

# Icahn Enterprises L.P.

## 2010 Q1 Performance

May 7, 2010

Financial Results and Company Highlights

# Forward-Looking Statement

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## **Forward-Looking Statements and Non-GAAP Financial Measures**

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements we make in this presentation, including statements regarding our future performance and plans for our businesses and potential acquisitions. These forward-looking statements involve risks and uncertainties that are discussed in our filings with the Securities and Exchange Commission, including economic, competitive, legal and other factors. Accordingly, there is no assurance that our expectations will be realized. We assume no obligation to update or revise any forward-looking statements should circumstances change, except as otherwise required by law.

This presentation also includes non-GAAP financial measures. Please note that quantitative reconciliations between each non-GAAP financial measure contained in this presentation and its most directly comparable GAAP measure are available on our website by viewing the copy of this presentation at [www.lcahnenterprises.com/investor.shtml](http://www.lcahnenterprises.com/investor.shtml).

# Agenda

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## **Overview and Investment Management**

**Keith A. Meister**

Vice Chairman and Principal Executive Officer

## **Financial Performance and Business Segments**

**Dominick Ragone**

Chief Financial Officer & Principal Accounting  
Officer

## **Questions**

**Overview  
and  
Investment Management**

# Highlights

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- Addition of two new segments in the first quarter of 2010 from our majority interest acquisitions of ARI and Viskase, comprising our Railcar and Food Packaging segments, respectively.
- Redeemed all of our outstanding preferred units. Total liability of our preferred units of \$138 million was settled by issuing 2,947,092 of our depositary units.
- Retirement of 2012 and 2013 Notes and sale of \$850 million of 2016 Notes and \$1,150 million of 2018 Notes.
- Additional investment of \$250 million in the Private Funds in the first quarter of fiscal 2010.
- Liquid assets of approximately \$4.5 billion
  - Finished the quarter with cash and cash equivalents of \$2.5 billion and investments in our private funds of \$2.0 billion.
- Subsequent Events
  - Board of Directors approved a cash distribution of \$0.25 per unit on depositary units payable on June 3, 2010.

# Investment Management

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- Income attributable to Icahn Enterprises was \$15 million for the quarter ended March 31, 2010. Overall performance was negatively impacted by our sizeable defensive positions established to protect against uncertainty in the global economic environment.
- Net equity position increased to 31% from 16% at year-end, reflecting an overall improvement in market conditions.
- Total AUM of approximately \$6.3 billion as of March 31, 2010, of which approximately \$2.2 billion is fee-paying assets.
- Icahn Enterprises' investment in the Private Funds, which totaled approximately \$2.0 billion as of March 31, 2010, had an unrealized gain of \$9 million for the three months ended March 31, 2010.

# Financial Performance

# Consolidated Results

(\$ in millions)

	Three Months Ended March 31,		% Δ
	2010	2009	
Revenues	\$ 1,915	\$ 1,992	-4%
Expenses	1,972	1,867	6%
<b>(Loss) income before income tax benefit</b>	<b>(57)</b>	<b>125</b>	NM
Income tax benefit	7	7	NM
<b>Net (loss) income</b>	<b>(50)</b>	<b>132</b>	NM
Less: net income attributable to non- controlling interests	(15)	(128)	NM
<b>Net (loss) income attributable to Icahn Enterprises</b>	<b>\$ (65)</b>	<b>\$ 4</b>	

# **Business Segment Performance**

# Automotive

(\$ in millions)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	% Δ
<b>Net Sales</b>	\$ 1,489	\$ 1,238	20%
<b>Operating Income (Loss)</b>	53	(77)	NM
<b>Gross Margin</b>	254	158	61%
Restructuring	1	38	-97%
Impairment	4	-	NM

## Q1 Dynamics

- Federal-Mogul reported Q1 2010 sales of \$1.5 billion, an increase of 20% over Q1 2009. Sales up in all OE segments and all regional markets.
- Segment benefitted from favorable volume and mix and material cost savings, offset by \$20 million charge related to Venezuela currency devaluation.
- Gross Margin of \$254 million or 17% of sales, up from \$158 million or 13% of sales in Q1 2009, a 61% increase.
- Cash flow provided by operating activities was \$80 million for the three months ended March 31, 2010. Positive cash flow performance is largely attributable to increased earnings before non-cash charges.

# Railcar

(\$ in millions)

	<u>Three Months Ended March 31, 2010</u>	<u>Three Months Ended March 31, 2009</u>	<u>% Δ</u>
<b>Revenues:</b>			
<b>Manufacturing operations</b>	\$ 36	\$ 145	-75%
<b>Railcar services</b>	16	12	33%
	<u>52</u>	<u>157</u>	-67%
<b>Gross Margin:</b>			
<b>Manufacturing operations</b>	(1)	15	NM
<b>Railcar services</b>	2	1	100%
	<u>1</u>	<u>16</u>	-94%
<b>Operating (loss) income</b>	(5)	9	NM

## Q1 Dynamics

### *Manufacturing Operations*

- Revenue declined primarily due to decreased railcar shipments and an overall decrease in average selling prices. ARI shipped approximately 340 railcars as compared to approximately 1,490 railcars in the 1<sup>st</sup> Quarter of 2009.
- Gross margin decreased primarily due to the decrease in revenue and the impact of fixed costs in a low production environment.

### *Railcar Services*

- Railcar services revenue increased 33% year over year, as repair work has become an increasingly important part of the business.
- Revenue increased primarily due to higher volumes, due to the completion of expansion projects at repair facilities, and the utilization of ARI's railcar manufacturing facilities for railcar repair projects.
- Gross margin increased primarily due to efficiencies created by increased volume due to completed expansion projects and repair projects performed at ARI's railcar manufacturing facilities.

# Food Packaging

(\$ in millions)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	% Δ
Net Sales	\$ 80	\$ 69	16%
Operating Income	9	7	29%
Gross Margin	20	17	18%

## Q1 Dynamics

- Viskase reported Q1 2010 sales of \$80 million, a 16% improvement over the prior year's quarterly results primarily due to higher sales volumes and a \$4 million foreign exchange contribution.
- Gross margin for Q1 2010 increased by 18% primarily due to higher sales volume, stable raw material costs and higher plant efficiencies.
- Operating income increased by \$2 million compared to Q1 2009, primarily due to the increase in Net Sales.

# Metals

(\$ in millions)

	Three Months Ended March 31,	Three Months Ended March 31,	
	2010	2009	% Δ
<b>Net Sales</b>	\$ 174	\$ 76	129%
<b>Operating income (loss)</b>	4	(38)	NM
<b>Gross Margin</b>	9	(22)	NM

## Q1 Dynamics

- Ferrous market prices improved during Q1 2010. Shredded prices rose to a Q1 average of \$343 per gross ton as compared to \$220 per gross ton in Q1 2009. Supply shortages drove up buy prices and held volumes below apparent market demand.
- Ferrous demand improved in Q1 2010 as steel mill operating rates increased to 71% by the end of the quarter, up from 43% in Q1 2009, but operating rates were still below the 88% level of the first half of 2008.
- Ferrous average scrap prices were 56% higher and shipment volumes were 57% higher in Q1 2010 compared to Q1 2009, reflecting the improved steel mill operating rates.
- Non-ferrous residue prices improved 97%, increasing from an average \$0.37 per pound in Q1 2009 to \$0.73 per pound in Q1 2010. Volume improved by 80% in Q1 2010 as compared to Q1 2009.
- Non-ferrous prices were 78% higher and volume was up 39% in Q1 2010 versus Q1 2009.
- Secondary average pricing was down 21% but volumes were 24% higher in Q1 2010 compared to Q1 2009.

# Real Estate

(\$ in millions)

	<u>Three Months Ended March 31, 2010</u>	<u>Three Months Ended March 31, 2009</u>	<u>% Δ</u>
<b>Revenues <sup>(1)</sup></b>	\$ 21	\$ 22	-5%
<b>Operating Income</b>	3	8	-63%
<b>Development units sold</b>	2	3	-33%

## Q1 Dynamics

- In Q1 2010, we sold 2 residential units for approximately \$2 million compared to 3 units sold for \$3 million in Q1 2009.
- In Q1 2010, revenue decreased primarily due to one fewer development unit sale.
- In Q1 2010, operating income decreased primarily due to expenses of Fontainebleau property and an increase in amortization of intangible assets from two net lease properties acquired in August 2008.

<sup>(1)</sup>Revenues include net sales from development and resort operations, rental and financing lease income from rental operations, interest income and other income, net

# Home Fashion

(\$ in millions)

	Three Months Ended March 31,	Three Months Ended March 31,	% Δ
	2010	2009	
<b>Net Sales</b>	\$ 83	\$ 84	-1%
<b>Operating Loss</b>	(14)	(18)	22%
<b>Gross Margin</b>	6	5	20%
<b>Contained in operating loss:</b>			
Restructuring	3	4	-25%
Impairment	-	2	N/M

## Q1 Dynamics

- Net sales were stable, reflecting the weak selling environment. Increases in First Quality sales during the quarter were largely offset by increased returns and lower sales of Excess Inventory.
- Gross margin increased from \$4.7 million to \$6.4 million, largely reflecting lower losses on sales of Excess Inventory.
- Operating loss before restructuring and impairment charges decreased by \$1 million from Q1 2009 to Q1 2010.

# Debt and Liquidity

(\$ in millions)

	<b>March 31, 2010</b>
<b>Debt:</b>	
8% senior unsecured notes due 2018 - Icahn Enterprises	\$ 1,142
7.75% senior unsecured notes due 2016 - Icahn Enterprises	845
Senior unsecured variable rate convertible notes due 2013 - IE	556
Debt facilities - Automotive	2,737
Senior unsecured notes - Railcar	275
Senior unsecured notes and revolving credit facility - Food Packaging	174
Mortgages payable	113
Other	79
<b>Total Debt</b>	<b>5,921</b>
Cash, Cash Equivalents and Liquid Assets <sup>(1)</sup>	4,518
<b>Cash and Cash Equivalents and Liquid Assets, Net of Debt</b>	<b>\$ (1,403)</b>
<b><u>Undrawn Credit Facilities</u></b>	
Home Fashion	\$ 40
Food Packaging	6
Automotive	493
	<b>\$ 539</b>
<b><u>(1) Cash, Cash Equivalents, Liquid Assets, and Investment in the Private Funds</u></b>	
Cash & cash equivalents	\$ 2,495
Liquid investments (excludes Investment Management)	26
Icahn Funds Investment (eliminated in consolidation)	1,997
	<b>\$ 4,518</b>

# Questions

# Appendix

# EBITDA

(\$ in millions)

	For the Three Months Ended March 31,	
	2010	2009
Net (loss) income	\$ (65)	\$ 4
Interest expense	82	66
Income tax benefit	(3)	(8)
Depreciation, depletion and amortization	80	73
EBITDA attributable to Icahn Enterprises	<u>\$ 94</u>	<u>\$ 135</u>
Impairment of assets <sup>(a)</sup>	3	13
Restructuring costs <sup>(b)</sup>	3	32
Expenses associated with U.S. based funded pension plans <sup>(c)</sup>	10	13
Net loss on extinguishment of debt	40	-
Other	(3)	2
<b>Adjusted EBITDA attributable to Icahn Enterprises</b>	<b><u>\$ 147</u></b>	<b><u>\$ 195</u></b>

(a) Represents asset impairment charges related to goodwill and other indefinite-lived intangible assets.

(b) Restructuring costs represent expenses incurred primarily by our Automotive and Home Fashion segments, relating to efforts to integrate and rationalize businesses and to relocate manufacturing operations to best-cost countries.

(c) Represents expense associated with Federal-Mogul's U.S.-based funded pension plans, net of non-controlling interest.

# Segment Data

(\$ in millions)

	Three Months Ended March 31,			
	Revenues <sup>(1)</sup>		Income (loss) attributable to Icahn Enterprises	
	2010	2009	2010	2009
Investment Management	\$ 54	\$ 334	\$ 15	\$ 149
Automotive	1,480	1,254	9	(74)
Railcar	51	157	(4)	1
Food Packaging	80	69	3	2
Metals	174	77	3	(23)
Real Estate	21	22	1	6
Home Fashion	84	85	(9)	(12)
Holding Company	(29)	(6)	(83)	(45)
	<b>\$ 1,915</b>	<b>\$ 1,992</b>	<b>\$ (65)</b>	<b>\$ 4</b>

<sup>(1)</sup> Revenues include net sales, net gain (loss) from investment activities, interest, dividends and other income, net.