ICAHN ENTERPRISES L.P.

CARL C. ICAHN

August 4, 2023

SUNNY ISLES BEACH, Fla., Aug. 4, 2023 /PRNewswire/ --

Dear Fellow Unitholders,

As we stated in our last letter, we have reset our focus on our core activism strategy. We have long believed that activism is the best investment paradigm. We believe activism has served IEP unitholders handsomely over the years, as shown by our long-term track record. Let us look at the results if you purchased our IEP depositary units in January 2000 for $7.63 per unit. If you reinvested all distributions in additional IEP depositary units and sold the units on July 31, 2023, you would have had a 1,623% cumulative increase, which translates to an annualized return of 13%. We believe this compares extremely favorably to the performance of the broad based indexes listed below over that same period. Not only have IEP unitholders benefited based on our activism efforts, but the other public stockholders of the companies with which we have engaged through our Investment segment generally were able, if they entered and exited such stocks at the same times as us, to participate in the value creation alongside us to the tune of billions of dollars.

Returns from 01/01/00 to 07/31/23	
	Annualized Return
	with Dividend
	Reinvestment
IEP	12.8 %
S&P 500	6.9 %
Dow Jones	7.4 %
Russell 2000	7.4 %
Nasdaq 100	7.1 %
Nasdaq Composite	6.5 %
Berkshire Hathaway A	10.0 %

Additionally, I believe it is compelling that if you purchased 1,000 IEP depositary units in January 2000, for $7.63 per unit and elected to take all distributions in cash as they were paid, you would have received approximately $76,000 in cash distributions and would have still owned the 1,000 units.

As compelling as the above numbers are, they would have been far more impressive had we not strayed over the past several years from our activist methodology and shorted (hedged) far more than was necessary. While we made money on the long side through our activism efforts, our returns have been overwhelmed by our overly bearish view of the market and related oversized short (hedge) positions. Over the past six months, we have significantly reduced our hedges. Going forward, we intend to stick to our knitting and focus on our activist strategy while remaining appropriately hedged.

The numbers above speak for themselves. Activism is the best investment paradigm. The reason is simple – there is no accountability in Corporate America. With many exceptions, most CEOs are incapable of creating great businesses (or even improving them) and the desire to empire build is rampant. Most CEOs are not the best person for the job or even the most talented individual at the organization. Rather, too often CEOs have risen through the ranks because they were ho-hum, with the main skill of having not been seen as threatening to their superiors. Those CEOs are generally too busy playing at the proverbial country club to realize what improvements can be made or what hidden jewels can be unlocked.

Once a CEO ascends to their seat, it is extremely difficult to remove them. CEOs, generally with the help of a few friendly directors, are able to pack their respective board of directors with cronies who are unwilling to challenge a CEO or hold them accountable for their performance for fear of losing the prestige and stipends that come with being a public company director. Shareholders find it hard to hold management teams and boards of directors accountable because there is no real corporate democracy. For example, if a board is challenged by the company's own shareholders, the board is able to use corporate funds (which should otherwise benefit the company's shareholders) to defend, entrench and enrich the board! Boards can hire overpaid legal, financial and communications experts, with little regard to cost or concern for the wishes of shareholders. These tactics are similar to what occurred in feudalistic societies when peasants attempted to overthrow their rulers, only to be met with highly-paid mercenaries. Put simply, the deck is stacked against the shareholder and the activist, and this explains why there is so little activism today relative to the number of companies that could benefit from it.

Even when a shareholder wages and wins an activist campaign, boards can be so entrenched that it can take years to implement the needed changes and unlock the value and/or hidden jewel. **HOWEVER, WHEN AN ACTIVIST IS SUCCESSFUL IN CHANGING THE BOARD OR THE CEO, GREAT VALUE CAN BE UNLOCKED FOR ALL SHAREHOLDERS AND THIS IS WHY OUR RECORD OVER THE LAST 23 YEARS HAS BEEN SO IMPRESSIVE.**

There are very few activist investors that have the capital base, the will, the knowledge and the patience to improve companies and increase shareholder value for all holders. We have done precisely this many times, including at Forest Labs, Netflix, Caesars, eBay, Herbalife, CVR Energy, Tropicana, Cheniere and Apple, to name just a few. And we hope and believe that we will be able to continue to do this.

We believe strongly that our current portfolio will yield additional winners and generate significant upside ahead. Through our activism we have become members of the boards of directors of many of the companies that we are currently invested in. Most recently, we gained board representation at Illumina, resulting in the replacement of its Chairman and CEO. We believe that these types of activist strategies will continue to meaningfully enhance value for all shareholders.

We thank our many loyal unitholders that have communicated to us over the last several months. We look forward to continuing to focus on our activism strategy.

Sincerely,

Carl C. Icahn

Caution Concerning Forward-Looking Statements

This release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, many of which are beyond our ability to control or predict. Forward-looking statements may be identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will" or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of Icahn Enterprises and its subsidiaries. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors, including risks related to economic downturns, substantial competition and rising operating costs; the impacts from the Russia/Ukraine conflict, including economic volatility and the impacts of export controls and other economic sanctions, risks related to our investment activities, including the nature of the investments made by the private funds in which we invest, declines in the fair value of our investments as a result of the COVID-19 pandemic, losses in the private funds and loss of key employees; risks related to our ability to continue to conduct our activities in a manner so as to not be deemed an investment company under the Investment Company Act of 1940, as amended, or to be taxed as a corporation; risks related to short sellers and associated litigation and regulatory inquiries; risks related to our general partner and controlling unitholder significant influence; risks related to our energy business, including the volatility and availability of crude oil, other feed stocks and refined products, declines in global demand for crude oil, refined products and liquid transportation fuels, unfavorable refining margin (crack spread), interrupted access to pipelines, significant fluctuations in nitrogen fertilizer demand in the agricultural industry and seasonality of results; risks related to the success of a spin-off of the fertilizer business including risks related to any decision to cease exploration of a spin-off; risks related to our automotive activities and exposure to adverse conditions in the automotive industry, including as a result of the COVID-19 pandemic and the Chapter 11 filing of our automotive parts subsidiary; risks related to our food packaging activities, including competition from better capitalized competitors, inability of our suppliers to timely deliver raw materials, and the failure to effectively respond to industry changes in casings technology; supply chain issues; inflation, including increased costs of raw materials and shipping, including as a result of the Russia/Ukraine conflict; interest rate increases; labor shortages and workforce availability; risks related to our real estate activities, including the extent of any tenant bankruptcies and insolvencies; risks related to our home fashion operations, including changes in the availability and price of raw materials, and changes in transportation costs and delivery times; and other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission including our Annual Report on Form 10-K and our quarterly reports on Form 10-Q under the caption "Risk Factors." Additionally, there may be other factors not presently known to us or which we currently consider to be immaterial that may cause our actual results to differ materially from the forward-looking statements. Past performance in our Investment segment is not indicative of future performance. We undertake no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.

Investor Contact:
Ted Papapostolou, Chief Financial Officer
IR@ielp.com
(800) 255-2737

View original content:https://www.prnewswire.com/news-releases/carl-c-icahn-301893357.html

SOURCE Icahn Enterprises L.P.