ICAHN CAPITAL LP

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Performance Review for 4Q 2009

The net return for Icahn Partners LP was -1.2% for the quarter ended December 31, 2009 and positive 31.9% for the year.

Net Performance[1] for Periods Ended December 31, 2009

	Fourth Quarter 2009	2009	Annualized Since Inception Nov 2004	Cumulative Since Inception Nov 2004
Icahn Partners LP	-1.2%	31.9%	6.8%	41.3%
S&P 500[2]	6.0%	26.4%	1.1%	5.9%

We are pleased with the Fund's performance in 2009, as it was up over 31% net driven by strong gains in both the long equity and long credit portfolios.

As of quarter end our net equity exposure remained under 20%, reflecting our defensive stance. Our long equity exposure is concentrated in Motorola, Biogen, CIT, and Amylin. We received an equity stake in CIT when it emerged from bankruptcy in December. We maintain board representation at Motorola, Biogen and Amylin and are actively involved with each of these companies. In addition, a director recommended by us was placed on CIT's board. We continue to believe that the performance of these core long equity names will hinge on company specific events as opposed to the direction of the markets in general.

Our net credit exposure remained consistent over the quarter at 47%. Our long credit portfolio performed well as we made money both on our more yield-oriented plays as well as on the positions in which we have been active. Given 2009's rally in the credit markets, we believe that going forward we will create the most value by being active in bankruptcies and restructurings, just as we have been with Tropicana, CIT and Realogy. As such, we expect to continue to reallocate capital away from more passive debt positions, such as TXU and Harrah's, and into more traditional distressed credit situations.

To that point, recently we disclosed our involvement in Trump Entertainment Resorts. We purchased 50% of the outstanding senior bank debt from Beal Bank and effectively committed to buy the remaining 50%. In addition, we continue to hold a small position in Trump bonds. Trump was attractive due to our substantial experience in Gaming as well as our current controlling position in Tropicana Entertainment, another casino company. Gaming is a sector in which we have enjoyed success in the past and also one in which we believe we have deep knowledge and a competitive advantage. We are excited about the opportunities that may exist for us to create substantial value in this space. Because Trump continues to navigate its way through the bankruptcy process, we will hold off on discussing the situation in detail until a more appropriate time. Please stay tuned.

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As of January 1, 2010, Icahn Capital LP had $5.8 billion under management. Icahn Partners LP and Icahn Fund Ltd. (collectively, "the Funds") continue to be focused on a handful of core activist positions. As of December 31, 2009, the Funds' five largest long positions (equity or debt) represented an exposure of approximately 68% of the Funds' NAV, and the ten largest long positions (equity or debt) represented an exposure of approximately 94% of the Funds' NAV. The Funds had 17 long equity positions and 14 long credit positions at quarter end.

<u>Equity</u>
As of December 31, 2009, the Funds' long equity exposure was 53% and short equity exposure was 36% for a net equity exposure of 17%. We remain focused on our core equity positions and continue to maintain a cautious stance regarding equities in general. Our biotech exposure accounts for approximately half of our total long equity exposure and added approximately 0.6% to performance over the quarter. Our biotech book is composed of nine names but is concentrated in three.

Our equity hedge exposure detracted 2.6% from our performance over the quarter. I continue to believe that we should maintain our hedge as downside protection against a potential pullback in last year's equity rally. The majority of this exposure continues to be a broad market equity short, which is expressed through equity index futures, as well as REITs. In addition, we continue to short some individual consumer stocks to reflect our view that the U.S. consumer remains unhealthy.

<u>Credit</u>
At quarter end, long credit exposure was 62% and short credit exposure was 14% for a net credit exposure of 47%. Our long credit exposure is comprised of secured debt (~37% exposure) as well as unsecured debt (~25%). Over the quarter, this exposure contributed approximately 5.2% to performance. Our credit book is concentrated in core positions in various sectors. We have moved to realize profits on some of our more passive yield plays as credit markets have rallied, and redeployed those proceeds into more "event-driven" credit names. Going forward we believe that substantial value will be created by becoming active in companies that are likely to file/reorganize. We believe that we are uniquely qualified to outperform in these types of situations.

Our short credit exposure continues to be comprised mostly of the CDX High Yield Index. In December we also established a short position in the CDX Investment Grade Index as we believe credit spreads have become too tight. Our short credit exposure detracted approximately 1.3% from performance over the quarter.

We continue to believe that a large percentage of our new investment dollars will be allocated to credit, and expect that credit will continue to be a significant driver of returns just as it was during the fourth quarter and all of 2009. As this distressed cycle plays out, we will remain focused on acquiring interests in a handful of asset-intensive businesses that trade at significant discounts to their inherent values.

The following table depicts our fourth quarter and 2009 profit and loss attribution by asset class.

PnL Attribution*	4Q – 2009	2009
Long Equities	-1.8%	15.4%
Long Credit	5.2%	34.6%
Long Total	***3.3%***	***50.0%***
Short Equities	-2.6%	-12.8%
Short Credit	-1.3%	-2.8%
Short Total	***-3.9%***	***-15.6%***

*Represents gross contribution to P&L across all four investment vehicles excluding cash. Note that this may not match the Fund's performance.

Our sector exposures are, for the most part, a direct result of our underlying fundamental research on specific companies. The Funds' top five sectors net exposures are listed below.

Top 5 Sectors as of December 31, 2009	Long Exposure
Consumer, Non-Cyclical	25.8%
Consumer, Cyclical	20.6%
Communications	20.3%
Financial	16.1%
Utilities	7.3%

The following are fourth quarter updates on some of the core positions:

<u>CIT</u>

CIT was a 22% position at quarter end (17% credit and 5% equity). Prior to the Company's emergence from bankruptcy on December 10, 2009, we owned approximately $2 billion (including my 20% co-investment) in face value of CIT's senior unsecured bonds at a cost basis of approximately 60 cents. We acquired most of our bonds during the second and third quarter of 2009. As part of CIT's successful pre-packaged plan of reorganization, our bonds were converted into approximately $1.3 billion in face value of the Company's new secured bonds and just over 5% of its outstanding equity. At year end, the new securities we received traded at a value equivalent on our original bonds in excess of 80 cents on the dollar.

CIT historically operated as a leading specialty finance company. However, the business model of borrowing short and cheaply from Wall Street on an unsecured basis and lending long on a secured basis with up to 20 times leverage proved untenable during the recent credit crisis. During the credit crisis CIT's management took several steps to attempt to avoid bankruptcy including converting to a bank holding company and securing approximately $2.4 billion of TARP funding. Nonetheless, in July 2009, when the government refused to provide further assistance and limited CIT's ability to do 23A transfers of assets from the holding company to their State Bank subsidiary as a source of capital to repay debt maturities the inevitable ultimately occurred – a run on the bank began and CIT was forced into bankruptcy. CIT filed for bankruptcy on November 1, 2009.

We played a very active role in helping to drive and enhance the value of CIT's prepackaged plan of reorganization. We believe we were the Company's largest individual creditor and we exerted our rights to ensure that the reorganized Company was best positioned to succeed financially and structured from a corporate governance perspective to drive accountability. Specifically, we were influential in demanding that the new CIT board would be comprised of a majority of new directors nominated by existing bondholders, that the old management team be replaced and that significant cash flow sweeps be put in place to help ensure that CIT prudently wound down activities at the holding company and returned money to bondholders while allowing an appropriate runway to attempt to fund its most valuable business platforms from its bank through a diversified, low cost, stable deposit funding model. We believe that our involvement in CIT helped to consummate a quick restructuring and did so in a manner that substantially increased the recoveries to bondholders.

Through year end we have made $335 million of profit on our investment in CIT. Going forward we will continue to analyze the different securities we own as independent investments and evaluate their respective risk/reward scenarios.

Motorola (MOT)
Motorola was a 17% position at quarter end. The Company's stock price depreciated approximately 9.7% during the fourth quarter but was up over 75% in 2009.

During 2009 Motorola made significant strides in repositioning their Mobile Device business. Motorola has shifted its focus from a voice centric feature phone manufacturer into a smaller company focused on higher margin android based smartphones. During the fourth quarter, Motorola released its first new smartphones – Droid (Verizon) and CLIQ (T-Mobile) in the United States. The phones were well received selling 2 million units in the fourth quarter. Subsequently, Motorola has announced or launched a handful of additional smartphones in China, South America, Western Europe and the United States. In 2010 Motorola anticipates launching 20 smartphones and shipping between 11 and 14 million units.

Motorola's most recent 10-Q states "The Company has previously announced that it is pursuing the creation of two independent, publicly traded companies. The Company continues to progress on various elements of its separation plan. Management and the Board of Directors remain committed to separation in as expeditious a manner as possible and continue to believe this is the best path for the Company to maximize value for all its shareholders." As we have previously stated, we believe that separation will create value for Motorola shareholders. Mobile Devices recent progress should help make separation a reality in a timely manner and presents, in our opinion, phenomenal risk/reward in Motorola's shares. We continue to believe that Motorola's stock has the potential for significant upside in 2010.

Biogen (BIIB)
Biogen, a biotechnology company best known for its multiple sclerosis and cancer drug therapies, was approximately a 12% holding in the Funds at quarter end and we owned over 5% of the outstanding shares. Over the quarter, Biogen was up over 5.9% and it was up approximately 12% for the year.

During the quarter, Chairman Bruce Ross announced that he would step down. Then on January 4, 2010, Biogen's CEO, Jim Mullen, announced that he would also step down. We believe these changes provide Biogen with the opportunity to seek fresh management and also to improve its business. During the quarter the Company also announced that it had dropped its $420 million bid for Facet Biotech Corp., believing the price was too high. We were happy to see the Company exercising fiscal discipline. Despite the dropped bid, Biogen will continue to partner with Facet on various multiple sclerosis treatments, including Daclizumab, which is currently in development.

Despite the continued potential for short term stock price fluctuations, we remain optimistic about the longer term prospects for the Company. We remain focused on working diligently with Biogen's board, which includes Alex Denner and Richard Mulligan both of whom we nominated and successfully elected to the Board. On January 27, 2010, we sent a letter to Biogen indicating that we intended to nominate three additional individuals for election to the Company's Board in 2010.

Realogy

Realogy was a 9% position at quarter end and contributed approximately 0.5% to performance during the quarter. As of December 31, 2009 we owned 19% of the outstanding first lien bank debt.

We took advantage of the credit rally and sold our second lien debt over the fourth quarter. In 2009 we blocked Apollo's initial exchange attempt and then played an extremely active role in the restructuring of Realogy's balance sheet between September and October. We continue to believe that Realogy's business model and franchise will be well positioned when the real estate market bounces back. We will continue to evaluate the risk/reward scenario that Realogy presents to the Funds.

Trump Entertainment Resorts

Trump was an 8% position at quarter end and detracted approximately 0.1% from performance over the quarter. As we previously mentioned, the situation remains extremely fluid and we will therefore hold off on going into detail until a more appropriate time. Please stay tuned.

Tropicana

At December 31, 2009, we held approximately $657 million in face value of Tropicana's $1.35 billion senior secured credit facility (the "Credit Facility"), which we acquired for a cost of approximately $165 million, or 27 cents on the dollar. Our position accounted for just over 3% of the Funds' exposure at quarter end, and we intend to increase our investment in Tropicana by providing the majority of the $150 million exit financing on attractive terms. This financing will be used to repay the Company's current DIP loan as well as to satisfy its future working capital needs.

We have been the driving force in the parallel bankruptcy proceedings for both Tropicana Entertainment and Tropicana Atlantic City. Both company's reorganization plans continue to press ahead and we expect them to emerge from bankruptcy in February 2010. We expect that the Funds will own approximately 48% of the outstanding equity and that we will control three of the seven Board seats at Tropicana Entertainment, effective the day the Company emerges from bankruptcy. We successfully petitioned the New Jersey Casino Control Commission to approve the reconstitution of Tropicana Atlantic City with Tropicana Entertainment, so that we can consolidate the operations of the two companies under one roof.

The casino licensing process is proceeding well, and upon approval from New Jersey we will be able to close this process. We believe that when this Company emerges from bankruptcy we will have gained control of a good asset that will provide us with great value.

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<u>Perspectives</u>

The contrast between the investment environments of 2008 and 2009 could hardly be more stark. 2008 was defined by an utter lack of liquidity, while 2009 came to be a year of excess liquidity. With cash yielding close to nothing last year, yield-hungry investors felt that they could no longer sit on the sidelines. They plunged head first into both equity and credit, aggressively driving up the markets. Yet where and what were the signs suggesting that the fundamentals had changed and that the economy was on the mend? While some economic indicators showed signs of improvement towards year end, a key indicator, unemployment, still remains high. We believe that until employment picks up, both the housing market and the overall economy will remain weak as debt-laden consumers will be unwilling (and unable) to open their wallets. Many consumers seem down-right scared to spend money. In short, we believe that a true economic recovery will require a healthier and more confident consumer. In addition, many corporate balance sheets are still impaired with too much leverage. I believe that this combination of obstacles will not be bypassed as quickly and easily as many seem to think.

Furthermore, I am nervous that we may experience a double-dip recession. I am not confident that the current administration in Washington fully understands the impact that its drastic stimulus efforts will likely have. As a country, it would be foolish for us to continue to print money and run up the deficit while turning a blind eye to the potential consequences. I can't say whether we're in for full blown inflation or merely a weak economy for a prolonged period of time, but I do feel sure that there will be consequences.

While all of this may spell gloom and doom for the economy, I believe it may present us with the types of opportunities on which I have capitalized over the last three decades and for which we are currently positioned to capitalize. As I've noted before, an environment in which good companies with bad balance sheets are forced to file and reorganize is an environment in which we have the ability to earn outsized returns. Our team of investment and legal professionals is certainly one of the best in terms of its understanding of distressed debt, distressed for control situations, as well as the bankruptcy process. On top of that, our business model allows us to be agnostic regarding the types of securities we buy and ultimately own, as well as the duration for which we own them. Going forward, I believe that investors will have to create their own opportunities and value as I think that the days of easy yield in the credit markets have come and gone.

In addition to bankruptcies, we are also looking at the M&A landscape. One benefit of the increase in liquidity is a potential uptick in M&A activity due to the fact that some companies may begin to feel cash-rich while others may find themselves on the auction block. This paradigm is tailor made for the activist investor. While we don't believe that the stars have aligned quite yet in many sectors, a notable exception is biotech. Big pharma is notoriously cash-rich, which means they are not dependent on financing, and we believe their appetite for biotech is as big as ever.

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On a housekeeping note, we expect that 2009 K1s will be sent out prior to April 1st, while the 2009 audited financials should be completed prior to May 1st.

As further evidence of my commitment to the Funds and my belief that there will be tremendous investment opportunities in the months ahead, my affiliates and I added an additional $400 million to the Funds on February 1, 2010.

As we mentioned in our last letter, we are asking our current investors to roll into a new share class or redeem their capital once it is out of lockup. We are happy to report that we have had success with our investors rolling into our new share options. We will continue to reach out to our investors to discuss their options. In the meantime, investors should feel free to contact us with any questions.

We are pleased that 2009 ended on a positive note and we will continue to work hard to identify investment opportunities that will make 2010 another successful year. Your continued support is appreciated and as always I invite you to call at any time to discuss any questions or thoughts you may have.

Sincerely,

Carl

Carl C. Icahn

Footnotes:
[1]On July 1, 2009 the Fund began offering Option 2. Listed above are the proforma returns shown assuming the Fund's return net of any expenses, special profits interest allocation and performance allocation that were applicable to such Option 2 as if it was issued on November 1, 2004.

Note that these preliminary returns are indicative of a typical investor who has been invested in the fund since inception and may not reflect your individual performance. Performance is estimated and unaudited. Past performance is not necessarily indicative of future results. The performance information is presented net of expenses and net of any accrued special profits interest allocation and/or performance allocation, which allocations are generally not earned until the end of each fiscal year. This communication is for information purposes only and should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product, an official confirmation of any transaction, or as an official statement of Icahn Capital LP or Icahn Onshore LP.

[2]The S&P 500 sets forth the performance of a well-known broad-based stock market index, assuming reinvestment of dividends. The statistical data regarding the S&P 500 has been obtained from sources believed to be reliable. The S&P 500 contains only seasoned equity securities. The investment program of the Funds generally does not include securities comprising the S&P 500; rather, the Funds invest in equity and debt securities, including the securities of distressed issuers. In addition, the Funds may use various investment techniques, such as certain arbitrage strategies, leverage, short selling and currency and options transactions, not reflected in the S&P 500. For the foregoing and other reasons, the performance of the Funds and the S&P 500 are not comparable.