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ICAHN ENTERPRISES L.P.
Form 10-Q
August 07, 2012
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, 2012

Commission File Number 1-9516

ICAHN ENTERPRISES L.P.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

13-3398766
(IRS Employer Identification No.)

767 Fifth Avenue, Suite 4700
New York, NY 10153
(Address of Principal Executive Offices) (Zip Code)

(212) 702-4300
(Registrant's Telephone Number, Including Area Code)

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.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

As of August 6, 2012, there were 100,313,727 depositary units outstanding.

ICAHN ENTERPRISES L.P.
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In millions, except unit amounts)

	June 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Cash and cash equivalents	\$3,209	\$2,278
Cash held at consolidated affiliated partnerships and restricted cash	1,372	4,979
Investments	5,386	8,938
Accounts receivable, net	1,865	1,424
Due from brokers	128	30
Inventories, net	1,862	1,344
Property, plant and equipment, net	6,220	3,505
Goodwill	2,023	1,127
Intangible assets, net	1,208	899
Other assets	741	612
Total Assets	\$24,014	\$25,136
LIABILITIES AND EQUITY		
Accounts payable	\$1,379	\$970
Accrued expenses and other liabilities	1,554	1,317
Deferred tax liability	1,319	556
Securities sold, not yet purchased, at fair value	548	4,476
Due to brokers	4	2,171
Post-employment benefit liability	1,303	1,340
Debt	8,205	6,473
Total liabilities	14,312	17,303
Commitments and contingencies (Note 19)		
Equity:		
Limited partners: Depositary units: 100,313,727 units issued and outstanding at June 30, 2012 (including 619,585 units issued as a unit distribution on March 30, 2012 and 532,190 units issued as a unit distribution on May 31, 2012) and 86,708,914 units issued and 85,571,714 units outstanding at December 31, 2011	4,790	4,038
General partner	(255)	(271)
Treasury units at cost: 1,137,200 depositary units at December 31, 2011	—	(12)
Equity attributable to Icahn Enterprises	4,535	3,755
Equity attributable to non-controlling interests	5,167	4,078
Total equity	9,702	7,833
Total Liabilities and Equity	\$24,014	\$25,136

See notes to consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per unit amounts) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		
	2012	2011	2012	2011	
Revenues:					
Net sales	\$3,707	\$2,357	\$6,106	\$4,608	
Other revenues from operations	204	183	396	376	
Net gain from investment activities	278	590	336	1,207	
Interest and dividend income	17	27	42	61	
Other (loss) income, net	(1) (15) 9	(32)
	4,205	3,142	6,889	6,220	
Expenses:					
Cost of goods sold	3,229	2,009	5,301	3,934	
Other expenses from operations	108	104	214	212	
Selling, general and administrative	337	304	646	623	
Restructuring	9	1	16	4	
Impairment	32	3	34	3	
Interest expense	128	113	245	222	
	3,843	2,534	6,456	4,998	
Income before income tax benefit (expense)	362	608	433	1,222	
Income tax benefit (expense)	88	(24) 118	(42)
Net income	450	584	551	1,180	
Less: net income attributable to non-controlling interests	(210) (295) (262) (651)
Net income attributable to Icahn Enterprises	\$240	\$289	\$289	\$529	
Net income attributable to Icahn Enterprises allocable to:					
Limited partners	\$235	\$283	\$283	\$518	
General partner	5	6	6	11	
	\$240	\$289	\$289	\$529	
Basic income per LP unit	\$2.35	\$3.25	\$2.86	\$5.95	
Basic weighted average LP units outstanding	100	87	99	87	
Diluted income per LP unit	\$2.29	\$3.15	\$2.83	\$5.77	
Diluted weighted average LP units outstanding	105	92	104	92	
Cash distributions declared per LP unit	\$0.10	\$0.10	\$0.20	\$0.35	

See notes to consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		
	2012	2011	2012	2011	
Net income	\$450	\$584	\$551	\$1,180	
Other comprehensive (loss) income, net of tax:					
Post-employment benefits	—	4	9	5	
Hedge instruments	—	(8) 14	(3)
Translation adjustments and other	(110) 31	(26) 118	
Other comprehensive (loss) income, net of tax	(110) 27	(3) 120	
Comprehensive income	340	611	548	1,300	
Less: Comprehensive income attributable to non-controlling interests	(181) (301) (260) (681)
Comprehensive income attributable to Icahn Enterprises	\$ 159	\$ 310	\$ 288	\$ 619	
Comprehensive income attributable to Icahn Enterprises allocable to:					
Limited partners	\$ 155	\$ 303	\$ 282	\$ 606	
General partner	4	7	6	13	
	\$ 159	\$ 310	\$ 288	\$ 619	

Accumulated other comprehensive loss was \$858 million and \$855 million at June 30, 2012 and December 31, 2011, respectively.

See notes to consolidated financial statements.

ICAHN ENTERPRISES L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In millions, except units) (Unaudited)

	Equity Attributable to Icahn Enterprises Held in Treasury				Total Partners' Equity	Non-controlling Interests	Total Equity
	General Partner's Equity (Deficit)	Limited Partners' Equity	Amount	Units			
Balance, December 31, 2011	\$(271)	\$4,038	\$(12)	1,137,200	\$3,755	\$ 4,078	\$7,833
Net income	6	283	—	—	289	262	551
Other comprehensive income	—	(1)	—	—	(1)	(2)	(3)
Cancellation of treasury units	—	(12)	12	(1,137,200)	—	—	—
Partnership contributions	10	500	—	—	510	—	510
Partnership distributions	—	(20)	—	—	(20)	—	(20)
Investment segment distributions	—	—	—	—	—	—	—