VISKASE COMPANIES, INC.

Financial report for the fiscal quarter ended September 30, 2016

This report has been prepared in accordance with Section 5.04 of the Credit Agreement dated as of January 30, 2014 among Viskase Companies, Inc. (the "Company") and UBS AG, Stamford Branch as administrative agent and as collateral agent (the "Agent").

CONSOLIDATED FINANCIAL STATEMENTS OF VISKASE COMPANIES, INC. AND SUBSIDIARIES

1. Financial Statements:

   Report of Independent Certified Public Accountants

   Consolidated Balance Sheets as of September 30, 2016 (unaudited) and December 31, 2015

   Consolidated Statements of Operations for the three months and nine months ended September 30, 2016 and September 30, 2015 (unaudited)

   Consolidated Statements of Comprehensive Income for the three months and nine months ended September 30, 2016 and September 30, 2015 (unaudited)

   Consolidated Statements of Stockholders' Equity for the nine months ended September 30, 2016 (unaudited) and the year ended December 31, 2015

   Consolidated Statements of Cash Flows for the nine months ended September 30, 2016 and September 30, 2015 (unaudited)

2. Notes to Consolidated Financial Statements (unaudited)

Grant Thornton LLP
Grant Thornton Tower
171 N. Clark Street, Suite 200
Chicago, IL 60601-3370

T +1 312 856 0200
F +1 312 565 4719
www.GrantThornton.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Viskase Companies, Inc.

We have reviewed the accompanying condensed consolidated interim financial statements of Viskase Companies, Inc. (a Delaware corporation) and subsidiaries (together, the Company), which comprise the condensed consolidated balance sheet as of September 30, 2016, and the related condensed consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the three-month and nine-month periods ended September 30, 2016 and 2015, and the related notes to the interim financial statements.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with accounting principles generally accepted in the United States of America.

Auditor's responsibility

Our responsibility is to conduct our reviews in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion.

Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on condensed consolidated balance sheet as of December 31, 2015

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of the Company as of December 31, 2015, and the related consolidated statements of income, comprehensive income (loss), changes in stockholders' equity, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 30, 2016. In our opinion, the accompanying condensed consolidated balance sheet of the Company as of December 31, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

Chicago, Illinois
November 3, 2016

VISKASE COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except for Number of Shares)

	September 30, 2016	December 31, 2015
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	$46,812	$37,321
Restricted cash	2,063	1,364
Receivables, net	56,664	60,252
Inventories	77,679	76,788
Other current assets	21,375	24,489
Total current assets	204,593	200,214
Property, plant and equipment	305,457	294,355
Less accumulated depreciation	153,130	140,727
Property, plant and equipment, net	152,327	153,628
Other assets, net	12,844	8,860
Deferred income taxes	51,157	48,848
Total Assets	$420,921	$411,550
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$2,750	$3,160
Short-term portion of capital lease obligations	130	174
Accounts payable	24,050	25,472
Accrued liabilities	37,150	34,809
Total current liabilities	64,080	63,615
Long-term debt, net of current maturities	262,402	264,148
Capital lease obligations, net of current portion	74	137
Long-term liabilities	1,713	-
Accrued employee benefits	51,901	50,495
Stockholders' equity:		
Common stock, $0.01 par value; 36,989,711 shares issued and 36,184,441 outstanding at September 30, 2016 and December 31, 2015	370	370
Paid in capital	32,861	32,861
Retained earnings	86,004	80,272
Less 805,270 treasury shares, at cost	(298)	(298)
Accumulated other comprehensive loss	(78,186)	(80,050)
Total stockholders' equity	40,751	33,155
Total Liabilities and Stockholders' Equity	$420,921	$411,550

See notes to consolidated financial statements.

VISKASE COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands)
(Unaudited)

	3 Months Ended September 30, 2016	3 Months Ended September 30, 2015	9 Months Ended September 30, 2016	9 Months Ended September 30, 2015
NET SALES	$81,256	$85,878	$242,950	$261,536
Cost of sales	60,889	66,142	184,366	198,339
GROSS MARGIN	20,367	19,736	58,584	63,197
Selling, general and administrative	12,816	14,683	39,115	37,700
Amortization of intangibles	5	4	14	12
Restructuring expense	250	5	2,401	360
Asset impairment charge	-	-	-	348
OPERATING INCOME	7,296	5,044	17,054	24,777
Interest income	7	2	14	26
Interest expense	3,164	3,085	9,400	9,180
Other (income) expense, net	679	4,907	(2,438)	7,356
INCOME BEFORE INCOME TAXES	3,460	(2,946)	10,106	8,267
Income tax provision	1,414	(1,326)	4,374	4,190
NET INCOME	$2,046	($1,620)	$5,732	$4,077

See notes to consolidated financial statements.

VISKASE COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands)
(Unaudited)

	3 Months Ended September 30, 2016	3 Months Ended September 30, 2015	9 Months Ended September 30, 2016	9 Months Ended September 30, 2015
Net income	$2,046	($1,620)	$5,732	$4,077
Other comprehensive income (loss), net of tax				
Pension liability adjustment	1,134	1,020	4,467	3,154
Foreign currency translation adjustment	(1,870)	(2,335)	(2,603)	(6,903)
Other comprehensive income (loss), net of t	(736)	(1,315)	1,864	(3,749)
Comprehensive income	$1,310	($2,935)	$7,596	$328

See notes to consolidated financial statements.

VISKASE COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In Thousands)

	Common stock	Paid in capital	Treasury stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
Balance December 31, 2014	$370	$32,801	($298)	$78,975	($72,958)	$38,890
Net income				1,297		1,297
Foreign currency translation adjustment					(8,546)	(8,546)
Pension liability adjustment, net of tax					1,454	1,454
Stock option expense		60				60
Balance December 31, 2015	$370	$32,861	($298)	$80,272	($80,050)	$33,155
Net income				5,732		5,732
Foreign currency translation adjustment					(2,603)	(2,603)
Pension liability adjustment, net of tax					4,467	4,467
Balance September 30, 2016 (unaudited)	$370	$32,861	($298)	$86,004	($78,186)	$40,751

See notes to consolidated financial statements.

VISKASE COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	9 Months Ended September 30, 2016	9 Months Ended September 30, 2015
Cash flows from operating activities:		
Net income	$5,732	$4,077
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	14,106	13,988
Stock-based compensation	-	45
Amortization of intangibles	14	12
Amortization of deferred financing fees	484	426
Change in deferred tax	(1,132)	(7)
Non-cash interest	70	52
Loss (Gain) on disposition of assets	306	348
Bad debt provision	241	114
Changes in operating assets and liabilities:		
Receivables	3,789	(2,890)
Inventories	(465)	(818)
Other current assets	3,292	3,562
Other assets	(3,998)	(937)
Accounts payable	(1,657)	(212)
Accrued liabilities	2,024	3,019
Other	756	980
Total adjustments	17,830	17,682
Net cash provided by operating activities	23,562	21,759
Cash flows from investing activities:		
Capital expenditures	(10,924)	(14,573)
Proceeds from disposition of assets	41	18
Net cash used in investing activities	(10,883)	(14,555)
Cash flows from financing activities:		
Deferred financing costs	(245)	(120)
Repayment of capital lease	(111)	(296)
Repayment of short term debt	(2,479)	(2,482)
Restricted cash	(699)	(100)
Net cash used in financing activities	(3,534)	(2,998)
Effect of currency exchange rate changes on cash	346	(1,038)
Net decrease in cash and equivalents	9,491	3,168
Cash and equivalents at beginning of period	37,321	39,310
Cash and equivalents at end of period	$46,812	$42,478
Supplemental cash flow information:		
Interest paid	$8,823	$10,798
Income taxes paid	$3,732	$2,583

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands)
(Unaudited)

1. Summary of Significant Accounting Policy

Nature of Operations

Viskase Companies, Inc. together with its subsidiaries ("we" or the "Company") is a producer of non-edible cellulosic, fibrous and plastic casings used to prepare and package processed meat products, and provides value-added support services relating to these products, for some of the largest global consumer products companies. We were incorporated in Delaware in 1970. The Company operates nine manufacturing facilities, six distribution centers and three service centers in North America, Europe, South America, and Asia and, as a result, is able to sell its products in nearly one hundred countries throughout the world.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company. Intercompany accounts and transactions have been eliminated in consolidation.

Reclassification

Reclassifications have been made to the prior years' financial statements to conform to the 2016 presentation.

Use of Estimates in the Preparation of Financial Statements

The financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America and include the use of estimates and assumptions that affect a number of amounts included in the Company's financial statements, including, among other things, pensions and other postretirement benefits and related disclosures, reserves for excess and obsolete inventory, allowance for doubtful accounts, and income taxes. Management bases its estimates on historical experience and other assumptions that we believe are reasonable. If actual amounts are ultimately different from previous estimates, the revisions are included in the Company's results for the period in which the actual amounts become known. Historically, the aggregate differences, if any, between the Company's estimates and actual amounts in any year have not had a significant effect on the Company's consolidated financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers cash equivalents to consist of all highly liquid debt investments purchased with an initial maturity of approximately three months or less. Due to the short-term nature of these instruments, the carrying values approximate the fair market value. Cash equivalents include $167 and $163 of short-term investments at September 30, 2016 and December 31, 2015, respectively. Of the cash held on deposit, essentially all of the cash balance was in excess of amounts insured by the Federal Deposit Insurance Corporation or other foreign provided bank insurance. The Company performs periodic evaluations of these institutions for relative credit standing and has not experienced any losses as a result of its cash concentration. Consequently, no significant concentrations of credit risk are considered to exist.

Receivables

Trade accounts receivable are classified as current assets and are reported net of allowance for doubtful accounts and a reserve for returns. This estimated allowance is primarily based upon our

evaluation of the financial condition of each customer, each customer's ability to pay and historical write-offs.

Inventories

Inventories are valued at the lower of first-in, first-out ("FIFO") cost or market.

Property, Plant and Equipment

The Company carries property, plant and equipment at cost less accumulated depreciation. Property and equipment additions include acquisition of property and equipment and costs incurred for computer software purchased for internal use including related external direct costs of materials and services and payroll costs for employees directly associated with the project. Upon retirement or other disposition, cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in results of operations. Depreciation is computed on the straight-line method using a half year convention over the estimated useful lives of the assets ranging from (i) building and improvements - 10 to 32 years, (ii) machinery and equipment - 4 to 12 years, (iii) furniture and fixtures - 3 to 12 years, (iv) auto and trucks - 2 to 5 years, (v) data processing – 3 to 7 years and (vi) leasehold improvements - shorter of lease or useful life.

In the ordinary course of business, we lease certain equipment, consisting mainly of autos, and certain real property. Real property consists of manufacturing, distribution and office facilities.

Deferred Financing Costs

Deferred financing costs are presented in the balance sheet as a direct deduction from the carrying amount of debt liability and amortized as expense using the effective interest rate method over the expected term of the related debt agreement. Amortization of deferred financing costs is classified as interest expense.

Patents and Trademarks

Patents and trademarks are amortized on the straight-line method over an estimated average useful life of 10 years.

Long-Lived Assets

The Company continues to evaluate the recoverability of long-lived assets including property, plant and equipment, trademarks and patents. Impairments are recognized when the expected undiscounted future operating cash flows derived from long-lived assets are less than their carrying value. If impairment is identified, valuation techniques deemed appropriate under the particular circumstances will be used to determine the asset's fair value. The loss will be measured based on the excess of carrying value over the determined fair value. The review for impairment is performed whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable.

Shipping and Handling

The Company periodically bills customers for shipping charges. These amounts are included in net revenue, with the associated costs included in cost of sales.

Pensions and Other Postretirement Benefits

The Company uses appropriate actuarial methods and assumptions in accounting for its defined benefit pension plans and non-pension postretirement benefits.

Actual results that differ from assumptions used are accumulated and amortized over future periods and, accordingly, generally affect recognized expense and the recorded obligation in future periods. Therefore, assumptions used to calculate benefit obligations as of the end of a fiscal year directly

impact the expense to be recognized in future periods. The primary assumptions affecting the Company's accounting for employee benefits as of September 30, 2016 are as follows:

- Long-term rate of return on plan assets: The required use of the expected long-term rate of return on plan assets may result in recognized returns that are greater or less than the actual returns on those plan assets in any given year. Over time, however, the expected long-term rate of return on plan assets is designed to approximate actual earned long-term returns. The Company uses long-term historical actual return information, the mix of investments that comprise plan assets, and future estimates of long-term investment returns by reference to external sources to develop an assumption of the expected long-term rate of return on plan assets. The expected long-term rate of return is used to calculate net periodic pension cost. In determining its pension obligations, the Company is using a long-term rate of return on U.S. plan assets of 7.50% for 2016. The Company is using a long-term rate of return on French plan assets of 3.20% for 2016. The German pension plan has no assets.

- Discount rate: The discount rate is used to calculate future pension and postretirement obligations. The Company is using a Mercer Bond yield curve in determining its pension obligations. The Company is using a discount rate of 4.68% for 2016. The Company is using a weighted average discount rate of 2.04% on its non-U.S. pension plans for 2016.

Income Taxes

Deferred tax assets and liabilities are measured using enacted tax laws and tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. In addition, the amounts of any future tax benefits are reduced by a valuation allowance to the extent such benefits are not expected to be realized on a more likely than not basis. Interest and penalties related to unrecognized tax benefits are included as a component of tax expense.

Other Comprehensive Income (Loss)

Comprehensive income (loss) includes all other non-stockholder changes in equity. Changes in other comprehensive income (loss) in 2016 and 2015 resulted from changes in foreign currency translation and minimum pension liability.

Revenue Recognition

Revenues are recognized at the time products are shipped to the customer, under F.O.B shipping point or F.O.B port terms, which is the point at which title is transferred, the customer has the assumed risk of loss, and when payment has been received or collection is reasonably assured. Revenues are net of discounts, rebates and allowances. Viskase records all labor, raw materials, in-bound freight, plant receiving and purchasing, warehousing, handling and distribution costs as a component of costs of sales.

Financial Instruments

The Company routinely enters into fixed price natural gas agreements which require us to purchase a portion of our natural gas each month at fixed prices. These fixed price agreements qualify for the "normal purchases" scope exception under derivative and hedging standards, therefore the natural gas purchases under these contracts were expensed as incurred and included within cost of sales. As of September 30, 2016, future annual minimum purchases remaining under the agreement are $522.

The Company's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The carrying amounts of these financial assets and liabilities approximate fair value due to the short maturities of these instruments. The fair value of the Company's revolving loans approximate the carrying value due to credit risk or current market rates, which approximate the effective interest rates on those instruments. The fair value of the Company's Term Loan is

estimated by discounting the future cash flow using the Company's current borrowing rates for similar types and maturities of debt.

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 ("ASU 2014-09), Revenue from Contracts with Customers, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.
On July 9, 2015, the FASB board voted to defer the effective date to annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019 (early adoption is permitted no earlier than the original effective date). The guidance permits the use of either a retrospective or cumulative effect transition method. The Company is currently assessing the impact that adopting this new accounting guidance will have on the Company's consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, "Simplifying the Measurement of Inventory." This update provides that an entity should measure inventory with the scope of the update at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The amendments in this update are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The Company is currently assessing the impact that adopting this new accounting guidance will have on the Company's consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which amends FASB ASU 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. The standard is effective for interim and annual periods beginning after December 31, 2015 and is required to be applied on a retrospective basis. The Company's adoption of this new guidance has resulted in a reclassification of debt issuance costs on our consolidated balance sheets of $2,151 and $2,390 at September 30, 2016 and December 31, 2015, respectively.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. This new standard provides guidance on how entities measure certain equity investments and present changes in the fair value. This standard requires that entities measure certain equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. ASU 2016-01 is effective for fiscal years beginning after December 31, 2017. The Company is currently evaluating the provisions of this guidance and assessing its impact on the Company's financial statements and disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize a right of use asset and related lease liability for those leases classified as operating leases at the commencement date and have lease terms of more than 12 months. This topic retains the distinction between finance leases and operating leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, and interim periods within those years, and must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Company is currently evaluating the provisions of this guidance and assessing its impact on the Company's financial statements and disclosures.

In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarify the implementation guidance on principal versus agent considerations. The effective date to annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019 (early adoption is permitted no earlier than the original effective date). The Company is currently evaluating the provisions of this guidance and assessing its impact on the Company's financial statements and disclosures.

In March 2016, the FASB issued ASU No. 2016-09, Compensation-Stock Compensation-Improvements to Employee Share-Based Payment Accounting (Topic 718), which involves several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Under the new standard, income tax benefits and deficiencies are to be recognized as income tax expense or benefit in the income statement and the tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. An entity should also recognize excess tax benefits regardless of whether the benefit reduces taxes payable in the current period. Excess tax benefits should be classified along with other income tax cash flows as an operating activity. In regards to forfeitures, the entity may make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. This ASU is effective for fiscal years beginning after December 15, 2016 including interim periods within that reporting period, however early adoption is permitted. The Company is currently evaluating the guidance to determine the Company's adoption method and the effect it will have on the Company's Consolidated Financial Statements.

In August 2016, the FASB issued ASU No. 2016-15, Classification of Certain Cash Receipts and Cash Payments, which amends FASB ASC Topic 230, Statement of Cash Flows. This ASU seeks to reduce the diversity currently in practice by providing guidance on the presentation of eight specific cash flow issues in the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We currently evaluating the impact of this guidance on our consolidated statement of cash flows.

2. Cash and cash equivalents

	September 30, 2016	December 31, 2015
Cash and cash equivalents	$46,812	$37,321
Restricted cash	2,063	1,364
	$48,875	$38,685

As of September 30, 2016 and December 31, 2015, cash held in foreign banks was $29,053 and $17,407, respectively.

As of September 30, 2016 and December 31, 2015, letters of credit in the amount of $2,063 and $1,364, respectively, were outstanding under facilities with a commercial bank, and were cash collateralized in a restricted account.

3. Inventory

Inventory consisted of:

	September 30, 2016	December 31, 2015
Raw materials	$9,819	$11,612
Work in process	34,053	31,496
Finished products	33,807	33,680
	$77,679	$76,788

4. Debt Obligations

	September 30, 2016	December 31, 2015
Short-term debt:		
Europe unsecured loan	-	$410
Bank term loan	2,750	2,750
Total short-term debt	2,750	3,160
Long-term debt:		
Bank term loan	264,687	266,750
Other	315	307
Debt discount and fees	(2,600)	(2,909)
Total long-term debt, net	$262,402	$264,148

Revolving Credit Facility

On January 30, 2014, the Company entered into an Amendment Agreement to the $25,000 Revolving Credit Facility, together with an amended Loan Agreement, with Icahn Enterprises Holdings L.P. Drawings under the amended Revolving Credit Facility bear interest at daily three month LIBOR plus 2.0%. The amended Revolving Credit Facility also provides for an unused line fee of 0.375% per annum.

On March 1, 2016, the Company entered into the Tenth Amendment to the Loan and Security Agreement with Icahn Enterprises L.P., extending the maturity date of the Revolving Credit Facility from January 30, 2017 to January 30, 2020. The amendment included a fee of $125 for the extension.

Indebtedness under the amended Revolving Credit Facility is secured by liens on substantially all of the Company's domestic and Mexican assets, with liens on (i) accounts, inventory, lockboxes, deposit accounts and investment property (the "ABL Priority Collateral') to be contractually senior to the liens securing the Term Loan (as hereafter defined) pursuant to an intercreditor agreement, (ii) real property, fixtures and improvements thereon, equipment and proceeds thereof (the "Fixed Asset Priority Collateral"), to be contractually subordinate to the liens securing the Term Loan pursuant to such intercreditor agreement, and (iii) all other assets, to be contractually pari passu with the liens securing the Term Loan pursuant to such intercreditor agreement. Our future direct or indirect material domestic subsidiaries are required to guarantee the obligations under the amended Revolving Credit Agreement, and to provide security by liens on their assets as described above.

The amended Revolving Credit Facility contains various covenants which restrict the Company's ability to, among other things, incur indebtedness, create liens on our assets, make investments, enter into merger, consolidation or acquisition transactions, dispose of assets (other than in the ordinary course of business), make certain restricted payments, enter into sale and leaseback transactions and transactions with affiliates, in each case subject to permitted exceptions. The amended Revolving Credit Facility also requires that we comply with certain financial covenants, including meeting a minimum EBITDA requirement and limitations on capital expenditures, in the event our usage of the Revolving Credit Facility exceeds 90% of the facility amount. The Company is in compliance with the Revolving Credit Facility covenants as of September 30, 2016.

The amended Revolving Credit Facility had no borrowings as of September 30, 2016 and December 31, 2015.

In its foreign operations, the Company has unsecured lines of credit with various banks providing approximately $8,000 of availability. There were no borrowings under the lines of credit at September 30, 2016.

Term Loan Facility

On January 30, 2014, the Company entered into a Credit Agreement with UBS AG, Stamford Branch ("UBS"), as Administrative Agent and Collateral Agent, and the Lenders parties thereto, providing for a $275,000 senior secured covenant lite term loan facility ("Term Loan"). The Term Loan bears interest at a LIBOR Rate plus 3.25% (with the LIBOR Rate carrying a 1.00% floor or at a Base Rate equal to the sum of (1) the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 0.50%, (c) one-month LIBOR plus 1.0%, or (d) 2.0%, plus (2) 2.25%). As of September 30, 2016, the interest rate was 4.25% on the Term Loan. The Term Loan has a 1% per annum amortization with a maturity date of January 30, 2021. The Term Loan is subject to certain additional mandatory prepayments upon asset sales, incurrence of indebtedness not otherwise permitted, and based upon a percentage of excess cash flow. Prepayments on the Term Loan may be made at any time, subject to a prepayment premium of 1% for certain prepayments during the first six months of the term.

Indebtedness under the Term Loan is secured by liens on substantially all of the Company's domestic and Mexican assets, with liens on (i) the Fixed Asset Priority Collateral, to be contractually senior to the liens securing the Revolving Credit Facility pursuant to the intercreditor agreement, (ii) the ABL Priority Collateral, to be contractually subordinate to the liens securing the Revolving Credit Facility pursuant to the intercreditor agreement, and (iii) all other assets, to be contractually pari passu with the liens securing the Revolving Credit Facility pursuant to the intercreditor agreement. Our future direct or indirect material domestic subsidiaries are required to guarantee the obligations under the Term Loan, and to provide security by liens on their assets as described above.

Debt Maturity

The aggregate maturities of debt [(1)] for each of the next five years are:

	2016 [(2)]	2017	2018	2019	2020	Thereafter
Term Loan Facility	$ 688	$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 255,063
Other	-	-	-	-	-	893
	$ 688	$ 2,750	$ 2,750	$ 2,750	$ 2,750	$ 255,956

(1) The aggregate maturities of debt represent amounts to be paid at maturity and not the current carrying value of the debt.
(2) The amounts are for the remainder of the calendar year.

5. Capital Lease Obligations

The Company has entered into capital lease obligations to acquire certain equipment and building improvements for its manufacturing facilities. The equipment leases have a term of 3 to 5 years and the building improvement lease has a term of 5 years. The Company has determined that automobiles leased by the Company are capital leases with an average term of 4 years. The depreciation of capital leases is included in depreciation expense.

The following is an analysis of leased property under capital leases by major classes as of September 30, 2016 and December 31, 2015.

	September 30, 2016	December 31, 2015
Building and improvements	$453	$406
Machinery and equipment	2,372	2,273
Less: Accumulated depreciation	(2,621)	(2,344)
	$204	$335

The following is a schedule by years of minimum future lease payments as of September 30, 2016.

Year ending December 31,

2016 remainder	$66
2017	91
2018	43
2019	13
2020	4
Thereafter	-
Total minimum payments required	217
Less amount representing interest	(13)
Present value of net minimum lease payments	$204

6. Accrued Liabilities

	September 30, 2016	December 31, 2015
Compensation and employee benefits	$15,146	$12,471
Taxes payable	13,995	14,955
Accrued volume and sales rebates	1,279	1,778
Accrued interest payable	8	8
Other	6,722	5,597
	$37,150	$34,809

7. Income Taxes

The Company's continuing practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company recorded adjustments for interest and potential penalties related to these unrecognized tax benefits, and in total, as of September 30, 2016, the Company has recorded a liability for interest and potential penalties of $540.

Approximately $6,969 of the total unrecognized tax benefits represents the amount that, if recognized, would affect the effective income tax rate in future periods. The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has been audited by the IRS through 2013 which resulted in no additional tax liability. The Company will continue to utilize net operating loss carryforwards from periods prior to 2010. Substantially all material state and local and foreign income tax matters have been concluded for years through 2010. U.S. federal income tax return for 2014 and 2015 is open for examination. Based on the expiration of the statute of limitations for certain jurisdictions, it is reasonably possible that the unrecognized tax benefits will decrease in the next twelve months by approximately $15.

8. Pension and Postretirement

The Company has contributed $190 to pension benefits in the U.S. during the nine months ended September 30, 2016, and expects to contribute an additional $86 during the remainder of the year.

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	3 Months Ended September 30, 2016	3 Months Ended September 30 2015	3 Months Ended September 30 2016	3 Months Ended September 30 2015
Component of net period benefit cost				
Service cost	$ -	$ -	$105	$109
Interest cost	1,773	1,724	52	55
Expected return on plan assets	(2,036)	(2,238)	(32)	(35)
Amortization of prior service cost	-	-	-	-
Amortization of actuarial loss	1,092	1,021	43	44
	$829	$507	$168	$173

	U.S. Pension Benefits		Non U.S. Pension Benefits	
	9 Months Ended September 30 2016	9 Months Ended September 30 2015	9 Months Ended September 30 2016	9 Months Ended September 30 2015
Component of net period benefit cost				
Service cost	$ -	$ -	$313	$332
Interest cost	5,320	5,171	154	167
Expected return on plan assets	(6,108)	(6,715)	(94)	(106)
Amortization of actuarial loss	3,277	3,063	129	133
	$ 2,489	$ 1,519	$502	$526

9. Contingencies

The Company from time to time is involved in various other legal proceedings, none of which are expected to have a material adverse effect upon results of operations, cash flows or financial condition.

10. Stock-Based Compensation (Dollars in Thousands, Except Per Share Amounts)

Stock-based compensation cost is measured at the grant date based on fair value of the award and is recognized as an expense on a straight-line basis over the requisite service period, which is the vesting period. Included in net income is non-cash compensation expense of $0 and $45 for both the nine months ended September 30, 2016 and September 30, 2015.

The fair values of the options granted during 2013 and 2007 were estimated on the date of grant using the binomial option pricing model. The assumptions used and the estimated fair values are as follows:

	2013	2007
Expected term	5 years	10 years
Expected stock volatility	17.33%	23.04%
Risk-free interest rate	1.75%	4.39%
Expected forfeiture rate	0.00%	14.00%
Fair value per option	$0.51	$0.77

In April 2013, the Company granted non-qualified stock options to its current chief administrative officer for the purchase of 325,000 shares of its common stock under an employment agreement. Options were granted at the fair market value at date of grant and are fully vested. The options for the chief administrative officer expire on April 16, 2018.

In October 2007, the Company granted non-qualified stock options to its current chief executive officer for the purchase of 1,500,000 shares of its common stock under an employment agreement. Options were granted at the fair market value at date of grant and are fully vested. The options for the chief executive officer expire on October 29, 2017.

The Company has no outstanding non-qualified stock options granted to other members of management in 2005. Options were granted at, or above, the fair market value at the date of grant.

The Company's outstanding options were:

	Shares Under Option	Weighted Average Exercise Price
Outstanding, December 31, 2015	1,825,000	$2.82
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding, September 30, 2016	1,825,000	$2.82

Vested and exercisable options as of September 30, 2016 were 1,825,000 with a weighted average share price of $2.82.

11. Fair Value Measures

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.

12. Financial Instruments

Foreign Currency Risk

Viskase manufactures and sells its products in North America, South America, Asia, Europe and Africa. As a result, Viskase financial results can be significantly affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets in which Viskase manufactures and sells its products.

Viskase 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, Viskase considers managing certain aspects of its foreign currency activities through the use of foreign currency forward contracts. The principal currency hedged currently is the Mexican peso. Viskase had no foreign currency hedge contracts outstanding as of September 30, 2016 and December 31, 2015. Unrealized net loss of $111 was recorded in net income as of September 30, 2015, for these foreign currency contracts.

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

	Loss Recognized in Cost of Sales	
Derivatives Not Designated as Cash Flow Hedging Instruments	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015
Foreign exchange contracts	$ -	$ 117
	$ -	$ 117

	Loss Recognized in Cost of Sales	
Derivatives Not Designated as Cash Flow Hedging Instruments	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Foreign currency contracts	$ -	$ 111
	$ -	$ 111

13. Related-Party Transactions

As of September 30, 2016, Icahn Enterprises L.P. owned approximately 75.3% of our outstanding common stock. There were 737,613 shares of common stock purchased during the period ended September 30, 2016.

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.

On January 1, 2013, Viskase acquired a minority equity interest in Insight Portfolio Group and agreed to pay a portion of Insight Portfolio Group's operating expenses, which is approximately $174 and $193 for the nine months ended September 30, 2016 and September 30, 2015. 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 in 2016.

During the periods ended September 30, 2016 and September 30, 2015, the Company purchased $35 and $34, respectively, in telecommunication services in the ordinary course of business from XO Communications, Inc., an affiliate of Icahn Enterprises L.P.

Icahn Enterprises L.P. was the lender on the Company's Revolving Credit Facility as of September 30, 2016. The Company paid Icahn Enterprises L.P. service, commitment fees, interest and amendment fees of $216 and $91 during the periods ended September 30, 2016 and September 30, 2015.

14. Business Segment Information and Geographic Area Information

The Company primarily manufactures and sells cellulosic food casings. The Company's operations are primarily in North America, South America, Europe and Asia. Intercompany sales and charges (including royalties) have been reflected as appropriate in the following information. Certain items are maintained at the Company's corporate headquarters and are not allocated geographically. They include most of the Company's debt and related interest expense and income tax benefits.

Reporting Segment Information:

	9 Months Ended September 30, 2016	9 Months Ended September 30, 2015
Net sales by region		
North America	$140,256	$151,553
South America	34,201	35,550
Europe	86,484	91,075
Asia	24,934	22,732
Other and eliminations	(42,925)	(39,374)
	$242,950	$261,536
Operating income		
North America	$9,520	$20,529
South America	2,495	2,738
Europe	972	1,859
Asia	4,067	(349)
	$17,054	$24,777

	September 30, 2016	December 31, 2015
Identifiable assets		
North America	$209,845	$213,281
South America	61,917	54,481
Europe	103,498	101,385
Asia	45,661	42,403
	$420,921	$411,550

	9 Months Ended September 30, 2016	9 Months Ended September 30, 2015
Net Sales by market		
Emerging	$123,727	$129,853
Mature	119,223	131,683
	$242,950	$261,536
Net Sales from operations by country		
United States	$73,816	$79,459
Brazil	20,318	18,325
Italy	18,175	20,466
Philippines	16,447	14,443
Germany	7,453	8,159
France	8,483	10,330
Poland	6,005	5,364
Other international	92,253	104,990
	$242,950	$261,536

15. Changes in Accumulated Other Comprehensive Loss

	Accrued Employee Benefits	Translation Adjustments	Total
Balance at December 31, 2015	($52,221)	($27,829)	($80,050)
Other comprehensive income before reclassifications	1,061	(2,603)	(1,542)
Reclassifications from accumulated other comprehensive loss to earnings	3,406	-	3,406
Balance at September 30, 2016	($47,754)	($30,432)	($78,186)

	Amounts Reclassified from Accumulated Other Comprehensive Loss	Affected Line Items in the Consolidation Statement of Operations and Comprehensive Loss
Accrued Employee Benefits		
Amortization of net actuarial loss	$3,406	Selling, general and administrative
	$3,406	

16. Restructuring Charges

During the first half of 2016, the Company recognized a restructuring expense of $2,151. The costs of $1,858 relate to a Board-approved plan of restructuring of its French subsidiary operations to safeguard the Company's competitive environment in the European market. The Company estimates its total restructuring expense will be $4,170 when the plan is completed. The Company will exit its French plastics, printing, and MP coating operations, along with a targeted downsizing of its production and overhead personnel. The plan will involve the involuntary termination or relocation/reutilization of 38 employees (Corporate: 3 - Production: 30 - Support: 5) and the implementation of a social plan at an estimated expense of $2,980. The restructuring expense also includes an asset impairment of $672 and other fees of $518.

The Company believes this will position us to be in an improved competitive position for the future in the European market.

The Company recognized a cost of $543 related to the relocation of its North American finishing operations. The plan involved the involuntary termination of approximately 53 employees and will be completed in the second half of 2016. The restructuring expense includes an asset impairment of $174.

The Company also incurred a restructuring expense of $360 relating to the elimination of a shift in its Brazilian operations. The plan involved the involuntary termination of 42 employees and was completed in 2015.

The following table provides details of our restructuring provisions.

	September 30, 2016	December 31, 2015
Beginning balance	$1,713	$89
Provision	2,401	2,672
Payments/Impairments	(2,355)	(1,048)
Ending balance	$1,759	$1,713

17. Subsequent Events

Viskase evaluated its September 30, 2016 consolidated financial statements for subsequent events through November 3, 2016, the date the consolidated financial statements were available to be issued. There were no subsequent events requiring disclosure identified.