investors who are limited partners in the API Partnerships soliciting their approval of the Exchange and all transactions

contemplated thereby, a form of which is attached as Appendix D to the Proxy Statement/Prospectus included as part of the Registration Statement.

Contributed Property: A Contributing Partner's interest in each property or other consideration, in such form as may be permitted by the Delaware Act, but excluding cash and cash equivalents, contributed to the Partnership by such Contributing Partner (or deemed contributed to the Partnership upon termination thereof pursuant to Section 708 of the Code). Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 4.08(d) (i), such property shall no longer constitute a Contributed Property for purposes of Section 5.02(b) but shall be deemed an Adjusted Property for such purposes.

Contributing Partner: Each Partner contributing (or deemed to have contributed upon termination of the Partnership pursuant to Section 708 of the Code) a Contributed Property.

Delaware Act: The Delaware Revised Uniform Limited Partnership Act (Del. Code Ann. tit. 6 Sections 17-101 et seq.), as amended to date and as it may be amended from time to time hereafter, and any successor to such Act.

Deposit Account: The account established by the Depositary pursuant to the Depositary Agreement.

Depositary Agreement: The agreement entered into by and among the General Partner, in its capacity both as General Partner and as attorney-in-fact of the Record Holders, the Partnership and the Depositary, as amended or supplemented from time to time.

Depositary: The Partnership's depositary, as selected and approved by the General Partner from time to time, in its sole and absolute discretion, or any successor to it as depositary under the Depositary Agreement.

Depositary Receipt: A depositary receipt, issued by the Depositary or agents appointed by the Depositary in accordance with the Depositary Agreement, evidencing ownership of one or more Depositary Units.

Depositary Unit: A Unit on deposit with the Depositary.

Exchange: The acquisition by the Operating Partnership of the API Properties and other assets, subject to the liabilities, of the API Partnerships in connection with which the API Investors were issued Units and the Partnership acquired a 99% limited partner interest in the Operating Partnership, as described in the Registration Statement.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the regulations of the Commission promulgated thereunder.

FIRPTA: The Foreign Investment in Real Property Tax Act of 1980, as amended from time to time, and applicable regulations thereunder.

Fiscal year: The fiscal year of the Partnership for financial accounting purposes, and for federal, state, and local income tax purposes, which shall be the calendar year unless changed by the General Partner in accordance with Section 8.03.

General Partner: Icahn Enterprises G.P. Inc., a Delaware corporation, or any successor appointed pursuant to Sections 11.02, 12.01 or 12.02 hereof, as the case may be. Any references in this Agreement to 'American Property Investors, Inc.' or 'API' shall be deemed to be to 'Icahn Enterprises G.P. Inc.' or 'IEGP', as appropriate.

Limited Partner: A Record Holder or other limited partner admitted to the Partnership pursuant to Section 11.01. "Limited Partners" means all Record Holders and all other limited partners admitted to the Partnership pursuant to Section 11.01.

Liquidating Trustee: The General Partner, unless the dissolution of the Partnership is caused by the withdrawal, bankruptcy, removal or dissolution of the General Partner, in which event the Liquidating Trustee shall be the Person or Persons selected pursuant to Section 13.05.

Lost Certificate Affidavit: The section of the Consent Form (or a similar form providing indemnification) to be executed in favor of the Partnership by an API Investor who has lost or misplaced an API Certificate or whose API Certificate has been mutilated or destroyed.

Majority Interest: Record Holders who are Record Holders with respect to more than fifty percent (50%) of the total number of all outstanding Units.

Merger: The merger of the API Partnerships that approved the Exchange with and into the Operating Partnership, as described in the Registration Statement.

Merger Agreements: Agreements pursuant to which the API Partnerships that approved the Exchange were merged into the Operating Partnership and pursuant to which the API Properties and the other assets, subject to the liabilities, of the API Partnerships were contributed to the Operating Partnership pursuant to Section 4.03 of the OLP Partnership Agreement, a form of which is attached as Appendix B to the Proxy Statement/Prospectus included as part of the Registration Statement.

NASDAQ: The National Association of Securities Dealers Automated Quotations System.

National Securities Exchange: An exchange registered with the Commission under Section 6(a) of the Exchange Act.

Nevada Gaming Authority: The governmental, regulatory and administrative authorities, agencies, boards and officials responsible for or involved in the regulation of gaming or gaming activities in any jurisdiction within the State of Nevada, including specifically, the Nevada Gaming Commission, the Nevada State Gaming Control Board, the Clark County Liquor and Gaming Licensing Board and the City of Las Vegas.

Nevada Gaming Laws: Those laws pursuant to which any Nevada Gaming Authority possesses regulatory, licensing or permit authority over gaming within the State of Nevada,

including, without limitation, the Nevada Gaming Control Act, as codified in NRS Chapter 463, the regulations of the Nevada Gaming Commission promulgated thereunder, the Clark County Code, and the Las Vegas Municipal Code.

New Property: Any direct or indirect interest in real estate acquired by the Partnership or by the Operating Partnership subsequent to the consummation of the Exchange.

Nominee: API Nominee Corp., a Delaware corporation, to whom Depositary Receipts evidencing Depositary Units were issued pursuant to the Exchange to be held for the account of Non-Consenting Investors, as described in the Registration Statement.

Non-Consenting Investor: As used herein, this term shall have the same meaning assigned to it in the Registration Statement. Non-Consenting Investors may only be admitted as Limited Partners as provided in Section 11.01(b) hereof.

Nonrecourse Deductions: The nonrecourse deductions as defined in Treasury Regulation Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a Fiscal Year shall equal the net increase, if any, in the amount of Partnership Minimum Gain during such fiscal year, reduced by any distributions during such Fiscal Year of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined in accordance with Treasury Regulation Section 1.704-2(c) and (h).

Nonrecourse Liability: A liability as defined in Treasury Regulation Section 1.704-2(b)(3).

OLP Partnership Agreement: The Amended and Restated Agreement of Limited Partnership of the Operating Partnership, as it may be amended or supplemented from time to time.

Operating Partnership: Icahn Enterprises Holdings Limited Partnership, a Delaware limited partnership.

Organizational Limited Partner: Julia DeSantis

Partner: The General Partner or a Limited Partner. “Partners” means the General Partner and all Limited Partners.

Partner Minimum Gain: An amount with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability in accordance with Treasury Regulations Section 1.704-2(i)(3).

Partner Nonrecourse Debt: A liability as defined in in accordance with Treasury Regulations Section 1.704-2(b)(4).

Partner Nonrecourse Deductions. The partner nonrecourse deductions as defined in Treasury Regulations Section 1.704-2(i)(2). The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Fiscal Year equals the net increase, if any, in the

amount of Partner Minimum Gain during such Fiscal Year attributable to such Partner Nonrecourse Debt, reduced by any distribution during that Fiscal Year to the Partner that bears the economic risk of loss for such Partner Nonrecourse Debt to the extent that such distribution are from the proceeds of such Partner Nonrecourse Debt and are allocable to an increase in Partner Minimum Gain attributable to the Partner Nonrecourse Debt in accordance with Treasury Regulations Section 1.704-2(h) and (i).

Partnership: The limited partnership governed by this Agreement and any successor limited partnership thereto continuing the business of the Partnership which is a reformation or reconstitution of the limited partnership governed by this Agreement.

Partnership Assets: All assets and property, whether tangible or intangible and whether real, personal or mixed, at any time owned by the Partnership.

Partnership Interest: As to any Partner, all of the interests of that Partner in the Partnership, including, without limitation, such Partner's (i) right to a distributive share of the profits and losses of the Partnership, (ii) right to a distributive share of Partnership Assets and (iii) right, if the General Partner, to participate in the management of the business and affairs of the Partnership.

Partnership Minimum Gain: The aggregate gain, if any, that would be realized by the Partnership for purposes of computing book income or loss with respect to each Partnership Asset if each Partnership Asset subject to a Nonrecourse Liability were disposed of for the amount outstanding on the Nonrecourse Liability by the partnership in a taxable transaction for U.S. federal income tax purposes. Partnership Minimum Gain with respect to each Partnership Asset shall be further determined in accordance with Treasury Regulations Section 1.704-2(d), and each Partner's share of Partnership Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(g).

Percentage Interest: The Percentage Interest of the General Partner shall be one percent (1%). The Percentage Interest of each Record Holder is equal to the product of (i) ninety-nine percent (99%) multiplied by (ii) the Unit Fraction for such Record Holder.

Person: Any individual, corporation, association, partnership, joint venture, trust, estate, unincorporated organization, association or other entity.

Recapture Income: Any gain recognized by the Partnership (but computed without regard to any adjustment required by Sections 734 or 743 of the Code) on the disposition of any Partnership Asset that does not constitute capital gain for federal income tax purposes because such gain represents the recapture of deductions previously taken with respect to such property or assets.

Record Date: The date established by the General Partner, in its discretion, for determining the identity of Record Holders for any purpose, including, without limitation, Record Holders entitled to (a) receive a distribution pursuant to Article V, (b) receive or participate in any distribution, subdivision or combination pursuant to Section 4.06, (c) receive notice of or to vote at any meeting of Record Holders or to consent to any action, (d) participate

in any offer, (e) exercise rights in respect of any other lawful action of Record Holders, or (f) receive any report pursuant to Section 8.04.

Record Holder: As applied to a Depositary Unit, the Limited Partner in whose name the Depositary Receipt evidencing such Depositary Unit is issued on the books of the Depositary or a Transfer Agent as of the close of business on a particular day; and as applied to a Unit that is not on deposit in the Deposit Account, the Person shown as the owner of such Unit on the records of the Partnership as of the close of business on a particular day.

Registration Statement: The Registration Statement on Form S-4 filed by the Partnership with the Commission under the Securities Act to register the offering and sale of the Depositary Units pursuant to the Exchange, as the same may be amended from time to time.

Residual Gain or Residual Loss: Any net gain or net loss, as the case may be, of the Partnership recognized for federal income tax purposes resulting from a sale, exchange or other disposition of a Contributed Property or Adjusted Property, to the extent such net gain or net loss is not allocated pursuant to Section 5.02(b) to eliminate Book-Tax Disparities.

Section 754 Election: The election which may be made by the Partnership pursuant to Section 754 of the Code.

Securities Act: The Securities Act of 1933, as amended, and the regulations of the Commission promulgated thereunder.

Termination Date: December 31, 2085.

Transfer Agent: The Depositary or any bank, trust company or other Person (including the General Partner or any of its Affiliates) appointed by the General Partner from time to time, in its sole and absolute discretion, to act as transfer agent for Depositary Units.

Unit: A Partnership Interest in the Partnership, other than the General Partner’s Partnership Interest as a General Partner, acquired or issued pursuant to this Agreement, provided that each Unit at any time outstanding shall represent the same fractional part of the Partnership Interests of all Record Holders as each other Unit (unless any class or series of Units issued pursuant to Section 4.05 shall have designations, preferences or special rights such that a Unit of such class or series shall represent a greater or lesser part of the Partnership Interests of all Record Holders than a Unit of any other class or series of Units, in which event the Partnership Interest represented by a Unit of such class or series shall be determined in accordance with such designations, preferences and special rights as are fixed by the General Partner pursuant to Section 4.05 with respect to such class or series of Units).

Unit Fraction: With respect to any Record Holder, a fraction, the numerator of which is the number of Depositary Units and held by such Record Holder as of the date of such determination and the denominator of which is the total number of Depositary Units and Units outstanding as of the date of such determination.

Unit Price: Of a Depositary Unit, as of any date of determination: (i) if the Depositary Units are listed or admitted to trading on one or more National Securities Exchanges, the last

reported sale price per Depositary Unit regular way or, in case no such reported sale takes place on any such day, the last reported bid price per Depositary Unit regular way, in either case on the principal National Securities Exchange on which the Depositary Units are listed or admitted to trading, on the date of determination; (ii) if the Depositary Units are not listed or admitted to trading on a National Securities Exchange but are quoted by NASDAQ, the closing bid price per Depositary Unit, on the date of determination, as furnished by the National Quotation Bureau Incorporated or such other nationally recognized quotation service as may be selected by the General Partner for such purpose, if such Bureau is not at the time furnishing quotations; or (iii) if the Depositary Units are not listed or admitted to trading on a National Securities Exchange or quoted by NASDAQ, an amount equal to the fair market value of a Unit as of such date of determination, as determined by the General Partner using any reasonable method of valuation.

Unrealized Gain: The excess, if any, of the fair market value of a Partnership Asset as of the date of determination over the Carrying Value of such Partnership Asset as of the date of determination (prior to any adjustment to be made pursuant to Section 4.08(d) as of such date).

Unrealized Loss: The excess, if any, of the Carrying Value of a Partnership Asset as of the date of determination over the fair market value of such Partnership Asset as of the date of determination (prior to any adjustment to be made pursuant to Section 4.08(d) as of such date).

ARTICLE II

Formation; Name; Place of Business; Term

2.01. Formation of Partnership: Certificate of Limited Partnership. The General Partner and the Organizational Limited Partner have previously formed and the General Partner hereby agrees to continue the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Delaware Act. In accordance with the Delaware Act, the General Partner has filed with the Secretary of State of the State of Delaware the Certificate of Limited Partnership. If the laws of any jurisdiction in which the Partnership transacts business so require, the General Partner also shall file with the appropriate office in that jurisdiction a copy of the Certificate of Limited Partnership and any other documents necessary to establish and maintain the Record Holders' limited liability in such jurisdiction. The Partners further agree and obligate themselves to execute, acknowledge, and cause to be filed for record, in the place or places and manner prescribed by law, any amendments to The Certificate of Limited Partnership as may be required, either by the Delaware Act, by the laws of a jurisdiction in which the Partnership transacts business, or by this Agreement, to reflect changes in the information contained therein or otherwise to comply with the requirements of law for the continuation, preservation, and operation of the Partnership as a limited partnership pursuant to the Delaware Act. Subject to Section 8.02(b), the General Partner shall not be required to deliver or mail a copy of the Certificate of Limited Partnership or any amendment thereto or restatement thereof to any Record Holder.

2.02. Name of Partnership. The name under which the Partnership shall conduct its business is Icahn Enterprises L.P. The business of the Partnership may be conducted under any other name deemed necessary or desirable by the General Partner, in its sole and absolute discretion, except that such other name may not include the surname of any Record Holder unless such surname is also the name or surname of the General Partner. The General Partner promptly shall execute, file, and record any assumed or fictitious name certificates or other statements or certificates as are required by the laws of Delaware or any other state in which the Partnership transacts business. The General Partner, in its sole and absolute discretion, may change the name of the Partnership at any time and from time to time.

2.03. Place of Business. The principal place of business of the Partnership shall be located at such place or places within the United States as the General Partner shall, in its sole and absolute discretion, determine. The General Partner may, in its sole and absolute discretion, establish and maintain such other offices and additional places of business of the Partnership, either within or without the State of Delaware, as it deems appropriate.

2.04. Registered Office and Registered Agent. The address of the registered office of the Partnership in the State of Delaware shall be Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and the registered agent for service of process on the Partnership in the State of Delaware at such address shall be The Corporation Trust Company.

2.05. Term. The Partnership commenced on the date upon which the Certificate of Limited Partnership was duly filed with the Secretary of State of the State of Delaware pursuant to Section 2.01 and shall continue until the Termination Date unless dissolved and liquidated before the Termination Date in accordance with the provisions of Article XIII.

ARTICLE III

Purposes; Nature of Business

3.01. Purposes and Business. The purposes of the business to be conducted by the Partnership shall be (a) to serve as a partner of the Operating Partnership and, in connection therewith, to exercise all rights and powers conferred upon the Partnership as a partner of the Operating Partnership pursuant to the OLP Partnership Agreement or otherwise and (b) to engage, directly or indirectly, in any other business or activity that is approved by the General Partner which lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act. The General Partner has no obligation or duty to the Partnership or the Record Holders to propose or approve, and in its discretion may decline to propose or approve, the conduct by the Partnership of any business.

ARTICLE IV

Capital

4.01. Capital Contributions of General Partner. From time to time, the General Partner shall make Capital Contributions to the Partnership, which contributions have an Agreed Value reduced by any indebtedness either assumed by the Partnership upon such contribution or

to which such contribution is subject when contributed, in an amount necessary to enable it at all times to maintain its aggregate Capital Contributions in an amount proportionally equal to its Percentage Interest in the Partnership.

4.02. Capital Contribution of Organizational Limited Partner. Upon the formation of the Partnership, the Organizational Limited Partner made a Capital Contribution in the amount of Ninety-Nine Dollars ($99) in cash. Concurrently with the Closing, the Capital Contribution of the Organizational Limited Partner was returned, without interest, the Organizational Limited Partner withdrew from the Partnership, and the Organizational Limited Partner, as such, has no further claims or interests as a Partner in and to the Partnership.

4.03. Initial Capital Contributions. On the Closing Date, API Investors in API Partnerships that participated in the Exchange contributed to the Partnership the limited partner interests the Operating Partnership received by them pursuant to the Merger. Each such API Investor who returned both an executed Consent Form and his API Certificates (or, in lieu thereof, executes the Lost Certificate Affidavit) in connection with the Exchange was deemed a Record Holder and issued one (1) Unit for each limited partner interest in the Operating Partnership contributed to the Partnership pursuant to this Section 4.03, as described in the Registration Statement. Units issuable pursuant to the Exchange in respect of limited partner interests in the Operating Partnership owned by Non-Consenting Investors were issued to the Nominee to be held for the account of such Non-Consenting Investors subject to the terms of Section 11.01(b) hereof.

4.04. Non-Assessability of Units. Each Unit shall be fully paid and nonassessable, and no Limited Partner, Record Holder or Non-Consenting Investor shall be required to make any additional Capital Contribution, except as provided in the Delaware Act.

4.05. Additional Issuance of Units: Additional Issuance of Securities.

(a) In order to raise additional capital or to acquire assets, to redeem or retire Partnership debt, to comply with any provision of the OLP Partnership Agreement or for any other Partnership purpose, the General Partner is authorized to cause the Partnership to issue Units or classes thereof from time to time to Partners or to other Persons and to admit them to the Partnership as Additional Limited Partners pursuant to Section 11.03 hereof, all without the consent or approval of the Record Holders or any percentage thereof. There shall be no limit on the number of Units that may be so issued. The Partnership may assume liabilities in connection with any such issuance. Subject to the provisions of Section 4.05(c) hereof, the General Partner shall have sole and absolute discretion in determining the consideration and terms and conditions with respect to any future issuance of Units. The General Partner shall do all things necessary to comply with the Delaware Act and is authorized and directed to do all things it deems to be necessary or advisable in connection with any such future issuance, including, without limitation, amending this Agreement and complying with any statute, rule, regulation or guideline of any federal, state or other governmental agency or any National Securities Exchange on which the Depositary Units are listed for trading.

(b) Notwithstanding anything in this Agreement to the contrary, Units to be issued by the Partnership shall be issuable from time to time in one or more classes with such

designations, preferences and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to existing classes of Units, all as shall be fixed by the General Partner in the exercise of its sole and absolute discretion, including, without limitation, (i) the allocation, for federal income and other tax purposes, to such class of Units of items of Partnership income, gain, loss, deduction and credit; (ii) the right of such class of Units to share in Partnership distributions; (iii) the rights of such class of Units upon dissolution and liquidation of the Partnership; (iv) whether such class of Units is redeemable by the Partnership and, if so, the price at, and the terms and conditions on, which such class of Units may be redeemed by the Partnership; (v) whether such class of Units is issued with the privilege of conversion and, if so, the rate at and the terms and conditions upon which such class of Units may be converted into any other class of Units; (vi) the terms and conditions of the issuance of such class of Units, the deposit of such class of Units with the Depositary, the issuance of Depositary Receipts in respect thereof, and all other matters relating to the assignment thereof; and (vii) the rights of such class of Units to vote on matters relating to the Partnership and this Agreement. Upon the issuance of any class of Units, the General Partner (pursuant to the General Partner's powers of attorney from the Record Holders), without the approval at the time of any Record Holder (each Person accepting Units being deemed to approve of such amendment) may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record, if required, an amended Certificate of Limited Partnership and such other documents as may be required in connection therewith, as shall be necessary or desirable to reflect the authorization and issuance of such class of Units and the relative rights and preferences of such class of Units as to the matters set forth in the preceding sentence. The General Partner is also authorized to cause the issuance of any other type of security of the Partnership from time to time to Partners or other Persons on terms and conditions established in the sole and absolute discretion of the General Partner. Such securities may include, without limitation, unsecured and secured debt obligations of the Partnership, debt obligations of the Partnership convertible into any class of Units that may be issued by the Partnership, options, rights or warrants to purchase any such class of Units or any combination of any of the foregoing.

(c) The General Partner or any Affiliate of the General Partner may, but shall not be obligated to, make contributions to the Partnership in exchange for Units, provided that the number of Units issued in exchange for any such contribution shall not exceed the Agreed Value of the contribution reduced by any indebtedness either assumed by the Partnership upon such contributions or to which such property is subject when contributed, divided by the average closing Unit Price for the twenty (20) trading days immediately preceding such contribution; provided, further, that the foregoing proviso shall not apply to any issuance of Units to the General Partner or any Affiliate of the General Partner that is, or has previously been, authorized or approved by the Audit Committee.

4.06. Splits and Combinations.

(a) The General Partner, in its sole and absolute discretion, may (i) make a distribution in Units to all Record Holders or (ii) effect a subdivision or combination of Units, but in each case only on a pro rata basis so that, after such distribution, subdivision or combination, each Record Holder shall, subject to Section 4.06(d), have the same Percentage Interest in the Partnership as before such distribution, subdivision or combination.

(b) Whenever such a distribution, subdivision, or combination is declared, the General Partner shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice of the distribution, subdivision or combination at least twenty (20) days prior to such Record Date to each Record Holder as of the date ten (10) days prior to the date of such notice.

(c) Promptly following any such distribution, subdivision or combination, the General Partner may cause Certificates or Depositary Receipts, or other evidence of the issuance of uncertificated Units, as the case may be, to be issued to the Record Holders as of the applicable Record Date representing the new number of Units or Depositary Units held by such Record Holder, or the General Partner may adopt such other procedures as it may deem appropriate to reflect such distribution, subdivision or combination; provided, however, that in the event any such distribution, subdivision or combination results in a smaller total number of Units outstanding, the General Partner may require, as a condition to the delivery to a Record Holder of such new Certificate or Depositary Receipt or other evidence of the issuance of uncertificated Units, the surrender of any Certificate or Depositary Receipt or other evidence of the issuance of uncertificated Units, representing the Units held by such Record Holder immediately prior to such Record Date.

(d) The Partnership shall not be required to issue fractional Units upon any distribution, subdivision or combination of Units. In the event any distribution, subdivision or combination of Units would result in the issuance of fractional Units but for the provisions of Section 4.05 and this Section 4.06(d), each fractional Unit shall be rounded to the nearest whole Unit.

4.07. No Preemptive Rights. Neither the General Partner nor any Record Holder shall have any preemptive right with respect to (a) additional Capital Contributions, (b) issuance or sale of Units, whether unissued, held in the treasury or hereafter created, (c) issuance of any obligations, evidences of indebtedness or other securities of the Partnership convertible into or exchangeable for, or carrying or accompanied by any rights to receive, purchase or subscribe to, any such unissued Units or Units held in treasury, (d) issuance of any right of, subscription to or right to receive, or any warrant or option for the purchase of, any of the foregoing securities or (e) issuance or sale of any other securities that may be issued or sold by the Partnership.

4.08. Capital Accounts.

(a) A separate Capital Account shall be established and maintained for the General Partner and each Record Holder. The Capital Account of the General Partner and each Record Holder shall be credited with the cash and the Agreed Value of any property, contractual rights or other non-cash consideration (net of liabilities assumed by the Partnership and liabilities to which the contributed property is subject) contributed or deemed contributed to the Partnership by such General Partner or Record Holder, plus all income, gain, or profits of the Partnership computed in accordance with Section 4.08(b) and allocated to such General Partner or Record Holder pursuant to Section 5.01, and shall be debited with the sum of (i) all losses or deductions of the Partnership computed in accordance with Section 4.08(b) and allocated to such General Partner or Record Holder, pursuant to Section 5.01, (ii) such General Partner’s or Record Holder’s distributive share of expenditures of the Partnership described in

Section 705(a)(2)(B) of the Code (including expenditures made in respect of the offering and sale of Units that are not depreciable, deductible or amortizable for federal income tax purposes), and (iii) all cash and the fair market value of any property (net of liabilities assumed by such General Partner or Record Holder and liabilities to which such property is subject) distributed or deemed distributed by the Partnership to such General Partner or Record Holder. Notwithstanding anything to the contrary contained herein, the Capital Account of a General Partner or Record Holder shall be determined in all events solely in accordance with the rules set forth in Treasury Regulation Section 1.704-1(b)(2)(iv), as the same may be amended or revised hereafter. Any references in any Section or subsection of this Agreement to the Capital Account of a General Partner or Record Holder shall be deemed to refer to such Capital Account as the same may be credited or debited from time to time.

(b) For purposes of computing the amount of any item of income, gain, deduction or loss to be reflected in the Capital Accounts, the determination, recognition and classification of each such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose), provided that:

(i) In accordance with the requirements of Section 704(c) of the Code, any deductions for depreciation, cost recovery, amortization or expense in lieu of depreciation, attributable to a Contributed Property shall be determined as if the adjusted basis of the property on the date it was acquired by the Partnership was equal to the Agreed Value of such Partnership Asset as of such date. Upon an adjustment pursuant to Section 4.08(d)(i) to the Carrying Value of any Partnership Asset subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such Asset shall be determined as if the adjusted basis of such Asset was equal to the Carrying Value of such Asset immediately following such adjustment.

(ii) Any income, gain or loss attributable to the taxable disposition of any Partnership Asset shall be determined by the Partnership as if the adjusted basis of such Partnership Asset as of such date of disposition was equal to the amount of the Carrying Value of such Partnership Asset as of such date;

(iii) The computation of all items of income, gain, loss, and deduction shall be made without regard to the Section 754 Election, unless otherwise required by the Treasury Regulations; and

(iv) For purposes of the application of the provisions of this Section 4.08, the Partnership shall be treated as owning directly its proportionate share (as determined by the General Partner) of all property owned by the Operating Partnership.

(c) In general, any Person to whom a Partnership Interest is transferred shall succeed to the Capital Account relating to the Partnership Interest transferred. However, if the transfer causes a termination of the Partnership under Section 708(b)(1)(B) of the Code, the Partnership Assets shall be deemed to have been distributed in liquidation of the Partnership to

the General Partner and the Record Holders (including Persons to whom such interests were transferred) and deemed recontributed by such General Partner, the Record Holders and the new Limited Partners in reconstitution of the Partnership. The Capital Accounts of the reconstituted Partnership shall be maintained in accordance with the principles of this Section 4.08.

(d) (i) Upon an issuance of additional Units for cash or Contributed Property pursuant to Section 4.05, the Capital Accounts of the General Partner and the Record Holders and the Carrying Values of all Partnership Assets shall, immediately prior to such issuance, be adjusted (consistent with the provisions hereof) upwards or downwards to reflect any Unrealized Gain or Unrealized Loss attributable to each Partnership Asset (as if such Unrealized or Unrealized Loss had been recognized upon an actual sale of each such Partnership Asset, immediately prior to such issuance, and had been allocated to the General Partner and the Record Holders, at such time, pursuant to Section 5.01). In determining such Unrealized Gain or Unrealized Loss, the fair market value of Partnership Assets shall be determined (1) first, by multiplying the number of Units outstanding, as of the date of determination, by the Unit Price of a Unit determined as of such date, (2) second, by dividing the value determined under clause (1) by 99%, and (3) third, by adding to the value determined under clause (2) the amount of any Partnership indebtedness as of the date of determination.

(ii) Immediately prior to an actual distribution of any Partnership Asset, the Capital Accounts of the General Partner and the Record Holders and the Carrying Values of all Partnership Assets shall be adjusted (consistent with the provisions hereof and of Section 704 of the Code) upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to each Partnership Asset (as if such Unrealized Gain or Unrealized Loss had been recognized upon an actual sale of each Partnership Asset, immediately prior to such distribution, and had been allocated to the General Partner and the Record Holders, at such time, pursuant to Section 5.01). In determining such Unrealized Gain or Unrealized Loss, the fair market value of Partnership Assets shall be determined by the General Partner using such reasonable methods of valuation as it may adopt.

4.09. Negative Capital Accounts.

(a) Except to the extent provided in Section 4.09(b), neither the General Partner nor any Record Holder shall be required to pay to the Partnership or to any other General Partner or Record Holder any deficit or negative balance which may exist from time to time in such General Partner’s or Record Holder’s Capital Account.

(b) Notwithstanding the foregoing, on the dissolution and termination of the Partnership, if the General Partner shall have a deficit or negative balance in its Capital Account following the payment of the Capital Contribution provided for in Section 4.01 and the allocation of all income and loss from Capital Transactions pursuant to Section 5.02, then the General Partner shall be required to pay the lesser of (i) the amount of such deficit or negative balance or (ii) the excess of one and one-hundredth percent (1.01%) of the Capital Contributions of the Record Holders over the Capital Contribution of the General Partner to the Partnership. After the payment of any remaining debts and liabilities of the Partnership as provided for in sections 5.02 and 13.05, any such amount paid to the Partnership be distributed to the Partners

and Record Holders in accordance with their respective positive Capital Account balances, as provided for in Section 5.03.

4.10. No Interest on Amounts in Capital Accounts. Neither the General Partner nor any Record Holder shall be entitled to receive any interest on its outstanding Capital Account balance.

4.11. Loans by the General Partner and Record Holders. Loans by the General Partner or Record Holders to the Partnership shall not be considered Capital Contributions. If the General Partner or a Record Holder shall advance funds to the Partnership in excess of the amounts required hereunder to be contributed by it to the capital of the Partnership, the making of such advances shall not result in any increase in the amount of the Capital Account of such General Partner or Record Holder or entitle such General Partner or Record Holder to any increase in its Percentage Interest (as defined in Article V). The amounts of any such advances shall be a debt of the Partnership to such General Partner or Record Holder and shall be payable or collectible only out of the Partnership Assets in accordance with the terms and conditions upon which such advances are made.

4.12. Liability of Record Holders. Except as provided in the Delaware Act, none of the Record Holders shall be personally liable for any debts, liabilities, contracts or obligations of the Partnership.

4.13 Nevada Gaming Law Dispositions. Notwithstanding anything in this Partnership Agreement to the contrary, if any Nevada gaming Authority requires that a Limited Partner be licensed, qualified or found suitable under any applicable Nevada Gaming Law and such Limited Partner:

(a) Fails to apply for a license, qualification or a finding of suitability within 30 days (or such shorter period as may be required by the applicable Nevada gaming Authority) (the “Filing Date”) after being requested to do so by the Nevada Gaming Authority; or

(b) is denied such license or qualification or not found suitable;
then, the General Partner shall have the right, exercisable in its sole discretion,

(i) to require each Limited Partner to, subject to Article X, dispose of its Partnership Interest within 30 days (or such earlier date as may be required by the applicable Nevada Gaming Authority) of the occurrence of the event described in clause (a) or (b) above, or

(ii) to redeem the Partnership Interest of such Limited Partner, on behalf of and for the account of the Partnership, at a redemption price (the “Redemption Price”) equal to the lowest of:

(A) the market price for such Partnership Interest on the Filing Date which, in the case of the Depositary Unit, shall be the Unit Price;

(B) the price at which such Limited Partner acquired the Partnership Interest; and

(C) such other lesser amount as may be required by any Nevada Gaming Authority.

Immediately upon a determination by a Nevada Gaming Authority that a Limited Partner will not be licensed, qualified or found suitable and must dispose of its Partnership Interest, the Limited Partner will, to the extent required by applicable Nevada gaming laws, have no further right:

(a) to exercise, directly or indirectly, through any trustee or nominee or any other person or entity, any rights to which Limited Partners or Record Holders are entitled under the Delaware Act or this Partnership Agreement; or

(b) to receive any distributions made by the Partnership, except the Redemption Price.

ARTICLE V

Allocations of Income and Loss; Distributions

5.01. Capital Account Allocations. For purposes of maintaining the Capital Accounts and determining the rights of the General Partner and the Record Holders among themselves, each item of income, gain, loss and deduction shall be allocated among the General Partner and the Record Holders in the following manner:

(a) Except as otherwise provided in this Section 5.01, all items of income, gain, loss and deduction of the Partnership, computed in accordance with Section 4.08(b), and any income of the Partnership described in Section 705(a)(1)(B) of the Code shall be allocated to the General Partner and the Record Holders in accordance with their respective Percentage Interests.

(b) Notwithstanding any other provision of this Article V, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, then, subject to the exceptions set forth in Treasury Regulation Section 1.704-2 (f)(2), (3), (4) and (5), each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partner Minimum Gain, as determined under Treasury Regulation Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in such section of the Regulations in accordance with Treasury Regulation Section 1.704-2(f). This paragraph is intended to comply with the minimum gain chargeback requirements in Treasury Regulation Section l.704-2(f) and shall be interpreted consistently therewith.

(c) Notwithstanding any other provision of this Article V except Section 5.01(b), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Fiscal Year then, subject to the exceptions set forth in Treasury Regulation Section 1.704-1(i)(4), each Partner who has a share of the Partner Minimum Gain attributable to

such Partner Nonrecourse Debt, determined in accordance with Treasury Regulation Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Treasury Regulation Section 1.704-2(i)(4). The items to be so allocated shall be determined in accordance with Treasury Regulation Section 1.704-2(i)(4). This paragraph is intended to comply with the minimum gain chargeback requirement in Treasury Regulation Section l.704-2(i) and shall be interpreted consistently therewith.

(d) Notwithstanding any other provision of this Article V, except Section 5.01(b), in the event any Partner receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-l(b)(2)(ii)(d)(4), (5), or (6), that cause or increase an Adjusted Capital Account deficit of such Partner, items of Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulation, the Adjusted Capital Account deficit of such Partner as quickly as possible. This Section 5.01(d) is intended to constitute a "qualified income offset" within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(3).

(e) Nonrecourse Deductions for any Fiscal Year shall be allocated between the General Partner and the Limited Partners in proportion to their respective Percentage Interests.

(f) Any Partner Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deduct ions are attributable in accordance with Treasury Regulation Section l.704-2(l)(1).

(g) The allocations set forth in Sections 5.01(b), (d) and (f) above (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulation Section 1.704-1(b). The Regulatory Allocations shall be taken into account for the purpose of equitably adjusting subsequent allocations of income, gain, loss and deduction, and items of income, gain, loss, and deduction among the Partners so that, to the extent possible, the net amount of such allocations of income, gain, loss and deduction and other items to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Regulatory Allocations had not occurred.

(h) Pursuant to Treasury Regulation Section 1.752-3(a), for the purpose of determining the General Partner's and each Limited Partner's share of excess Nonrecourse Liabilities of the Partnership, each such Person shall be treated as having a share of the Partnership's profit and income equal to their respective Percentage Interests, provided, that the General Partner may exercise its reasonable discretion to allocate such excess Nonrecourse Liabilities according to any method permitted by under the Treasury Regulations or other applicable law.

(i) To the extent permitted by Treasury Regulation Sections 1.704-2(h)(3) and (i)(6), the General Partner shall endeavor to treat distributions as having been made from the proceeds of Nonrecourse Liabilities or Partner Nonrecourse Debt only to the extent that such

distributions would cause or increase a deficit balance in any Partner's Adjusted Capital Account.

(j) To preserve the uniformity of Units, the General Partner shall have sole discretion in conjunction with Section 5.02(g) to make special allocations of income or deductions. The General Partner may make such allocations only if they would not have a material adverse effect on the Record Holders and if they are consistent with, and supportable under, the principles of Section 704 of the Code.

5.02. Tax Allocations. For federal income tax purposes, each item of income, gain, loss and deduction of the Partnership shall be allocated among the General Partner and the Record Holders in the following manner:

(a) Except as otherwise provided in this Section 5.02, all such items of income, gain, loss and deduction of the Partnership shall be allocated to the General Partner and the Record Holders in accordance with their Percentage Interests.

(b) In the case of a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation and cost recovery deductions attributable thereto shall be allocated for federal income tax purposes among the General Partner and the Record Holders as follows:

(1) In the case of a Contributed Property, such items shall be allocated among the General Partner and the Record Holders in a manner that takes into account the variation between the Agreed Value of such property and its adjusted basis at the time of contribution in attempting to eliminate Book-Tax Disparities. Except as otherwise provided in Section 5.02(c) and 5.02(d) below, any item of Residual Gain or Residual Loss attributable to a Contributed Property shall be allocated among the General Partner and the Record Holders in accordance with their Percentage Interests;

(2) In the case of an Adjusted Property, such items shall (a) first, be allocated among the General Partner and the Record Holders in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 4.08(d)(i) in attempting to eliminate Book-Tax Disparities, and (b) second, in the event such property was originally a Contributed Property, be allocated among the General Partner and the Record Holders in a manner consistent with the first sentence of paragraph (b) (1) above. Except as otherwise provided in Sections 5.02(c) and 5.02(d) below, any items of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated among the General Partner and the Record Holders in accordance with the provisions of Section 5.02(a).

(c) If the General Partner or a Record Holder receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b) (2) (ii) (d) (4), (5) and (6), items of Partnership income and gain shall be specially allocated to such General Partner or Record Holder in an amount and manner consistent with the allocation of income and gain pursuant to Section 5.01(b).

(d) If the General Partner's or a Record Holder's Capital Account has a deficit balance as described in Section 5.01(c), items of income and gain of the Partnership shall be allocated to such General Partner or Record Holder in an amount and manner consistent with the allocation of income and gain pursuant to Section 5.01(c).

(e) To the extent of any Recapture Income resulting from the sale or other taxable disposition of Partnership Assets, the amount of any gain from such disposition allocated to (or recognized by) the General Partner or a Record Holder (or its successor in interest) for federal income tax purposes pursuant to the above provisions shall be deemed to be Recapture Income to the extent such General Partner or Record Holder has been allocated or has claimed any deduction directly or indirectly giving rise to the treatment of such gain as Recapture Income.

(f) All items of income, gain, loss, deduction and basis allocation recognized by the Partnership for federal income tax purposes and allocated to the General Partner and the Record Holders in accordance with the provisions hereof shall be determined without regard to the Section 754 Election which may be made by the Partnership; provided, however, such allocations, once made, shall be adjusted as necessary or appropriate to take into account those adjustments permitted by Sections 734 and 743 of the Code and, where appropriate, to provide only the General Partner and the Record Holders recognizing gain on Partnership distributions covered by Section 734 of the Code with the federal income tax benefits attributable to the increased basis in Partnership Assets resulting from the Section 754 Election.

(g) It is intended that the allocations prescribed in Sections 5.02(b)(l) and (b)(2) constitute allocations for federal income tax purposes that are consistent with Section 704 of the Code and comply with any limitations or restrictions therein, to the extent reasonably possible without causing Units to lack uniform characteristics for federal income tax purposes. If uniformity of the Units cannot be preserved by application of Sections 5.02(b)(l) and (b)(2), then the General Partner shall have sole discretion to (i) adopt such conventions as it deems appropriate in determining the amount of depreciation and cost recovery deductions; (ii) make special allocations of income or deduction and (iii) amend the provisions of this Agreement as appropriate (a) to reflect the proposal or promulgation of Treasury Regulations under Section 704(c) of the Code, or (b) otherwise to preserve the uniformity of Units issued or sold from time to time; provided, however, that the General Partner may adopt such conventions, make such allocations or amend this Agreement as provided in this Section 5.02(g) only if the same would not have a material adverse effect on the Limited Partners and if such allocations are consistent with and supportable under the principles of Section 704 of the Code.

(h) For purposes of the interpretation and application of this Article V, the Partnership shall be treated as owning its proportionate share of all properties owned by the Operating Partnership.

5.03. Distributions of Cash Flow and Capital Proceeds.

(a) Subject to Section 17-607 of the Delaware Code and except as provided in Section 5.03(b), the General Partner, in its sole and absolute discretion, may make such distributions from the Partnership Assets or otherwise as it deems appropriate in its sole

discretion, quarterly, annually or at any other time. Any such distributions shall be distributed to the General Partner and the Record Holders in accordance with their respective Percentage Interests.

Each distribution pursuant hereto shall be paid by the Partnership only to the Record Holders (as of the Record Date set forth for such distribution) and to the General Partner. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of the applicable distribution (and the Partnership shall have no liability to any other Person by reason of an assignment of a Depositary Unit or otherwise).

(b) The General Partner shall convert all non-cash assets of the Partnership to cash before any distribution upon liquidation or dissolution of the Partnership. Distribution of proceeds on liquidation or dissolution of the Partnership, and any other remaining assets of the Partnership to be distributed to the General Partner and the Record Holders in connection with the dissolution and liquidation of the Partnership pursuant to Article XIII, shall be made as follows:

(i) first, to the payment of any debts and liabilities of the Partnership which shall then be due and payable;

(ii) next, to the establishment of such reserves as the General Partner deems reasonably necessary to provide for any future, contingent or unforeseen liabilities or obligations of the Partnership; and

(iii) next, pro rata in accordance with and to the extent of the positive balances in the General Partner's and Record Holders' respective Capital Accounts.

(c) At the General Partner's election, exercisable in its sole discretion, each quarterly distribution made pursuant to Section 5.03(a) hereof may be allocated monthly among the General Partner and the Record Holders of record as of the last day of each month during the quarter in respect of which such quarterly distribution is made; provided, however, that no such allocation shall be made unless the General Partner concludes, in its sole discretion, that such monthly allocation convention does not result in a material adverse effect to the Record Holders, taken as a whole. For all purposes of this Agreement, any Partner's allocable share of the aggregate amount withheld from any distribution hereunder in respect of state income taxes paid or payable by the Partnership on behalf of such Partner shall be treated as having been distributed to such Partner.

5.04. Distributions and Allocations of Income and Loss With Respect to Interests Transferred.

(a) Distributions of Partnership Assets (including cash) in respect of a Unit or Depositary Unit shall be made only to the Person who, according to the books and records of the Partnership and the Depositary, is the Record Holder of such Unit or Depositary Unit in respect of which such distribution is being made on the Record Date for such distribution.

(b) Each item of Partnership income, gain, loss and deduction shall, for federal income tax purposes, be determined on an annual basis (or other basis as required or

permitted by Section 706 of the Code), apportioned equally among the constituent calendar months, and allocated to the General Partner and the Record Holders in accordance with their Percentage Interests for each constituent calendar month as of the first day of the immediately following month (for example, an apportionment for January of any year would be allocated to the General Partner and the Record Holders as of February 1 of that year); provided, however, that gain or loss from a Capital Transaction of the Partnership shall (subject to the provisions of Section 5.02(b) hereof) be allocated to the General Partner and the Record Holders as of the last day of the calendar month in which such Capital Transaction of the Partnership giving rise to such gain or loss occurred; provided, further, however, that, if gain from a Capital Transaction of the Partnership is recognized by the Partnership over more than one calendar year, gain recognized by the Partnership in years subsequent to the year in which the Capital Transaction occurred shall be allocated in the same manner as income of the Partnership is allocated in such year pursuant to the first sentence of this subparagraph (b). The General Partner may revise, alter or otherwise modify such methods of determination and allocation as it deems necessary to the extent permitted by Section 706 of the Code and regulations rulings promulgated thereunder.

(c) The General Partner shall incur no liability for making allocations and distributions in accordance with the provisions of this Section 5.04, whether or not the General Partner has knowledge or notice of any transfer or purported transfer of ownership of any Unit.

ARTICLE VI

Management

6.01. Management and Control of Partnership. Except as otherwise expressly provided or limited by the provisions of this Agreement (including, without limitation, the provisions of Article VII), the General Partner shall have full, exclusive and complete discretion to manage and control the business and affairs of the Partnership, to make all decisions affecting the business and affairs of the Partnership, and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Partnership as set forth herein. The General Partner shall use reasonable efforts to carry out the purposes of the Partnership and shall devote to the management of the business and affairs of the Partnership such time as the General Partner, in its sole and absolute discretion, shall deem to be reasonably required for the operation thereof. No Limited Partner, Record Holder or Non-Consenting Investor shall have any authority, right or power to bind the Partnership, or to manage or control, or to participate in the management or control of, the business and affairs of the Partnership in any manner whatsoever.

6.02. Powers of General Partner. Subject to Section 6.08, the General Partner (acting on behalf of and at the expense of the Partnership) shall have the right, power and authority, in the management and control of the business and affairs of the Partnership, to do or cause to be done any and all acts deemed by the General Partner to be necessary or appropriate to carry out the purposes and business of the Partnership. The power and authority of the General Partner pursuant to this Agreement shall be liberally construed to encompass all acts and activities in which a limited partnership may engage under the Delaware Act, subject to the provisions of Section 3.01 hereof. The expression of any power, authority or right of the General Partner in this Agreement shall not limit or exclude any other power, authority or right which is not specifically or expressly set forth in this Agreement or the Delaware Act.

6.03. Purchase or Sale of Units. The General Partner may, on behalf of and for the account of the Partnership, at such times and on such terms as the General Partner, in its sole and absolute discretion, deems to be in the best interests of the Partnership, the Limited Partners, Record Holders and Non-Consenting Investors, purchase or otherwise acquire Units or Depositary Units and, following any such purchase or acquisition, may sell or otherwise dispose of such Units and Depositary Units. So long as such Units or Depositary Units shall be held by or on behalf of the Partnership, such Units or Depositary Units shall not be considered outstanding for any purpose. In addition to the foregoing, the General Partner and its Affiliates also may purchase or otherwise acquire Units or Depositary Units for their own account and may, subject to the provisions of Section 10, sell or otherwise dispose of such Units or Depositary Units.

6.04. Compensation Plans. In addition to the Unit Option Plan described in the Registration Statement, the General Partner shall have the power and authority to cause the Partnership to pay pensions, and establish and carry out pension, profit-sharing, bonus, purchase, option, savings, thrift and other retirement, incentive and benefit plans, trusts and provisions for the General Partner, employees of the General Partner or the Partnership, and any partner, director or officer of the General Partner, including plans, trusts and provisions which may provide for the ownership, acquisition, holding or disposition of Units or any other securities of the Partnership, and to the full extent permitted by law the General Partner may indemnify and maintain insurance on behalf of any fiduciary of such plans, trusts or provisions, including, without limitation, health insurance, medical and dental reimbursement, life insurance, accident insurance, disability insurance and other plans, trusts or provisions.

6.05. Distributions. The General Partner shall have the power and authority to cause the Partnership, from time to time and to the extent deemed appropriate by the General Partner in its sole and absolute discretion, to distribute cash or Partnership Assets to the General Partner and the Record Holders in accordance with Article V. Nothing in this Agreement or this Section 6.05 shall serve as a limitation on the General Partner's right to retain or use Partnership Assets or the revenues of the Partnership as, in the sole and absolute discretion of the General Partner, may be required to satisfy the anticipated present and future cash needs of the Partnership, whether for operations, expansion, improvements, acquisitions or otherwise.

6.06. Election to the Governed by Successor Limited Partnership Law. The General Partner may, in its sole and absolute discretion and without any vote or concurrence of the Record Holders, elect for the Partnership to be governed by any statutes adopted to succeed or replace the Delaware Act on or after the date any part of such successor or replacement statute takes effect and procure any permits, orders or approvals of any governmental authority in connection with such election.

6.07. Operating Partnership. The General Partner, in its sole and absolute discretion, may cause the Operating Partnership to be dissolved or to be merged into, consolidated or combined with the Partnership without the need for any vote or consent by the Record Holders. Upon any such merger, consolidation or combination, the interests of the Limited Partners and Record Holders in the Partnership and the compensation and reimbursements to the General Partner shall be adjusted and this Agreement shall be amended without the need for any vote of the Record Holders to provide the same relative interests, compensation and reimbursements as

they had in the Partnership and Operating Partnership, taken together, prior to such merger, consolidation or combination.

6.08. Restrictions on Authority of General Partner.

(a) Anything in this Agreement to the contrary notwithstanding, the General Partner shall have no authority to cause the Partnership to terminate the Depositary Agreement unless such termination (i) is in connection with the Partnership entering into a similar agreement with another depositary selected by the General Partner, in its sole and absolute discretion, (ii) is as a result of the receipt of an opinion of counsel for the Partnership to the effect that such termination is necessary in order for the Partnership to avoid being treated as an association taxable as a corporation for federal income tax purposes or to avoid being in violation of any applicable federal or state securities laws, or (iii) is in connection with the dissolution of the Partnership pursuant to Article XIII.

(b) Anything in this Agreement to the contrary notwithstanding, the General Partner shall have no authority to cause the Partnership, in its capacity as sole limited partner of the Operating Partnership, to consent to any proposal submitted for the approval of the limited partners of the Operating Partnership unless the Record Holders, pursuant to Section 14.11(b) hereof, vote to approve such proposal in at least the same percentage as is required by the OLP Partnership Agreement for the approval of such proposal by the limited partners of the Operating Partnership.

6.09. Reliance by Third Parties. Notwithstanding any other provision of this Agreement to the contrary, no lender or purchaser, including any purchaser of property from the Partnership or any other Person dealing with the Partnership, shall be required to look to the application of proceeds hereunder to verify any representation by the General Partner as to the extent of the interest in the assets of the Partnership that the General Partner is entitled to encumber, sell or otherwise use, and any such lender or purchaser shall be entitled to rely exclusively on the representations of the General Partner as to its authority to enter into such financing or sale arrangements and shall be entitled to deal with the General Partner as if it were the sole party in interest therein, both legally and beneficially. Each Record Holder hereby waives any and all defenses or other remedies that may be available against such lender, purchaser or other Person to contest, negate or disaffirm any action of the General Partner in connection with any sale or financing. In no event shall any Person dealing with the General Partner or the General Partner’s representative with respect to any business or property of the Partnership be obligated to ascertain that the terms of this Agreement have been complied with, or be obligated to inquire into the necessity or expedience of any act or action of the General Partner or the General Partner’s representative; and every contract, agreement, deed, mortgage, security agreement, promissory note or other instrument or document executed by the General Partner or the General Partner’s representative with respect to any business or property of the Partnership shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and/or delivery thereof this Agreement was in full force and effect, (b) such instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Partnership, and (c) the General Partner or the General Partner’s representative was duly authorized and empowered to

execute and deliver any and every such instrument or document for and on behalf of the Partnership.

6.10. Title to Partnership Assets. Title to Partnership Assets, whether real, personal or mixed, tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner or Record Holder individually or collectively, shall have any ownership interest in such Partnership Assets or any portion thereof. Title to any or all of the Partnership Assets may be held in the name of the Partnership or the General Partner, or of one or more nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Partnership Assets for which legal title is held in the name of the General Partner shall be held in trust by the General Partner for the use and benefit of the Partnership in accordance with the terms or provisions of this Agreement. All Partnership Assets shall be recorded as the property of the Partnership on its books and records, irrespective of the name in which legal title to such Partnership Assets is held.

6.11. Other Business Activities of Partners. Any Partner, Record Holder or Affiliate thereof (including, without limitation, the General Partner and any of its Affiliates) may have other business interests or may engage in other business ventures of any nature or description whatsoever, whether presently existing or hereafter created, including, without limitation, the ownership, leasing, management, operation, franchising, syndication and/or development of real estate, and may compete, directly or indirectly, with the business of the Partnership. No Partner, Record Holder or Affiliate thereof shall incur any liability to the Partnership as the result of such Partner's, Record Holder's or Affiliate's pursuit of such other business interests and ventures and competitive activity, and neither the Partnership nor any of the Partners or Record Holders shall have any right to participate in such other business interests or ventures or to receive or share in any income or profits derived therefrom.

6.12. Transactions with General Partner or Affiliates. In addition to transactions specifically contemplated by the terms and provisions of this Agreement, the Partnership is expressly permitted to enter into other transactions with the General Partner or any of its Affiliates, including, without limitation, buying and selling properties from or to the General Partner and any of its Affiliates and borrowing and lending money from or to the General Partner or any of its Affiliates, subject to the limitations contained in this Agreement, the Delaware Act and in the Registration Statement.

6.13. Audit Committee; Resolution of Conflicts of Interest.

(a) On the Closing Date, the General Partner formed an Audit Committee comprised of directors of the General Partner not affiliated with the General Partner or its Affiliates other than as a director of the General Partner. The functions of the Audit Committee shall be: (i) to review the Partnership's financial and accounting policies and procedures; (ii) to review the results of any audits of the books and records of the Partnership made by the Accounting Firm or other outside auditors; (iii) to review the allocation of overhead expenses in connection with the reimbursement of the expenses of the General Partner pursuant to Section 7.01; (iv) to review any resolutions of conflicts of interest made by the General Partner pursuant to Section 6.13(b); and (v) to review certain other determinations of the General Partner

made pursuant to this Agreement. The responsibilities of the Audit Committee are more specifically set forth in the Audit Committee Charter.

(b) Unless otherwise expressly provided in this Agreement, (i) whenever a conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, the Operating Partnership, or any Record Holder, on the other hand, or (ii) whenever this Agreement or any other agreement contemplated herein provides that the General Partner shall act in a manner which is, or provide terms which are, fair and/or reasonable to the Partnership, the Operating Partnership, or any Record Holder, the General Partner shall resolve such conflict of interest, take such action or provide such terms considering, in each case, the relative interests of each party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles, and in the absence of bad faith by the General Partner, the resolution, action or terms so made, taken or provided by the General Partner shall not constitute a breach of this Agreement or any other agreement contemplated herein.

(c) The Audit Committee shall periodically review any determinations of the General Partner made pursuant to Section 6.13(b).

(d) Whenever in this Agreement the General Partner is permitted or required to make a decision (i) in its “sole discretion” or “discretion”, with “absolute discretion” or under a grant of similar authority or latitude, the General Partner shall be entitled to consider only such interests and factors as it desires and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership, the Operating Partnership or the Record Holders, or (ii) in its “good faith” or under another express standard, the General Partner shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein.

6.14. Liability of General Partner to Partnership and Limited Partners.

(a) The General Partner and its Affiliates and all partners, shareholders, directors, officers, employees or agents of the General Partner and its Affiliates shall not be liable (for monetary damages or otherwise) to the Partnership, the Limited Partners, the Record Holders or the Non-Consenting Investors for errors in judgment or for breach of fiduciary duty as the General Partner of the Partnership or as a partner, shareholder, director, officer, employee or agent of the General Partner of the Partnership or any of its Affiliates, except for liability (i) for any breach of such Person’s duty of loyalty to the Partnership, as such duty of loyalty may be set forth in or modified by this Agreement, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law or (iii) for any transaction from which such Person has derived an improper benefit.

(b) The General Partner may exercise any of the powers granted to it by this Agreement and may perform any of the duties imposed upon it hereunder either directly or indirectly or by or through its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

6.15. Indemnification of General Partner and Affiliates.

(a) The Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless the General Partner, its Affiliates, and all officers, directors, employees and agents of the General Partner and its Affiliates (individually, an "Indemnitee") from and against any and all losses, claims, demands, costs, damages, liabilities, joint and several, expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which the Indemnitee may be involved, or threatened to be involved, as a party or otherwise by reason of its status as (x) the General Partner or an Affiliate thereof or (y) a partner, shareholder, director, officer, employee or agent of the General Partner or an Affiliate thereof or (z) a Person serving at the request of the Partnership in another entity in a similar capacity, which relate to, arise out of or are incidental to the Partnership, its property, business, affairs or the Exchange, including, without limitation, liabilities under the federal and state securities laws, regardless of whether the Indemnitee continues to be a General Partner, an Affiliate, or an officer, director, employee or agent of the General Partner or of an Affiliate thereof at the time any such liability or expense is paid or incurred, if (i) the Indemnitee acted in good faith and in a manner it believed to be in, or not opposed to, the best interests of the Partnership, and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful and (ii) the Indemnitee's conduct did not constitute willful misconduct. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption or otherwise constitute evidence that the Indemnitee acted in a manner contrary to that specified in (i) or (ii) above.

(b) Expenses incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding subject to this Section 6.15 shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay such amount unless it shall be determined that such Person is entitled to be indemnified as authorized in this Section 6.15.

(c) The indemnification provided by this Section 6.15 shall be in addition to any other rights to which those indemnified may be entitled under any agreement, vote of the Record Holders, as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a General Partner, an Affiliate or as an officer, director, employee or agent of a General Partner or an Affiliate, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(d) The Partnership may purchase and maintain insurance on behalf of the General Partner and such other Persons as the General Partner shall determine against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Exchange and the activities of the Partnership, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) Except as set forth in the next sentence below, any indemnification hereunder shall be satisfied solely out of the assets of the Partnership. The Record Holders shall not be subject to personal liability by reason of these indemnification provisions.

(f) An Indemnitee shall not be denied indemnification in whole or in part under this Section 6.15 by reason of the fact that the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(g) The provisions of this Section 6.15 are for the benefit of the Indemnitees and shall not be deemed to create any rights for the benefit of any other Persons.

6.16. No Management by Record Holders. No Record Holder (other than the General Partner or any agent or employee of the General Partner, in its capacity as such, if such Person shall also be a Record Holder) shall take part in the day-to-day management, operation or control of the business and affairs of the Partnership. The Record Holders shall not have any right, power or authority to transact any business in the name of the Partnership or to act for or on behalf of or to bind the Partnership. The Record Holders shall have no rights other than those specifically provided herein or granted by law where consistent with a valid provision hereof. In the event any laws, rules or regulations applicable to the Partnership, or to the sale or issuance of the Units in connection with the Exchange, require a Record Holder, or any group or class thereof, to have certain rights, options, privileges or consents not granted by the terms of this Agreement, then such Record Holders shall have and enjoy such rights, options, privileges and consents so long as (but only so long as) the existence thereof does not result in a loss of the limitation on liability enjoyed by the Record Holders and the Partnership (as the sole limited partner of the Operating Partnership) under the Delaware Act or the applicable laws of any other jurisdiction.

6.17. National Securities Exchange Listing. The General Partner shall have full power and authority on behalf of the Partnership to file all documents and instruments and to do all things necessary or advisable to list the Depositary Units for trading on a National Securities Exchange and to comply with any rule, regulation or guideline of any National Securities Exchange on which the Depositary Units are listed for trading.

6.18. Other Matters Concerning General Partner.

(a) The General Partner may rely and shall be protected in acting or refraining from acting in reliance upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it and any opinion of any such Person as to matters that the General Partner reasonably believes to be within its professional or expert competence (including, without limitation, any opinion of legal counsel to the effect that the Partnership would “more likely than not” prevail with respect to any matter) shall be full and complete authorization and protection in

respect to any action taken or suffered or omitted by the General Partner hereunder in good faith and in accordance with such opinion.

(c) Anything in this Agreement to the contrary notwithstanding, the General Partner represents, covenants, warrants and agrees with the Record Holders and the Partnership as follows:

(i) It shall not permit any Person who makes a non-recourse loan to the Partnership to acquire, at any time as a result of making the loan, any direct or indirect interest in the profits, capital or property of the Partnership, other than as a secured creditor; and fees, insurance brokerage commissions and real estate brokerage commissions.

(ii) It shall not provide any Record Holder with any mandatory or discretionary right to purchase any type of security the General Partner or of Affiliates thereof in connection with such Record Holder's Partnership Interest.

(iii) Neither it nor its affiliates shall cause the Partnership (in the event that the Act is amended to permit partnerships to engage in short form merger transactions), or any successor entity of the Partnership, whether in its current form as a limited partnership or as converted to or succeeded by a corporation or other form of business association, to effect a merger or other business combination (in the event that such short-form merger statute applies to other business combinations) of the Partnership or such successor, in each case pursuant to Section 253 of the General Corporation Law of Delaware, or any successor statute, or any similar short-form merger statute under the laws of Delaware or any other jurisdiction. For the avoidance of doubt, this Section 6.18(c)(iii) shall only apply to a merger pursuant to Section 253 of the General Corporation Law of Delaware, or any successor statute, or any similar short-form merger statute under the laws of Delaware or any other jurisdiction, and this Section 6.18(c)(iii) shall not apply to any other merger or business combination transaction. No amendment to this Section 6.18(c)(iii) shall be permitted without a unanimous vote of the Record Holders, unless such amendment has been approved by the Audit Committee in which event only the vote of a Majority Interest shall be required for approval of such amendment.

(d) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through a duly appointed attorney or attorneys-in-fact. Each such attorney or attorney-in-fact shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform, under the supervision of the General Partner, all and every act and duty which is permitted or required to be done by the General Partner hereunder. Each such appointment shall be evidenced by a duly executed power of attorney giving and granting to each such attorney or attorney-in-fact full power and authority to do and perform all and every act and thing requisite and necessary to be done by the General Partner in connection with the Partnership.

ARTICLE VII

Reimbursement of Expenses

7.01. Reimbursement of Expenses of General Partner.

(a) The Partnership shall reimburse the General Partner for all expenses, disbursements and advances reasonably incurred by the General Partner in connection with the organization of the Partnership, the qualification of the Partnership and the General Partner to do business in any state in which the General Partner determines that such qualification is advisable, the registration of the Units under applicable federal and state securities laws in connection with the Exchange, the offering, sale and distribution of the Units pursuant to the Exchange and the listing of the Depositary Units on a National Securities Exchange.

(b) The Partnership shall reimburse the General Partner for all allocable direct and indirect overhead expenses, including, without limitation, salaries and rent, incurred by the General Partner in connection with its conduct of the business and affairs of the Partnership. Such allocations shall be subject to periodic review by the Audit Committee.

7.02. Remuneration of General Partner and Affiliates. It is hereby acknowledged by the parties hereto that the Operating Partnership shall pay to the General Partner and its Affiliates certain forms of compensation and fees. Such compensation and fees are described with more particularity in the OLP Partnership Agreement or the Registration Statement and include soliciting dealer fees, property management fees, reinvestment incentive fees, insurance brokerage commissions and real estate brokerage commissions.

ARTICLE VIII

Bank Accounts; Books and Records; Fiscal Year; Reports; Tax Matters

8.01. Bank Accounts. All funds of the Partnership shall be deposited in its name in such checking and savings accounts, time deposits, certificates of deposit or other accounts at such banks or other financial institutions as shall be designated by the General Partner from time to time, and the General Partner shall arrange for the appropriate conduct of any such account or accounts. The General Partner shall not permit funds of the Partnership to be commingled with funds of the General Partner, any Affiliate of the General Partner, or any other Person; provided, however, that nothing herein shall preclude any investment of Partnership funds in a mutual fund or similar entity for which a separate account is maintained on behalf of each participant. The General Partner may use the funds of the Partnership as compensating balances for its benefit, provided that such funds do not directly or indirectly secure, and are not otherwise at risk on account of, any indebtedness or other obligation of the General Partner or any director, officer, partner, employee or Affiliate thereof.

8.02. Books and Records.

(a) The General Partner shall keep, or cause to be kept, accurate, full, and complete books and accounts with respect to the Partnership, showing assets, liabilities, income, operations, transactions and the financial condition of the Partnership. Such books and accounts

shall be prepared and maintained on the accrual basis of accounting in accordance with generally accepted accounting principles. The General Partner shall maintain and preserve all Partnership books and records for such period as the General Partner, in its sole and absolute discretion, shall determine necessary or appropriate, subject to any requirements of state or federal law.

(b) Except for information kept confidential by the General Partner pursuant to Section 8.02(c), all books, records, reports and accounts of the Partnership shall be open to inspection by any Record Holder or duly authorized representatives of such Record Holder on reasonable notice at any reasonable time during business hours, for any purpose reasonably related to the Person's interest as a Record Holder, as the case may be, and such Person or its representatives at its expense shall have the further right to make copies or excerpts therefrom. Record Holders may request an accounting of Partnership affairs whenever circumstances render it just and reasonable, but the cost of furnishing of such information or conducting such accounting shall be at such Person's expense. None of the Record Holders or their representatives shall divulge to any other Person any confidential or proprietary data, information or property or any trade secrets of the Partnership. A copy of the list of names and addresses of all Record Holders shall be furnished to any Partner, Record Holder or their representatives upon request in person or by mail to the General Partner. The Person requesting such list shall pay the cost of copying the list and mailing before the list is delivered.

(c) Anything in this Section 8.02 to the contrary notwithstanding, the General Partner may keep confidential from the Record Holders, and each Record Holder's duly authorized representatives, for such period of time as the General Partner deems reasonable, any information that the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or its business or which the Partnership is required by law or by agreements with third parties to keep confidential.

8.03. Fiscal Year. The Fiscal Year of the Partnership for financial and federal, state, and local income tax purposes initially shall be the calendar year. The General Partner shall have authority to change the beginning and ending dates of the Fiscal Year if the General Partner, in its sole and absolute discretion, subject to approval by the Internal Revenue Service, shall determine such change to be necessary or appropriate to the business of the Partnership, and shall give written notice of any such change to the Record Holders within thirty (30) days after the occurrence thereof.

8.04. Reports.

(a) The General Partner shall use its best efforts to prepare and furnish within ninety (90) days after the close of the calendar year to each Person who was a Record Holder on the last day of any month during the Fiscal Year the information necessary for the preparation of such Person's United States federal income tax return and any United States or state income tax returns or the tax returns of any other jurisdiction required of such Person as a result of the operations of the Partnership. The Record Holders agree to furnish the General Partner with such information as may be necessary or helpful in preparing the tax returns or other filings of the Partnership.

(b) As soon as practicable, but in no event later than one hundred twenty (120) days after the close of each Fiscal Year, the General Partner shall mail or deliver to each Record Holder as of the last day of that Fiscal Year reports containing financial statements of the Partnership for such Fiscal Year, including a balance sheet, statements of operations, changes in Partners' equity and changes in financial position. Such statements are to be prepared in accordance with generally accepted accounting principles and audited and certified by the Accounting Firm.

(c) After the close of each fiscal quarter, except the last fiscal quarter of each Fiscal Year, the General Partner shall mail or otherwise furnish to each Record Holder as of the last day of such fiscal quarter a quarterly report for the fiscal quarter containing such financial and other information as the General Partner deems appropriate.

(d) The General Partner shall provide to the Record Holders such other reports and information concerning the business and affairs of the Partnership (i) as the General Partner, in its sole and absolute discretion, may deem necessary or appropriate, or (ii) to the extent not provided for in this Agreement, as may be specifically required by the Delaware Act or by any other law or any regulation of any regulatory body applicable to the Partnership.

(e) The General Partner shall provide any of the reports or other information referred to in this Section 8.04 to such federal, state or local governments, governmental agencies or other regulatory entities as the General Partner, in its sole and absolute discretion, may deem necessary or appropriate.

8.05. Accounting Decisions. All decisions as to accounting matters, except as specifically provided to the contrary herein, shall be made by the General Partner.

8.06. Where Maintained. The books, accounts and records of the Partnership at all times shall be maintained at the Partnership's principal office or, at the option of the General Partner, at the principal place of business of the General Partner.

8.07. Preparation of Tax Returns. The General Partner, at the expense of the Partnership, shall arrange for the preparation and timely filing of all returns of the Partnership showing all income, gains, deductions, and losses necessary for federal and state income tax purposes. The classification, realization and recognition of income, gains, losses and deductions and other items of the Partnership shall be on the accrual method of accounting for federal income tax purposes.

8.08. Tax Elections. Except as otherwise specifically provided herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available income tax election. The General Partner shall cause the Partnership to make the Section 754 Election in accordance with applicable regulations thereunder. The General Partner shall have the right to seek to revoke any such election upon the General Partner's determination that such revocation is in the interests of the Record Holders; provided, however, that the General Partner shall not seek to revoke any such election unless the General Partner has received an opinion of counsel for the Partnership to the effect that such revocation would not cause (a) the loss of limited liability of the Record Holders under this Agreement or of the Partnership as the sole limited partner of the

Operating Partnership and (b) the Partnership to be treated as an association taxable as a corporation for federal income tax purposes.

8.09. Tax Controversies. The General Partner shall be the "tax matters partner" of the Company for purposes of Section 6231(a)(7) of the Code (prior to amendment by P.L. 114-74) and the "partnership representative" of the Company for purposes of Section 6223 of the Code (after amendment by P.L. 114-74). The General Partner is authorized and required to represent the Partnership in connection with all examinations of the affairs of the Partnership, by any federal, state or local tax authorities, including any resulting administrative and judicial proceedings, and to expend funds of the Partnership for professional services and costs associated therewith. The General Partner shall cause all required federal, state or local tax returns and reports of the Company to be prepared and filed, and shall be responsible for all other tax matters of the Company. Any and all tax elections or decisions shall be made by the General Partner. All costs and expenses incurred by the General Partner related to any tax matters provided for in this Article 8.09, including, without limitation, all fees and expenses of any accounting firm engaged by the General Partner with respect to the Company and any costs and expenses related to any audit, declaration of any tax deficiency or any administrative proceeding or litigation involving any Company tax matter, shall be Company expenses. Each Record Holder agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner in connection with the conduct of all such proceedings.

8.10. Taxation as a Partnership. No election shall be made by the Partnership, the General Partner, any Limited Partner, Record Holder or Non-Consenting Investor to be excluded from the application of any of the provisions of Subchapter K, Chapter I of Subtitle A of the Code or from any similar provisions of any state tax laws.

8.11. Determination of Adjusted Basis in Connection with Section 754 Election. In determining adjustments to the General Partner's or a Record Holder's proportional share of the adjusted basis of Partnership Assets in connection with the Section 754 Election, the General Partner, for purposes of accounting simplicity, shall treat each General Partner or Record Holder who acquires one or more Units or Depositary Units at any time during a calendar month as having acquired all such Units or Depositary Units on the last day of such calendar month at a price equal to the lowest Unit Price of the Units or Depositary Units during such month, irrespective of the date on or price at which such Units or Depositary Units actually were acquired by such General Partner or Record Holder during such month. The General Partner shall be authorized to alter these accounting conventions to conform with any regulations issued by the Treasury Department or rulings or advice of the Internal Revenue Service, as the General Partner shall determine necessary or appropriate. To the extent the General Partner is required to determine the adjusted basis of any Partnership Assets with respect to which the Code requires that records of such adjusted basis be kept and maintained by the Record Holders, the General Partner may request information regarding such adjusted basis from such Record Holders, in writing, and such Record Holders shall furnish such information to the General Partner within thirty (30) calendar days after such request is mailed by the General Partner.

8.12. FIRPTA and State Income Tax Withholding.

(a) Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that it determines to be necessary or appropriate to cause the Partnership to comply with any withholding requirements established under Sections 1445 and 1446 of the Code with regard to (i) the sale of "United States real property interests" (as defined in the Code), (ii) the distribution of cash or property to the General Partner or any Record Holder who is a "foreign person" (as defined in Treasury Regulation Section 1.1445-2T(b)(2)(i)(c)) or (iii) the transfer of Units or Depositary Units.

(b) In its sole and absolute discretion and as provided for in Treasury Regulations under Sections 1445 and 1446 of the Code, the General Partner may elect to withhold a portion of any distributions made to the General Partner and any Record Holder who are "foreign persons" or who fail to provide to the Partnership an appropriate certificate in accordance with the applicable provisions of such Treasury Regulations. In addition, the General Partner may elect, in its sole and absolute discretion, to withhold from amounts distributable to the General Partner and any Record Holder, portions of such amounts in respect of any state income tax payable in respect of such Partner's allocable share of the Partnership's taxable income.

8.13. Loss of Partnership Status. In the event that the General Partner at any time shall determine that the Partnership does not qualify, or no longer will qualify, as a partnership for federal income tax purposes, then the General Partner shall have the right, but not the obligation, without the consent of the Record Holders, to take any such action as it, in its sole and absolute discretion, determines to be in the interests of the Record Holders in connection therewith or as a result thereof.

8.14. Opinions Regarding Taxation. Notwithstanding any other provision of this Agreement, the requirement, as a condition to any action proposed to be taken under this Agreement, that the Partnership be furnished an opinion of counsel for the Partnership to the effect that the proposed transaction would not result in the Partnership being treated as an association taxable as a corporation for federal income tax purposes, shall not be applicable if the Partnership is at such time treated in all material respects as an association taxable as a corporation for federal income tax purposes.

ARTICLE IX

Issuance and Deposit of Certificates of Partnership Interest

9.01. Issuance of Certificates and the Book-Entry System.

(a) Certificates. On the Closing Date, the General Partner caused the Partnership to issue one or more Certificates evidencing the aggregate whole number of Units to which the API Investors in API Partnerships that participated in the Exchange were entitled to be issued pursuant to the Exchange and deposited such Certificate(s) with the Depositary and caused the Depositary to issue Depositary Units as specified in the Merger Agreements. Such Certificates shall be substantially in the form attached hereto as Exhibit A. Upon the issuance of

Units to Additional Limited Partners pursuant to Section 4.05, the General Partner shall cause the Partnership to issue one or more Certificates representing in the aggregate the whole number of units to be so issued to each such Additional Limited Partner. Upon the transfer of a Unit in accordance with Article X, the General Partner shall cause the Partnership to issue replacement Certificates, according to such procedures as the General Partner shall establish. The Certificates issued pursuant to this Section 9.01 shall, upon issuance, be deposited with the Depositary pursuant to the Depositary Agreement, and the Depositary will issue Depositary Receipts for the Depositary Units represented thereby.

(b) Book-Entry System for Ownership. Notwithstanding anything herein to the contrary, the General Partner is authorized to cause the Partnership to issue Units in the form of uncertificated Units. Such uncertificated Units shall be credited to a book entry account maintained by the General Partner of the Partnership (or its designee) on behalf of the holders.

(c) Direct Registration Program. The Units are eligible for a direct registration program operated by a clearing agency registered under Section 17A of the Exchange Act. The General Partner is authorized to take such action as may be required to establish such direct registration program, which program will be established at the General Partner's discretion.

9.02. Lost, Stolen, Destroyed or Mutilated Certificates or Depositary Receipts. The Partnership shall issue or cause to be issued a new Certificate or Depositary Receipt, or other evidence of uncertificated Units, in place of any Certificate or Depositary Receipt previously issued if the Record Holder of such Certificate or Depositary Receipt:

(a) makes proof, in form and substance satisfactory to the General Partner, of the loss, theft or destruction, and of such Record Holder's ownership, of such previously issued Certificate or Depositary Receipt;

(b) surrenders any mutilated Certificate or Depositary Receipt;

(c) requests the issuance of a new Certificate or Depositary Receipt, or other evidence of uncertificated Units, before the Partnership has notice that such previously issued Certificate or Depositary Receipt has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(d) if requested by the General Partner, delivers to the Partnership a bond, in form and substance satisfactory to the General Partner, with such surety or sureties and with fixed or open penalty, as the General Partner may direct, to indemnify the Partnership and the Depositary against any claim that may be made on account of the alleged loss, theft, destruction or mutilation of such previously issued Certificate or Depositary Receipt; and

(e) satisfies any other reasonable requirements imposed by the General Partner.

When a previously issued Certificate or Depositary Receipt has been lost, stolen, destroyed or mutilated and the Record Holder fails to notify the Partnership within a reasonable time after he has notice of such event, and a transfer of Units represented by the Certificate or

Depositary Receipt is registered before such Partnership receives such notification, the Record Holder shall be precluded from making any claim against the Partnership, the Depositary or any Transfer Agent with respect to such transfer or for a new Certificate or Depositary Receipt or other evidence of uncertificated Units.

9.03. Record Holder. The Partnership shall be entitled to treat each Record Holder as the beneficial owner of any Units, Depositary Units or other securities of the Partnership, as the case may be, and, accordingly, shall not be required to recognize any equitable or other claim or interest in or with respect to such Units, Depositary Units or other securities of the Partnership on the part of any other Person, regardless of whether it shall have actual or other notice thereof, except as otherwise provided by this Agreement or required by law or any applicable rule, regulation, guideline, or requirement of any National Securities Exchange on which the Units, Depositary Units or other securities of the Partnership are listed for trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing) is acting as a nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Units, Depositary Units or other securities of the Partnership, as between the Person and such representative Persons, such representative Persons (a) shall be the Record Holder with respect to such Units, Depositary Units or other securities of the Partnership and (b) shall be bound by the Partnership Agreement and shall have the obligations of a Record Holder hereunder and as provided for herein.

ARTICLE X

Transfer of Interests and Units

10.01. Transfer.

(a) The term “transfer,” when used in this Article X with respect to a Partnership Interest or Unit, shall be deemed to refer to a transaction by which the Record Holder of a Unit assigns the Partnership Interest evidenced thereby to another Person and includes any sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or other disposition.

(b) No Partnership Interest or Unit shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article X. Any transfer or purported transfer of any Partnership Interest or Unit not made in accordance with this Article X shall be null and void.

10.02. Transfers of Interest of General Partner.

(a) Prior to the tenth anniversary of the Closing Date, the General Partner was prohibited from transferring its Partnership Interest as a General Partner to any Person other than an Affiliate of the General Partner. After the tenth anniversary of the Closing Date, if the General Partner desires to sell or transfer all or any portion of the General Partner’s Partnership Interest as a General Partner to a Person who is not a General Partner, such transfer shall be permitted if (and only if):

(i) such transfer and the admission of the transferee as a general partner of the Partnership is approved by a Majority Interest, unless the transferee is an Affiliate of the transferring General Partner, in which case no such approval of the Record Holders shall be required unless provided for in the Delaware Act.

(ii) the transferee consents to be bound by this Agreement and has the necessary legal authority to act as a general partner of a partnership; and

(iii) the Partnership receives an opinion of counsel that such transfer and admission (A) would not cause the loss of limited liability of the Record Holders under this Agreement or of the Partnership as the sole limited partner or the Operating Partnership and (B) would not cause the Partnership to be treated as an association taxable as a corporation for federal income tax purposes.

(b) Neither Section 10.01(a) nor any other provision of this Agreement shall be construed to prevent (and each Partner, by requesting and being granted admission to the Partnership, is deemed to consent to):

(i) the transfer by any corporate General Partner of such corporate General Partner's Partnership Interest as a General Partner upon its merger or consolidation with another Person or the transfer by it of all or substantially all of its assets to another Person, provided such Person (A) has a net worth not less than that of the General Partner, (B) accepts and agrees to be bound by the terms and conditions of this Agreement and (C) furnishes to the Partnership an opinion of counsel to the effect that such merger, consolidation, transfer or assumption (1) would not cause the loss of limited liability of the Record Holders under this Agreement or of the Partnership as the sole limited partner of the Operating Partnership and (2) would not cause the Partnership or the Operating Partnership to be treated as an association taxable as a corporation for federal income tax purposes;

(ii) the transfer by the General Partner of all or any part of its interest in items of Partnership income, gains, losses, deduction, credits, distributions or surplus; or

(iii) the General Partner's mortgaging, pledging, hypothecating or granting a security interest in all or any part of its Partnership Interest as a General Partner as collateral for a loan or loans.

10.03. Transfer of Units. Units that are not on deposit in the Deposit Account are not transferable except upon death, by operation of law, by transfer to the General Partner for the account of the Partnership or to the Depositary for deposit in the Deposit Account; provided, however, that the General Partner and its Affiliates may, without restriction, transfer between or among themselves Units that are not on deposit in the Deposit Account.

10.04. Transfer of Depositary Units.

(a) Except as specifically provided in Section 10.03, the Partnership shall not recognize any transfer of Units or interests herein except in the manner provided in and subject to the conditions set forth in the Depositary Agreement.

(b) The Partnership shall not recognize any transfer of Depositary Units evidenced by Certificates until the Certificates evidencing such Depositary Units, or other evidence of the issuance of uncertificated Units, are surrendered for registration of transfer. Upon surrender of a Certificate for registration of transfer of any Depositary Unit evidenced by a Certificate, and subject to the provisions hereof, the appropriate officers of the General Partner on behalf of the Partnership shall execute and deliver, and in the case of Certificates evidencing Depositary Units, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates, or shall deliver other evidence of the issuance of uncertificated Units, evidencing the same aggregate number and type of Depositary Units as was evidenced by the Certificate so surrendered.

(c) Each distribution in respect of a Depositary Unit (or a Unit withdrawn from the Deposit Account) shall be paid by the Partnership, directly or through the Depositary or through any other person or agent, only to the Record Holder of such Depositary Unit (or such Unit withdrawn from the Deposit Account) as of the Record Date or Record Dates set for such distribution. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in or with respect to such payment by reason of any assignment or otherwise.

(d) Notwithstanding anything to the contrary herein, the Partnership shall not recognize for any purpose any purported transfer by a Record Holder of all or any part of a Depositary Unit held by such Record Holder until the Partnership shall have received (A) the written advice by the Depositary of the transfer of the Depositary Receipts evidencing such Depositary Units or (B) in the case of Depositary Units held by the same nominee for the transferor and the transferee, the receipt of written notification in accordance with Section 16.02 hereof from the nominee holder of the date of the transfer of such Depositary Units.

(e) Any holder of a Unit or a Depositary Receipt conclusively shall be deemed, by acceptance of such Unit or Depositary Receipt, to have agreed to comply with and be bound by all terms and conditions of this Agreement. A request by any broker, dealer, bank, trust company, clearing corporation or nominee holder to register transfer of a Depositary Unit, however signed (including by any stamp, mark or symbol executed or adopted with intent to authenticate the Depositary Receipt), shall be deemed to be an acceptance by and on behalf of the beneficial owner of such Depositary Unit.

ARTICLE XI

Admission of Partners

11.01. Admission of Limited Partners.

(a) On the Closing Date, the General Partner admitted to the Partnership as Record Holders all those Persons to whom Units were issued in accordance with Section 4.03 hereof. Each such party was deemed to execute a counterpart of this Agreement (either individually or by its attorney or agent) by signing the Consent Form and thereby agreed to be bound by the terms of this Agreement.

(b) A Non-Consenting Investor shall neither become a Record Holder with respect to Units issued to the Nominee in respect of such Non-Consenting Investor's interests in the API Partnerships nor be admitted to the Partnership as a Limited Partner in respect of such Units until such Non-Consenting Investor has delivered to the Depositary (i) a duly executed Transfer Application and (ii) to the extent not theretofore delivered pursuant to the Exchange, all API Certificates, or, if such certificates are lost or misplaced or have been destroyed or mutilated, an executed Lost Certificate Affidavit. Upon compliance with the preceding sentence, the Depositary shall take such actions as may be appropriate to cause such Non-Consenting Investor to become a Record Holder and be admitted as a Limited Partner with respect to Units held by the Nominee for the account of such Non-Consenting Investor.

(c) By acceptance of the transfer or issuance of any Units, each transferee or other recipient of Units (including any nominee holder or an agent or representative acquiring such Units for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Units so transferred or issued to such Person when any such transfer or issuance is reflected in the books and records of the Partnership, (ii) shall become bound by the terms of, and shall be deemed to have agreed to be bound by, this Agreement, (iii) shall become the Record Holder of the Units so transferred or issued, (iv) represents that the transferee or other recipient has the capacity, power and authority to enter into this Agreement, and (v) makes the consents, acknowledgements and waivers contained in this Agreement, all with or without execution of this Agreement. The transfer of any Units and/or the admission of any new Limited Partner shall not constitute an amendment to this Agreement. A Person may become a Record Holder without the consent or approval of any of the Partners. A Person may not become a Limited Partner without acquiring a Limited Partner Interest.

(d) Any Record Holder who transfers all of his Depositary Units with respect to which he had been admitted as a Record Holder shall cease to be a Record Holder of the Partnership upon a transfer of such Depositary Units and shall have no further rights as a Record Holder in or with respect to the Partnership.

(e) The name and mailing address of each Record Holder shall be listed on the books and records of the Partnership maintained for such purpose by the General Partner or the Transfer Agent. The General Partner shall update its books and records from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable).

11.02. Admission of Successor General Partner. A successor General Partner selected pursuant to Sections 12.01 or 12.02 or the transferee of all or any portion of the Partnership Interest of a General Partner pursuant to Section 10.02 shall be admitted to the Partnership as a General Partner (in the place, in whole or in part, of the transferor or former General Partner), effective as of the date that an amendment of the Certificate of Limited Partnership, adding the name of such successor General Partner and other required information, is filed pursuant to Section 2.01 (which date, in the event the successor General Partner is in the place in whole of the transferor or former General Partner, shall be contemporaneous with the withdrawal of such transferor or former General Partner), and upon receipt by the transferor or former General Partner, of all of the following:

(a) the successor General Partner's acceptance of, and agreement to be bound by, all of the terms and provisions of this Agreement, in form and substance satisfactory to the transferor or former General Partner;

(b) evidence of the authority of such successor General Partner to become a General Partner and to be bound by all of the terms and conditions of this Agreement;

(c) the written agreement of the successor General Partner to continue the business of the Partnership in accordance with the terms and provisions of this Agreement; and

(d) such other documents or instruments as may be required in order to effect the admission of the successor General Partner as the General Partner under this Agreement and applicable law.

11.03. Admission of Additional Limited Partners. A Person who makes a Capital Contribution to the Partnership pursuant to Section 4.05 in return for the issuance of Units or other securities of the Partnership shall be admitted to the Partnership as an Additional Limited Partner upon furnishing to the General Partner (a) acceptance, in form satisfactory to the General Partner, of all the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Article XV, and (b) such other documents or instruments as may be required in order to effect his admission as a limited partner, and such admission shall become effective on the date that the General Partner determines, in its sole discretion, that such conditions have been satisfied and when any such admission is shown on the books and records of the Partnership.

ARTICLE XII

Withdrawal or Removal of General Partner

12.01. Withdrawal of General Partner.

(a) The General Partner shall not withdraw as the general partner in the Partnership and transfer its Partnership Interest to any Person other than its Affiliate until after the tenth anniversary of the Closing Date. Thereafter, the General Partner shall not withdraw as the General Partner in the Partnership for the remainder of the term of the Partnership unless (i) the General Partner's shall have transferred all of its Partnership Interest as a General Partner in

accordance with Section 10.02 or (ii) such withdrawal shall have been approved by a Majority Interest.

(b) After the tenth anniversary of the Closing Date and upon the occurrence of any one of the conditions set forth in Section 12.01(a) above, the General Partner may withdraw from the Partnership effective on at least thirty (30) days' advance written notice to the Record Holders, such withdrawal to take effect on the date specified in such notice. The General Partner shall have no liability to the Partnership or the Record Holders on account of any withdrawal in accordance with the terms of this Section 12.01. If the General Partner shall give a notice of withdrawal pursuant to this Section 12.01, then a Majority Interest may elect a successor General Partner, who shall be admitted as a successor General Partner pursuant to Article XI. If no successor General Partner shall be elected in accordance with this Section 12.01 and there shall be no remaining General Partner, then the Partnership shall be dissolved pursuant to Article XIII.

12.02. Removal of General Partner.

(a) The General Partner may be removed as General Partner, with or without cause, only upon the written consent or affirmative vote of Record Holders owning at least seventy-five percent (75%) of the total number of Units then outstanding held by all Record Holders. Any such action by the Record Holders also must provide for the election of a successor General Partner and shall become effective only upon admission of the successor General Partner pursuant to Article XI.

(b) Written notice of the removal of the General Partner pursuant to this Section 12.02 shall be served upon such General Partner in the manner set forth in Section 16.02. Such notice shall set forth the day upon which such removal is to become effective, which date shall not be less than thirty (30) days after the service of the notice upon the General Partner.

(c) A General Partner removed as a General Partner pursuant to this Section 12.02 shall not have any right to participate in the management or control of the business of the Partnership from and after the effective date of such removal.

(d) A General Partner removed as a General Partner in the Partnership pursuant to this Section 12.02 shall also be removed as a general partner in the Operating Partnership pursuant to Section 10.02 of the OLP Partnership Agreement.

12.03. Amendment of Agreement and Certificate of Limited Partnership. This Agreement and the Certificate of Limited Partnership shall be amended to reflect the withdrawal, removal or succession of a General Partner.

12.04. Interests of Departing General Partner and Successor.

(a) Upon the withdrawal or removal of a General Partner, such departing General Partner shall, at its option exercisable prior to the effective date of its departure, promptly receive from its successor (if any) in exchange for its Partnership Interest as a General Partner, an amount in cash equal to the fair market value of such departing General Partner's Partnership Interest as a General Partner in both the Partnership and the Operating Partnership, as determined as of the effective date of its departure. If the departing General Partner exercises

its option to have its Partnership Interest as a General Partner acquired by its successor, such successor must also acquire at such time the interests of the departing General Partner as a general partner in the Operating Partnership, for an amount in cash equal to the fair market value of such interest, as determined as of the effective date of its departure. If the option is exercised, the departing General Partner shall, as of the effective date of its departure, cease to share in allocations and distributions with respect to its Partnership Interest as a General Partner.

(b) Upon the withdrawal or removal of the General Partner pursuant to Section 12.01 or 12.02, respectively, if the business of the Partnership is continued pursuant to Section 13.03 hereof, and if a departing General Partner shall not exercise the option described in Section 12.04(a), such departing General Partner shall become a Record Holder and its interests as a General Partner in both the Partnership and the Operating Partnership shall be converted into the number of Units determined by dividing (i) the fair market value of such departing General Partner's Partnership Interest as a General Partner in both the Partnership and the Operating Partnership, determined as set forth in Section 12.04(c) as of the effective date of its departure, by (ii) the average closing Unit Price for the twenty (20) trading days immediately preceding the effective date of the departure of such departing General Partner.

(c) For purposes of this Section 12.04, the "fair market value" of such General Partner's Partnership Interest as a General Partner in both the Partnership and the Operating Partnership shall be the amount that would be distributed to such General Partner pursuant to Section 5.03 of both this Agreement and the OLP Partnership Agreement if the Partnership Assets and the assets of the Operating Partnership were sold for cash in an orderly liquidation of the Partnership Assets commencing on the effective date of such General Partner's departure, with such liquidation being effected through arm's-length sales between informed and willing purchasers under no compulsion to buy and informed and willing sellers under no compulsion to sell, with the proceeds from such hypothetical sales to be discounted (at a rate equal to the interest rate on U.S. Treasury obligations with a term of one (1) year issued on the date nearest the effective date of such General Partner's departure) to the effective date of such General Partner's departure to reflect the time period reasonably anticipated to be necessary to consummate such sales, as such "fair market value" is agreed upon by such General Partner and its successor within thirty (30) days after the effective date of such General Partner's departure or, in the absence of such an agreement, as determined by an independent investment banking firm or other independent expert selected by such General Partner and its successor, which, in turn, may rely on other experts and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such departure, then such firm shall be designated by the independent investment banking firm or other independent expert selected by each of such General Partner and its successor. In making its determination, such independent investment banking firm or other independent expert shall consider the Unit Price, the value of the Partnership Assets and the assets of the Operating Partnership, the rights and obligations of such General Partner and other factors it may deem relevant.

(d) At any time after the departure of a departing General Partner, upon the request of such departing General Partner, the Partnership shall file with the Commission as promptly as practicable after receiving such request, and use its best efforts to cause to become effective, a registration statement under the Securities Act registering the offering and sale of all

or a portion of the Units owned by the departing General Partner at the time of its departure, including any Units that were received by the departing General Partner pursuant to this Section 12.04 and pursuant to Section 10.04 of the OLP Partnership Agreement and included in such request, provided that the Partnership shall be required to file no more than three such registration statements at the request of any one departing General Partner. In connection with any such registration, the Partnership shall promptly prepare and file such documents as may be necessary to register or qualify the Units subject to such registration under the securities laws of such states as the departing General Partner may reasonably request and do any and all other acts and things which may be necessary or advisable to enable the departing General Partner to consummate a public sale of such Units in such states. The first of the three registrations permitted to be effected under this Section 12.04(d) shall be effected at the expense of the Partnership, except for underwriting discounts and commissions, and the second and third such registrations, if any, shall be effected at the expense of the departing General Partner. Any registration statement filed pursuant hereto shall be continued in effect for a period of not more than six months following its effective date. If offered in a firm commitment underwriting, the Partnership may provide indemnification to the underwriters in form and substance reasonably satisfactory to such underwriters and the General Partner.

(e) If a departing General Partner shall not exercise the option provided for in Section 12.04(a), the successor General Partner shall, at the effective date of its admission to the Partnership as a General Partner, contribute to the capital of the Partnership cash in an amount equal to 1/99th of the product of (i) the number of Units outstanding immediately prior to the effective date of such successor General Partner’s admission (but after giving effect to the conversion described in Section 12.04(b)) and (ii) the average closing Unit Price for the twenty (20) trading days immediately preceding the effective date of such successor General Partner’s admission. Thereafter, such successor General Partner shall, notwithstanding any other provision of this Agreement, be entitled to one percent (1%) of all Partnership allocations and distributions.

(f) If, at the time of the General Partner’s departure, the Partnership is indebted to the General Partner under this Agreement or any other instrument or agreement for funds advanced, properties sold, services rendered or costs and expenses incurred by the General Partner, the Partnership shall, in the case of the General Partner’s withdrawal pursuant to Section 12.01, deliver to the General Partner a three-year fully-amortizing promissory note in the original principal amount of the full amount of such indebtedness and bearing interest at an annual rate equal to the Prime Rate announced by Citibank, N.A. from time to time plus one (1) percent, and in the case of the General Partner’s removal pursuant to Section 12.02, pay to the General Partner in cash or by check, within sixty (60) days after the effective date of the General Partner’s removal, the full amount of such indebtedness. The successor to the General Partner shall assume all obligations theretofore incurred by the General Partner, as general partner of the Partnership, and the Partnership and such successor shall take all such actions as shall be necessary to terminate any guarantees of the General Partner, and any of its Affiliates, of any obligations of the Partnership. If, for whatever reason, the creditors of the Partnership shall not consent to such termination of any such guarantees, the successor to the General Partner and the Partnership shall be required to indemnify the General Partner for any liabilities and expenses incurred by the departing General Partner on account of such guarantees.

ARTICLE XIII

Dissolution and Liquidation

13.01. No Dissolution. The Partnership shall not be dissolved by the admission of Additional Limited Partners or by the admission of additional General Partners or successor General Partners in accordance with the terms of this Agreement.

13.02. Events Causing Dissolution. The Partnership shall be dissolved and its affairs wound up upon the occurrence of the earliest to occur of any of the following events:

(a) the expiration of the term of the Partnership, as provided in Section 2.05;

(b) the withdrawal, bankruptcy or dissolution of the General Partner or the occurrence of any other event that results in the General Partner ceasing to be the General Partner (other than by reason of a transfer pursuant to Section 10.02 or withdrawal occurring upon or after, or a removal effective upon or after, selection of a successor pursuant to Sections 12.01 or 12.02, as the case may be);

(c) an election by a Majority Interest, with the approval of the General Partner, to terminate, liquidate and dissolve the Partnership;

(d) the sale or other disposition of all or substantially all of the Partnership Assets, upon the election of the General Partner and the vote of a Majority Interest;

(e) the Partnership's insolvency or bankruptcy; or

(f) the occurrence of any other event that, under the Delaware Act, would cause the dissolution of the Partnership or that would make it unlawful for the business of the Partnership to be continued.

For purposes of this Section 13.02, bankruptcy of the Partnership or the General Partner shall be deemed to have occurred when (i) such Person commences a voluntary proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) a final and nonappealable order for relief is entered against it under the Federal bankruptcy laws as now or hereafter in effect or (iii) it executes and delivers a general assignment for the benefit of its creditors.

13.03. Right to Continue Business of Partnership. Upon an event described in Section 13.02(b), the Partnership thereafter shall be dissolved and liquidated unless, within ninety (.90) days after the event described in such Section, an election to reconstitute and continue the business of the Partnership shall be made writing by a Majority Interest and a successor General Partner is selected by a Majority Interest. If such an election to continue the Partnership is made and a successor General Partner selected, then:

(i) the Partnership shall continue until the Termination Date unless earlier dissolved in accordance with this Article XIII;

(ii) the Partnership Interest of the former General Partner shall be treated thenceforth as the interest of a Record Holder and either (A) purchased by the successor General Partner or (B) converted into Units in the manners provided in Section 12.04 as if the former General Partner were a departing General Partner under Section 12.04; and

(iii) all necessary steps shall be taken to amend this Agreement and the Certificate of Limited Partnership to reflect the reconstitution and continuation of the business of the Partnership.

13.04. Dissolution. Except as otherwise provided in Section 13.03, upon the dissolution and winding up of the Partnership, the Certificate of Limited Partnership shall be cancelled in accordance with the provisions of the Delaware Act, and the General Partner (or, if the dissolution is caused by the withdrawal, bankruptcy, dissolution or removal of the General Partner, then the Person designated as Liquidating Trustee in Section 13.05 hereof) promptly shall notify the Record Holders of such dissolution.

13.05. Liquidation. Upon dissolution of the Partnership, unless an election to continue the business of the Partnership is made pursuant to Section 13.03, the General Partner, or, in the event the dissolution is caused by an event described in Section 13.02(b), a Person or Persons selected by a Majority Interest, shall be the Liquidating Trustee. The Liquidating Trustee shall proceed without any unnecessary delay to sell or otherwise liquidate the Partnership Assets and shall apply and distribute the proceeds of such sale or liquidation in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

(a) to pay (or to make provision for the payment of) all creditors of the Partnership, other than Partners, in the order of priority provided by law;

(b) to pay, on a pro rata basis, all creditors of the Partnership that are Partners; and

(c) after the payment (or the provision for payment) of all debts, liabilities, and obligations of the Partnership, to the General Partner and the Record Holders in accordance with Section 5.03.

The Liquidating Trustee, if other than the General Partner, shall be entitled to receive such compensation for its services as Liquidating Trustee as may be approved by a Majority Interest. The Liquidating Trustee shall agree not to resign at any time without sixty (60) days prior written notice and, if other than the General Partner, may be removed at any time, with or without cause, by written notice of removal approved by a Majority Interest. Upon dissolution, removal or resignation of the Liquidating Trustee, a successor and substitute Liquidating Trustee (who shall have and succeed to all rights, powers and duties of the original Liquidating Trustee) shall be selected within ninety (90) days thereafter by a Majority Interest. The right to appoint a successor or substitute Liquidating Trustee in the manner provided herein shall be recurring and continuing for so long as the functions and services of the Liquidating Trustee are authorized to continue under the provisions hereof, and every reference herein to the Liquidating Trustee will be deemed to refer also to any such successor or substitute Liquidating Trustee appointed in the

manner herein provided. Except as expressly provided in this Article XIII, the Liquidating Trustee appointed in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) to the extent necessary or desirable in the good faith judgment of the Liquidating Trustee to carry out the duties and functions of the Liquidating Trustee hereunder (including the establishment of reserves for liabilities that are contingent or uncertain in amount) for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidating Trustee to complete the winding up and liquidation of the Partnership as provided for herein. In the event that no Person is selected to be the Liquidating Trustee as herein provided within one hundred twenty (120) days following the event of dissolution, or in the event the Record Holders fail to select a successor or substitute Liquidating Trustee within the time periods set forth above, any Partner may make application to a Court of Chancery of the State of Delaware to wind up the affairs of the Partnership and, if deemed appropriate, to appoint a Liquidating Trustee.

13.06. Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.05 in order to minimize any losses otherwise attendant upon such a winding up.

13.07. Termination of Partnership. Except as otherwise provided in this Agreement, the Partnership shall terminate when all of the assets of the Partnership shall have been converted into cash, the net proceeds therefrom, as well as any other liquid assets of the Partnership, after payment of or due provision for all debts, liabilities and obligations of the Partnership, shall have been distributed to the Partners as provided for in Section 5.03 and 13.05, and the Certificate of Limited Partnership shall have been cancelled in the manner required by the Delaware Act.

ARTICLE XIV

Amendments; Meetings; Voting; Record Date

14.01. Amendments to be Adopted Solely by General Partner. The General Partner (pursuant to the General Partner’s powers of attorney from the Record Holders described in Article XV), without the consent or approval at the time of any Record Holder (each Record Holder, by acquiring a Unit, Depositary Unit or other security of the Partnership and requesting admission to the Partnership, being deemed to consent to any such amendment), may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record all documents required or desirable in connection therewith, to reflect:

(a) a change in the name of the Partnership or the location of the principal place of business of the Partnership;

(b) the admission, substitution, or withdrawal of Partners in accordance with this Agreement;

(c) an election to be bound by any successor statute to the Delaware Act governing limited partnerships pursuant to the power granted in Section 6.06;

(d) a change that is necessary to qualify the Partnership as a limited partnership or a partnership in which the Record Holders have limited liability under the laws of any state or that is necessary or advisable in the opinion of the General Partner to ensure that the Partnership will not be treated as an association taxable as a corporation for federal income tax purposes;

(e) a change that is necessary to reorganize the Partnership so as to qualify as a "real estate investment trust" within the meaning of Section 856 of the Code;

(f) a change that is (i) of an inconsequential nature and does not adversely affect the Record Holders in any material respect; (ii) necessary or desirable to cure any ambiguity, to correct or supplement any provision herein that would be inconsistent with law or any other provision herein or to make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with law or any provisions of this Agreement; (iii) necessary or desirable to satisfy any federal or state agency or contained in any federal or state statute; (iv) necessary or desirable to facilitate the trading of the Depositary Units or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Depositary units are or will be listed for trading, compliance with any of which the General Partner deems to be in the interests of the Partnership, the Limited Partners, Record Holders or Non-Consenting Investors; (v) necessary or desirable in connection with any action permitted to be taken by the General Partner under Section 8.13 hereof; or (vi) required or contemplated by this Agreement;

(g) a change in any provision of this Agreement which requires any action to be taken by or on behalf of the General Partner or the Partnership pursuant to the requirements of applicable Delaware law if the provisions of applicable Delaware law are amended, modified or revoked so that the taking of such action is no longer required; or

(h) any other amendments similar to the foregoing.

The authority set forth in Section 14.01(f) shall specifically include the authority to make such amendments to this Agreement and to the Certificate of Limited Partnership as the General Partner deems necessary or desirable in the event the Delaware Act amended to eliminate or change any provision now in effect.

14.02. Amendment Procedures. Except as specifically provided in Sections 14.01 and 14.03, all amendments to this Agreement shall be made solely in accordance with the following procedures:

(a) Any amendments of this Agreement must be proposed either:

(i) by the General Partner, by submitting the text of the proposed amendment to all Record Holders in writing; or

(ii) by Record Holders owning at least ten percent (10%) of the total number of Units and Depositary Units then owned by all Record Holders, by submitting their proposed amendment in writing to the General Partner. The General Partner shall, within thirty (30) days after the receipt of any such proposed amendment, or as soon thereafter as is practicable, submit the text of the proposed amendment to all Record Holders. The General Partner may include in such submission its recommendation as to the proposed amendment.

(b) If an amendment is proposed pursuant to this Section 14.02, the General Partner shall seek the written consent of the Record Holders to such amendment or shall call a meeting of the Record Holders to consider and vote on the proposed amendment, unless, in the opinion of counsel for the Partnership, such proposed amendment would be illegal under Delaware law if adopted, in which case the General Partner shall not be required to take any further action with respect thereto. A proposed amendment shall be effective only if approved by the General Partner in writing and by a Majority Interest, unless a greater percentage vote of the Record Holders is required by law or this Agreement. The General Partner shall keep all Record Holders advised of the status of any proposed amendment and shall notify all Record Holders upon final adoption or rejection of any proposed amendment.

14.03. Amendment Restrictions. Notwithstanding the provisions of Sections 14.01 and 14.02, (a) no amendment to this Agreement shall be permitted without a unanimous vote of the Record Holders if such amendment, in the opinion of counsel for the Partnership, (i) would cause the loss of limited liability of the Record Holders under this Agreement or of the Partnership as the sole limited partner of the Operating Partnership, or (ii) would cause the Partnership or the Operating Partnership to be treated as an association taxable as a corporation for federal income tax purposes and (b) no amendment to this Agreement shall be permitted which would (i) enlarge the obligations of the General Partner or any Record Holder or convert the interest of any Record Holder into the interest of a general partner; (ii) modify the expense reimbursement payable to the General Partner pursuant to Article VII of this Agreement without the consent of the General Partner; (iii) modify the order and method for allocations of income and loss or distributions pursuant to Article V of this Agreement without the consent of the General Partner or the Record Holders adversely affected; or (iv) amend Sections 14.01, 14.02 or 14.03 of this Agreement without the consent of the General Partner and Record Holders who are Record Holders with respect to at least ninety-five percent (95%) of the total number of all outstanding Units held by all Record Holders.

14.04. Meetings. Meetings of the Record Holders may be called by the General Partner or by Record Holders owning at least ten percent (10%) of the total number of Units and Depositary Units then owned by all Record Holders. Any Record Holder calling a meeting shall specify the number of Units and Depositary Units as to which such Record Holder is exercising the right to call a meeting and only those specified Units and Depositary Units shall be counted for the purpose of determining whether the required ten percent (10%) standard of the preceding sentence has been met. Record Holders desiring to call a meeting shall deliver to the General Partner one or more calls in writing stating that the Record Holders signing such writing wish to call a meeting and indicating the specific purposes for which the meeting is to be called. Action at the meeting shall be limited to those specific matters specified in the call of the meeting. Within sixty (60) days after receipt of such a call from Record Holders, or within such greater

time as may be reasonably necessary for the Partnership to comply with any statutes, rules, regulations, listing agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, the General Partner shall send a notice of the meeting to the Record Holders either directly or indirectly though the Depositary. A meeting shall be held at a reasonable time and convenient place determined by the General Partner or the Liquidating Trustee, as the case may be, on a date not more than sixty (60) days after the mailing of notice of the meeting. Record Holders may vote either in person or by proxy at any meeting. Each Record Holder shall have one vote for each Unit or Depositary Unit as to which he has been admitted to the Partnership as a Record Holder. No action shall be taken by the Record Holders without a meeting duly called and held, or without written consent in accordance with Section 14.13.

14.05. Notice of Meeting. Notice of a meeting called pursuant to Section 14.04 shall be given either personally in writing or by mail or other means of written communication addressed to each Record Holder at the address of the Record Holder appearing on the books of the Depositary or the Partnership. An affidavit or certificate of mailing of any notice or report in accordance with the provisions of this Article XIV executed by the General Partner, the Depositary, transfer agent, registrar of Depositary Units or mailing organization shall constitute conclusive (but not exclusive) evidence of the giving of notice. If any notice addressed to a Record Holder at the address of such Record Holder appearing on the books of the Partnership or Depositary is returned to the Partnership by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver such notice, the notice and any subsequent notices or reports shall be deemed to have been duly given without further mailing if they are available for the Record Holder at the principal office of the Partnership for a period of one year from the date of the giving of the notice to all other Record Holders.

14.06. Record Date. For purposes of determining the Record Holders entitled to notice of or to vote at a meeting of the Record Holders or to give consents without a meeting as provided in Section 14.13, the General Partner or the Liquidating Trustee, as the case may be, may set a Record Date, which Record Date shall not be less than ten (10) days nor more than sixty (60) days prior to the date of such meeting or consent (unless such requirement conflicts with any rule, regulation, guideline, or requirement of any securities exchange on which the Depositary Units are listed for trading, in which case the rule, regulation, guidelines, or requirement of such securities exchange shall govern).

14.07. Adjournment. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed if the time and place of such adjourned meeting are announced at the meeting at which such adjournment is taken, unless such adjournment shall be for more than thirty (30) days. At the adjourned meeting, the Partnership may transact any business that would have been permitted to be transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article XIV.

14.08. Waiver of Notice; Consent to Meeting; Approval of Minutes. The transactions of any meeting of Record Holders, however called and noticed, and wherever held, are as valid as though they had been approved at a meeting duly held after regular call and notice, if a quorum

is present either in person or by proxy, and if, either before or after the meeting, each of the Record Holders entitled to vote, not present in person or by proxy, signs written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the Partnership records or made a part of the minutes of such meeting. Attendance of a Record Holder at a meeting shall constitute a waiver of notice of the meeting, provided, however, that no such waiver shall occur when such a Record Holder objects, at the beginning of the meeting, to the transaction of any business at such meeting because the meeting is not lawfully called or convened; and provided further, that attendance at a meeting is not a waiver of any right to object to the consideration of any matters required to be included in the notice of the meeting, but not so included, if the objection is expressly made at the meeting.

14.09. Quorum. Record Holders who are Record Holders with respect to more than fifty percent (50%) of the total number of all outstanding Units and Depositary Units then held by all Record Holders, whether represented in person or by proxy, shall constitute a quorum at a meeting of Record Holders. The Record Holders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment of such meeting, notwithstanding the withdrawal of enough Record Holders to leave less than a quorum, if any action taken (other than adjournment) is approved by the requisite number of Record Holders specified in this Agreement. In the absence of a quorum, any meeting of Record Holders may be adjourned from time to time by the affirmative vote of a majority of the Units and Depositary Units represented either in person or by proxy at such meeting, but no such business may be transacted, except as provided in Section 14.04.

14.10. Conduct of Meeting. The General Partner or the Liquidating Trustee, as the case may be, shall be solely responsible for convening, conducting, and adjourning any meeting of Record Holders, including, without limitation, the determination of Persons entitled to vote at such meeting, the existence of a quorum for such meeting, the satisfaction of the requirements of Section 14.04 with respect to such meeting, the conduct of voting at such meeting, the validity and effect of any proxies represented at such meeting, and the determination of any controversies, votes, or challenges arising in connection with or during such meeting or voting. The General Partner or the Liquidating Trustee, as the case may be, shall designate a Person to serve as chairman of any meeting and further shall designate a Person to take the minutes of any meeting, which Person, in either case, may be, without limitation, a Partner or any employee or agent of the General Partner. The General Partner or the Liquidating Trustee, as the case may be, may make all such other regulations, consistent with applicable law and this Agreement, as it may deem advisable concerning the conduct of any meeting of the Record Holders, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes, and the submission and examination of proxies and other evidence of the right to vote.

14.11. Voting Rights.

(a) Subject to Section 14.12, the Record Holders shall have the right to vote on all matters specified below and the actions specified therein may be taken by the General Partner only with the affirmative vote or written consent pursuant to Section 14.13 of a Majority Interest (except for (i) removal of the General Partner pursuant to Section 12.02, which requires consent of at least 75% of the Record Holders, and (ii) certain amendments to this Agreement

pursuant to Section 14.03, which require either unanimous or the consent of at least 95% of the Record Holders) and with the separate concurrence of the General Partner:

(i) amendment of this Agreement, including an amendment extending the term of the Partnership, except as permitted pursuant to Section 14.12;

(ii) dissolution of the Partnership pursuant to Section 13.02(c) or (d);

(iii) selection of a Liquidating Trustee pursuant to Section 13.05;

(iv) approval or disapproval of any merger, consolidation or combination of the business operations of the Partnership with those of any other Person; provided, however, that no vote or approval shall be required with respect to any such transaction which, in the sole and absolute discretion of the General Partner, (A) is primarily for the purpose of acquiring properties or assets, (B) combines the ongoing business operations of the entities with the Partnership as the surviving entity, or (C) is between the Partnership and the Operating Partnership;

(v) approval or disapproval of a sale or other disposition, except upon dissolution and liquidation pursuant to Article XIII, of all or substantially all of the Partnership Assets in a single sale or in a related series of multiple sales; provided, however, that this provision shall not be interpreted to preclude or limit the mortgage, pledge, hypothecation or grant of a security interest in all or substantially all of the Partnership Assets, and shall not apply to any forced sale of any or all of the Partnership Assets pursuant to the foreclosure of, or other realization upon, any such encumbrance; which require either unanimous or 95% consent of the Record Holders pursuant to Section 14.03.

(vi) approval or disapproval of the transfer of the General Partner's Partnership Interest as a General Partner where permitted pursuant to Section 10.02;

(vii) approval or disapproval of the withdrawal of the General Partner as the general partner in the Partnership pursuant to Section 12.01;

(viii) election of a successor General Partner pursuant to Section 12.01;

(ix) removal of the General Partner pursuant to Section 12.02;

(x) when the Partnership would otherwise dissolve and its business would not otherwise be continued pursuant to Article XIII, election to reconstitute and continue the business of the Partnership pursuant to Section 13.03; and

(b) The Record Holders shall have the right to vote on any proposal submitted for the approval of the limited partners of the Operating Partnership, and the General Partner shall not cause the Partnership, in its capacity as sole limited partner of the Operating Partnership, to consent to any such proposal unless the Record Holders vote to approve such proposal in at least the same percentage as is required by the OLP Partnership Agreement for the approval of such proposal by the limited partners of the Operating Partnership.

(c) Except as expressly provided in this Agreement, Record Holders shall have no voting rights.

14.12. Voting Rights Conditional. The voting rights set forth in Section 14.11 shall not be exercised unless the Partnership shall have received an opinion of counsel for the Partnership to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (a) shall not cause the Record Holders to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to subject the Record Holders or the Partnership as the sole limited partner of the Operating Partnership to unlimited liability, (b) will not jeopardize the status of the Partnership as a partnership under applicable tax laws and regulations, and (c) is otherwise permissible under the state statutes then governing the rights, duties and liabilities of the Partnership and the Record Holders. If counsel for the Partnership has indicated that it is unable or unwilling to deliver such an opinion, the General Partner may take any action described in Section 14.11(a) without the need for a vote of the Record Holders, except for effecting amendments to the Partnership Agreement which require either unanimous or 95% consent of the Record Holders pursuant to Section 14.03.

14.13. Action Without a Meeting. Any action that may be taken at a meeting of the Record Holders may be taken without a meeting if a consent in writing setting forth the action so taken is signed by Record Holders owning not less than the number of Depositary Units or Units that would be necessary to authorize or take such action at a meeting at which all of the Record Holders were present and voted. Prompt notice of the taking of action without a meeting shall be given to the Record Holders who have not consented thereto in writing. The General Partner may specify that any written ballot submitted to Record Holders for the purpose of taking any action without a meeting shall be returned to the Partnership within the time, not less than twenty (20) days, specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Units held by a Record Holder, the Partnership shall be deemed to have failed to receive a ballot for the Units that were not voted. If consent to the taking of any action by the Record Holders is solicited by any person other than by or on behalf of the General Partner, the written consents shall have no force and effect unless and until (i) they are deposited with the Partnership in care of the General Partner, and (ii) consents sufficient to take the action proposed are dated as of a date not more than ninety (90) days prior to the date sufficient consents are deposited with the Partnership.

ARTICLE XV

Power of Attorney

Each Record Holder (including each Non-Consenting Investor who executes and delivers a Transfer Application to the Depositary) is deemed to irrevocably constitute, appoint and empower the General Partner (and any successor by merger, transfer, election or otherwise), and each of the General Partner’s authorized officers and attorneys-in-fact, with full power of substitution, as the true and lawful agent and attorney-in-fact of such Record Holder, with full power and authority in such Record Holder’s name, place and stead and for such Record Holder’s use or benefit:

(a) to make, execute, verify, consent to, swear to, acknowledge, make oath as to, publish, deliver, file and/or record in the appropriate public offices, (i) all certificates and other instruments, including, at the option of the General Partner, this Agreement and the Certificate of Limited Partnership and all amendments and restatements thereof, that the General Partner deems appropriate or necessary to qualify, or continue the qualification of, the Partnership as a limited partnership (or a partnership in which the Record Holders have limited liability) in the State of Delaware and all jurisdictions in which the Partnership may or may intend to conduct business or own property; (ii) all other certificates, instruments and documents as may be requested by, or may be appropriate under the laws of any state or other jurisdiction in which the Partnership may or may intend to conduct business or own property; (iii) all instruments that the General Partner deems appropriate or necessary to reflect any amendment, change or modification of this Agreement in accordance with the terms hereof; (iv) all conveyances and other instruments or documents that the General Partner deems appropriate or necessary to effectuate or reflect the dissolution, termination and liquidation of the Partnership pursuant to the terms of this Agreement; (v) any and all financing statements, continuation statements, mortgages or other documents necessary to grant to or perfect for secured creditors of the Partnership, including the General Partner and Affiliates, a security interest, mortgage, pledge or lien on all or any of the Partnership Assets; (vi) all instruments or papers required to continue the business of the Partnership pursuant to Article XIII; (vii) all instruments (including this Agreement and the Certificate of Limited Partnership and amendments and restatements thereof) relating to the admission of any Partner pursuant to Article XI; and (viii) all other instruments as the attorneys-in-fact or any one of them may deem necessary or advisable to carry out fully the provisions of this Agreement in accordance with its terms; and

(b) to enter into the Depositary Agreement and deposit all Units of the Record Holders in the Deposit Account established by the Depositary pursuant to the Depositary Agreement. The execution and delivery by any of said attorneys-in-fact of any such agreements, amendments, consents, certificates or other instruments shall be conclusive evidence that such execution and delivery was authorized hereby.

Nothing herein contained shall be construed as authorizing any Person acting as attorney-in-fact pursuant to this Article XV to take action as an attorney-in-fact for any Record Holder to increase in any way the liability of such Record Holder beyond the liability expressly set forth in this Agreement, or to amend this Agreement except in accordance with Article XIV.

The appointment by each Record Holder of the Persons designated in this Article XV as attorneys-in-fact shall be deemed to be a power of attorney coupled with an interest in recognition of the fact that each of the Record Holders under this Agreement will be relying upon the power of such Persons to act pursuant to this power of attorney for the orderly administration of the affairs of the Partnership. The foregoing power of attorney is hereby declared to be irrevocable, and it shall survive, and shall not be affected by, the subsequent death, incompetency, dissolution, disability, incapacity, bankruptcy or termination of any Record Holder and it shall extend to such Record Holder’s heirs, successors and assigns. Each Record Holder hereby agrees to be bound by any representations made by any Person acting as attorney-in-fact pursuant to this power of attorney in accordance with this Agreement. Each Record Holder hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of any Person taken as attorney-in-fact under this power of attorney in accordance

with this Agreement. Each Record Holder shall execute and deliver to the General Partner, within fifteen (15) days after receipt of the General Partner's request therefor, all such further designations, powers of attorney and other instruments as the General Partner deems necessary to effectuate this Agreement and the purposes of the Partnership.

ARTICLE XVI

Miscellaneous Provisions

16.01. Additional Actions and Documents. Each of the Record Holders hereby agrees to take or cause to be taken such further actions, to execute, acknowledge, deliver, and file or cause to be executed, acknowledged, delivered and filed such further documents and instruments, and to use his best efforts to obtain such consents, as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Agreement, whether before, at, or after the closing of the transactions contemplated by this Agreement.

16.02. Notices. All notices, demands, requests, or other communications which may be or are required to be given, served, or sent by a Record Holder or the Partnership pursuant to this Agreement shall be in writing and shall be personally delivered, mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by telegram or telex, addressed as follows:

(a) If to the General Partner:

Icahn Enterprises G.P. Inc.
767 Fifth Avenue, Suite 4700
New York, New York 10153
Attention: Jesse Lynn

(b) If to a Record Holder:

The Last Known Business, Residence or
Mailing Address of Such Record Holder
Reflected in the Records of the
Partnership or the Depositary

(c) If to the Partnership:

Icahn Enterprises L.P.
767 Fifth Avenue, Suite 4700
New York, New York 10153

The General Partner and each Record Holder and the Partnership may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication which shall be delivered, mailed or transmitted in the manner described above shall be deemed sufficiently given, served, sent or received for all purposes at such time as it is delivered to the addressee

(with an affidavit of personal delivery, the return receipt, the delivery receipt, or (with respect to a telex) the answerback being deemed conclusive (but not exclusive) evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

16.03. Severability. The invalidity of any one or more provisions hereof or of any other agreement or instrument given pursuant to or in connection with this Agreement shall not affect the remaining portions of this Agreement or any such other agreement or instrument or any part thereof, all of which are inserted conditionally on their being held valid in law; and in the event that one or more of the provisions contained herein or therein should be invalid, or should operate to render this Agreement or any such other agreement or instrument invalid, this Agreement and such other agreements and instruments shall be construed as if such invalid provisions had not been inserted.

16.04. Survival. It is the express intention and agreement of the Partners that all covenants, agreements, statements, representations, warranties and indemnities made in this Agreement shall survive the execution and delivery of this Agreement.

16.05. Waivers. Neither the waiver by a Partner of a breach or of a default under any of the provisions of this Agreement, nor the failure of a Partner, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right, remedy, or privilege hereunder shall be construed as a waiver of any subsequent breach or default of a similar nature, or a waiver of any such provisions, rights, remedies, or privileges hereunder.

16.06. Exercise of Rights. No failure of delay on the part of a Partner or the Partnership in exercising any right, power, or privilege hereunder and no course of dealing between the Partners or between the Partners and the Partnership shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which a Partner, or the Partnership would otherwise have at law or in equity or otherwise.

16.07. Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon and shall inure to the benefit of the Partners and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

16.08. Limitation on Benefits of this Agreement. It is the explicit intention of the Partners that no person or entity other than the Partners and the Partnership is or shall be entitled to bring any action to enforce any provision of this Agreement against any Partners or the Partnership, and that except as set forth in this Agreement, the covenants, undertakings, and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Partners (or their respective successors and assigns as permitted hereunder) and the Partnership.

16.09. Force Majeure. If the General Partner is rendered unable, wholly or in part, by “force majeure” (as herein defined) to carry out any of its obligations under this Agreement, other than the obligation hereunder to make money payments, the obligations of the General

Partner, insofar as they are affected by such force majeure, shall be suspended during but no longer than the continuance of such force majeure. The term "force majeure" as used herein shall mean an act of God, strike, lockout or other industrial disturbance, act of public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental restraint, unavailability of equipment and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the General Partner.

16.10. Consent of Record Holders. By acceptance of a Unit or Depositary Unit, each Record Holder expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote of less than all of the Record Holders, such action may be so taken upon the concurrence of less than all of the Record Holders and each such Record Holders shall be bound by the results of such action.

16.11. Entire Agreement. This Agreement contains the entire agreement among the Partners with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein and therein.

16.12. Pronouns. All pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or entity may require.

16.13. Headings. Article, section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

16.14. Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the Delaware Act and all other laws of Delaware (but not including the choice of law rules thereof).

16.15. Execution in Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of or on behalf of, each party, or that the signatures of the person required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

16.16. New Jersey Casino Control Act. This Agreement will be deemed to include all provisions required by the New Jersey Casino Control Act and the regulations thereunder and to the extent that anything contained in this Agreement is inconsistent with the Casino Control Act, the provisions of the Casino Control Act shall govern. All provisions of the Casino Control Act, to the extent required by law, to be included in this Agreement, or incorporated herein by references are fully stated in this Agreement. Any securities of the Partnership are held, subject

to the condition that if a holder thereof is found to be disqualified by the Casino Control Commission pursuant to the provisions of the Casino Control Act, such holder shall dispose of his interest in the Partnership in accordance with the Casino Control Act.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement, or have caused this Agreement to be duly executed on their behalf, as of the day and year first hereinabove set forth.

GENERAL PARTNER:

ICAHN ENTERPRISES G.P. INC.

By: /s/Keith Cozza

Title: President, Chief Executive Officer and Director

EXHIBIT A
TO SECOND AMENDED AND RESTATED AGREEMENT OF
LIMITED PARTNERSHIP OF ICAHN ENTERPRISESS L.P.

CERTIFICATE
FOR
LIMITED PARTNER UNITS
OF
ICAHN ENTERPRISES L.P.

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

DEPOSITARY UNITS

DEPOSITARY UNITS

THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA, JERSEY CITY, NJ AND COLLEGE STATION, TX

Certificate Number
ZQ00000000

Shares
000000**************

ICAHN ENTERPRISES L.P.

A LIMITED PARTNERSHIP UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE &
MR. SAMPLE & MRS. SAMPLE

CUSIP 451100 10 1

SEE REVERSE FOR CERTAIN DEFINITIONS

is the owner of

***ZERO HUNDRED THOUSAND
ZERO HUNDRED AND ZERO***

FULLY-PAID AND NON-ASSESSABLE DEPOSITARY UNITS OF

Icahn Enterprises L.P. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the depositary units represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Limited Partnership, as amended, and the Agreement of Limited Partnership, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

President and Chief Executive Officer

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

Chief Accounting Officer and Secretary

By ______________________
AUTHORIZED SIGNATURE

1234567

ICAHN ENTERPRISES L.P.

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 123456789012345

Certificate Numbers	Num/No.	Denom.	Total
1234567890/1234567890	1	1	1
1234567890/1234567890	2	2	2
1234567890/1234567890	3	3	3
1234567890/1234567890	4	4	4
1234567890/1234567890	5	5	5
1234567890/1234567890	6	6	6
Total Transaction			7

ICAHN ENTERPRISES L.P.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH UNIT HOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH DEPOSITARY UNIT OF THE COMPANY, IF ANY, AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF LIMITED PARTNERSHIP OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE GENERAL PARTNER OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS OF THE GENERAL PARTNER OF THE COMPANY TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS OF THE GENERAL PARTNER OF THE COMPANY MAY REQUIRE THE OWNER OF A LOST OR DESTROYED DEPOSITRAY UNIT CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - ....Custodian .... (Cust) (Minor) under Uniform Gifts to Minors Act............ (State)
UNIF TRF MIN ACT - ....Custodian (until age ....) .... (Cust) (Minor) under Uniform Transfers to Minors Act............ (State)

Additional abbreviations may also be used though not in the above list.

For value received,________________hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

________________________________ Shares

of the ordinary units represented by the within Certificate, and do hereby irrevocably constitute and appoint

________________________________ Attorney

to transfer the said units on the books of the within-named Company with full power of substitution in the premises.

Dated:________________20________

Signature: ________________

Signature: ________________ Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS
THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that we report the cost basis of certain shares acquired after January 1, 2011. If your shares were covered by the legislation and you have sold or transferred the shares and requested a specific cost basis calculation method, we have processed as requested. If you did not specify a cost basis calculation method, we have defaulted to the first in, first out (FIFO) method. Please visit our website or consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with us or do not have any activity in your account for the time periods specified by state law, your property could become subject to state unclaimed property laws and transferred to the appropriate state.

1234567

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

DEPOSITARY UNITS

DEPOSITARY UNITS

THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA, JERSEY CITY, NJ AND COLLEGE STATION, TX

Certificate Number
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Shares
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000000************
****000000**************
*****000000*************
******000000************

ICAHN ENTERPRISES L.P.

A LIMITED PARTNERSHIP UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE

CUSIP 451100 10 1

SEE REVERSE FOR CERTAIN DEFINITIONS

is the owner of ***ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO

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Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

President and Chief Executive Officer

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

Chief Accounting Officer and Secretary

By ______________________
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

ICAHN ENTERPRISES L.P.

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 123456789012345

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1234567890/1234567890	6	6	6
Total Transaction			**7**

ICAHN ENTERPRISES L.P.

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UNIF TRF MIN ACT - ....Custodian (until age ....) (Cust) ....under Uniform Transfers to Minors Act .... (Minor) (State)

Additional abbreviations may also be used though not in the above list.

For value received, ______________ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

______________ Shares
of the ordinary units represented by the within Certificate, and do hereby irrevocably constitute and appoint
______________ Attorney
to transfer the said units on the books of the within-named Company with full power of substitution in the premises.

Dated: ______________ 20 ______

Signature: ______________

Signature: Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS
THIS IS WATERMARKED PAPER, DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that we report the cost basis of certain shares acquired after January 1, 2011. If your shares were covered by the legislation and you have sold or transferred the shares and requested a specific cost basis calculation method, we have processed as requested. If you did not specify a cost basis calculation method, we have defaulted to the first in, first out (FIFO) method. Please visit our website or consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with us or do not have any activity in your account for the time periods specified by state law, your property could become subject to state unclaimed property laws and transferred to the appropriate state.

1234567

EXHIBIT 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

I, Keith Cozza, certify that:

1. I have reviewed this joint quarterly report on Form 10-Q of Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P. for the period ended June 30, 2016;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;

4. The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrants and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in the report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting.

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

/s/Keith Cozza

Keith Cozza
President and Chief Executive Officer of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P.

Date: August 4, 2016

EXHIBIT 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

I, SungHwan Cho, certify that:

1. I have reviewed this joint quarterly report on Form 10-Q of Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P. for the period ended June 30, 2016;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;

4. The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrants and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in the report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting.

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

/s/SungHwan Cho

SungHwan Cho
Chief Financial Officer of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P.

Date: August 4, 2016

EXHIBIT 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
Rules 13a-14(b) of the Securities Exchange Act of 1934

In connection with the joint quarterly report on Form 10-Q of Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P., for the period ended June 30, 2016, the undersigned certify that, to the best of his knowledge, based upon a review of the Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P. joint quarterly report on Form 10-Q for the period ended June 30, 2016:

(1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrants.

/s/Keith Cozza

Keith Cozza

President and Chief Executive Officer of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P.

Date: August 4, 2016

/s/SungHwan Cho

SungHwan Cho

Chief Financial Officer of Icahn Enterprises G.P. Inc., the general partner of Icahn Enterprises L.P. and Icahn Enterprises Holdings L.P.

Date: August 4, 2016